New Mauritius Hotels Limited

INTEGRATED ANNUAL REPORT 2018

BEACHCOMBER
RESORTS & HOTELS

NURTURING SUSTAINABLE GROWTH

BEACHCOMBER
RESORTS & HOTELS

OUR CORPORATE REPORTING SUITE

Dear Shareholders,

Your Board of Directors is pleased to present the Integrated Annual Report of New Mauritius Hotels Limited ("NMH") for the financial year ended 30 September 2018. This report was approved by the Board on 19 December 2018.

Hector ESPITALIER-NOËL
Chairman

Our Reporting Suite

For our Integrated Annual Report 2018, we hope our corporate reporting suite will enhance the understanding of the NMH Group.

Integrated Report	Integrated Report dealing with the six capitals involved to facilitate the overall understanding of the Group by our stakeholders.
Risk Management Report	A detailed Risk Management Framework and an analysis of the Group's strategic, reputational and operational risks.
Corporate Governance Report	Corporate Governance structures, committees and board performances, remuneration and other matters relating to Good Governance of the Group.
Annual Financial Statements	A detailed set of the audited Group Financial Statements.
Notice of Annual Meeting of Shareholders	Information and proxy for participants in the Annual Meeting of Shareholders.

CONTENTS

SECTION 5: ANNEX

ABOUT OUR REPORT

Towards Integrated Reporting

The Integrated Annual Report 2018 of the NMH Group was developed to communicate with the providers of financial capital while taking into consideration the needs of all our stakeholders. We have therefore produced a set of reports embedding the guiding principles and fundamental concepts contained in the International Integrated Reporting Council ("IIRC") framework.

Forward-Looking Statements

This report may contain forward-looking statements. Words such as 'believe', 'anticipate', 'intend', 'seek', 'will', 'plan', 'could', 'may', 'endeavour' and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements.

While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

We are not under any obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein, as they have not been reviewed or reported on by the independent external auditor of NMH.

Feedback

Your feedback is important to us and will help us enhance our reporting processes and ensure that we report on issues that matter to you. To get in touch with us, please visit:
https://www.beachcomber.com/en/

"A balanced view of the strategy of the Board, and how it relates to the organisation's ability to create value in the short, medium and long term."

Board Responsibility Statement

The Board of Directors of NMH acknowledges its responsibility to ensure the integrity of this Integrated Report. The Board has accordingly applied its collective mind and, in its opinion, this report addresses all material matters, offers a balanced view of its strategy, and how it relates to the organisation's ability to create value in the short, medium and long term. The report adequately addresses the use of and effects on the capitals and the manner in which the availability of these capitals is impacting the strategy and business model of NMH. We, as the Board, believe that this report has been prepared in accordance with the IIRC framework.

How to navigate through our Integrated Annual Report

For the Integrated Annual Report 2018, we have chosen the same icons used in the previous report, with minor graphical upgrades. We believe in consistency, and using these same icons will enhance the flow of the story we wish to tell you across time.

CAPITALS

Human Capital

Social Capital

Natural Capital

Intellectual Capital

Manufactured Capital

Financial Capital

Measuring our performance across several perspectives is easier through the use of capitals. These icons will help describe the respective impact and consequences of the capitals across the value creation strategy of the Group.

STRATEGIC FOCUS

Hotels under Development

Developing Capabilities

Digitalisation

Optimal Capital Structure

Market Channels

Corporate Identity

Each of our actions is a positive step towards reaching our objectives, which are shown across the report with the icons above.

STAKEHOLDERS

Shareholders

Guests

Fund Providers

Regulatory Authorities

Artisans

Local Community

Digital Population

Airlines, Travel Agents and Tour Operators

Understanding the needs of our stakeholders is crucial to our delivery and these icons highlight the specific areas where attention has been given to those needs.

GLOSSARY OF TERMS

In this document, the following terms shall have the meanings set out below:

TERMS	MEANING
AMS	Annual Meeting of Shareholders
ARC	Audit and Risk Committee
ARR	Average Room Revenue
bn	Billion
BHI	Beachcomber Hospitality Investments Ltd
Board	The Board of Directors of NMH
BREEAM	Building Research Establishment Environmental Assessment Method
CDS	Central Depository & Settlement Co. Ltd
CEM	Customer Experience Management
CEO	Chief Executive Officer
CGC	Corporate Governance Committee
CO_2	Carbon Dioxide
CSR	Corporate Social Responsibility
DMC	Destination Management Company
EBITDA	Earnings before Interest, Taxation, Depreciation and Amortisation
EGDPR	European General Data Protection Regulation
EIA	Environmental Impact Assessment
ENL	ENL Limited, a public company incorporated in Mauritius bearing business registration number C06000648 and listed on the Official Market of the SEM
EUR	Euro
FED	Fondation Espoir Développement Beachcomber
FTO	Federation of Tour Operators
FY	Financial Year
GBP	Great Britain Pound Sterling
GDPR	General Data Protection Regulation
GNS	Guest Night Spending
GRIT	GRIT Real Estate Income Group Limited, a public company incorporated in Mauritius bearing business registration number C128881 C1/GBL and listed on the Official Market of the SEM and LSE
H&S	Health & Safety
HT	High-Tension
IIRC	International Integrated Reporting Council

ISO	International Organisation for Standardisation
k	Thousand
KPI	Key Performance Indicator
kVA	Kilovolt-ampere
kW	Kilowatt
m	Million
MCB	Mauritius Commercial Bank Limited
MJ	Megajoule
MUR/Rs	Mauritian rupee
MW	Megawatt
NAV	Net Asset Value
NAVPS	Net Asset Value per Share
NGO	Non-Governmental Organisation
NMH, Company or Group	New Mauritius Hotels Limited, a public company incorporated in Mauritius bearing business registration number C06001439 and listed on the Official Market of the SEM
NOI	Net Operating Income
Official Market	Official Market of the Stock Exchange Market of the SEM
PAT	Profit after Taxation
PEJ	Projet Employabilité Jeunes
PIE	Public Interest Entity
PNEE	Programme National d'Efficacité Energétique
PV	Photovoltaic
ROE	Return on Equity
Rogers	Rogers and Company Limited, a public company incorporated in Mauritius bearing business registration number C06000706 and listed on the Official Market of the SEM
ROI	Return on Investment
SC	Strategy Committee
SEM	Stock Exchange of Mauritius Limited
SaaS	Software as a Service
TEQ	Toxic Equivalent Quantity
TO	Tour Operator
TRevPAR	Total Revenue per Available Room
USD	United States Dollar

BEAUTIFULLY RESPONSIBLE

SECTION 1 - BUSINESS OVERVIEW

CHAIRMAN'S REPORT

Dear Shareholders,

In 2018, the Group reached yet another milestone with turnover crossing the Rs 10bn mark for the first time, driven by improved performance of our main lines of business, namely hotel operations and property development. Earnings from operating activities consequently increased by 21% and Group profit after tax grew fourfold to reach Rs 134m. Despite the slight drop in room occupancy to 71% (FY17: 72%), total revenue per available room (TRevPAR) improved by 2%, reflecting enhanced rates for renovated rooms, higher-yielding direct sales and a relatively stronger euro.

Group Assets also reached a high of Rs 36bn with the renovation of Canonnier Beachcomber Golf Resort & Spa and extension of Victoria Beachcomber Resort & Spa contributing mostly thereto. Net asset value per share stood at Rs 24.9, an increase of 6% from last year. Market capitalisation at 30 September 2018 improved to Rs 12bn, (FY17: Rs 11bn) at the prevailing share price of Rs 22.25.

We are pleased to report that the Company resumed the payment of dividends to ordinary shareholders in 2018. A dividend of Rs 0.22 per ordinary share was declared during the year.

Re-Engineering Financial Liabilities

In November 2017, the Company issued a Multi-Currency Note Programme to reorganise its existing financial liabilities and successfully raised a total amount of Rs 3bn in EUR equivalent and MUR to repay part of its existing debts. At the same time, the remaining debt was renegotiated at more favourable terms, such as longer capital moratorium periods, extended tenor and reduced interest rates. This helped generate the required cash flow for reinvestment in the hotels within the Group without contracting further liabilities.

During the first conversion window for preference shares in January 2018, 77% of preference shareholders opted for conversion into ordinary shares. As a result, 63,399,593 new ordinary shares were issued in March 2018, bringing the total number of shares in issue as of date to 547,670,201. The carrying value of preference shares consequently dropped by Rs 1.3bn and the remaining holders will be given a second conversion window in January 2019. A preference share dividend of Rs 0.63 per share was declared during the year, representing a pay-out of Rs 66m (FY17: Rs 110m). The above initiatives decreased finance costs by 0.84% point.

Focus on Property Development

The Board has approved the setting up of a property cluster to consolidate all non-hotel assets held in Mauritius, Seychelles and Morocco with a view to unlocking their full value through phased development and/or disposal. A separate team with the required expertise has been recruited to bring the project to fruition.

In October 2018, the Group signed a Memorandum of Understanding with a leading player to develop a 220 villa golf estate on the 365 arpents land at Les Salines, Mauritius, under the Property Development Scheme. The disposal of the plot of land is awaiting clearance from the Seychelles authorities. The asset is expected to be sold for USD 6m.

Update on Hotel Development Projects

We are pleased to report that the Environmental Impact Assessment ("EIA") licence has been obtained for the development of Les Salines Beachcomber Resort & Spa, which will comprise a 366-key resort, inclusive of 56 family apartments to be sold under the Invest Hotel Scheme with works starting in early 2019. The redevelopment project at Beachcomber Seychelles Sainte Anne is also progressing well. All approvals have been obtained and works are planned to start in January 2019; Club Med SA will be renting the 296-key resort from September 2020 onwards.

Group profit after tax

Rs134m

Advancing our Sustainable Development Agenda

Notwithstanding the improved financial performance, the Group pursues its objective of sustainable development by further consolidating its balance sheet, brand and teams while protecting the environment in which it operates. The Group is aware of its responsibility towards the community and has adopted an eco-responsible approach across its operations. Several initiatives were undertaken during the year.

We are hence pleased to report that all our hotels and head office in Mauritius have been recommended for the EarthCheck Silver Certification, a decisive step towards reducing our carbon footprint. The Beachcomber Artisans have been at the forefront of this initiative, with their participation in regional awareness programmes, review of processes and procedures to reduce energy and water consumption, waste management through recycling and use of environmentally-friendly products. These enhanced practices will go a long way towards creating a sustainable ecosystem for the future.

Way Forward

With the ongoing upgrading of our resorts, continued emphasis on improving quality through digital innovation and talent management as well as completion of our major projects by the year 2020, the Group will shift to a different growth path. We remain confident in the ability of the Group to deliver on its medium-to long-term goals.

I would like to thank my fellow directors for their continued support during the year, and also thank the CEO and his management team for the dedication that they have demonstrated.

I would like to convey my deepest appreciation to all Artisans of the Group for their relentless commitment. My thanks also go to our business partners and shareholders for their trust.

Hector ESPITALIER-NOËL
Chairman
19 December 2018

VALUE CREATION MAP

"The Beachcomber journey begins right from the day they (the visitors) choose our hotels...

Value In

Human Capital

Our Artisans remain the daily reason behind our success, and nurturing them is always a priority for us.

Social Capital

A social touch to our surroundings is also what we bring in. The immediate environment of our hotels forms part of the Beachcomber experience, and therefore demands considerable attention.

Natural Capital

Hotels are large consumers of resources, and it is our task to be a responsible player in society. Data on our resource usage is primordial to our objectives.

Intellectual Capital

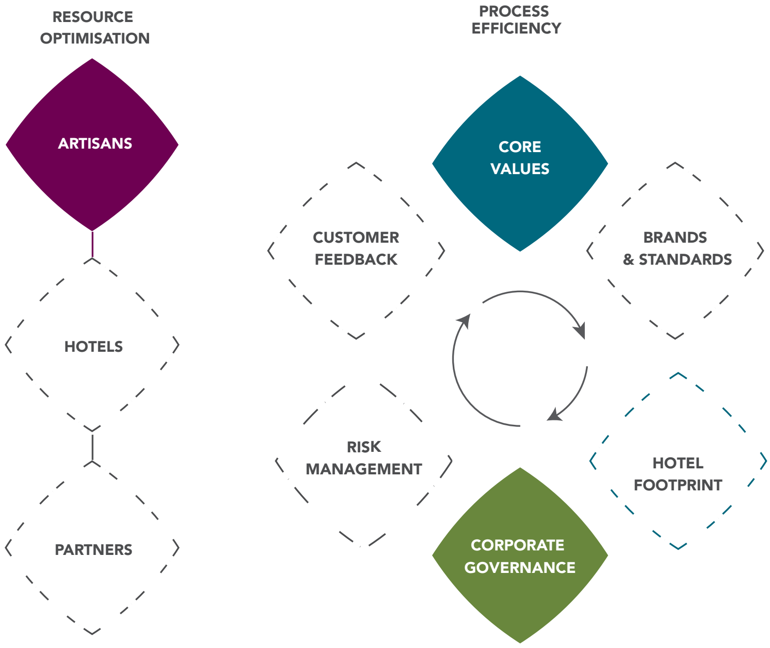
Being a vertically integrated player in the hospitality sector strengthens our brand name as we work to deliver the Beachcomber experience to our clients.

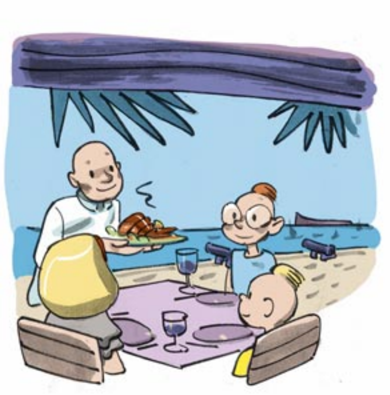
Manufactured Capital

We maintain our portfolio of hotels while investing in our support systems, such as our website and booking network.

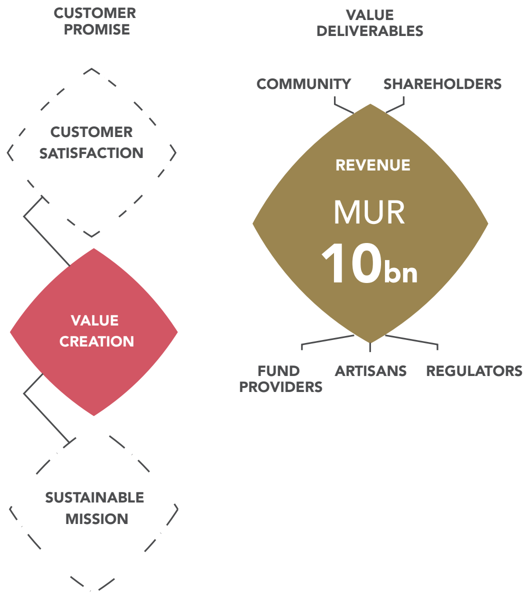
Financial Capital

Our hotels require capital to maintain their high standards. Financial management is also essential to operate at optimum level.





Value Out



Lasting memories for our Artisans.
Competent and experienced team members.
Human Capital

Promoting economic development of local communities.
Youth empowerment.
Social Capital

Optimisation of our resource usage.
Natural Capital

Stronger brand awareness, data and knowledge of the customer.
Intellectual Capital

Beautiful hotels.
Manufactured Capital

Superior returns to our stakeholders.
Financial Capital

… and lives on long after their stay."

Hector ESPITALIER-NOËL
Chairman

HUMAN CAPITAL

The Beachcomber Human Capital Strategy aims to constantly develop our Core Values, in which our Brand Promise is deeply rooted. We shall achieve a lasting competitive advantage not only through operational excellence but also because our Artisans, every day, at every moment, deliver service that comes from the heart and exudes genuine human kindness.

Our Brand Promise – Beauty of the Place inspires Beauty of the Heart – is achieved through the kindness of our teams and quality of our service.

Beachcomber Values → Corporate Culture/ "DNA" → Attitudes & Behaviours (The Beachcomber Way) → Brand Promise → Lasting Strategic Differentiation

THE BEACHCOMBER CORE VALUES

The acronym CHEMISSS is used as a mnemonic tool, by all of our Artisans.

Trust (Confiance); Human; Team Spirit (Esprit d'Equipe); Mauritian; Innovation; Service; Know-How (Savoir-Faire); Solidity

THE BEACHCOMBER WAY: LIVING THE VALUES

Each value translates into a number of behaviours, which can be observed, measured, recognised and rewarded (through Awards and Performance Management). Together, as illustrated in the diagram above, they sustain the Brand Promise.

These behaviours are tangible:

- in the way we serve our Guests (as an Artisan of Service);
- in the way we lead (as a Leader); and
- in the way we interact with one another (as a Team Member).

Trust (Confiance)

As an **Artisan**, I deliver on my commitments; keep the Guest informed

As a **Leader**, I delegate confidently

As a **Team Member**, I am punctual and dedicated to my duties

Human (Humain)

As an **Artisan**, I am attentive and kind

As a **Leader**, I show empathy and am fair in my decisions

As a **Team Member**, I show appreciation for help received

Team Spirit (Esprit D'Équipe)

As an **Artisan**, I ask for support when I cannot help the Guest

As a **Leader**, I share recognition for work well done with my team

As a **Team Member**, I perform my fair share and step in when needed

Mauritian (Mauricien)

As an **Artisan**, I live up to the reputation of Mauritian hospitality (smiling, courteous, humble, caring)

As a **Leader**, I promote equal opportunities

As a **Team Member**, I am culturally open; respect and value diversity

Innovation

As an **Artisan**, I find solutions to meet Guests' needs and solve any problem

As a **Leader**, I lead by example by constantly searching new and better ways of doing things

As a **Team Member**, I share newly acquired knowledge with my peers

Service

As an **Artisan**, I strive to exceed Guest expectations

As a **Leader**, I stay positive, patient and actively listen to my team

As a **Team Member**, I am humble and courteous

Know-How (Savoir-Faire)

As an **Artisan**, I serve the Guest to the best of my knowledge and skills

As a **Leader**, I value my team's expertise and encourage growth

As a **Team Member**, I welcome opportunities to share my experience with my colleagues

Solidity (Solidité)

As an **Artisan**, I adopt environmentally sensitive and responsible practices

As a **Leader**, I respect Company processes and brand standards

As a **Team Member**, I use and encourage the use of equipment and materials responsibly

HUMAN CAPITAL PROCESSES AND PRACTICES

All human capital practices are increasingly being geared towards drilling those behaviours into our DNA. This will be the main thrust over the next three years. Sustainability in the long term is what counts.

Actions in 2017-2018 and Way Forward

Selection and Recruitment

Selecting and appointing the right people = enhanced service, performance, productivity and bottom line = Sustainable Human Capital Growth.

We continue improving the selection process by enhancing selection and recruitment methods. Personality inventories are increasingly being utilised, with Core Values and Behaviours becoming major selection criteria.

Learning and Development

Developing our Leaders = more efficient management of resources including Human Resources (productivity, job satisfaction, bottom line) = Sustainable Human Capital.

The pilot Management Development Programme in partnership with the Charles Telfair Institute has been completed and will be rolled out over the next 3 years.

The development of the "Leading the Beachcomber Way" proprietary Leadership Development Programme is under way. It will aim at turning our front line and middle management leaders into 'Master Craftsmen' who have the ability and confidence to select the best Artisans, sustain their inspiration and engagement and develop their fellow Artisans towards "fine art". The Training Academy Beachcomber has this year again contributed successfully to the overall training effort.

No. of training courses delivered	282
No. of Artisans trained	4,445
Total training hours delivered	62,697
Average training hours per Artisan trained	14

It will be further boosted from 2019: the number of MQA-registered courses will be increased; the number of certified in-house Trainers will continue to grow and a 'Preferred Partner List' will be established to ensure quality of training delivery and corporate agreements.

Spa and Wellness Training through Santayarea (Mauritius) Ltd has been substantial in 2017-2018 (21% of total training hours delivered) and will continue to be an important training investment in 2019, in partnership with French experts in the field.

"Our Artisans and their interests remain at the core of our business. We continue to provide Artisans with opportunities to benefit from the financial results and development of the Company."

Bertrand PIAT,

CHIEF HUMAN RESOURCES OFFICER

Developing Capabilities

With regard to the EarthCheck Certification, 630 Artisans have been trained (representing a total of 4,817 training hours) in order to sensitise Artisans at all levels about the sustainable use of resources to ascertain the solidity of our Group.

The recruitment and training of trainees and apprentices have been and will continue to be essential in our long-term strategy for the continued supply of talent in various fields.

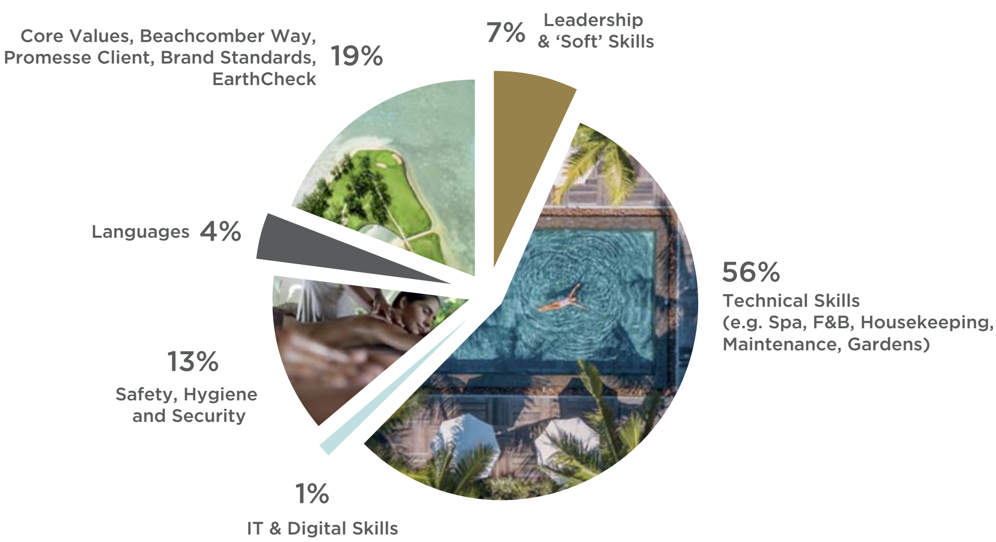
Out of the 270 youths who have successfully completed their 'Projet Employabilité Jeunes' programme, 81% have secured an internship with our hotel operations, 6% have been recruited and 13% have joined the National Skills Development Programme. This further illustrates our commitment to developing sustainable Human Capital and extending it to the community by providing employability skills to our youth.

No. of Artisans trained:

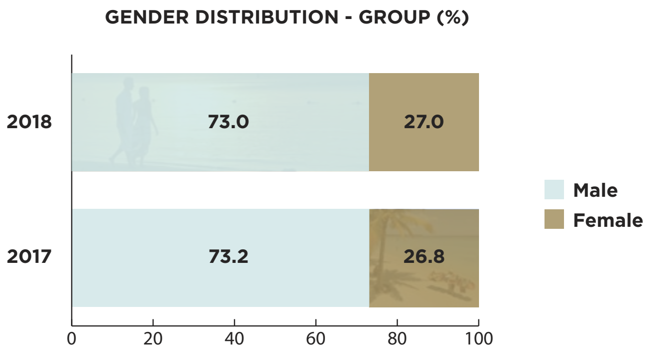
4,445

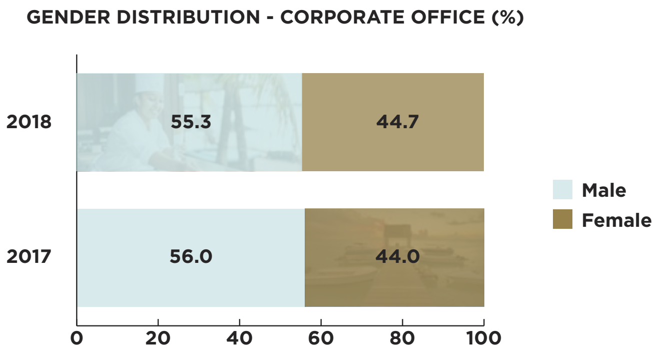
Training Hours by Focus Area - 2017
(NMH BUSINESS UNITS IN MAURITIUS)

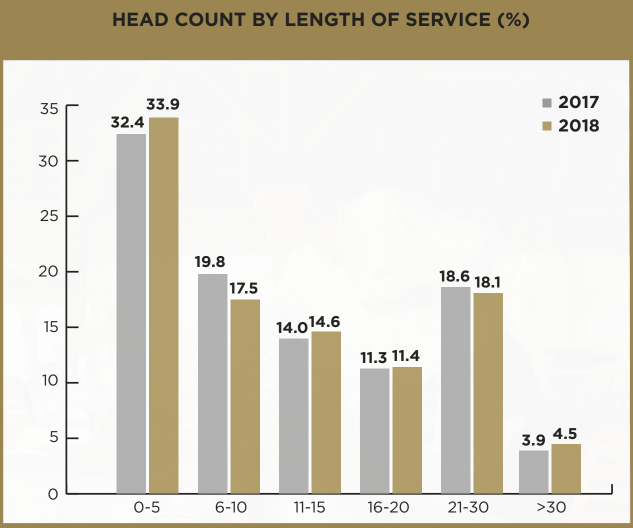
Training Hours by Focus Area - 2018
(NMH BUSINESS UNITS IN MAURITIUS)

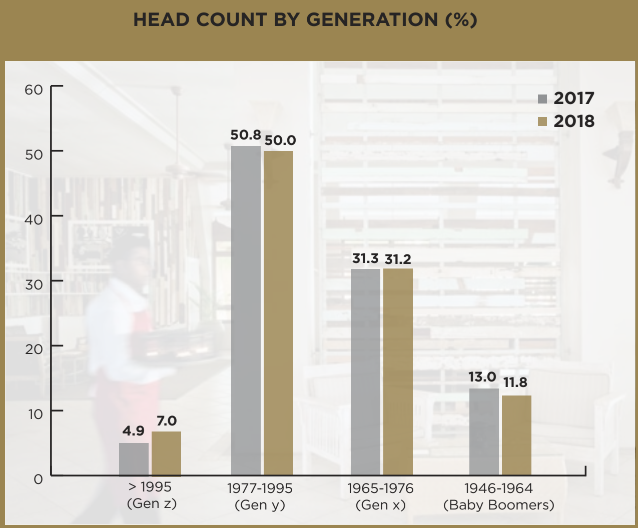


Key Human Capital Metrics

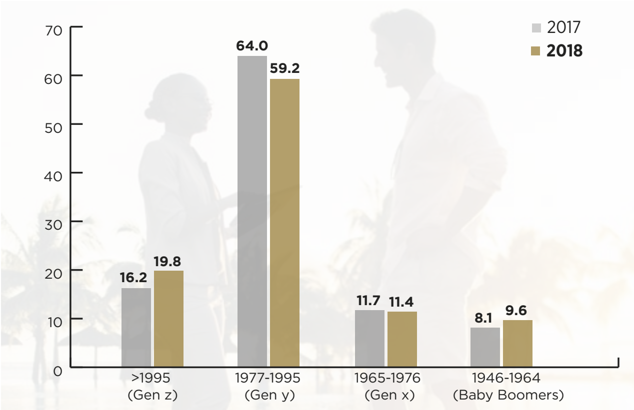




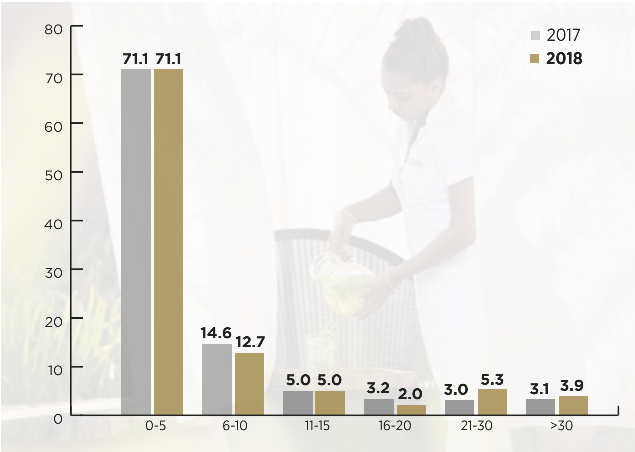




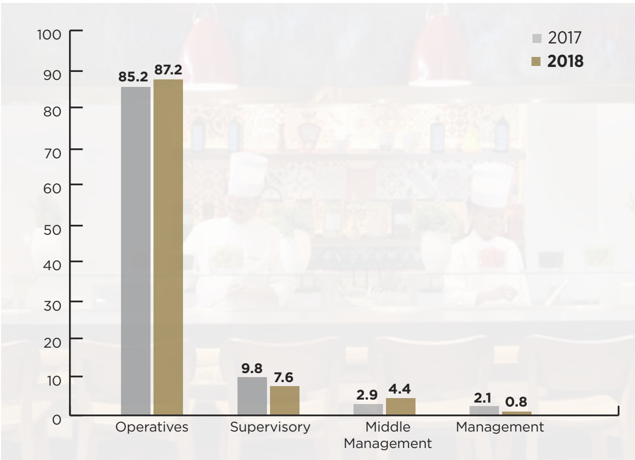
LEAVERS BY GENERATION (%)



LEAVERS BY LENGTH OF SERVICE (%)



LEAVERS BY CATEGORY (%)



Engagement

Beachcomber strives at sustaining Human Capital that will live our Brand Promise and portray the Art of Beautiful. To ensure this, we need to measure, benchmark, recognise and reward.

The Artisan Engagement Survey will be launched in 2018-2019 to enable better understanding of satisfaction levels, needs and expectations, and reasons for staff turnover across the various generations.

The Artisan of the Month and of the Year Awards have been reviewed across the Group. A software application has been developed to link those Awards with the Performance Management System. A CEO Award will be launched in 2019.

Remuneration

Our Artisans and their interests remain at the core of our business. We continue to provide Artisans with opportunities to benefit from the financial results and development of the Company through the performance and productivity bonus. In 2018, we have also introduced an 'Additional Bonus' to reward attendance. Additionally, an Individual Performance-Related Bonus is being considered for outstanding performers, based on the Performance Management System.

"Beachcomber strives at sustaining Human Capital that will live our Brand Promise and portray the Art of Beautiful"

The remuneration framework established for management and staff roles at the Corporate Office continues to be fine-tuned in collaboration with the Korn Ferry Hay Group. One of our aims for this financial year remains the creation of a remuneration framework based on broad job bands. Indeed, the Job Evaluation Project has been initiated so as to extend the same framework across all other Business Units. The job evaluation for non-unionised Job Grades has been completed.

The development of a new Performance Management System will start in 2019.

The protracted arbitration relating to major remuneration issues opposing the Company and Trade Unions is expected to come to a close in 2019. The Company has submitted a final proposal that takes account of its financial situation and ability to pay – in other words, that is sustainable over the medium to long term.

New standardised Retirement Benefits have been implemented for Artisans leaving the Company from October 2018 and the introduction of discounted hotel rates for our Pensioners in the coming year is being considered.

Policies

The Human Resource Team has worked on a number of standardised policies and procedures for the Group which will be compiled in an HR Policy Manual for sustainable Beachcomber HR Practices in the long run.

A Code of Ethics has been developed and its dissemination and communication will be launched in 2018-2019.

Risks and Responses

The Human Capital risk areas identified previously and responses remain substantially unchanged and the Company strives at continuously identifying new risks through audits, industry benchmarks and global trend analysis.

Fondation Espoir Développement Beachcomber ("FED") was created in June 1999 to support the inclusion of vulnerable groups into the socio-economic mainstream and has contributed in excess of Rs 155m to various initiatives. The Foundation's priority areas are as follows:

- education and training;
- health, including the fight against drug abuse and disability;
- socio-economic development; and
- conservation and promotion of the natural and cultural heritage of the country.

This long-standing commitment is sustainable only because our Artisans are deeply committed to the socio-economic development of their communities and preservation of their natural and cultural heritage. FED works closely with them and with Beachcomber hotels to implement social programmes in surrounding regions.

FED also plays a significant role in the implementation of the sustainability policy of Beachcomber by contributing to the recruitment of local youths (Projet Employabilité Jeunes), providing of locally produced goods from recycled materials (Beautiful LocalHands) and connecting with our communities through FED regional committees, with our guests via the Top FED initiative and with our Artisans during the Sustainability/EarthCheck awareness sessions delivered by the Foundation's manager.

Projet Employabilité Jeunes

Projet Employabilité Jeunes ("PEJ") is an ongoing project launched in 2004 to improve the employability of beneficiaries, who are mostly out-of-school youths from vulnerable backgrounds. These youths are prepared to workplace realities through training in the social and academic skills required for a rewarding personal and work life, as well as placements, mainly in Beachcomber hotels.

Our Artisans play a key role in this project throughout its different phases. First, during the recruitment phase, they advertise the project with youths they know. The heads of department of our hotels also give presentations to the youths on the hospitality industry as part of their training. During the placements, some 80 Artisans act as mentors to facilitate their integration into our hotels and those with whom they work provide the youths with on-the-job training. The supervisors and heads of department also give feedback and advice to improve their performance.

PEJ Indicators	2017	**2018**
Number of applicants	700	**745**
Number of recruits	310	**370**
Number of recruits obtaining a certificate	230	**270**
Number of recruits starting placements	212	**218**
Number of recruits completing placements	152	**186**
Number of recruits securing training/a job	149	**184**
Number of mentors	130	**80**

New components of the project in 2018

Parenthood sessions have been introduced for beneficiaries' parents in all regions to encourage their involvement in supporting their children during the courses and placements.
Government institutions such as the Human Resources Development Council and the National CSR Foundation have agreed to provide funding to PEJ.

PEJ objectives for 2019	How will these objectives help to improve the PEJ	How will these objectives be implemented
Align the number of recruits with the number of placements available	FED will adjust courses for youths who risk leaving the programme	Coordinate with hoteliers with regard to the number of placements available
Implement the financing from NSDP and National CSR Foundation stipends	The funding will bring additional resources to the PEJ and FED	Improve coordination between Beachcomber entities. Align PEJ with the NSDP's

Beautiful LocalHands

Beautiful LocalHands aims to promote local handicraft on the tourism market, especially in Beachcomber hotels, through production and marketing support to craftworkers. In 2018, the workshop at Bambous has been upgraded and the craftworkers work with the National Pay and Productivity Council ("NPCC") to improve their processes. This collaboration has resulted in Beautiful LocalHands winning a gold award at an NPCC contest.

Beautiful LocalHands Indicators	2017	**2018**
Sales (Rs)	5,300,000	**4,214,000**
Number of deliveries	291	**252**
Number of new product designed	10	**8**

Regional Committees

The regional committees comprise Beachcomber Artisans who are interested in the social field. In collaboration with FED, they identify their own social development projects, which a focus mostly on youth development.

Regional Committees indicators	2017	**2018**
Number of programmes	5	**7**
Number of activities	22	**40**
Number of direct beneficiaries	655	**650**
Number of NGOs benefitting from FED contributions	137	**146**
Total contributions – Rs	1,038,743	**1,091,564**

The 7 major programmes for 2018 are detailed below.

a) Duke of Edinburgh International Award Mauritius, in collaboration with the Ministry of Youth

A total of 185 beneficiaries aged 14 to 24 years old mentored by 30 leaders comprising FED committee members and adults from neighbouring communities have to develop a skill, practise a sport and participate in a community service activity once a week. Paradis Beachcomber Golf Resort & Spa, Dinarobin Beachcomber Golf Resort & Spa, Shandrani Beachcomber Resort & Spa and Victoria Beachcomber Resort & Spa hold sessions on hospitality skills and other activities for the youths, while the Ministry of Youth organises outings for them. The project is currently carried out in the South-West (130 youths), South-East (40 youths) and North (15 youths).

b) Pointe aux Piments Government School

FED provides funding for the services of a liaison officer to enquire with the parents of the 360 pupils about the reasons for their children's absenteeism and motivate them to send their offspring to school. FED also finances a remedial programme for 14 low-achieving pupils in Grade 6 (formerly CPE). As a result, the absenteeism rate has dropped below 10% while the pass rate for Grade 6 is expected to reach 85%.

The children also participate in the Beautiful Neighbours programme at Victoria Beachcomber, which also contributes to various activities within the school.

c) Notre Dame de Fatima School

Notre Dame de Fatima School at Trou aux Biches provides alternative education to youths who have dropped out of the mainstream education system. Trou aux Biches Beachcomber Golf Resort & Spa has organised an educational visit of the hotel for all the students, a two-day placement for 10 students and lectures on the hospitality industry at the school for 50 youths.

d) IT Caravan

FED's South-East committee and Shandrani Beachcomber have organised 4 ICT awareness sessions in the villages across the region in collaboration with the National Computer Board. The response was encouraging, with more than 50 persons attending.

e) Recycling of Clothes

Beachcomber Boutiques have collected used clothes from clients and the personnel of Beachcomber's Head Office for mending by the designer, *The Minimalist*. They were later distributed to a shelter for women in distress and to vulnerable families, with a total of 40 beneficiaries.

f) Pastry and Literacy Training for 30 women in Black River

Dinarobin Beachcomber and Paradis Beachcomber pastry chefs have organised culinary sessions for 30 ladies from Black River, who also attended literacy sessions delivered by a trainer from FED.

g) Contributions to NGOs

FED's regional committees and Beachcomber Artisans have recommended 146 projects from NGOs and local associations for a total of Rs 1,091,564.

Local Community

"Our long-standing commitment is sustainable only because our Artisans are deeply committed to their communities."

Eric BELL,

ADMINISTRATOR, FONDATION ESPOIR DEVELOPPEMENT BEACHCOMBER

Regional Committees objectives

Regional Committees objectives for 2019	How will these objectives help to improve the Regional Committees	How these objectives be implemented
Make it easier for Artisans to participate in social activities	The activities of regional committees cannot be implemented without the support of Artisans, who are the link between FED and the communities	Determine with the Human Resource Departments the needs of hotel operations and social activities

Top FED

Top FED indicators	2017	2018
Amount collected (Rs)	3,177,419	**4,024,138**

Sustainability/EarthCheck Awareness Sessions for Artisans

In line with Beachcomber's sustainability policy, the Administrator of FED has facilitated 18 MQA-approved and HRDC refunded workshops on sustainability and EarthCheck.

Main Targets and Priorities

The key priorities for FED in 2019 are as follows:

- Aligning the number of PEJ recruits with the number of placements available through adjusting courses for youths who risk leaving the programme and coordinating with hoteliers with regard to the number of placements available.
- Implementing the financing from the NSDP and National CSR Foundation to bring additional resources to the PEJ and FED by improving coordination between Beachcomber entities and aligning PEJ stipends with the NSDP's.
- Transforming the Beautiful LocalHands workshop in Bambous and boutiques in Trou aux Biches into sales outlets run by craftworkers as a pilot project in view of setting up a craft village at Les Salines. They will be empowered to become entrepreneurs with a wider reach to markets through training from Beachcomber Boutiques, the design of new souvenir-type products and cooperation with Mautourco to bring tourists to these outlets.
- Contribution of Beautiful LocalHands to Beachcomber's sustainability policy with a projected increase in the income of craftworkers through the manufacture of local products from recycled materials for the Group's hotels.
- Facilitating the participation of Artisans in social activities at regional committee level. Their support as the link between FED and the communities is vital and the Foundation will determine the needs of hotel operations and social activities with the relevant Human Resources Departments.
- Improving the visibility and understanding of Top FED among guests through dedicated visuals and an introduction to the programme to enable Artisans to better convey the message to guests.
- Increasing the number of sustainability/EarthCheck awareness sessions and the number of Artisans trained through direct contacts with EarthCheck committees in the hotels, Hotel Directors and HR to contribute to compliance with EarthCheck requirements.
- Implementing micro-projects proposed by Artisans attending the sustainability/EarthCheck awareness sessions, which will be submitted to the Green Team, in order to improve the sustainability of operations and give them a say in the sustainability policy of the hotels.

"As pioneers in the hospitality industry, we realise that our hotels have a potentially immense role to play in the preservation of our environment. We cannot deliver on our Customer Promise without understanding how our behaviour interacts with our immediate surroundings in the short and longer run." Mathieu Rivet, Group Engineer Manager.

Collaboration continued this year with the global programme of environmental and social certification developed specifically for the tourism industry, EarthCheck. Preparation for the audits allowed us to gauge the involvement and enthusiasm of our Artisans for this very ambitious programme.

Simply monitoring KPIs often does not capture the whole picture behind the efforts of being sustainable; it is essential to overhaul our culture and our way of thinking about this global issue. Thus, we also provide some benchmarks to better capture the extent of our sustainable efforts.

Paradis Beachcomber Golf Resort & Spa continues to be the pacesetter within the Group for efficient operations, showing marked improvements in all four benchmarked sectors. The performance of Victoria Beachcomber Resort & Spa also deserves mentioning. A new building consisting of 40 new rooms, a restaurant, a bar and a 1,200 m^2 pool was added to the hotel during this financial year. This did not prevent marked improvements in 3 KPIs (energy consumption, greenhouse gas emissions and waste sent to landfill). The presence of the 1,200 m^2 pool unfortunately induced an increase in the potable water consumption KPI for Victoria Beachcomber.

Energy

Overall energy consumption decreased by 8.9% compared to last year and follows the trend already seen over the previous financial years. The implementation of an in-room energy management system in 36 newly refurbished Deluxe Rooms at Paradis Beachcomber and 100% LED light fittings positively impacted figures and the reduction in overall energy consumption is even more impressive when factoring in the reopening of Canonnier Beachcomber Golf Resort & Spa.

KWH of energy saved: 5,839,778

- 630 mid-income homes can be annually powered.
- Our savings equal 546,094 litres of oil and 1,559,247 litres of petrol saved.

"As pioneers in the hospitality industry, we realise that our hotels have a potentially immense role to play in the preservation of our environment."

Mathieu RIVET,
GROUP ENGINEER MANAGER

Water

Overall water consumption grew by 3.9% compared to last year, here also in the same trend as the previous financial year but with a lesser amplitude. This increase can be attributed to the reopening of Canonnier Beachcomber in the financial year after closing down for refurbishment for six months.

Litres of water saved: 17,493,869

- This equals the amount of water in litres used by 292 swimming pools with a capacity of 60m^3.
- This also represents the annual water requirements of about 191 typical households of four people.

As testament to our very strong engagement towards sustainable development and much more sustainable operations, we have decided to replace plastic-bottled water with glass on Le Morne Peninsula. The in-house bottling facilities producing still and sparkling table water was introduced in December 2017 at Paradis Beachcomber and Dinarobin Beachcomber Golf Resort & Spa.

At the end of the financial year, production amounted to:

- 102,987 x 750ml bottles of still water
- 44,687 x 500ml bottles of still water
- 45,136 x 750ml bottles of sparkling water

This has led to a direct equivalent reduction on the purchase of bottled water in our hotels, with a decline in the use of plastic by some 30,944 kg.

8.9%
decrease in energy consumption

Waste

We collaborated with Don't Waste Services ("DWS") for the overall management of our solid waste streams this year after three years of successful testing on Le Morne Peninsula. Increased accuracy in our systems yielded better data, and we typically noted an increase in the volume of waste sent to landfill by 20.9% compared to last year.

Tonnes of waste produced: 4,709,000

- 36.2% of all solid waste produced was recycled and the remainder sent to landfill.
- 67.6% of our waste is classified into general waste, 14.4% as organic waste and 13.5% as paper waste.
- About 0.91% of our solid waste consisted of plastic. Starting from 01 August 2018, we banned all single-use plastic stirrers and straws from our bars, saving some 350,000 single-use plastic straws and 525,500 stirrers in the process.

A Bokashi composting area has been set up at the Head Office to recycle kitchen waste mixed with garden waste. Bokashi is a Japanese word meaning fermented organic matter. This composting technique involves the use of a specific bacteria mixed with food waste in a hermetically closed bin to initiate a fermented decomposition. The resulting produce is mixed with green waste which ultimately generates proper compost. This greatly reduces the amount of kitchen and green waste sent to landfill and produces natural compost to fertilise the garden. This system will gradually be introduced in all our properties.

The collaboration between Paradis Beachcomber and Manzer Partazer/Foodwise has flourished this past year. The amounts of food recovered from the hotel buffet and redistributed to children attending Case Noyale RCA School have reached 1,545 kg over the last financial year. The setup remains unchanged with portioning at source after the buffet service. The portions are stored in the hotel's freezers for collection by a refrigerated truck from Panagora and delivery at the school, where they are unpacked and distributed to needy children twice or thrice a week according to volumes. This action helps reduce food waste while bringing much-needed quality nutrients to these children.

Carbon Dioxide

- Carbon dioxide emissions dropped by 21.9%. This marked improvement in a critical KPI is a result of careful energy management as already seen above and of our Artisans' increased awareness of sustainability issues.

CO_2 Saved (m^3): 1,402,584

- CO_2 savings resulted in an annual emission equivalent of 196 typical households of four people.
- A total of 685 mature, fully grown trees would have been required to absorb the CO_2.

Number of trees saved: 11,379

- Around 72 acres of tropical forest were not cut down. This is equivalent to about 54 football fields (assuming 1 acre approximately equals 75% of a football field.)

Role of our Artisans

- More precise data collection and better training caused an upheaval in some results this year. Although this might be seen as a regression from the previous year for some properties, it is also of testament that things are getting much more precise and professional in terms of monitoring.
- All Royal Palm Beachcomber Luxury Artisans have received formal introductory training in sustainable development. More generally, over 40% of our Artisans at various levels have to date been trained in sustainable development and corporate social responsibility.
- All hotels of the Group participated in the World Environment Day, which carried the theme of plastic pollution this year. Waste collection actions by our Artisans allowed the recovery and safe disposal of more than 10 m^3 of plastic waste from the direct vicinity of our properties.
- An energy-saving awareness campaign in the form of stickers with the label Eco-Responsible Beachcomber was successfully launched. These stickers are placed in strategic areas to encourage Artisans to switch off the lights, computers, printers but also coffee machines upon leaving the office.

Role of our Hotels

- Paradis Beachcomber saw the refurbishment of beachfront villas with a complete renewal of heating, ventilation and air conditioning systems and distribution networks with new pipes and insulation leading to a more efficient distribution of fluids across the property. All rooms are fitted with an intelligent in-room energy management system to adjust thermal conditions and lighting levels according to guest occupancy. This system has become a standard feature in all newly redeveloped Beachcomber rooms or villas, ensuring a 76% reduction in electricity consumption with a simple ROI of 1.8 years.

- Mauricia Beachcomber, Trou aux Biches Beachcomber, Paradis Beachcomber and Dinarobin Beachcomber were selected for a level 3 audit of their hot water generation systems. This investigation followed the results of the first batch of general energy audits which pointed to a potential for significant improvement in that field. The draft audit reports were recently submitted and are under discussion.

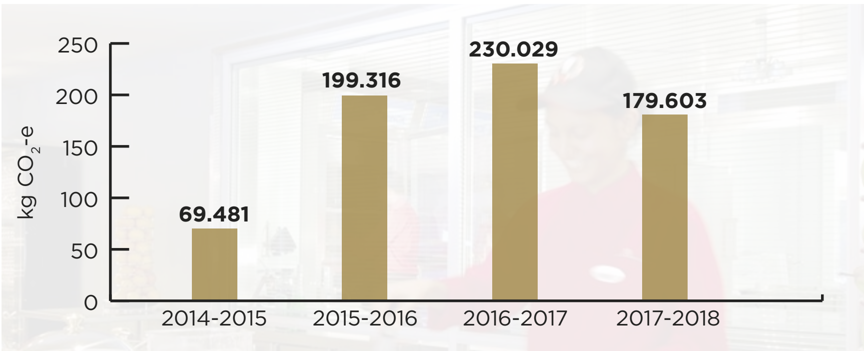
- The Company continued investing in technologically advanced equipment with the renewed aim of putting its properties on par with the latest industry trends. This will further be illustrated with the development of Les Salines Beachcomber Resort & Spa, which will not only be a hallmark of sustainable development but will also integrate several novel features.
- Capital expenditure budgets were also provided for the improvement of Group-wide technical installations with a special focus on upgrading high-energy intensity equipment and energy efficiency both in the rooms and back-of-the-house areas such as pools, technical plant rooms and kitchens.

Main Targets and Priorities

In an era where guests are becoming increasingly aware of their own environmental footprint, our hotel operations will have to keep improving their operational efficiency but also stay abreast in terms of innovation. The main projects earmarked for 2019 are as follows:

- Installation from January 2019 of 1,000 kW of PV panels for which Beachcomber has licences from the CEB under the MSDG programme. A partnership has been signed with a local specialist, EnVolt to implement this project.
- Upgrading of chillers at Shandrani Beachcomber Resort & Spa, Paradis Beachcomber and Mauricia Beachcomber as part of our ongoing equipment upgrade programme.
- Collaboration with the AFD on the SUNREF 3 Green Financing Programme.
- Completion of the outfitting of all our hotel rooms with a proper energy management system. To date, 26% of our rooms are equipped with the technology with the aim of reaching 40% by the end of the next financial year and 100% by end of 2020.
- Commencement of work at Les Salines Beachcomber in Black River; an 18-month project with the opening scheduled for end-August 2020. This new 366-room hotel with 56 Beachcomber-branded apartments will be a hallmark of sustainable development with a formal EarthCheck Building Planning and Design Standard ("BPDS") Certification.
- Refurbishment and expansion of Beachcomber Seychelles Sainte Anne into a 296-room and 337-staff accommodation property before renting to Club Med for operations, with the whole redevelopment under the aegis of the BREEAM ecological certification.
- Gradual replacement of single-use plastic takeaway containers with recycled carton containers. Plastic cups used around all our pools for security reasons will also be gradually replaced with reusable polycarbonate cups.
- Upgrading from Bronze to Silver Certification for some of our properties and maintaining the Silver Certification obtained last year for others.

GROUP GREENHOUSE GAS EMISSIONS



INTELLECTUAL CAPITAL

The year 2018 saw the continued consolidation of our Brand and Brand Standards with our Artisans as true ambassadors of "The Art of Beautiful": at the heart of our Brand Promise lies the kindness and knowledge of our Artisans. We recognise that what gets measured, gets managed and are putting in place the appropriate tools to assess the effectiveness of programmes to help reinforce our brand pillars and establish performance improvement targets which can be measured and monitored over time as we increase our focus on developing our guest-centric approach and passion for excellence within a safe, innovative and sustainable environment.

We strive to build strong relationships with our main partners on both the commercial and operational fronts, while further engaging with communities around our workplace.

Awards & Accolades

Royal Palm Beachcomber Luxury

- TripAdvisor Traveler's Choice Award 2017
- TripAdvisor Traveler's Choice Award 2018

Dinarobin Beachcomber Golf Resort & Spa

- TripAdvisor Certificate of Excellence 2017
- HolidayCheck Award 2018
- TripAdvisor Certificate of Excellence 2018
- Ctrip's Chinese Preferred Hotel Certification

Paradis Beachcomber Golf Resort & Spa

- TripAdvisor Certificate of Excellence 2017
- TripAdvisor Certificate of Excellence 2018

Trou aux Biches Beachcomber Golf Resort & Spa

- TripAdvisor Certificate of Excellence 2017
- TripAdvisor Certificate of Excellence 2018
- Agoda Gold Circle Award 2018

Shandrani Beachcomber Resort & Spa

- TripAdvisor Certificate of Excellence 2017
- TripAdvisor Certificate of Excellence 2018
- Ctrip's Chinese Preferred Hotel Certification

Victoria Beachcomber Resort & Spa

- TripAdvisor Traveller's choice 2017
- TUI Quality Award 2017
- TripAdvisor Traveler's Choice Award 2018
- TripAdvisor Certificate of Excellence 2018
- PADI Green Star Award

Canonnier Beachcomber Golf Resort & Spa

- TripAdvisor Certificate of Excellence 2017
- TripAdvisor Certificate of Excellence 2018

Mauricia Beachcomber Resort & Spa

- HolidayCheck Award 2017
- TripAdvisor Certificate of Excellence 2017
- Hotels.com Award 2017
- TripAdvisor Certificate of Excellence 2018

Mautourco

- Indian Ocean's Leading Destination Management Company 2018
- Mauritius' Leading Destination Management Company 2018 (for the 4th year in a row)

Beachcomber Catering

- First Mauritian company to be certified ISO 50001 under the "Programme National d'Efficacité Energétique"

"Beachcomber believes
in hospitality excellence:
the beauty of the place inspires
the beauty of the heart."

Geraldine KOENIG,
CHIEF OFFICER OPERATIONAL EXCELLENCE

Our Brand Essence

The **Art of Welcome** is the very essence of our DNA. Front Office Artisans go the extra mile to provide our guests with a personalised and pleasant check-in experience. Our signature Beautiful Cocktail is revisited yearly as part of an internal competition, taking into account our environmental commitment, and is served to every guest staying within our collection of resorts.

We endeavour to train our Artisans to continually live up to our commitment and next year, we will equip them with appropriate technology to make this experience even more pleasant, efficient and paperless.

As part of our **Art of Living**, Housekeeping Artisans ensure our guests live and sleep beautifully in surroundings that are woven through with care and attention. Our Linen Change cards, created by LocalHands craftworkers using local coconut shells and evergreen wood, are carefully placed within our guest rooms and followed up to confirm our sustainable footprint.

Next year, we will continue to upgrade our room interiors taking into consideration feedback from our guests.

Our F&B Artisans care about the quality and freshness of the food they present to our guests. For this reason, we at Beachcomber have developed the **Art of Taste**. Our Artisans are constantly on the lookout for fresh ingredients while our Chefs strive to create unforgettable culinary moments with a pinch of local flavours to recall a unique Mauritian experience.

Our plan for next year is to look into new culinary delights, build upon our healthy-eating concern and provide enhanced service training to our F&B Artisans. We will also extend our in-house programme to replace plastic water bottles with our beautifully designed glass bottles.

During the year 2018 we also saw the implementation of our Kids Club Beachcomber standard through providing training to all our Artisans concerned and the setting up of signature activities within our resorts around the following common themes:

• Be Creative
• Be Together
• Be Local
• Be Eco-Friendly
• Be Sporty

to reflect the **Art of Entertaining**, the **Art of Creativity** and the **Art of Sharing**.

Scope 2019: Monitoring of above to ensure a true Beachcomber signature experience delivered to our young guests throughout our resorts.

Consolidation of our Spa Beachcomber **Art of Wellness** concept, a truly people-centred approach, through the implementation of our Standard in line with the **Art of Well-being** and **Art of Lifestyle** we want our guests to take back home with them.

Scope 2019: Completing the uplifting of our Spa infrastructure, training of our coaches and launching of our **EcoCert** product range.

Development of our **Boutiques standard** with the expertise of Adrian Morris for the design and merchandising.

Scope 2019: Implementing the Standard throughout all of our Boutiques.

We are building a strong **Safety culture** within our operations with a well structured monitoring system in place and with our hotels in Mauritius embarking onto "HACCP" certification as a due confirmation of the good food safety management system and practices we have in place. Royal Palm Beachcomber Luxury, Shandrani Beachcomber Resort & Spa, Mauricia Beachcomber Resort & Spa and Canonnier Beachcomber Golf Resort & Spa were audited during the period July to September.

Furthermore, all of our operations locally were challenged by the « EarthCheck » audits carried out during the month of September showcasing great team spirit and growing commitment towards our **Eco-Responsible** objectives. We will continue to focus on the following key areas : Water - Energy - Waste - Carbon footprint /Bio-diversity, as we engage our artisans, guests and communities.

Building Our Guest Intelligence

We are developing our guest intelligence through the introduction of new resources and operational structuring to drive our operational excellence in both quality assurance and safety. We have achieved high levels of guest satisfaction for many years with quality guest services, facilities and amenities, and are now further engaged to drive our guest-centric approach through the more precise monitoring

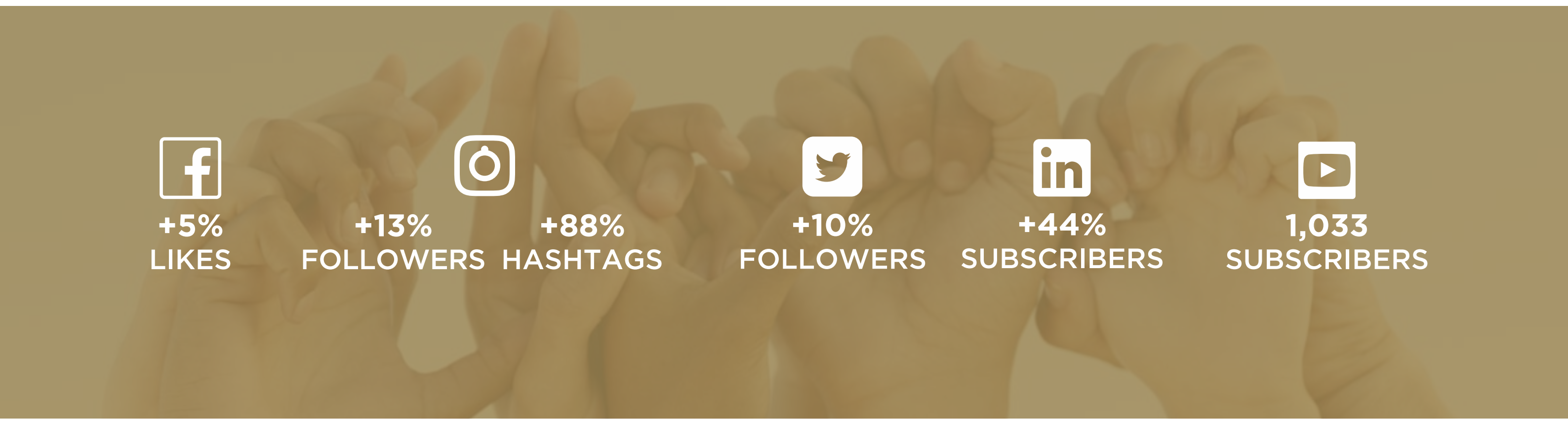
of our online hotel reputation and guest satisfaction. We are pleased to note that our investments have already started to deliver positive results. With this measure, the valuable guest insights will be used to make informed decisions, ensure we fulfil our brand's guest promise, identify opportunities for improvement, and ensure guest loyalty and business continuity for a more sustainable operation.
We have achieved an overall guest satisfaction of over 92.0%. These encouraging results indicate a general progression of Beachcomber despite light refurbishment work taking place at some of our hotels.

Over the year, our hotels in Mauritius have reached a new level, with a total of 1.1 million guest nights; the average occupancy rate was 73%.

Victoria Beachcomber also saw a significant boost in metrics with an average occupancy of 80% in its first post-renovation year.

Local Measure, a new tool rolled out in 2018, is a leading Customer Experience Platform providing relevant social media data that helps hoteliers deliver personalised guest interaction and service. This tool allows monitoring and engaging with social media content posted by guests at our locations on Facebook, Instagram, Twitter, etc. while being proactively notified about opportunities to delight guests or recover service issues in real time. Local Measure also provides specific data for monitoring and benchmarking purposes.

Scope 2019: We are working on further integrating sustainability into our business model by using the passion and creativity of our Artisans so that it is of personal relevance to them and becomes an innate aspect of our business.



> "We have achieved high levels of guest satisfaction for many years with quality guest services, facilities and amenities."

François VENIN,
CHIEF SALES AND MARKETING OFFICER

Land Bank	685 arpents of land available for development in Mauritius, Seychelles and Morocco
Hotels Owned	10 hotels in Mauritius, Seychelles and Morocco
Capital Expenditure	Rs 1bn
Asset Value	Rs 36.4bn

Achievements during the year

Renovation of Canonnier Beachcomber

Canonnier Beachcomber Golf Resort & Spa has undergone a complete refurbishment during the year and all 283 rooms have been fully operational since December 2017. Golfing activities have been added to the resort's offering along with enhanced spa and wellness facilities. The ARR increased by 8% year-on-year further to the reopening of the hotel and feedback from guests is very encouraging.

Addition of 40 rooms at Victoria Beachcomber

Victoria for 2 allows couples to enjoy a quiet moment within the resort. This newly built adults-only area at Victoria Beachcomber Resort & Spa consists of a block of 40 ocean view rooms with a dedicated swimming pool, a bar and a restaurant and has become a favourite among honeymooners and couples. At least 60% of the incremental revenue from this extension has been retained as net earnings.

Ongoing uplifting of rooms and villas at Mauricia Beachcomber and Paradis Beachcomber

A total of 180 rooms at Mauricia Beachcomber Resort & Spa have been renovated during the year with the remainder to be completed by December 2018. Work has also started at Paradis Beachcomber Golf Resort & Spa to redesign 36 ocean beachfront rooms, 13 Villas and the Presidential Suite. These rooms will be available as inventory for the prime season in December 2018.

Investment in technology

Deployment of digital transformation will be undertaken over several years. The investment for the year amounted to Rs 36m and we have budgeted Rs 50m for financial year ending 2019. The focus areas, and on which we are investing substantially are as follows:

(i) Improving our back-office tools
(ii) Giving a better guest experience with in-room technologies
(iii) Improving our marketing/digital strategy

Ongoing investments in the upgrade of our hotels are aimed at providing better connectivity to our guests and enhancing their overall resort experience. Our IT team is also taking an increasingly important part in the way our Artisans carry out their daily duties. The Group is currently in the process of implementing a new property management system which will have an impact on several areas of operation.

While digital transformation aims at using new technologies to business operations, the improvement of guests' satisfaction is also targeted, through guest facing technologies. It is, however, crucial to evaluate our guest expectations through monitoring of Customer Experience Management (CEM) surveys before investing in new guest facing technology.

The GDPR has enabled us to review the way we handle our data processes, and we believe giving the power back to our guests with respect to information will only strengthen our value proposal.

"The efforts of our teams in unlocking value from our assets over the past couple of years have set the tone for our strategic initiatives over the coming years."

Jean Louis PISMONT
CHIEF OPERATIONS OFFICER

Creation of Semaris Ltd

In order to give more focus to the development of the land bank of the Group and unlock asset value, a wholly owned subsidiary has been set up to focus on property development. The intent is to transfer all land held for future development into that cluster. As recently announced, a Memorandum of Understanding ("MoU") has been reached to develop 365 arpents of land at Les Salines as a PDS development comprising 220 luxury villas and an international 18-hole golf course. Subject to all conditions being met and approvals obtained, the project could generate revenue in excess of Rs 15bn over time.

Key initiatives for the year 2018/19

Projects in the pipeline:

- Redevelopment of Sainte Anne in Seychelles
- Development of a 310-key resort at Les Salines
- Invest Hotel Scheme with 56 units at Les Salines
- Implementation of a Central Reservation System fully integrated with a Property Management System

Hotel Portfolio

Royal Palm Beachcomber Luxury

5-star Luxury

No. of room keys: 69

"There are places that make us feel we have come home."

Dinarobin Beachcomber Golf Resort & Spa

5-star

No. of room keys: 175

"Dispersed in a 20-hectare garden, the bungalows, apartments and villas are spread out around attractive swimming pools, where the cautious shadows of birds flit to and from."

Paradis Beachcomber Golf Resort & Spa

5-star

No. of room keys: 293

"There are places that soften the border between reality and imagination."

Trou aux Biches Beachcomber Golf Resort & Spa

5-star

No. of room keys: 333

"A masterpiece of simplicity and authenticity, the gardens around the resort honour the island's native flora."

Shandrani Beachcomber Resort & Spa

5-star

No. of room keys: 327

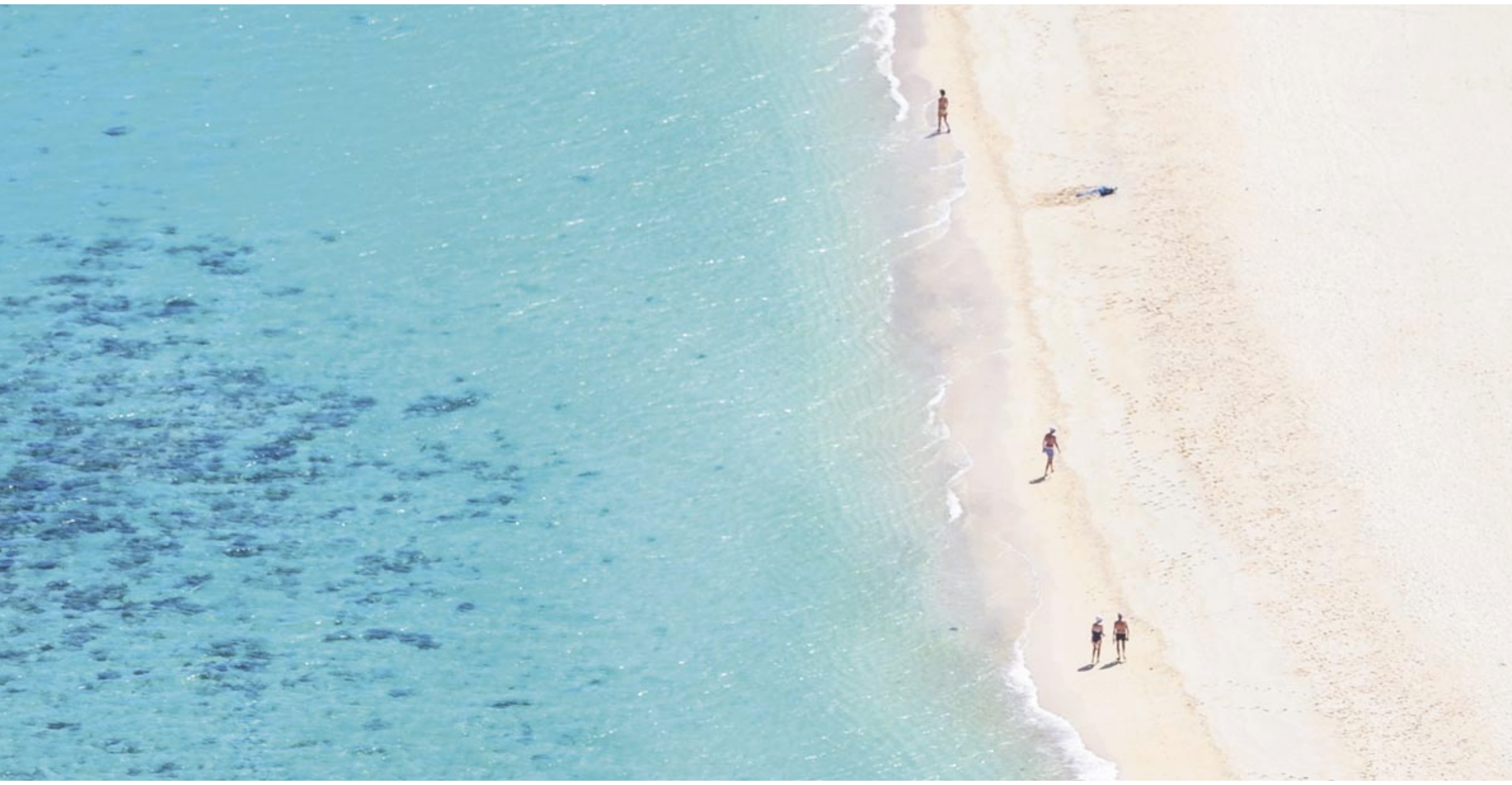
"There are those who have come to the island for the first time and choose the Shandrani Beachcomber as a gateway to the unknown."

Victoria Beachcomber Resort & Spa

4-star superior

No. of room keys: 295

"For a romantic tête-à-tête or with all the clan, in your room with terrace overlooking the lagoon, in your individual apartment or private suite, the Victoria has something for everyone."



Canonnier Beachcomber Golf Resort & Spa

4-star

No. of room keys: 283

"For the ultimate magic of this place is that the Pointe aux Canonniers peninsula is the only viewpoint on the island where you can contemplate both the sunrise and the sunset."

Mauricia Beachcomber Resort & Spa

4-star

No. of room keys: 239

"The resort - and its delightful garden – is a haven of peace. The noise outside accentuates the quiet inside. Pure joy just for the sharing."

Fairmont Royal Palm Marrakech

No. of room keys: 134

"Nestled in the heart of an age-old olive grove and facing the Atlas Mountains, the architecture of the hotel is inspired by Berber culture with touches of Mauritian style."

Non-Hotel Portfolio

Mautourco

Fleet size: 175

"Six decades experience as a trusted partner for travel agencies and tour operators around the world."

Beachcomber Catering

Inflight catering services: 5,000 meals daily

"The leader and pioneer of in-flight catering operations in Mauritius, Beachcomber Catering is a fully-fledged company strategically located within the boundaries of SSR International Airport and only 7 minutes away from the apron area. We are committed to ensuring on-time delivery and the quality service that our clients expect and deserve."

Hotel under Development

Les Salines Beachcomber Resort & Spa

4-star

No. of keys: 366

"A 4-star resort on Les Salines beachfront site. The resort will comprise 310 rooms and 56 IHS units. "

The Group has several sources of financing, including:

- internally generated funds, i.e. free cash flows generated from operations; and
- external funding in the form of equity, quasi-equity and debt.
- Growth in Normalised EBITDA to Rs 1.8bn

Key milestones achieved during the year:

Revenue	+ 6%	Rs 10.1bn
Interest cover	+ 31%	2.2 times
Equity	+ 19%	Rs 13.6bn
Dividend		Rs 0.22 per share
Net Debt	-9%	Rs 15.4bn

Improvement was noted in hotel operations, despite the part closure of Canonnier Beachcomber Golf Resort & Spa and the closure of Beachcomber Seychelles Ste Anne during the year. The ARR improved by 8% to Rs 9,142 while the occupancy rate saw a slight drop to 71% on account of lower occupancy in Mauritius. The property segment also showed some improvement and posted reduced losses with the delivery of 16 villas recorded during the year at Domaine Palm Marrakech compared to 8 villas the previous year. As of date, there are only 3 villas remaining for sale in Phase 1 and Phase 2 was launched in November 2018.

- Re-engineering of the debt of the Company leading to around 1% lower cost of funds.

In November 2017, the Company raised MUR 3bn through the issue of multi-currency notes, ranking pari passu with senior debt, as follows:

Currency	Type	Tenor	Amount	Interest Rate
MUR	Floating rate	5 years	Rs 225m	Repo + 0.85%
MUR	Fixed rate	5 years	Rs 600m	4.75%
MUR	Floating rate	7 years	Rs 650m	Repo + 1.40%
MUR	Fixed rate	7 years	Rs 750m	5.40%
EUR	Fixed rate	4 years	EUR 20m	3.35%

These funds were used to partly repay existing banking facilities and the remaining financial liabilities were renegotiated for extended moratorium and repayment periods. The Group was hence able to reduce its finance costs by Rs 146m and use its internally generated funds to accelerate the renovation programme of its resorts without contracting new debt.

- Conversion of preference shares reducing long-term liabilities by Rs 1.3bn.

In January 2018, the opportunity was given to holders to convert their preference shares into ordinary shares using the conversion factor of 0.5129. Out of the outstanding preference shares, 75.8% were converted into ordinary shares during that first window of conversion and as of date, the remaining balance stands at Rs 423m. The second window for conversion of preference shares will be in January 2019 and the Company will have the option to redeem these shares in 2022.

Challenges and risks facing the Group

- Changes in market conditions

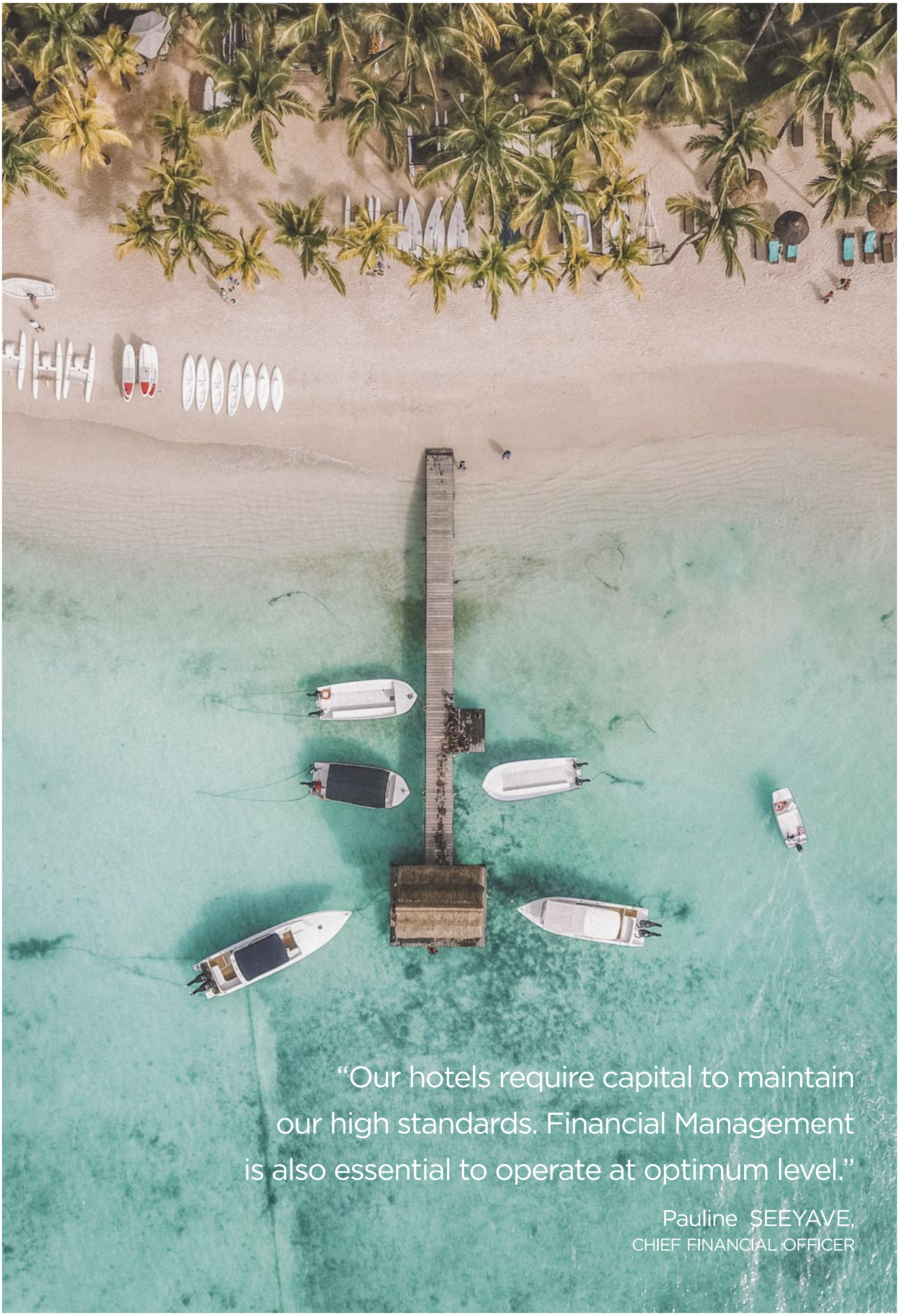
The predominant source market for tourist arrivals in Mauritius remains Europe. Uncertainty surrounding Brexit and the relative weakening of the euro could have a negative impact on hotel operations. The sales and marketing strategy is geared towards diversification of markets, segments and booking channels to minimise those risks. Currency hedging techniques are also being applied to reduce the exposure to currency fluctuation.

- Changes in interest rates

During the year, the Group has favoured fixed-rate financing instruments in order to protect itself from changes in interest rates in various currencies. However, the Group is not fully protected against changes in interest rates. The Group will continue to seek opportunities to optimise its treasury activities to reduce funding gaps.

Key initiatives for the year 2018/19

- Improvement in operating margins;
- Refinancing of bonds falling due in June 2019; and
- Fundraising for future projects at Les Salines, Mauritius and Sainte Anne, Seychelles.



"Our hotels require capital to maintain our high standards. Financial Management is also essential to operate at optimum level."

Pauline SEEYAVE,
CHIEF FINANCIAL OFFICER

EXECUTIVES' REPORT

During the financial year ended 30 September 2018, the Group strengthened its financial position whilst pursuing its objectives to improve guest satisfaction, to consolidate its brand, to re-invest in its resorts, to consolidate the teams and to positively contribute to the economy and the community in a responsible manner.

Comments on results

The Group's turnover crossed the Rs 10bn mark for the first time in the financial year ended 30 September 2018. Earnings from operating activities increased by 21% to reach Rs 1.7bn. The growth in normalised EBITDA was dampened by lower other income given that last year's figure included a one-off foreign currency translation gain arising from the BHI transaction. The Rs 78m closing costs relate to Beachcomber Seychelles Sainte Anne. Finance costs decreased significantly, mostly due to the reorganisation of the Group's debt in November 2017 and the conversion of the major part of the preference shares into ordinary shares in March 2018. Group PBTincreased to Rs 230m and after accounting for a tax charge (mainly deferred tax) of Rs 96m, PAT stood at Rs 134m (FY 17: Rs 33m).

Operational Review

Mauritius

Hotel operations in Mauritius continued to perform well. ARR increased by 9% while average occupancy decreased slightly to 73% (FY 17: 75%). All hotels of the Group posted improved results with the exception of Paradis Beachcomber Golf & Spa Resort which was impacted by the closure of a number of rooms and villas for renovations.

The EIA licence has been obtained for the 310-room hotel and 56 IHS apartments at Les Salines, Black River. Works with respect to the creation of the new wetland are expected to start in March 2019. Les Salines Beachcomber Golf & Spa Resort is planned to open in the last quarter of 2020.

Seychelles

The construction contract for the redevelopment of Beachcomber Seychelles Sainte Anne has been awarded and construction work is expected to start in January 2019. The delivery of the resort to Club Med is scheduled for September 2020. This long-term rental agreement with the French-owned company is expected to contribute positively to the Group's PAT as from October 2020. The required authorisations for the sale of the ex-Reef Hotel are awaiting approval and the transaction is expected to materialise in early 2019.

Morocco

The performance of Fairmont Royal Palm Marrakech continued to improve during the year, with an occupancy increasing to 48% (FY17: 40%). The hotel reported a reduced negative EBITDA of Rs 2m (FY17: negative EBITDA of Rs 46m).

Non-hotel operations

The amalgamation of White Palm Ltd into Mautourco was effective as from 1 October 2017, and Mautourco posted a PAT of Rs 33m (FY17: Rs 33m). Subsequent to the year-end 2018, the Group has received PMO approval to sell a minority stake of 20% to a foreign partner. This transaction is expected to be closed in January 2019.

The three Beachcomber tour operating entities achieved a satisfactory performance in line with that last year and continue to contribute significantly to hotel occupancy.

Domaine Palm Marrakech recorded reduced losses, albeit with a negative EBITDA of Rs 113m (FY17: Rs 161m). 91 out of the 94 villas in Phase 1 have been sold. Infrastructure works and marketing of Phase 2 have also started.

Outlook

As previously communicated, the Group has entered into a partnership with Safran Landcorp for the development of 220 villas and a golf course on the 365 arpents freehold land behind the future Les Salines Beachcomber Resort & Spa. This partnership is expected to bring significant cash flows to the Company in the short and medium terms.

While Fairmont Royal Palm Marrakech and the Group's 4-star properties are expected to post encouraging results for the first quarter of the 2019 financial year, there are signs of reduced demand for upmarket hotels in Mauritius for the second quarter of the financial year. It might be too early to assign any specific explanation thereto, but the uncertainties surrounding Brexit, the recent events in France and Reunion, the relatively new political stability of competing North African and European medium-haul destinations, the gradual reduction in direct air links with China and the increase in petrol prices could all be factors explaining this trend. On a positive note, the newly introduced direct flights to Rome by Alitalia are already bearing fruit and Beachcomber, with its historic commercial presence in Italy, is well-positioned to benefit from the expected significant growth in arrivals from this source market.

The various initiatives launched during the past three years to ensure a more appropriate utilisation of the Group's assets, both locally and overseas, have all reached an advanced stage. Most of those developments will start to impact results from October 2020 and will have a significant positive impact on performance over the medium and long terms.

Gilbert ESPITALIER-NOËL
Director and CEO
19 December 2018

Pauline SEEYAVE
Director and CFO
19 December 2018

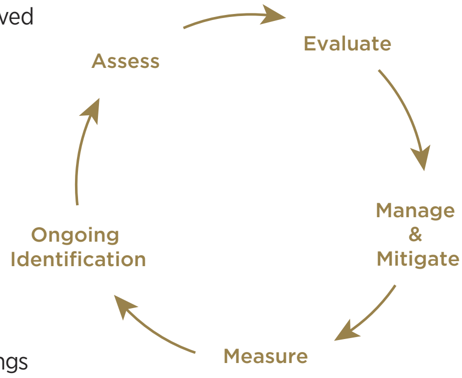
CONNECTING IDEAS

SECTION 2 - RISK MANAGEMENT

RISK MANAGEMENT REPORT

OUR RISK MANAGEMENT APPROACH

The Board of NMH is ultimately accountable for the overall risk management across the Group. It is supported in this task by the Audit and Risk Committee ("ARC"), the management team and other delegated committees which collectively set the tone and appetite for risk management at NMH. This is cascaded down to our corporate office and business units through well established and continuously improved procedures, processes, systems and controls.



Our Integrated Risk Management Processes

Building on the foundations laid in previous years, our risk management process has been further strengthened and is now embedded in the DNA of our Artisans. Realising that sustainability of the Group rests on proper risk management, considerable efforts have been put in by our Artisans at all stages of the process.

Operational and compliance risks are identified, analysed and managed through regular meetings with functional specialists. Probability of occurrence and potential impacts are assessed and the mitigation measures in place are reviewed to assess their adequacy. Our Artisans are therefore given a defined framework to work within and are encouraged to keep abreast of major disruptions in the hospitality industry. We are thus constantly on the lookout for emerging risks. Business processes are also constantly analysed and consolidated following recommendations made by internal and external auditors or other specialised service providers.

Financial and strategic risks are predominately identified, analysed and managed by the Group's executives during the annual budgeting process and short-to medium-term strategic planning. Risks identified are assessed for both likelihood of occurrence and potential financial impact. NMH holds a risk register where all risks are duly consolidated. The internal audit function includes financial and strategic risks into its annual audit plan, based on their controllability ratings.

Our Lines of Defence

NMH has adopted an integrated risk management approach as depicted in our three lines of defence model below:

1. The first line of defence (functions that own and manage risks)

This is formed by our Artisans who are responsible for identifying and managing risk as part of their accountability for achieving objectives. Collectively, they have the necessary knowledge, skills, information, and authority to operate the relevant policies and procedures of risk control.

2. The second line of defence (functions that oversee the management of risk)

This line of defence provides the policies, frameworks, tools, techniques and support to enable risk and compliance to be managed in the first line, conducts monitoring to judge how effectively they are doing it, and helps ensure consistency of definitions and measurement of risk.

3. The third line of defence (functions that provide independent assurance)

This is provided by internal audit. Sitting outside the risk management processes of the first two lines of defence, its main roles are to ensure that the first two lines are operating effectively and advise how they could be improved. Tasked by, and reporting to the ARC, it provides an evaluation, through a risk-based approach, on the effectiveness of governance, risk management, and internal controls to the Board and senior management.

Risks are identified, assessed, mitigated and monitored by functional specialists and periodically reviewed by internal and external auditors where deemed necessary. Realising that our Artisans are an important part of our lines of defence, NMH has adopted a cross-functional approach to managing risks. This has had the effect of promoting better understanding of risks and further strengthening our lines of defence.

The internal audit function was consistent in its risk-based approach where higher risk areas were subject to audit reviews. During the year, focus was laid on (i) operational controls; (ii) financial controls; (iii) human resources management; and (iv) internal and external compliance.

The Group has a well-equipped in-house health and safety team. Last year, the Group reviewed its fire safety policy to ensure compliance with the new fire code whilst continuously monitoring how our hotels abide by overall safety requirements in line with statutory obligations, including key industry stakeholder requirements such as ABTA/FTO guidelines as deemed appropriate.

Health and Safety reports are issued by the department of operational excellence to all business units for implementation. NMH strongly believes that the safety and health policy forms an integral part of the process that will spearhead the Group towards achieving its goal and vision, in line with the branding and environmental commitments. The focus this year also revolved much around setting a 'quality' policy framework and organisational structure.

As part of the EarthCheck certification process, our Artisans have actively participated in developing an environmental risk assessment and related action plans, based on the recommendations contained in the performance report issued by EarthCheck. This will be continuously monitored as part of the EarthCheck audit process.

Holistic Approach to Risk Management

NMH carries out risk assessments with the view to identifying, prioritising and taking informed decisions on risk mitigation measures. Risks are first assessed from an inherent perspective. Internal controls and other mitigating measures are then identified and flexed in, resulting in a residual risk assessment.

NMH thinks holistically about potential risks to the Group. We have identified three key pillars, which rest on two other fundamental layers, namely statutory and reputational. The environmental pillar groups all the factors which are uncontrollable and affect the Group as a whole.

NMH realises that an effective risk management system is for the large part not only dependent on having the right people in the right place with the right skills, but also on having a risk culture that promotes sound risk management. NMH believes that the risk function plays an important role in training and raising risk awareness of its Artisans throughout the organisation. At NMH, risk management remains the responsibility of everyone.

Our Risk Mitigation Approach

In our risk mitigation approach, NMH classifies strategic risks, financial risks and operation risks under the following captions, each of which requires a different risk management approach:

- Preventable risks
- Strategy risks
- External risks

Preventable risks, arising from within an organisation, are monitored and controlled through rules, values and standard compliance tools. In contrast, **strategy risks and external risks** require distinct processes that encourage managers to openly discuss risks and find cost-effective ways to reduce the likelihood of risk events or mitigate their consequences.

NMH has tailored its risk management processes to these different risk categories. A rules-based approach is effective for managing preventable risks. Our Artisans are provided with defined frameworks within which they operate, thus bringing a more structured approach to their work. Strategy risks, on the other hand, require a fundamentally different approach based on open and explicit risk discussions. To anticipate and mitigate the impact of major external risks, NMH calls on tools such as scenario analysis.

1	2	3
CATEGORY 1	**CATEGORY 2**	**CATEGORY 3**
Preventable Risks Risks arising from within the Company that generate no strategic benefits	**Strategy Risks** Risks taken for superior strategic returns	**External Risks** External, uncontrollable risks
	RISK MIGRATION OBJECTIVES	
Avoid or eliminate occurrence cost-effectively	Reduce likelihood and impact cost-effectively	Reduce impact cost-effectively should risk occur
	CONTROL MODEL	
Integrated culture-and-compliance model. Develop mission statement; values and belief systems. Rules and boundary systems. Standard operating procedures. Internal controls and internal audit.	Interactive discussions about risks to strategic objectives drawing on tools such as: • maps of likelihood and impact of identified risks; and • key risk indicator (KRI) scorecards. Resource allocation to mitigate critical risk events.	"Envisioning" risks through: • trail risk assessment and stress testing; and • scenario planning.
	ROLE OF THE RISK MANAGEMENT FUNCTION STAFF	
Coordinate, oversee and revise specific risk controls with internal audit function	Run risk workshops and risk review meetings. Help develop a portfolio of risk initiatives and their funding.	Run stress testing. Scenario planning and sensitivity testing with management team.
	RELATIONSHIP OF THE RISK MANAGEMENT FUNCTION TO BUSINESS UNITS	
Acts as independent overseer.	Provides independent facilitators, independent experts or embedded experts.	Complements strategy team or serves as independent facilitator of "envisioning" exercises.

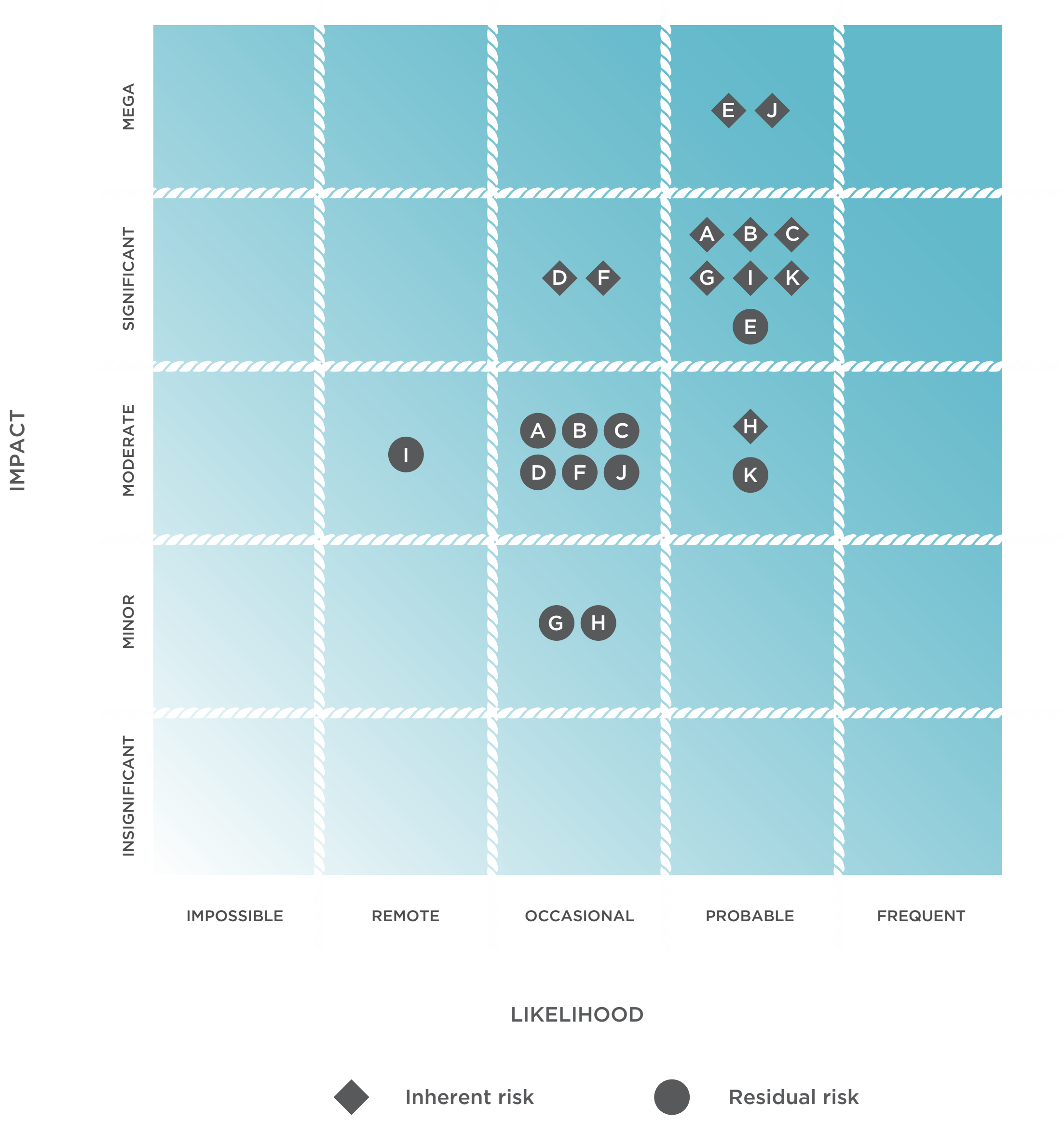
Our top inherent risks

NMH is faced with inherent risks that could materially affect the Group's business, revenue and operating profit. The table on pages 54 and 55 lists the main inherent risks for the Group.

Top Risk	Description and Risk Context	Opportunities	Mitigating Strategies
Strategic Risks			
A - Commercial	• Inability to innovate products and services • Inability to sustain competitive edge • Inability to increase our markets	• Capitalise on our savoir-faire to consolidate our existing markets and enter new markets • Consolidate our long and well-established relationship with tour operators	• Regular upgrading of our hotels • Tailor-made marketing strategies to reach target segments • Active participation in professional exhibitions and promotional fairs
B - Projects and Strategic Partnership	• Ineffective partnerships/alliances • Legal and regulatory constraints in target countries • Failure to obtain appropriate licences • Financial performance not up to expectations	• Consolidate our strategy to grow and expand. • Pursue our strategy of improving cash flows • Propose new category of hotels to guests • Increase the visibility of our hotels on the wider stage • Ensure new construction is compliant with legal requirements	• Proper due diligence exercise carried out to review the different risk aspects • Choice of strategic partners is made only after a careful selection process • All projects and strategic partnerships are framed within proper contractual agreements • Financial targets have been set, mutually agreed upon and subject to periodical reviews.
C - Human	• Risk of the Group not being able to retain its key personnel • Risk of personnel not having enough skills to provide quality service to guests • Lack of succession planning in key management positions • Industrial unrest • Service disruption	• Ensure that we remain competitive in the job market by aligning with industry standards • Develop an in-house Self-Development Programme, whereby training requirements are continually assessed and training executed • Put forward the Company vision • Establish a clearer line of communication with trade unions	• Selection processes and training programmes are well established and employment conditions are aligned with those in the industry, ensuring that the Group hires, trains and retains highly skilled employees with the required expertise • Our in-house training structure, the Training Academy Beachcomber, enables continuous enhancement of professional knowledge and skills • Emphasis is constantly being laid on the 7 core values of Beachcomber, where the Human factor ranked among the top 2 • Ongoing dialogue is maintained with trade unions to ensure smooth relations
Financial Risks			
D - Foreign Exchange /Treasury	• Market volatility • Delays in receiving monies from debtors	• Optimise the Forex management function • Continuously review and monitor our client creditworthiness criteria	• Mitigating measures include forward currency contracts, currency options and having part of our borrowings in forex • The Group extends credit facilities to only recognised and creditworthy third parties • Credit limit is in place to avoid over-exposure • Advance payments are requested from new clients, until a credit rating is established
E - Debts	• Inability to Renovate our Hotels • Inability to obtain additional finances • Rise in Interest rates leading to higher cost of finance • Inability to meet obligations	• Enhance preventive maintenance programs • Constant negotiation with lending institutions to obtain better rates • Exploring hedging techniques such as Interest Rate Futures • Optimise our treasury management function	• Strategic partnership with the view to raise funds redirected towards renovating our hotels • The Group uses a mix of fixed and variable rate debts • Lending facilities are renegotiated to obtain better terms and conditions
Operational Risks			
F - Information Technology	• Cyberattacks • Digital transformation • Business continuity	• Establish clear procedures to prevent risk of cyberattacks • Gain competitive advantage through digital transformation • Establish a comprehensive business continuity plan	• Use industry standard - security devices which are regularly monitored and updated with latest patches. The group's overall IT environment is regularly reviewed and reinforced

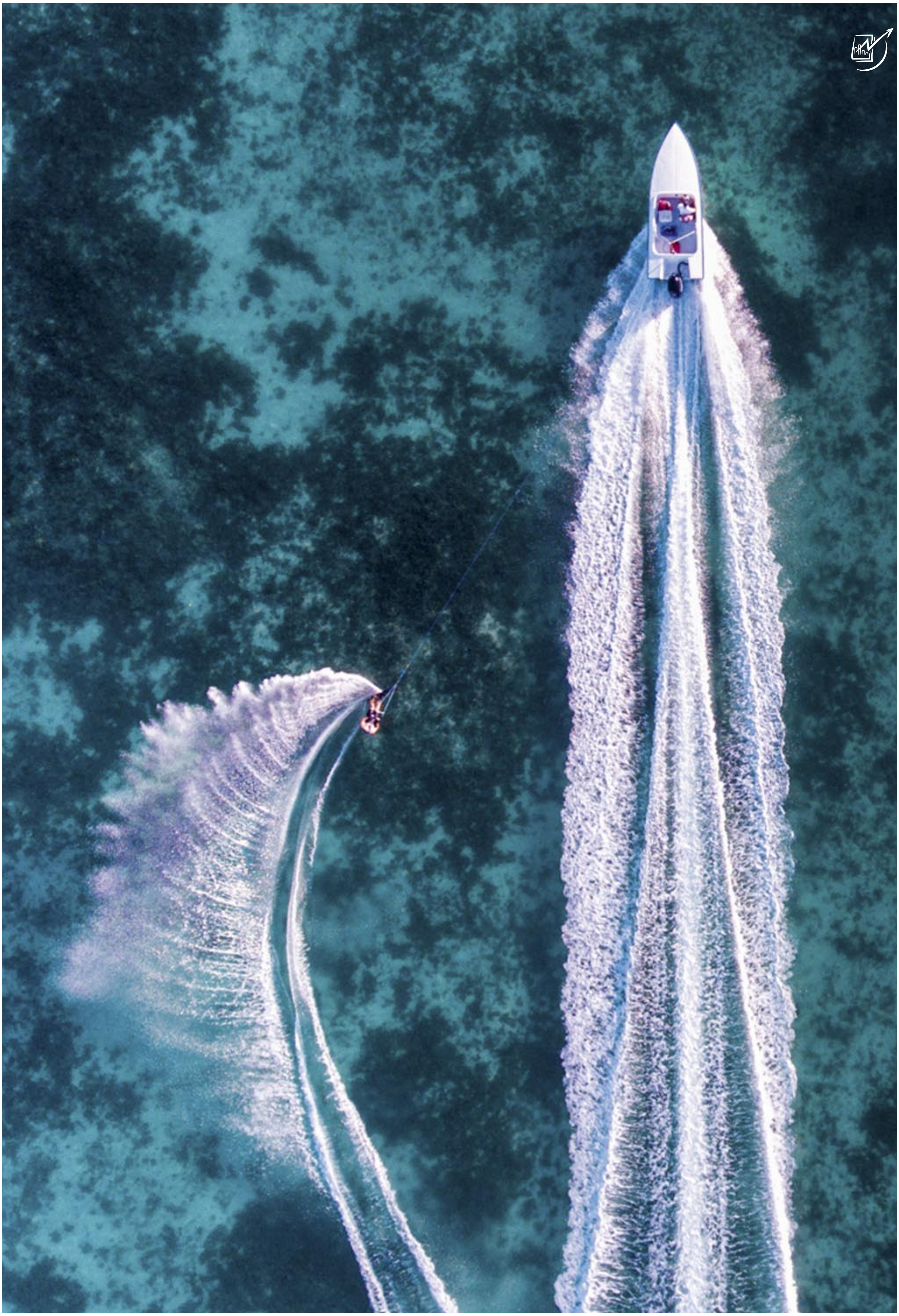
Top Risk	Description and Risk Context	Opportunities	Mitigating Strategies
F - Information Technology			• Our digital transformation strategy aims to create the capabilities of fully leveraging the possibilities and opportunities of new technologies and their impact faster, better and in more innovative ways in the future • Procedures are in place to safeguard the IT installations of all hotels of the Group in order to ensure continuity of business
G - Health & Safety	• Unsafe hotels for guests • Unsafe working environment for employees leading to low morale and higher risks of injury • Safety issues over food • Absence of crisis/incident management procedures	• Ensure continual alignment with H&S and ABTA/FTO standards • For new project to take into account H&S and ABTA/FTO requirements in building designs and structure	• Well established standards & procedures across the Group • Consolidation of our safety management systems
H - Theft, Fraud & Corruption	• Misappropriation of assets • Fictitious payment instructions • Identify high-risk areas • Collusion • Delays in enforcing our Code of Ethics and Business Conduct	• Establish a more efficient asset management system and procedures to ensure compliance with and strengthen controls	• Clearly defined systems are in place via emails internal controls • Systems are subject to regular reviews by the Group's internal audit to assess their efficiency and effectiveness
Compliance Risk			
I - Legal and Regulatory Compliance	• Non-compliance with procedures/statutory obligations	• Establish systems that would help the Group prepare for compliance with new legislation	• The Group seeks guidance from legal advisors and insurance consultants to safeguard against exposure to potential losses
Reputational Risk			
J - Brand and Reputation	• Loss of reputation if 'risks', at all levels are not properly managed/mitigated	• Continually align our standards with international standards • Inculcating risk management in the culture of the Group, whereby everyone in the organisation becomes involved in the management of risks	• The Group constantly upgrades its products and adheres to high quality standards in all areas of operations • Standard Operating Procedures (SOPs) in respect of our front line activities are continuously revisited, in line with the Group's philosophy of providing the best customer experience • The Group is EarthCheck certified and constantly strives towards achieving sustainable eco-development • The Group has full-time Health and Safety and Food Safety Officers who continually review processes and ensure compliance with SOPs and international best practices
External Risk			
K - Environmental Risk	• Natural disasters	• Establish a system to ensure that the Group has the minimum resources to weather the full impact of an environmental risk event	• The Group methodically identifies, assesses and responds to environmental risk

RISK HEAT MAP



"Our challenge is to uplift and ensure the highest reputational level for the Beachcomber brand."

Jamil TAUJOO,
CHIEF INTERNAL AUDIT OFFICER



IT, Data Management and Risk Information

Outlook

The Board and Senior Management need to have timely, accurate and comprehensive risk information, which is also expected by stakeholders. IT infrastructure and data management are geared to enable a forward-looking and integrated view across the Group. We are continuing our efforts to secure our IT platforms and promote digital transformation.

Risk Factors

We rely heavily on increasing connectivity and data management processes to conduct our business, be it for back office processes, email communications, and to ensure guest satisfaction. As such, we are subject to ICT risks such as cyberattacks, viruses and malware, to name a few. We are constantly on the alert to mitigate those risks. Policies and procedures are in place to frame all these.
We are fully compliant with our local Data Protection Act and the European General Data Protection Regulation (GDPR).
Amongst our Artisans, we have an internal IT team for first-level troubleshooting, which looks after all the internal systems. We also have service level agreements with service providers who are chosen based on the quality of products and support they are able to provide. Most of our applications are on premises and the pros and cons of hosted applications and Software as a Service (SaaS) are under evaluation. This will enable better management of our exposure to potential IT threats. We also monitor our Customer Experience Management (CEM) surveys to evaluate our guest expectations before investing in new guest-facing technology.

RISK AND AUDIT COMMITTEE

For internal control, internal audit and risk management issues, please refer to page 72 (Governance - Board Committees)

Progress and Achievements

Internal Audit

Internal audit forms the NMH's third line of defence. It is an independent in-house function, with a direct reporting line to the chairman of the ARC on audit matters and to the CEO for day to day administrative matters. The internal audit function has a defined mandate through the internal audit charter that establishes its purpose, authority and responsibility.
The internal audit function is not called upon to hold any other operational responsibilities.

The yearly internal audit plan, which excludes joint ventures and associates, is based on our Risk Matrix and is approved by the ARC at the beginning of the financial year. Focus is laid on emerging and high-risk areas and reporting is made to the ARC on a quarterly basis. High risk issues together with internal audit recommendations are tabled during the ARC meetings and management comments and implementation plans are discussed. The progress into the audit plan is also analysed and gaps, if any, are explained to the ARC.

The Internal audit department is adequately resourced and maintains a consistently high level of professionalism and quality based on the International Standards, appropriate knowledge, skills and experience.

Implementation reviews are also reported to the ARC on a six month's basis to ensure that management's commitments towards remedial actions are complied with.

During the year, there were no limitations or restrictions in the internal audit's scope of work and access to information.

The Risk and Audit Department constantly strives in delivering quality audits together with sound recommendations geared towards improving efficiency and productivity of business processes. We remained consistent in our risk based approach where the focus of the internal audit was more revolved around emerging and high risk areas.

Our Key Performance Indicators (KPIs) are as follows:

Business Units	Number of audits	
	FY2018	**FY2017**
Head Office	2	4
Hotels	8 Business Cycles	9 Business Cycles
	across 8 hotels	across 8 hotels
DMC	1	1
Catering	5	5
Special Audits	4	1

In 2018, the internal audit performed 4 special audits at our hotels. These were unplanned interventions that the Internal Audit covered due to certain specific needs. Consequently, the number of audit interventions over the Head office fell slightly. Our overseas Tour Operating activities are audited every 3 years.

External Auditor

BDO & Co. has been appointed as external auditor of the Group following a tender exercise with the active participation of the Chairman of the Audit Committee. The Committee assessed the independence and effectiveness of the external auditor throughout the year before making a recommendation to the Board for their retention.

High-priority issues raised by the external auditor regarding policies and accounting treatments were discussed during the Audit Committee meetings.


PARADIS BEACHCOMBER
Berthy Meriza
Executive Sous Chef

COMMITTED TO PEOPLE

SECTION 3 - CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

NMH qualifies as a public interest entity under the provisions of the Financial Reporting Act.

The year 2017 has marked an important change in the corporate governance regime of Mauritius. The New Code of Corporate Governance ("New Code") is effective since 1 July 2017 and is applicable for reporting by NMH in respect of its financial year ended 30 September 2018. The Code comprises eight principles and is on an 'apply and explain' basis, thus departing from the previous code which was on a 'comply or explain' basis. The Corporate Governance report of NMH describes the main corporate governance framework and application of the principles of the New Code by the Company.

This report, along with the Integrated Annual Report, is published in its entirety on the Company's website:
www.beachcomber-hotels.com/en/corporate-information/investors-corner

NMH was incorporated on 24 December 1964 and is listed on the Stock Exchange of Mauritius Limited ("SEM"). Its registered office is located at Beachcomber House, Botanical Garden Street, Curepipe, Mauritius. The principal activities of NMH Group consist of hotel operations, tour operating and the provision of airline and inland catering and development of property for sale.

1. GOVERNANCE STRUCTURE

The Board of NMH is collectively accountable and responsible for the long-term success of the Company, its reputation and governance. The Board also assumes the responsibility for leading and controlling the Company and meeting all legal and regulatory requirements.

The Group operates within a clearly defined governance framework which provides for delegation of authority and clear lines of responsibility while enabling the Board to retain effective control. As such, the Board is ultimately accountable and responsible for the performance and affairs of the Group. While the Board has reserved certain matters for its approval, it has delegated some of its powers and responsibilities to two committees, namely the Corporate Governance Committee ("CGC") and Audit and Risk Committee ("ARC"). A reporting mechanism is in place to ensure that matters affecting the affairs and reputation of the Group are escalated to the Board by the Chairpersons of these Committees.

1.1. Oganisational and governance structure

The organisational and governance structure of NMH is illustrated on page 83 of the Annual Report.

1.2. Board Charter and Position Statements

The Board of Directors' charter sets out the objectives, roles and responsibilities and composition of the Board of directors of NMH.
The Board charter as well as the position statements, which have been approved by the Board, provides for a clear definition of the roles and responsibilities of the Chairperson, executive and non-executive directors, the Board's committees, CEO of NMH as well as the Company secretary.
The Board Charter is available for consultation on NMH's website: **www.beachcomber.com**

1.3. Code of Ethics

NMH is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders.
NMH also remains committed to the fostering of high ethical and moral standards within its Group and has adopted some fundamental principles in the way it conducts its activities, such as:

- 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, whether directly or indirectly.

The NMH Code of Ethics is available for consultation on NMH's website: **www.beachcomber.com**

1.4. Constitution of NMH

The material clauses of NMH's constitution are as follows:

- Fully paid up shares are freely transferable;
- The Company may acquire and hold its own shares;
- A special meeting of shareholders may be called at any time by the Board and shall be so called on the written request of shareholders holding shares carrying together not less than five percent (5%) of the voting rights entitled to be exercised on the issue;
- A Director is not required to hold shares in the Company; and
- The Constitution of the Company provides that the Board shall consist of nine or ten Directors. A quorum for a meeting of the Board is five Directors.

The Constitution of NMH is available for consultation on NMH's website: **www.beachcomber.com**

2. THE BOARD

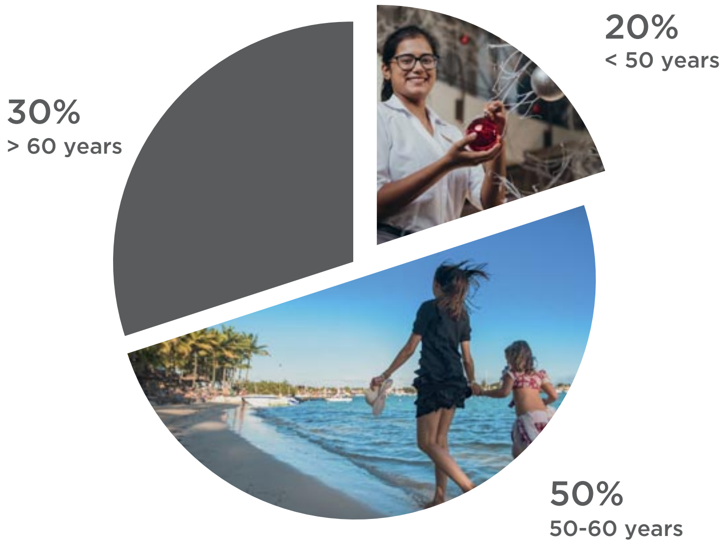
2.1. Board Profile

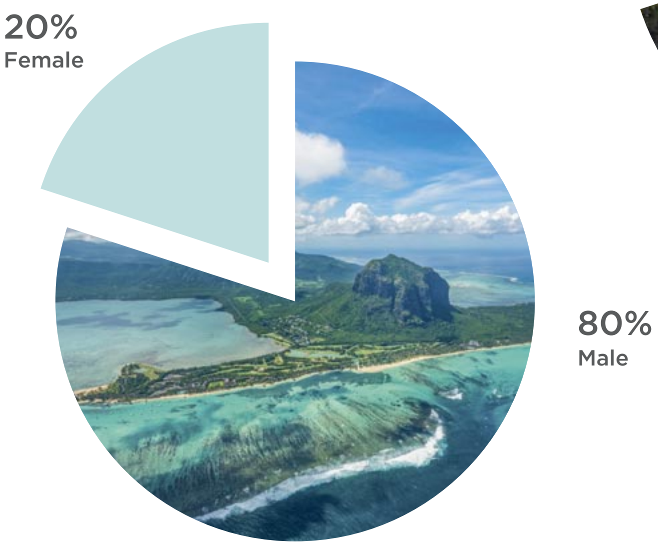
- The names and profiles NMH's Directors are disclosed on pages 68 to 71 of the Annual Report. All the Directors of NMH ordinarily reside in Mauritius.

2.2. Board Composition

- The Board of Directors is the Company's supreme governing body and has full power over the affairs of the Company.
- As per the Board Charter, the Board has a unitary structure comprising executive, non-executive and independent Directors.
- In accordance with NMH's constitution, the Board shall consist of nine or ten directors.
- The members of the Board are elected at the meeting of shareholders.
- The Board uses its best efforts to ensure that:
  - its members can act critically and independently of one another;
  - each Board member can assess the broad outline of the Company's overall policy;
  - each Board member has sufficient expertise to perform his\her role as a Board member;
  - the Board matches the Board profile and comprises directors from both genders with at least one male and one female director;
  - at least one Board member is a financial expert, meaning he has expertise in financial administration and accounting for companies similar to the Company in size and sophistication; and
  - no less than 2 of the Board members are independent.
- As at 30 September 2018, the Board comprised ten members. Board members have a diverse mix of skills and experience and are distinguished by their professional ability, integrity and independence of opinion.
- The Board of Directors has reviewed the categorisation of Independent Directors of NMH:
  - Since Mr Sunil Banymandhub has served for more than 9 years on the Board of NMH, he is henceforth categorised as a Non-Executive Director of NMH.
  - In spite of having occupied an interim position at NMH for a period of 3 months, Mr Alain Rey, will be continuously categorised as an Independent Non-Executive Director of NMH. The Board believes that Mr Rey had shown independence of mind and judgement during his tenure in office and had also demonstrated objectivity during board meeting deliberations.
  - The Board composition for the year under review is as follows:

The Board composition for the year under review is as follows:





DIRECTORS' PROFILES

STANDING FROM LEFT TO RIGHT
Louis Rivalland
Jyoti Jeetun
François Venin
Herbert Couacaud
Hector Espitalier-Noël
Sunil Banymandhub

SITTING FROM LEFT TO RIGHT
Alain Rey
Gilbert Espitalier-Noël
Pauline Seeyave
Jean-Pierre Montocchio

CHCOMBER

Hector ESPITALIER-NOËL

(Born in 1958)

Chairman, Non-Executive Director

- Appointed in: April 1997
- Qualifications: Member of the Institute of Chartered Accountants in England and Wales
- Committee: Member of the Corporate Governance Committee
- Professional Journey:

Hector Espitalier-Noël previously worked with Coopers and Lybrand in London and with De Chazal du Mée in Mauritius. He is the Chief Executive Officer of ENL Limited and the ENL Group since 1990. He is also the Chairman of ENL Limited and Bel Ombre Sugar Estate Ltd and a past chair of Rogers and Company Limited, the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Mauritius Sugar Syndicate.

- Skills:

Vast experience in the sugar cane industry as well as the property, hospitality and financial services sectors being the Chairman and a board member of various companies evolving in these sectors.

Sunil BANYMANDHUB

(Born in 1949)

Non-Executive Director

- Appointed in: March 2000
- Qualifications: BSc Honours First Class in Civil Engineering UMIST,UK, Master's degree in Business Studies (London Business School), Associate of the Institute of Chartered Accountants of England and Wales
- Committee: Member of the Corporate Governance Committee
- Professional Journey:

Sunil Banymandhub has occupied senior positions with various major companies in the private sector in Mauritius. He is also the majority shareholder of a transport company. During his career, he has been involved with several private sector organisations and was, amongst other functions, the President of the Mauritius Employers' Federation, and a Member of the Presidential Commission on Judicial Reform presided over by Lord Mackay of Clashfern, previously UK Lord Chancellor. He currently acts as Chairman or board member of a number of domestic and global entities.

- Skills: Many years' experience in financial services and senior management.

Herbert COUACAUD – *up for re-appointment at next annual meeting*

(Born in 1948)

Non-Executive Director

- Appointed in: May 1981
- Qualifications: BSc in Economics and Mathematics, University of Cape Town
- Committee: Member of the Corporate Governance Committee
- Professional Journey:

Herbert Couacaud has been the Chief Executive Officer of New Mauritius Hotels Limited from 1974 until his retirement in June 2015.

- Skills: Actively contributed to the development of the tourism industry in Mauritius.

Gilbert ESPITALIER-NOËL - *up for re-election at the next annual meeting*

(Born in 1964)

Chief Executive Officer, Executive Director

- Appointed in: February 2013
- Qualifications: BSc University of Cape Town, BSc (Hons) Louisiana State University and MBA INSEAD.
- Committee: Member of the Corporate Governance Committee
- Professional Journey:

Gilbert Espitalier-Noël commenced employment with the Food and Allied Group (now Eclosia group) in 1990 and was appointed Group Operations Director in 2000. He joined the ENL Group, where he was Executive Director from February 2007 until June 2015. He is since July 2015 the Chief Executive Officer of New Mauritius Hotels Limited. Gilbert Espitalier-Noël was President of the Mauritius Chamber of Commerce and Industry in 2001, of the Joint Economic Council in 2002 and 2003 and the Mauritius Sugar Producers Association in 2008 and 2014.

- Skills: Extensive experience in the agro-industrial, property and hospitality sectors.

Jyoti JEETUN

(Born in 1960)

Independent Non-Executive Director

- Appointed in: December 2017
- Qualifications: PhD in Strategy and Accounting, Warwick Business School, University of Warwick, MBA, Warwick Business School and Fellow of the Institute of Chartered Secretaries and Administrators
- Committee: Member of the Audit & Risk Committee
- Professional Journey:

Jyoti Jeetun is the Group Chief Executive Officer of Compagnie de Mont Choisy Limitée since April 2016. She was previously an international consultant in private sector development and financial services as well as an academic in leading UK Business Schools (Warwick Business School, Birmingham Business School, Oxford Brookes Business School and Essex Business School). Jyoti Jeetun has occupied senior management roles with global investment banks in London (BNP Paribas, Barclays Capital, Bank of America Merrill Lynch). She was the Deputy Director of the Centre for the Development of Enterprise, a Brussels based international organisation promoting private sector enterprise development in ACP countries. She was the founding Chief Executive of the Sugar Investment Trust and the founding Chairperson of Mauritius Post and Cooperative Bank (now MauBank). She started her career as a public servant and went on to become the Finance Editor of Business Magazine.

- Skills: Over 25 years of executive management and Boardroom credentials mainly in sugar, banking, financial services, and real estate development sectors.

Jean-Pierre MONTOCCHIO

(Born in 1963)

Non-Executive Director

- Appointed in: April 2004
- Qualifications: Notary
- Committee: Chairman of the Corporate Governance Committee
- Professional Journey:

Jean-Pierre Montocchio was appointed Notary Public in Mauritius in 1990. He was a member of the Board of Directors' Sub-Committee of the National Committee on Corporate Governance.

- Skills: Well versed in corporate governance matters and NED experience across the private and public sectors. Jean-Pierre Montocchio also has significant experience in alliances, ventures and partnerships.

Alain REY

(Born in 1959)

Independent Non-Executive Director

• Appointed in: February 2017

• Qualifications: Member of the Institute of Chartered Accountants in England and Wales

• Committee: Chairman of the Audit & Risk Committee

• Professional Journey:

Alain Rey has worked in the financial services industry at Citibank N.A. (France) and as Regional Corporate Director of Barclays Bank Plc at their Mauritius branch, in the textile industry as Senior Vice President and Chief Financial Officer of Novel Denim Holdings Ltd, a Nasdaq listed company. He has also been the CEO of Compagnie de Mont Choisy Limitée, a group of Companies involved in agricultural and property development activities.

• Skills:

Extensive experience in the formulation and appraisal of risk assessment and management systems in various industries. He has also been Chairman of various Strategic and Investment Committees and possesses banking and financial competence and expertise.

Louis RIVALLAND

(Born in 1971)

Non-Executive Director

• Appointed in: March 2002

• Qualifications: BSc. (Hons) degree in Actuarial Science and Statistics, Postgraduate Diploma in Strategy and Innovation, University of Oxford and Fellow of the Institute of Actuaries (UK)

• Committee: Member of the Audit and Risk Committee

• Professional Journey:

Louis Rivalland is currently the Group Chief Executive of Swan General Ltd and Swan Life Ltd.

He is a former President of the Joint Economic Council and of the Insurers' Association of Mauritius. He has played an active role in the development of risk management, investment, insurance and pensions in Mauritius, having chaired or served on various technical committees in these fields.

• Skills:

Extensive experience in financial services and risk management.

Pauline SEEYAVE - ***up for re-election at the next annual meeting***

(Born in 1974)

Executive Director

• Appointed in: August 2016

• Qualifications: Master of Arts, St Catharine's College, University of Cambridge and Associate of the Institute of Chartered Accountants in England and Wales

• Professional Journey:

Pauline Seeyave is currently the Group Chief Financial Officer of New Mauritius Hotels Limited. She has 20 years of working experience in UK and Mauritius. She has managed client portfolios in Audit and Business assurance and has occupied senior executive roles in banking, across finance, risk management, credit, project finance and corporate banking. She is a current Non-Executive Director of Innodis Ltd and was a past Director of SBM Bank (Mauritius) Ltd, State Insurance Company of Mauritius Ltd and Club Mediterranee Albion Resorts Ltd.

• Skills:

Extensive experience in risk management, corporate finance and financial reporting.

François VENIN

(Born in 1957)

Executive Director

• Appointed in: July 2015

• Professional Journey:

François Venin is currently the Group Chief Sales and Marketing Officer of New Mauritius Hotels Limited. He is responsible for managing the sales and marketing strategies of the NMH's Group 8 hotels, all overseas offices worldwide and the three tour operating companies, Beachcomber Tours in France, the UK and South Africa. He also assists in the decision-making process on new projects or ventures and manages communications platforms with optimum use of all available digital channels. François Venin was previously the General Manager of Mauricia Beachcomber Resort & Spa and Canonnier Beachcomber Golf Resort & Spa and had before that managed properties overseas for Club Méditerranée.

• Skills:

Strong expertise in sales, communication and marketing strategies. François Venin also has over 41 and 32 years of extensive experience in hospitality and team management respectively.

2.3. Board Committees

	Corporate Governance Committee ("CGC")	Audit and Risk Committee ("ARC")
MEMBERS	**Director** – **Category** Jean Pierre Montocchio – Non-Executive Director, Chairman Herbert Couacaud – Non-Executive Director Gilbert Espitalier-Noël – Executive Director Hector Espitalier-Noël – Non-Executive Director Sunil Banymandhub – Non-Executive Director In compliance with the Code, the CGC was composed of a majority of Non-Executive Directors. The Company Secretary acts as Secretary of the Committee.	**Director** – **Category** Alain Rey – Independent Non-Executive Director, Chairman Louis Rivalland – Non-Executive Director Jyoti Jeetun *(As from December 2017)* – Independent Non-Executive Director In compliance with the Code, the chairperson of the ARC is an Independent Non-Executive Director. The ARC is the cornerstone of the Company's system of internal controls and risk management. The Board has delegated its powers on internal control and risk management to the ARC which reviews the risk philosophy, strategy and policies of the Group. The Head of the Internal Audit function has ready and regular access to the chairperson and other members of the ARC. The Company Secretary acts as secretary of the committee.
QUORUM	The quorum necessary for the transaction of business shall be the majority of members in office.	The quorum for the transaction of business is two members, at least one must be an Independent Non-Executive Director.
MAIN DUTIES AS PER TERMS OF REFERENCE/ CHARTER	A new terms of Reference of the CGC of NMH was adopted on 28 September 2018. The main duties of the CGC are detailed below: **In its capacity as Corporate Governance Committee:** • develop and recommend to the Board a corporate governance framework and a set of corporate governance guidelines; • review and evaluate the implementation of the corporate goverance guidelines within the organisation; • ensure that an adequate process is in place for the board and senior management to comply with the Mauritian Code of Corporate Governance; • ensure that an adequate process is in place for the Board and senior management to comply with the organisation's Code of Business Conduct and Ethics; • review annually with the Board the size and composition of the Board; and • ensure that an adequate process is in place for the Board and senior management to comply with the Mauritian Code of Corporate Governance. **In its capacity as Nomination Committee:** • review the stucture, size and composition of the Board and its Committees; • be responsible for identifying and nominating, for the approval of the Board, candiates to fill Board vacancies; • make recommendations to the Board concerning the re-election by shareholders of directors or the retirement by rotation; • give full consideration to succession planning for directors and other senior executives; and • keep under review the leadership needs of the organisation. **In its capacity as Remuneration Committee:** • set the remuneration policy for all executive directors, the Chairperson and other designated senior executives; and • review the on-going appropriateness and relevance of the remuneration policy.	***Financial Statements:*** To review the quality and integrity of the financial statements of the Group and Company including its annual and half-yearly reports, interim reports and any formal announcement relating to the organisation's financial performance. ***Internal Controls and Risk Management systems:*** To keep under review the adequacy and effectiveness of the Group's systems of internal control, including financial controls and business risk management systems. ***Compliance, Whistleblowing and fraud:*** To review the adequacy and security of the organisation's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. ***Internal Audit:*** To review and assess the annual internal audit work plan; To monitor and review the effectiveness of the internal audit function, in the context of the Group's overall risk management system; ***External Audit:*** To consider and make recommendations to the Board, in relation to the appointment, re-appointment and removal of the Company's external auditor; ***Business Conduct and compliance with laws and regulations:*** To monitor the implementation of the Company's code of ethics and identify any violations of ethical conduct; ***Reporting Responsibilities:*** To report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
MAIN DELIBERATIONS DURING THE YEAR	• Reviewed the corporate governance for the year ended 30 September 2017; • Recommended the re-election of Mr Jean Pierre Montocchio and Mr Louis Rivalland in compliance with Section 23.6 of the Constitution; • Reviewed and recommended the payment of bonuses to the personnel; • Reviewed and recommended to the Board of Directors the implementation of the principles of the new Code of Corporate Governance for NMH, which included amongst others the adoption of a Board Charter, a Corporate Governance Committee Charter, a Code of Ethics, Information Security Policies, a stakeholder map , the establishment of the Senior Governance Positions and the review of the independence of Directors; • Approved the Board Evaluation exercise for the year 2018	• Reviewed and recommended to the Board the approval of: - The audited financial statements for the year ended 30 September 2017; - The publication of the audited abridged financial statements for the year ended 30 September 2017; - The publication of the unaudited quarterly consolidated results of the Company. - The risk management disclosures of the Annual Report 30 September 2017; - Amendments in the terms of Reference of the ARC; - Received the External Audit Plan for the year ended 30 September 2018; • In respect of BDO & Co, the external auditors: - Reviewed the proposal for external audit services in view of the change in auditor; - Recommended the appointment of BDO & Co. as auditors for the year ending 30 September 2018; • In respect of the Internal Audit function: - In collaboration with the Internal Audit function, refined the processes for the conduct of Internal Audit assignments; - Examined reports issued by the Internal Audit function; - Monitored the implementation of action plans by subsidiaries. • Reviewed the effectiveness of the internal control and risk management systems.

The Charters of the CGC and ARC of NMH are available for consultation on NMH's website: www.beachcomber.com

2.4. Attendance at Board & Committee Meetings

The attendance of the Directors at the Board and Committee meetings of the Company was as follows:

		Board	Audit and Risk Committee	Corporate Governance Committee
Number of meetings held		8	4	4
Category	**Directors**		**Attendance**	
Executive				
	Gilbert ESPITALIER-NOËL	8/8	N/A	4/4
	Pauline SEEYAVE	8/8	N/A	N/A
	François VENIN	7/8	N/A	N/A
Non-Executive				
	Sunil BANYMANDHUB	7/8	N/A	4/4
	Herbert COUACAUD	5/8	N/A	0/4
	Hector ESPITALIER-NOËL	8/8	N/A	4/4
	Jean-Pierre MONTOCCHIO	7/8	N/A	4/4
	Louis RIVALLAND	5/8	2/4	N/A
Independent Non-Executive				
	Alain REY	8/8	4/4	N/A
	Jyoti JEETUN (appointed on 1 December 2017)	5/6	4/4	N/A

2.5. Board Deliberations

During the year under review, the deliberations by the Board of Directors included the following:

- Approval of Integrated Annual Report for the year ended 30 September 2017;
  - Preparation of the Annual Meeting of the Company held in March 2018;
  - Approval of financial results;
  - Abridged audited financial statements for the year ended 30 September 2017 for publication purposes;
- The unaudited quarterly consolidated results of the Company for publication purposes;
- Declaration and payment of dividends for the year ended 30 September 2018;
- Receiving the reports and recommendations of the ARC and CGC;
- Review of the Group's operations as reported by the CEO;
- Approval of various banking facilities;
- Review of the composition of the Board and ARC;
- Ongoing review of the strategy of the NMH Group;
- Review of the performance of the Group against Budget;
- Approval of significant contracts;
- Approval of the allotment of notes in respect of the multicurrency note programme;
- Approval of the conversion of 123,610,046 redeemable convertible non-voting preference shares into 63,399,593 ordinary shares;
- Approval of the use of electronic mail for circulation of shareholders' documents;
- Approval of a share sale and purchase agreement in respect of Reef Resort;
- Approval of Memorandum of Understanding with Club Med;
- Approval of the structuring of Semaris Ltd;
- The implementation of the principles of the new Code of Corporate Governance for NMH, which included amongst others the adoption of a Board Charter, a Code of Ethics, Information Security policies, a stakeholder map, the establishment of the senior governance positions and the review of the independence of Directors;
- Approval of new Terms of Reference of the CGC of NMH; and
- Recommendation for the appointment of BDO & Co. as auditor for the year ended 30 September 2018.

2.6. Directors' Appointment Procedures

2.6.1. Appointment and re-election

- The Board may appoint any person to be a Director, either to fill a casual vacancy or as an additional Director in so far that the total number of Directors will not at any time exceed the number fixed in accordance with the Company's constitution. The Director so appointed by the Board will hold office only until the next following Annual Meeting and will then be eligible for re-appointment;
- The appointment process is delegated to the CGC (in its capacity as Nomination Committee) which recommends to the Board the directors to be appointed and/or re-elected.
- Once the candidate has been approved by the Board, the candidate is required to sign a letter of appointment, which states that the candidate shall owe a duty to the Board and to the Company as director, that he will act in good faith and that he is willing to allocate sufficient time to the Company.
- A nomination or recommendation to the meeting of shareholders for a candidate for the Board includes a brief of biographical details (age, profession, academic qualifications and any other information relevant to assess the suitability as a member of the Board) of the proposed director.
- In accordance with the Company's Constitution, at each Annual Meeting of the Company, two Directors, who have been longest in office since their appointment or last re-appointment, retire by rotation and are eligible for re-appointment.
- Re-election of Directors over the age of 70 years is made in compliance with section 138(6) of the Companies Act 2001.
- Upon recommendation of the CGC, the following will be proposed to the shareholders for approval at the forthcoming Annual Meeting of NMH scheduled on 22 March 2019.
  - The re-election of Mr Marie Edouard Gilbert Espitalier Noël and Ms Pauline Sybille Cheh Seeyave as Directors of the Company in accordance with Section 23.6 of the Company's constitution.
  - The re-election of Mr Joseph René Herbert Maingard Couacaud as Director of the Company in compliance with Section 138 (6) of the Companies Act 2001.
- The Chairman confirms that, following a performance evaluation, Mr Marie Edouard Gilbert Espitalier Noël, Ms Pauline Sybille Cheh Seeyave and Mr Joseph René Herbert Maingard Couacaud continue to be performing and remain committed to their roles as Directors of the Company.

2.6.2. Board Induction

- On their first appointment, Non-Executive Directors benefit from an induction programme aimed at deepening their understanding of the Company and its subsidiaries and the business and the environment in which the Group operates.
- As part of the induction programme, all newly appointed Directors receive a folder of essential board and Company information relevant to his/her role, legal duties and responsibilities and have a briefing session with the Chief Executive Officer.
- During the year under review, Dr. Jyoti Jeetun has been appointed on the Board of NMH.

2.6.3. Professional Development and Training

- The Directors are aware of their legal duties.
- The Board encourages its members to keep themselves abreast of changes and trends in the business and in the Company's environment and markets and of changes and trends in the economic, political, social and legal climate generally.
- The Board regularly assesses:
  - the development needs of its Directors and facilitates attendance to appropriate training to continuously update the skills and knowledge of the directors so that they fulfil their role on the Board and its Committees; and
  - the development needs of the Board as a whole to promote its effectiveness as a team.

2.6.4. Succession Planning

- The Corporate Governance Committee recommends plans for succession of directors and senior management.
- The Board regularly reviews its composition, structure and succession plans.

2.7. Directors’ Duties, Remuneration and Performance

2.7.1. Directors’ Interests

- The Company Secretary keeps the Interests Register and ensures that it is updated regularly. The register is available for consultation to shareholders upon written request to the Company Secretary.
- All new Directors are required to notify in writing to the Company Secretary their direct and indirect interests in NMH.
- NMH’s Board Charter also contains policies on Conflicts of Interests and Related Party Transactions.
- Directors, after becoming aware of the fact that they are interested in a transaction or proposed transaction with the Company, disclose this to the Board and cause this information to be entered in the Interests Register.

2.7.2. Related Party Transactions

- Note 15 of the financial statements for the year ended 30 September 2018, set out on pages 138 to 141 of the Integrated Annual Report 2018 details all the related party transactions between the Company or any of its subsidiaries or associates and a director, chief executive or companies owned or controlled by a director or chief executive.
- Shareholders are apprised of related party transactions through the issue of circulars and press releases by the Company in compliance with the Listing Rules of the Stock Exchange of Mauritius Limited.

2.7.3. Remuneration

- Pursuant to the Constitution, unless otherwise determined by the shareholders, the Company pays to the Directors such amount of aggregate fees as the Board decides.
- The underlying philosophy is to set remuneration at appropriate level to attract, retain and motivate high calibre personnel and reward in alignment with their individual as well as joint contribution towards the achievement of the Company’s objective and performance, whilst taking into account the current market conditions and Company’s financial position. The Directors are remunerated for their knowledge, experience and insight given to the Board and Committees.
- Pursuant to the above, committees have been set-up to regulate and follow up closely on all matters relating to remuneration.
- The Chairperson of the Board is paid a special level of fees appropriate to his office.
- The Board ensures that, forthwith after authorising any such payment, particulars of such payment are entered in the Interests Register.
- For Executive Directors, apart from a base salary and short-term benefits which reflect their responsibilities and experience, their remuneration consists of a variable element in the form of an annual bonus, determined by the performance of both the Group and the individual.
- None of the non-executive directors are entitled to remuneration in the form of share options or bonuses associated with the Company’s performance.
- The table hereunder lays out the present fee structure, as decided by the Board, following recommendations of the CGC, for the chairperson and members of the Board and of its Committees:

Category of Member	Monthly Fixed Fee
Chairman of the Board also member of the CGC	MUR 40,000
Members also sitting on the CGC and/or ARC	MUR 35,000
Members not sitting on any Committee	MUR 25,000

2.7.4. The Directors' interests in NMH's shares and the actual remuneration and benefits received by the Directors as at 30 September 2018:

	INTERESTS IN NMH SHARES								REMUNERATION	
	ORDINARY SHARES				REDEEMABLE CONVERTIBLE NON-VOTING PREFERENCE SHARES				SALARIES & SHORT TERM BENEFITS	POST EMPLOYMENT BENEFITS
	DIRECT		INDIRECT		DIRECT		INDIRECT			
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	Rs	Rs
Sunil BANYMANDHUB	12,500	0.00	-	-	-	-	-	-	420,000	-
Herbert COUACAUD	34,151,868	6.24	1,073,991	0.20	-	-	-	-	420,000	-
Gilbert ESPITALIER-NOËL	78,998	0.01	10,312,630	1.89	-	-	378	0.01	17,310,817	1,696,384
Hector ESPITALIER-NOËL	-	-	11,205,332	2.05	21	0.00	63,905	0.17	480,000	-
Jyoti JEETUN	-	-	-	-	-	-	-	-	350,000	-
Jean-Pierre MONTOCCHIO	-	-	887,226	0.16	-	-	13,235	0.04	420,000	-
Alain REY	-	-	149,056	0.03	-	-	-	-	420,000	-
Louis RIVALLAND	304,200	0.06	54,767	0.01	193,400	0.05	3,781	0.01	420,000	-
Pauline SEEYAVE	3,117	0.00	-	-	-	-	-	-	11,717,933	1,026,531
François VENIN	-	-	-	-	-	-	-	-	13,559,414	5,577,249

** The Directors of the Company did not receive any remuneration from the Company's subsidiaries.*

2.7.5. Dealing in Securities

- The Board abides to the principles of the Model Code for Securities Transactions by Directors of Listed Companies as detailed in Appendix 6 of the Listing Rules issued by the Stock Exchange of Mauritius Limited and the Companies Act 2001.
- The Company Secretary keeps the Directors apprised of closed periods and of their responsibilities in respect to the above code.
- During the financial year under review, none of the Directors have traded in the shares of NMH except Mr Gilbert Espitalier-Noël who has converted 48,108 redeemable convertible non-voting preference shares into 24,674 ordinary shares.

2.7.6. Information, Information Technology and Information Security Governance

- *Outlook*

We are continuing our efforts to secure our ICT platforms as well to modernise both the software and the hardware infrastructure to promote digital transformation.

- *Risk Factors*

Risks related to our business can be read on pages 54 and 55.

- *Information and Communication Technology*

We rely heavily on Information and Communication Technology ("ICT") to conduct our business, for back office processes, email communications, as well as to ensure guests' satisfaction, in an environment increasingly requesting connectivity and through data management, that helps in building the goodwill of the Company. As such, we are subject to ICT risks such as cyber attack, viruses and malwares, hardware and software failures and internet access disruption. We are constantly on alert in order to mitigate those risks. Policies and procedures are in place to frame all these.

Running a 24/7/365 business, we have an internal ICT team, for first level troubleshooting, looking after all systems in order to ensure business continuity. We also have service level agreements with service providers who are chosen based on the quality of products and support they are able to provide.

In this constantly evolving technological world, we do our utmost to keep pace with new technologies, by evaluating their relevance in our industry.
Most of our applications are on premises and we are actually evaluating the pros and cons of hosted applications and Software as a Service ("SaaS").
We monitor our Customer Experience Management ("CEM") surveys to evaluate our guest expectations before investing in new guest facing technology.

• *Cyberattacks*
We use industry standard security devices which are regularly monitored and updated with latest patches.

• *Viruses & malware*
All our servers, PCs, laptops and mobile devices are properly secured and antivirus / antimalware are regularly updated. In addition, we promote awareness of our users to the inherent risks of malware.

• *Hardware failures*
Our infrastructure consists of a data centre, running all our on-premise applications, and a Disaster Recovery ("DR") site, where the more critical applications are online replicated and where backups are stored.

• *Software failures*
Most critical applications are replicated online and all others are regularly backed up in our DR site. We also have service level agreements with our service providers.

• *Internet access disruptions*
We rely heavily on email communications to run our business. For better security control and business continuity, all Internet connections are centrally managed at our headquarters. Our country being subject to cyclones, and therefore potential communication disruptions, all our communication lines are fully redundant, using different technologies namely, wireless and fibre, as well as through the use of two different suppliers. This applies to our internet connections, as well as connections between our sites.

• *Utility failures*
During cyclonic seasons, probability of electricity supply disruption is quite high, we have equipped both our data centre and DR site with redundant UPS and redundant generators.

• *Website*
Our websites are hosted by a well-reputed international hosting company, and maintained by an internal team of developers.

• *Business alignment*
We are on the lookout for new technologies for running our business and also to improve our guest's satisfaction with guest facing technologies, which are more and more expected from them.

• *Data protection*
We collect, handle and store sensitive data in the course of our business. We do our utmost to protect this information and are fully compliant with our local Data Protection Act and the European General Data Protection Regulation ("GDPR").

The ICT Governance framework is available for consultation on NMH's website: **www.beachcomber.com**

2.7.7. Access to Information

- The Chairman, the Company Secretary and the CEO ensure that the Management provides the Board and its Committees, in a timely manner, with the information they need to properly function.
- Directors of the Company are entitled to have access, at all reasonable times, to all relevant Company information and to the Management, if useful, to perform their duties.
- During the discharge of their duties, the Directors are entitled to seek independent professional advice at the Company's expense and have access to the records of the Company.
- A Directors' and Officers' Liability Insurance policy has been subscribed to by the Company. The policy provides cover for the risks arising out of the acts or omissions of the Directors and Officers of the Company.

2.7.8. Board Appraisal

- Every year the Board critically evaluates the performance of the Board and of the Committees, and their respective processes and procedures to ensure that they are designed to assist the Board in effectively fulfilling its role.
- During the year under review, a Board appraisal was carried out, by means of a questionnaire sent to all the Directors and aimed at focussing on specific areas of improvement, namely:
  - Conduct of Board Meetings;

- Risk Management;
- Board Committees;
- The leadership of the Board: the Chairman; and
- Self- Evaluation.

• The findings of the aforesaid Board Appraisal have been considered by the Board.

3. INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT

For internal control, internal audit and risk management, please refer to pages 50 to 59.

4. SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

4.1. Shareholding profile

• NMH's ordinary and redeemable convertible non-voting preference shares are listed on the Official List of the SEM and accordingly, the Company is governed by the Listing Rules of the SEM.

• As at 30 September 2018, the share capital of NMH is composed of 547,670,201 ordinary shares and 37,813,490 redeemable convertible non-voting preference shares.

• As at 30 September 2018, the shareholders holding more than 5% of the ordinary shares of the Company were as follows:

	Ordinary (%)
Rogers and Company Limited	22.98
ENL Land Ltd	15.26
Swan Life Ltd	10.66
Joseph René Herbert Maingard Couacaud	6.24

Distribution of shareholders at 30 September 2018

	Ordinary shares			**Redeemable convertible non-voting preference shares**		
Range of shareholding	**Shareholder count**	**Number of shares held**	**% of shares held**	**Shareholder count**	**Number of shares held**	**% of shares held**
1 – 1000	2,866	937,590	0.17	602	224,732	0.59
1,001 – 5,000	2,168	5,446,740	0.99	395	972,798	2.57
5,001 – 10,000	700	5,047,562	0.92	129	1,000,223	2.65
10,001 – 25,000	674	10,927,406	2.00	130	2,041,817	5.40
25,001 – 50,000	386	13,826,863	2.52	72	2,676,901	7.08
50,001 – 75,000	162	9,695,363	1.77	16	987,707	2.61
75,001 – 100,000	91	7,899,492	1.44	17	1,536,240	4.06
100,001 – 250,000	205	31,918,842	5.83	36	5,870,529	15.52
250,001 – 500,000	83	28,153,230	5.14	15	5,472,209	14.47
500,001 – 1,000,000	41	28,752,205	5.25	8	5,330,593	14.10
1,000,001 – 1,500,000	19	21,413,945	3.91	3	3,421,389	9.05
1,500,001 – 2,000,000	4	6,924,166	1.26	2	3,488,445	9.23
2,000,001 – 2,500,000	3	7,061,057	1.29	1	4,789,907	12.67
2,500,001 – 5,000,000	8	25,545,475	4.66	0	0	0
5,000,001 – 8,000,000	1	6,437,994	1.18	0	0	0
8,000,001 – 25,000,000	2	35,716,616	6.52	0	0	0
Over 25,000,001	4	301,965,655	55.14	0	0	0
Total	**7,417**	**547,670,201**	**100.00**	**1,426**	**37,813,490**	**100.00**

Spread of shareholders

To the best knowledge of the Directors, the spread of shareholders as at 30 September 2018 was as follows:

	Ordinary Shares			Redeemable convertible non-voting preference shares		
	Number of shareholders	**Number of shares held**	**%**	**Number of shareholders**	**Number of shares held**	**%**
Individuals	6,950	143,528,383	26.21	1,294	14,296,127	37.81
Insurance and Assurance Companies	9	71,070,031	12.97	8	3,123,388	8.26
Investment and Trust Companies	174	157,730,934	28.80	46	5,020,342	13.28
Other Corporate Bodies	188	122,405,987	22.35	21	1,525,880	4.03
Pension & Provident Funds	94	52,181,566	9.53	56	13,615,753	36.01
PLC Groups	2	753,300	0.14	1	232,000	0.61
Total	**7,417**	**547,670,201**	**100.00**	**1,426**	**37,813,490**	**100.00**

4.2. Contract between the Company and its substantial shareholders

The Directors confirm that, to the best of their knowledge, they are not aware of the existence of any such agreement for the year under review.

4.3. Third Party Management Agreements

There are no management agreements between third parties (where such third party is a director of NMH, or a company owned or controlled by a director of NMH) and NMH.

4.4. Engagement with shareholders

4.4.1. Shareholders' relations and communication

- The Board of Directors places great importance on open and transparent communication with its shareholders.
- The Company communicates to its shareholders through its Integrated Annual Report, circulars issued in compliance with the Listing Rules of the SEM, press announcements, publication of unaudited quarterly and audited abridged financial statements of the Company, dividend declaration and the Annual Meeting of shareholders.
- Interim, audited financial statements, press releases and so forth are accessible from the Company's website, www.beachcomber.com
- Analysts meetings are also organised periodically.
- In compliance with the Companies Act 2001, shareholders are invited to the Annual Meeting of NMH at which the Board of Directors is also present. The Company's Annual meeting provides an opportunity to shareholders to raise and discuss matters relating to the Company with the Board.

4.4.2. Shareholders' calendar

December 2018	Publication of abridged audited financial statements for the year ended 30 September 2018
February 2019	Publication of first Quarter results to 31 December 2018
March 2019	Issue of Annual Report 2018 Annual Meeting of Shareholders
May 2019	Publication of half-year results to 31 March 2019
August 2019	Publication of third Quarter results to 30 June 2019

4.4.3. Shareholders' agreement affecting the governance of the Company by the Board

The Directors confirm that, to the best of their knowledge, they are not aware of the existence of any such agreement for the year under review.

4.4.4. Dividend

The Company has no formal dividend policy. Payment of dividends is subject to the profitability of NMH, its foreseeable investment, capital expenditure and working capital requirements.

5. COMPANY SECRETARY

- In accordance with the terms of a Services Agreement entered into by NMH with ENL Limited in September 2016, the latter provides corporate secretarial services to the Company.
- All Directors have access to the advice and services of the Company Secretary, delegated by ENL Limited.
- The Company Secretary is responsible to the Board for ensuring proper administration of Board proceedings.
- The Company Secretary provides guidance to Directors on matters of company law and with regard to their responsibilities in the statutory environment in which the Company operates.

Preety GOPAUL, ACIS
For ENL Limited
Company Secretary
19 December 2018

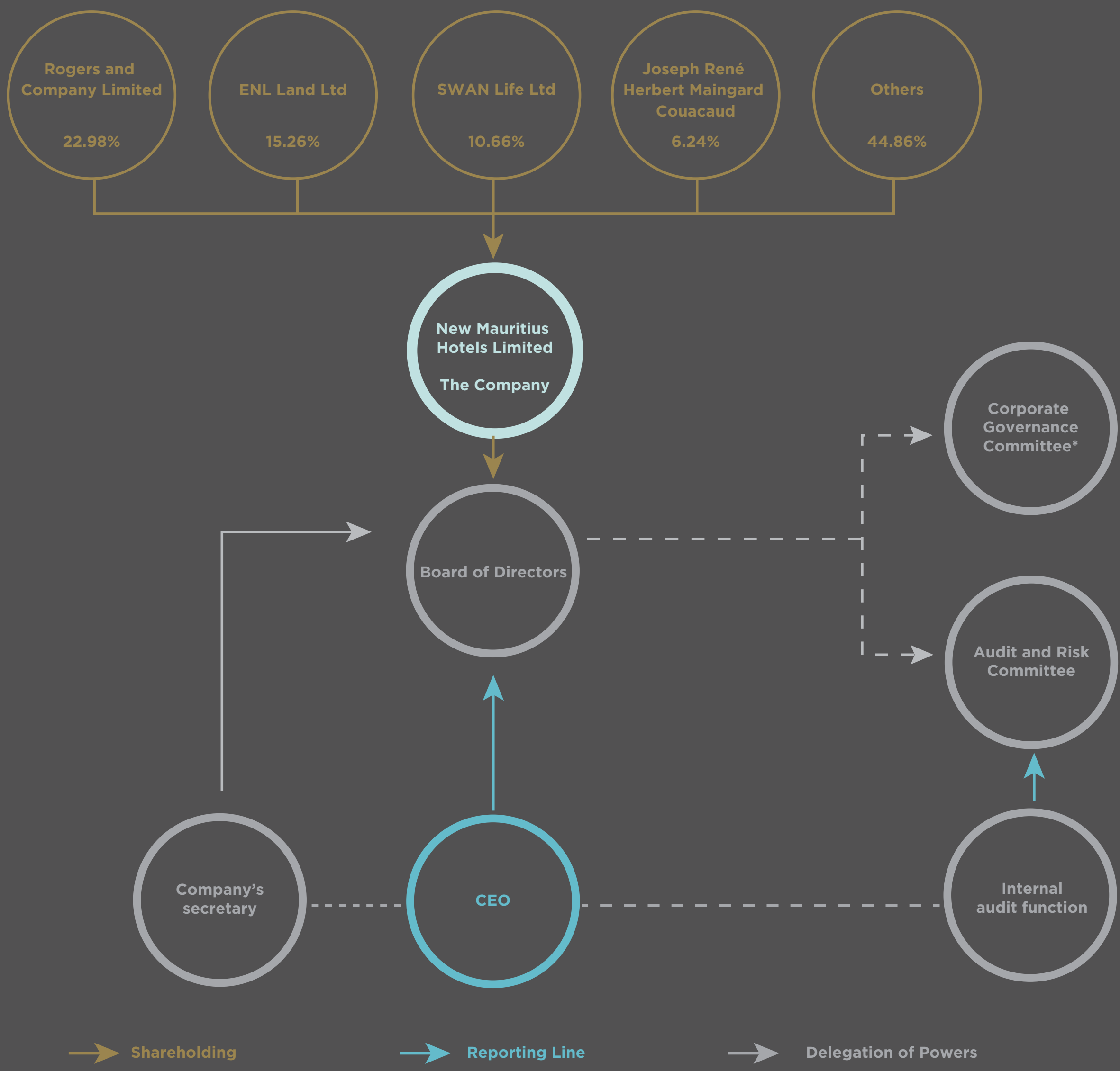
COMPANY SECRETARY'S CERTIFICATE

(Pursuant to Section 166(d) of The Companies Act 2001)

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under The Companies Act 2001.

Preety GOPAUL, ACIS
For ENL Limited
Company Secretary
19 December 2018

COMBINED ORGANISATIONAL AND GOVERNANCE STRUCTURE



*As per its terms of reference, in its capacity, the Corporate Governance Caommittee also acts as Remuneration and Nomination Committee

CORPORATE INFORMATION

Hector ESPITALIER-NOËL	Chairman, Non-Executive Director
Sunil BANYMANDHUB	Non-Executive Director
Herbert COUACAUD	Non-Executive Director
Gilbert ESPITALIER-NOËL	Executive Director
Jyoti JEETUN	Independent Non-Executive Director
Jean-Pierre MONTOCCHIO	Non-Executive Director
Alain REY	Independent Non-Executive Director
Louis RIVALLAND	Non-Executive Director
Pauline SEEYAVE	Executive Director
François VENIN	Executive Director
BDO & Co.	External Auditor
ENL Limited	Company Secretary

Management

Gilbert ESPITALIER-NOËL	Chief Executive Officer
Pauline SEEYAVE	Chief Financial Officer
François VENIN	Chief Sales and Marketing Officer
Jean Louis PISMONT	Chief Operations Officer and General Manager of Dinarobin Beachcomber Golf Resort & Spa and Paradis Beachcomber Golf Resort & Spa
Geraldine KOENIG	Chief Officer Operational Excellence
Bertrand PIAT	Chief Human Resources Officer
Malenn OODIAH	Head of Corporate Communication and Chairperson of FED
Michel DARUTY DE GRANDPRÉ	General Manager of Trou aux Biches Beachcomber Golf Resort & Spa
Lothar GROSS	General Manager of Shandrani Beachcomber Resort & Spa
Rico PAOLETTI	General Manager of Victoria Beachcomber Resort & Spa and Mauricia Beachcomber Resort & Spa
Kervyn RAYEROUX	General Manager of Canonnier Beachcomber Golf Resort & Spa
Gregory COQUET	General Manager of Royal Palm Beachcomber Luxury
Olivier NAIRAC	General Manager of Beachcomber Catering
Annabelle DUPONT	General Manager of Beachcomber Holiday Shop
Youssef SABRI	General Manager of Beachcomber Seychelles Sainte Anne Resort & Spa
Stéphane POUPINEL DE VALENCÉ	General Manager of Semaris
Laurent PIAT	General Manager of Domaine Palm Marrakech
Afif SALIBI	General Manager of the Fairmont Royal Palm Marrakech
Sheila COLLET SERRET	General Manager of Beachcomber Office, Italy
Michael EDWARDS	Managing Director of Beachcomber Tours, UK
Terry MUNRO	Managing Director of Beachcomber Tours, South Africa
Guy ZEKRI	Managing Director of Beachcomber Tours, France
Richard ROBERT	Managing Director of Mautourco

Registrar Services:

Beachcomber Limited
Beachcomber House
Botanical Garden Street
Curepipe
Telephone: (230) 601 9000 – Fax: (230) 675 3249
Email: shares@beachcomber.com

Bond Representative:

MCB Registry & Securities Ltd
Raymond Lamusse Building
9-11, Sir William Newton Street
Port Louis
Telephone: (230) 202 5397-Fax: (230) 208 1167
Email: mcbrs@mcbcm.mu

REDEFINING CHALLENGES

SECTION 4 - STATUTORY DISCLOSURES

STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Companies Act 2001 and Section 88 of the Securities Act 2005)
30 September 2018

Activities

The activities of New Mauritius Hotels Limited ("NMH") are disclosed in note 1 to the Financial Statements.

Directors

A list of the Directors of the Company and its subsidiaries is set out on page 93 of the Annual Report 2018.

Directors' Service Contracts

None of the Directors of the Company and its subsidiaries have service contracts that need to be disclosed under Section 221 of the Companies Act 2001.

Directors' Remuneration and Benefits

Total remuneration and benefits received, or due and receivable, by the Directors from the Company and its subsidiaries were as follows:

Directors of NMH	From the Company		From the Subsidiaries	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Executive Directors				
- Full-time	**46,670**	41,595	-	-
- Part-time	-	-	-	-
Non-Executive Directors	**3,000**	2,913	-	-
Post-employment benefits – Executive Directors	**4,217**	4,402	-	-
	53,887	48,910	-	-

Directors of subsidiaries who are not Directors of the Company	**2018**	2017
	Rs'000	Rs'000
Executive Directors (**2018: 4**; 2017: 4)		
- Full-time	**41,788**	33,067
- Part-time	**-**	-
Non-Executive Directors (**2018: Nil**; 2017: Nil)	**-**	-
Post-employment benefits - Executive Directors	**1,719**	1,963
	41,630	35,030

Directors' Interests in the Equity of NMH

(i) The interests of the Directors in the shares of NMH as at 30 September 2018 are found on page 76.

(ii) As at 30 September 2018, none of the Directors, except for those detailed below, held any direct interests in the equity of the subsidiaries of the Company:

	Beachcomber Hotel SA		Beachcomber Hotel Marrakech SA		Domaine Palm Marrakech SA	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Gilbert ESPITALIER-NOËL	1	0.000	1	0.000	1	0.000
Hector ESPITALIER-NOËL	1	0.000	1	0.000	-	-
Pauline SEEYAVE	-	-	-	-	1	0.000
François VENIN	1	0.000	-	-	-	-

Direct and Indirect Interests of Senior Officers (excluding Directors) in the Shares of NMH

As at 30 September 2018, none of the senior officers (excluding Directors), except for those detailed below, held any direct or indirect interests in the equity of the Company:

	Ordinary Shares				Redeemable Convertible Non-Voting Preference Shares			
	Direct		Indirect		Direct		Indirect	
	Number of Shares	(%)	Number of Shares	(%)	Number of Shares	(%)	Number of Shares	(%)
Gregory COQUET	3,460	0.001	-	-	-	-	-	-
Michel DARUTY DE GRANDPRÉ	2,417,952	0.442	-	-	-	-	-	-
Anabelle DUPONT	53,067	0.011	-	-	-	-	-	-
Geraldine KOENIG	3,000	0.001	-	-	-	-	-	-
Olivier L. NAIRAC	7,518	0.001	131,499	0.024	2,506	0.001	-	-
Bertrand PIAT	100,000	0.018	-	-	-	-	-	-
Laurent PIAT	11,050	0.002	-	-	-	-	-	-
Stéphane POUPINEL DE VALENCÉ	15,000	0.003	-	-	-	-	-	-

Contracts of Significance

During the year under review, there was no contract of significance to which NMH or one of its subsidiaries was a party and in which a Director of NMH was materially interested either directly or indirectly.

Shareholders

At 19 November 2018, the following shareholders were directly or indirectly interested in more than 5% of the ordinary share capital of the Company:

Name of Shareholders	Interest (%)
Rogers and Company Limited	22.98
ENL Land Ltd	15.26
Swan Life Ltd	10.66
Joseph René Herbert Maingard Couacaud	6.24

Donations

The Company has maintained its policy of channelling all requests for social assistance through its solidarity fund, Fondation Espoir Développement Beachcomber (FED), created in March 1999. During the year, the Company contributed Rs 6.0m (2017: Rs 5.5m) to the fund.

Political donations are dealt with by the Board. For the year under review, an amount of Rs 0.95m has been donated to political parties (2017: Rs 1.4m).

External Auditors' Fees

Auditors' Remuneration	Group		Company	
	2018	2017	**2018**	2017
Audit fees paid to:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
BDO & Co.	**8,307**	-	**6,400**	-
Other firms	**2,230**	10,168	**-**	6,550
Fees paid for other services provided by:				
BDO & Co.	**898**	-	**700**	-
Other firms	**2,306**	3,416	**1,744**	2,761

The other services relate to taxation and advisory fees.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In Respect of Financial Statements

Company law requires the Directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the Company. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether international financial reporting standards have been followed and complied with;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- ensure that the Code of Corporate Governance (the "Code") has been adhered to and where any material deviation from any guidance contained within the Code has occurred, explanations have been provided accordingly.

The Directors confirm that they have complied with the above requirements in preparing the Company's financial statements.

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

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Company at any time and enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The Board is responsible for the system of internal control and risk management systems of the Company and its subsidiaries. The Board is committed to continuously maintain a sound system of risk management and adequate control procedures with a view to safeguarding the assets of the Group. The Board, through the Audit and Risk Committee, affirms that it has monitored the key strategic, financial, operational, people, systems risks and control in line with the current business environment.

The Board believes that the Group's internal control and risk management systems provide reasonable assurance that control and risk issues are identified, reported on and dealt with appropriately.

Nothing has come to the Board's attention to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent use of appropriate accounting policies supported by reasonable and prudent judgments and estimates that fairly present the state of affairs of the Group and the Company.

STATEMENT OF COMPLIANCE TO CODE

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

Name of Public Interest Entity ('PIE'): New Mauritius Hotels Limited
Reporting Period: 1 October 2017 to 30 September 2018

We, the Directors of New Mauritius Hotels Limited, confirm to the best of our knowledge that the PIE has fully complied with the principles of the Code of Corporate Governance.

Hector ESPITALIER-NOËL
Chairman
19 December 2018

Jean-Pierre MONTOCCHIO
Director
19 December 2018

	Wild Africa Safari Limited	Trans-Maurice Car Rental Ltd	Ste Anne Resort Limited	Semaris Ltd	Santayarea (Mauritius) Limited	Royal Gardens Ltd	Reef Resort Limited	Praslin Resort Limited	Plaisance Catering Ltd	New Mauritius Hotels Limited	New Mauritius Hotel - Italia Srl	Mautourco Holdings Ltd	Mautourco Ltd	Les Salines IHS Limited	Les Salines Development Ltd	Les Salines Golf & Resort Limited	Kingfisher 3 Limited	Kingfisher 2 Limited	Kingfisher Ltd	Gold Coast Resort Limited	Fondation Espoir et Developpement Limitée	Domaine Palm Marrakech S.A	Domaine de L'Harmonie Ltee	Beachcomber Training Academy Limited	Beachcomber Tours Limited	Beachcomber Tours SAS	Beachcomber Marketing (Pty) Ltd	Beachcomber Limited	Beachcomber Hotel S.A	Beachcomber Hotel Marrakech S.A	Beachcomber Hospitality Investments Ltd	Beachcomber Holidays (UK) Limited
Banymandhub Kishore Sunil										✓																						
Bell John Eric																					✓											
Cieslik David					✓																											
Collet Serret Marie Anne Sheila											✓																					
Corbertt Bronwyn Anne																															✓	
Couacaud Joseph Rene Herbert Maingard						✓				✓																						
Daruty De Grandpre Jacques Gerard Michel			✓		✓																			✓								
Descroizilles Frédérique Louise Etienette																					✓											
Edwards Michael Wynn	✓																								✓							✓
Espitalier-Noël Marie Edouard Gilbert		✓	✓	A	✓		A	A	✓	✓		✓	✓	A	✓	✓	A	A	✓	A	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	
Espitalier-Noël Marie Maxime Hector			✓	A		✓	A	A		✓						✓				A			✓					✓	✓	✓	✓	
Espitalier-Noël Marie Hector Philippe		✓										✓	✓																			
Fayd'herbe De Maudave Louis Rene Alexandre		✓										✓	✓																			
Fleury Christine Arlette Francoise					✓																											
Jeetun Jyoti										A																						
Montocchio Marie Joseph Jean-Pierre				A						✓																						
Munro Terence Leslie Ross																											✓					
Nairac Olivier Laurence									✓																							
Oodiah Deena Soondooren																					✓											
Piat Jean Bertrand Evenor																								✓								
Piat Maurice Daniel Laurent Evenor																						✓							✓	✓		
Pinault Fabrice Gabriel Rene					✓																											
Pismont Jean Louis Fernand Andre				A			A	A						A	A	A			A	A	✓			✓					✓	✓		
Polo Silvana																											A					
Poupinel de Valence Stephane Jean Francois				A										A	A		A	A														
Poussin Jean Paul		✓											✓																			
Rey Alfred Joseph Gerard Robert Alain										✓																						
Rivalland Jean Michel Louis										✓																						
Rivet Jacques Armand Mathieu																					✓											
Robert François Richard		✓											✓																			
Seeyave Pauline Sybille Cheh		✓	✓	A			A	A	✓	✓		✓	✓	A	A	A	A	A	✓	A		✓	✓		✓		✓	✓			✓	
Staub Nicolas																											A					
Van De Moortele Leon Paul																															✓	
Venin François Rolland		✓	✓							✓		✓	✓						✓		✓	✓		✓	✓		✓		✓			
Visagie Joanne																											A					
Zekri Guy																										R						

✓ In office A Appointed R Resigned

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW MAURITIUS HOTELS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of New Mauritius Hotels Limited and its subsidiaries (the Group), and the Company's separate financial statements on pages 105 to 183 which comprise the statements of financial position as at September 30, 2018, and the statements of profit or loss, the statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 105 to 183 give a true and fair view of the financial position of the Group and of the Company as at September 30, 2018, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. IMPAIRMENT ASSESSMENT OF INVESTMENT IN SUBSIDIARIES

Key Audit Matter

In the Company's separate financial statements, investments in subsidiaries are carried at cost less impairment in accordance with IAS 36. The carrying value of investments stood at Rs 8.2bn at September 30, 2018. Most significant investment is the wholly owned subsidiary Beachcomber Hotel S.A.(BH), amounting to Rs 4.2bn (2017: Rs 4.6bn) net of impairment of Rs1.1bn.

Management makes an impairment assessment on the investment in subsidiaries when there is an indication of impairment at the end of each reporting date. The determination of impairment allowances is inherently judgemental and involves the application of critical accounting estimates by management as disclosed in note 13 of the financial statements.

Based on the historical trend of BH and the significance of its carrying value on the financial statements, audit was focused on the impairment assessment of BH which involved significant use of estimates, assumptions and judgements including, forecasted occupancy rates and guest night spending, estimated expenditure, future increase in direct costs, staff costs and other operating expenses, residual value of the property at the end of the useful life and discount rate. These assumptions and estimates can have a material impact on the valuation and the corresponding impairment assessment on the financial statements.

Related Disclosures

Refer to notes 13 and 28 of the accompanying financial statements.

Audit Response

We have assessed the design and implementation of the controls relating to management's impairment review of investments.

We checked the validity and reasonableness of the forecasts which support the value in use through the following:

- We compared the actual results for the current year with management's forecasts for the previous year in order to assess the historical accuracy of the management's forecasting process.
- We checked the validity and reasonableness of the forecast in line with the Group's strategy and latest management strategy and performed some benchmarking based on information available on the tourism industry in Marrakech.
- We involved our valuation team to assess the appropriateness of the methodologies and key assumptions used namely discount rates and terminal values.
- We performed sensitivity analysis on the assumptions used, which included changes in occupancy rates, discount rate and target gearing amongst others to assess the impact of changes in these key input on the value in use of the hotel.
- We have assessed the adequacy of the disclosures made in the financial statements.

2. RECOVERABILITY OF DEFERRED TAX ASSETS IN BEACHCOMBER HOTEL S.A (BH) AT GROUP LEVEL

Key Audit Matter

The Group has recognized an amount of Rs 174.8m as deferred tax assets at September 30, 2018 (2017: Rs 134.6m) out of which Rs 170m (2017: Rs 130m) pertain to Beachcomber Hotel S.A (BH). This deferred tax asset is based on part of the tax losses that are available to BH to be set off against future taxable income. The ultimate realisation of the deferred tax asset depends largely on the ability of BH to generate taxable income in order to utilise these losses. BH has so far not generated any taxable income.

Management is expecting a turnaround in the hotel profitability following the take-over of the hotel operations by Fairmont Group as from May 01, 2017. Accordingly, management has assessed the recoverability of this deferred tax asset based on a financial projections and certain assumptions which have been aligned to reflect the Fairmont Group business model.

Judgements and estimates applied in the measurement of the deferred tax, assumptions used in the cash flow projections to assess recoverability and the significance of the amount, resulted in the deferred tax asset being identified as a key audit matter.

Related Disclosures

Refer to note 23 of the accompanying financial statements.

Audit Response

In evaluating the recoverability of the deferred tax asset, we reviewed the cash flow projections prepared by management. We performed various procedures, including the following:

- Assessed the entity's controls relating to the preparation of cash flow forecasts.
- Evaluated the appropriateness of the valuation methodology and models used.
- We ensured the availability of tax losses on which deferred tax asset has been recognised and their expiry date.
- We ensured the cash flow forecasts used for the recoverability of the deferred tax asset in BH is consistent with the cash flow used for the determination of the value in use.
- We checked the inputs used in the cash flow forecast against historical performance and in comparison, to the directors' and management's strategic plans.
- We assessed the reasonableness of the valuation assumptions and tested the corresponding underlying source information.
- We reviewed the appropriateness of discount factor used.
- We performed sensitivity analyses on the key assumptions used to assess the impact of any change on the carrying value of the deferred tax asset.

3. VALUATION OF INVENTORY AT GROUP AND COMPANY LEVEL

Key Audit Matter

Land at Les Salines earmarked for development amounting to Rs 2bn as at September 30, 2018 is included in inventory at Company level (2017: Rs 2.3bn). Les Salines project will consist of the development of 205 Arpents to be sold for residential purposes.

At Group level, the carrying value of inventory as at September 30, 2018 amounted to Rs 3.7bn (2017: Rs 4.2bn). The carrying value at group level includes the land at Les Salines and the three phased projects held through the subsidiary in Marrakech, Domaine Palm Marrakech, which consists of residential properties and land for sale.

In line with IAS 2, inventory is stated at the lower of cost or net realisable value ("NRV").

At Company level the carrying value of the land at Les Salines represents the cost of the land.

At Group level, the carrying value of the inventory includes residential properties classified under phase 1 for an amount of Rs 368m (2017: Rs 618m). Cost of land, infrastructure costs and other indirect project costs classified under phase II and phase III amounted to Rs 1.13bn (2017: Rs 1.05bn). The infrastructure costs consist mainly of the development and construction cost which are directly related to the specific properties or land but also an allocation of other indirect project costs using a specific basis.

Due to difficult market situations in Marrakech in the previous years, the Group has encountered some difficulties in meeting the sales target of villas and this has impacted on the estimated margin, due to additional indirect costs being accrued over the years.

For certain Phase I villas held in inventory, the cost per villa has exceeded their respective NRVs. This has resulted in an impairment charge amounting to Rs 37m recognised in profit or loss for the year under review (2017: Rs 32m).

For phase II and phase III, management has prepared a projection in line with the master plan which has been approved by the Moroccan Authorities and the launching of phase II in November 2018.

Given the significance of the inventory on the total assets at September 30, 2018, and the significant judgement involved to estimate the costs to complete the project both in Mauritius and in Marrakech, and to determine the timing for the future sale of villas and land and the risk of material impairment losses due to uncertainty which may exist, we have identified the valuation of the stock of residential properties and land earmarked for projects as a key audit matter.

Related Disclosures

Refer to note 32 of the accompanying financial statements.

Audit Response

Our audit procedures to assess the carrying value of the villas classified as inventory under Phase I included the following:

- We have obtained the management's valuation review of inventory of villas and ensured that the list is complete and accurate; we also ensured that the assessment is performed on a unit-by-unit basis to be in line with the relevant accounting standard.
- We compared the cost of each villa by adding the cost to completion with actual cost incurred to date with the net realisable value less any cost to sell.
- We have compared the sales price used in arriving at the NRV with the most recent sales transactions for similar villas and to the price offered to potential buyers based on the most recent price list.
- We have ensured that the sales commission is properly calculated and deducted from the proceeds to arrive at the proper NRV.

- We verified that the basis of allocating the costs to complete for each villa is consistent with previous years, reasonable and in line with good industry practice.

For the projects under phases II, phase III and Les Salines, we have reviewed the reasonableness of the costs to complete by examining relevant agreements, corresponding valuation report and project costs and ensured that the estimates are reasonable.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Business Overview Reports, Risk Management Report and Statutory Disclosures, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, the Directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors, and dealings in the ordinary course of business.

We have obtained all 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 the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.

Other Matter

This report is made solely to the members of New Mauritius Hotels Limited (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & Co
Chartered Accountants
Port Louis, Mauritius.

Ameenah RAMDIN,
FCCA, ACA
Licensed by FRC

December 19, 2018

FINANCIAL STATEMENTS INDEX

FINANCIAL STATEMENTS

STATEMENTS OF PROFIT OR LOSS | FOR THE YEAR ENDED SEPTEMBER 30, 2018

		THE GROUP		THE COMPANY	
	Notes	**2018**	2017	**2018**	Restated 2017
		Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Revenue	12	**10,106,843**	9,528,216	**7,608,047**	7,096,714
Direct costs		**(2,085,197)**	(1,880,735)	**(1,141,931)**	(1,089,521)
Staff costs	17	**(3,265,271)**	(3,239,306)	**(2,544,510)**	(2,366,682)
Other expenses	18	**(3,019,976)**	(2,975,315)	**(2,768,846)**	(2,541,181)
Earnings from operating activities		**1,736,399**	1,432,860	**1,152,760**	1,099,330
Other income	22	**91,473**	339,376	**160,121**	406,269
Share of results of associates	29(a)	**4,943**	8,860	**-**	-
Profit/(loss) on disposal of property, plant and equipment		**4,000**	(6,923)	**(1,209)**	(17,293)
NORMALISED EBITDA		**1,836,815**	1,774,173	**1,311,672**	1,488,306
Insurance recovery from fraud	16	**-**	59,151	**-**	59,151
Gain on disposal of associates		**-**	60,931	**-**	60,931
Closure costs	19	**(78,304)**	(101,422)	**-**	(67,587)
Gain on disposal of property	42	**-**	-	**149,666**	123,833
EBITDA		**1,758,511**	1,792,833	**1,461,338**	1,664,634
Finance costs	21	**(862,699)**	(1,008,888)	**(650,257)**	(836,990)
Finance revenue	20	**14,425**	54,301	**118,801**	245,437
Depreciation of property, plant and equipment	25	**(675,888)**	(659,203)	**(399,699)**	(384,962)
Amortisation of intangible assets	27	**(3,967)**	(18,732)	**(2,343)**	(2,343)
Impairment losses	13	**-**	-	**-**	(455,748)
Profit before tax		**230,382**	160,311	**527,840**	230,028
Income tax (expense)/credit	23(a)	**(95,973)**	(127,452)	**(93,371)**	548,827
Profit for the year		**134,409**	32,859	**434,469**	778,855
Profit/(loss) attributable to:					
Owners of the parent		**1,094**	(38,472)	**434,469**	778,855
Non-controlling interests		**133,315**	71,331	**-**	-
		134,409	32,859	**434,469**	778,855
Earnings/(loss) per share:					
Basic earnings/(loss) per share (Rs)	24	**-**	(0.08)		
Diluted earnings per share (Rs)	24	**0.12**	0.12		

The notes on pages 111 to 183 form an integral part of these financial statements.
Auditor's report on pages 96 to 101.

	Notes	THE GROUP 2018 Rs.'000	THE GROUP 2017 Rs.'000	THE COMPANY 2018 Rs.'000	THE COMPANY Restated 2017 Rs.'000
Profit for the year		**134,409**	32,859	**434,469**	778,855
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		**85,157**	(687,846)	**-**	-
Gain on available-for-sale financial assets	30	**4,597**	2,573	**4,656**	2,535
(Loss)/gain on cash flow hedges	37	**(63,065)**	1,122	**4,188**	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**26,689**	(684,151)	**8,844**	2,535
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of associates	29(a)	**240,686**	-	**-**	-
Remeasurement of employee benefit liabilities/(assets)	39	**777,000**	(302,766)	**773,109**	(296,677)
Tax effect on remeasurement of employee benefit liabilities/(assets)	23(b)	**(131,673)**	51,492	**(131,429)**	50,435
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**886,013**	(251,274)	**641,680**	(246,242)
Other comprehensive income for the year, net of tax		**912,702**	(935,425)	**650,524**	(243,707)
Total comprehensive income for the year		**1,047,111**	(902,566)	**1,084,993**	535,148
Total comprehensive income attributable to:					
Owners of the parent		**915,446**	(979,015)	**1,084,993**	535,148
Non-controlling interests		**131,665**	76,449	**-**	-
		1,047,111	(902,566)	**1,084,993**	535,148

The notes on pages 111 to 183 form an integral part of these financial statements.
Auditor's report on pages 96 to 101.

		THE GROUP		THE COMPANY	
	Notes	**2018**	2017	**2018**	Restated 2017
		Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
ASSETS					
Non-current assets					
Property, plant and equipment	25	**25,747,254**	24,975,684	**14,703,033**	14,221,174
Investment properties	26	**354,102**	343,383	**-**	-
Intangible assets	27	**1,680,587**	1,668,313	**1,216,444**	1,211,897
Investment in subsidiaries	28	**-**	-	**8,165,401**	8,307,319
Investment in associates	29	**718,423**	478,919	**19,062**	19,062
Available-for-sale financial assets	30	**8,664**	4,114	**8,391**	3,782
Long-term loan receivable	31	**-**	-	**1,873,833**	1,719,142
Deferred tax assets	23(b)	**174,844**	134,556	**-**	-
Total non-current assets		**28,683,874**	27,604,969	**25,986,164**	25,482,376
Current assets					
Inventories	32	**4,121,120**	4,644,037	**2,392,771**	2,707,655
Trade and other receivables	33	**2,405,554**	2,253,745	**1,557,634**	1,161,737
Income tax prepaid	23(a)	**18,504**	31,895	**13,307**	13,017
Cash in hand and at banks	35	**1,057,971**	1,260,151	**150,563**	474,074
Total current assets		**7,603,149**	8,189,828	**4,114,275**	4,356,483
Non-current assets classified as held for sale	43	**109,082**	-	**-**	-
Total assets		**36,396,105**	35,794,797	**30,100,439**	29,838,859
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Stated capital	36	**6,349,551**	5,000,000	**6,349,551**	5,000,000
Retained earnings		**5,544,141**	4,979,512	**3,309,548**	2,323,694
Other components of equity	37	**1,121,583**	891,250	**866,119**	887,464
		13,015,275	10,870,762	**10,525,218**	8,211,158
Non-controlling interests		**594,487**	548,999	**-**	-
Total equity		**13,609,762**	11,419,761	**10,525,218**	8,211,158
Non-current liabilities					
Convertible preference shares	38	**423,396**	1,761,130	**423,396**	1,761,130
Subordinated loan	38	**1,497,750**	1,374,101	**-**	-
Borrowings	38	**11,444,046**	8,950,387	**8,839,960**	6,418,328
Deferred tax liabilities	23(b)	**2,136,205**	1,908,100	**1,444,845**	1,226,141
Deferred income	42	**-**	-	**1,821,827**	1,971,493
Employee benefit liabilities	39	**821,670**	1,569,415	**796,891**	1,541,968
Total non-current liabilities		**16,323,067**	15,563,133	**13,326,919**	12,919,060
Current liabilities					
Trade and other payables	40	**3,283,705**	2,669,045	**3,396,013**	2,713,253
Borrowings	38	**3,054,935**	6,052,055	**2,639,185**	5,774,580
Other financial liabilities	34	**61,440**	71,142	**3,194**	71,142
Deferred income	42	**-**	-	**149,666**	149,666
Income tax payable	23(a)	**2,952**	19,661	**-**	-
Dividend payable	11	**60,244**	-	**60,244**	-
Total current liabilities		**6,463,276**	8,811,903	**6,248,302**	8,708,641
Total liabilities		**22,786,343**	24,375,036	**19,575,221**	21,627,701
Total equity and liabilities		**36,396,105**	35,794,797	**30,100,439**	29,838,859

Approved by the Board of Directors on December 19, 2018 and signed on its behalf by:

HECTOR ESPITALIER-NOËL
CHAIRMAN
December 19, 2018

ALAIN REY
CHAIRMAN OF THE AUDIT AND RISK COMMITTEE
December 19, 2018

The notes on pages 111 to 183 form an integral part of these financial statements.
Auditor's report on pages 96 to 101.

THE GROUP

	Notes	Stated Capital	Retained Earnings	Foreign Exchange Difference Reserves	Available-for-sale Financial Assets Reserves	Revaluation Reserves	Other Reserves	Total	Non-controlling Interests	Total Equity
		Attributable to owners of the parent company								
		Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at October 1, 2016		5,000,000	5,214,847	(1,196,466)	10,695	2,196,118	624,583	11,849,777	50,006	11,899,783
(Loss)/profit for the year		-	(38,472)	-	-	-	-	(38,472)	71,331	32,859
Other comprehensive income for the year		-	(248,389)	(694,727)	2,573	-	-	(940,543)	5,118	(935,425)
Total comprehensive income for the year		-	(286,861)	(694,727)	2,573	-	-	(979,015)	76,449	(902,566)
Depreciation transfer for buildings		-	62,079	-	-	(62,079)	-	-	-	-
Tax effect of depreciation transfer for buildings		-	(10,553)	-	-	10,553	-	-	-	-
Investment in subsidiary		-	-	-	-	-	-	-	492,093	492,093
Dividends	11	-	-	-	-	-	-	-	(69,549)	(69,549)
As at September 30, 2017		5,000,000	4,979,512	(1,891,193)	13,268	2,144,592	624,583	10,870,762	548,999	11,419,761
As at October 1, 2017		5,000,000	4,979,512	(1,891,193)	13,268	2,144,592	624,583	10,870,762	548,999	11,419,761
Conversion of preference shares	36	1,349,551	-	-	-	-	-	1,349,551	-	1,349,551
Profit for the year		-	1,094	-	-	-	-	1,094	133,315	134,409
Other comprehensive income for the year		-	644,138	24,085	4,597	241,532	-	914,352	(1,650)	912,702
Total comprehensive income for the year		-	645,232	24,085	4,597	241,532	-	915,446	131,665	1,047,111
Depreciation transfer for buildings		-	48,049	-	-	(48,049)	-	-	-	-
Tax effect of depreciation transfer for buildings		-	(8,168)	-	-	8,168	-	-	-	-
Dividends	11	-	(120,484)	-	-	-	-	(120,484)	(86,177)	(206,661)
As at September 30, 2018		**6,349,551**	**5,544,141**	**(1,867,108)**	**17,865**	**2,346,243**	**624,583**	**13,015,275**	**594,487**	**13,609,762**

The notes on pages 111 to 183 form an integral part of these financial statements.
Auditor's report on pages 96 to 101.

THE COMPANY

	Notes	Stated Capital	Retained Earnings	Available-for-sale Financial Assets Reserves	Revaluation Reserves	Foreign Exchange Difference Reserves	Total Equity
		Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
As at October 01, 2016		5,000,000	1,301,721	336	1,373,953	-	7,676,010
Profit for the year - restated		-	778,855	-	-	-	778,855
Other comprehensive income for the year		-	(246,242)	2,535	-	-	(243,707)
Total comprehensive income for the year		-	532,613	2,535	-	-	535,148
Disposal of property		-	809,552	-	(809,552)	-	-
Tax effect on disposal of property - restated		-	(349,230)	-	349,230	-	-
Depreciation transfer for buildings		-	34,985	-	(34,985)	-	-
Tax effect of depreciation transfer for buildings		-	(5,947)	-	5,947	-	-
As at September 30, 2017		5,000,000	2,323,694	2,871	884,593	-	8,211,158
As at October 01, 2017							
As previously reported		5,000,000	2,073,990	2,871	884,593	-	7,961,454
Prior year adjustments	44	-	249,704	-	-	-	249,704
As restated		5,000,000	2,323,694	2,871	884,593	-	8,211,158
Conversion of preference shares	36	1,349,551	-	-	-	-	1,349,551
Profit for the year		-	434,469	-	-	-	434,469
Other comprehensive income for the year		-	641,680	4,656	-	4,188	650,524
Total comprehensive income for the year		-	1,076,149	4,656	-	4,188	1,084,993
Depreciation transfer for buildings		-	36,372	-	(36,372)	-	-
Tax effect of depreciation of transfer for buildings		-	(6,183)	-	6,183	-	-
Dividends	11	-	(120,484)	-	-	-	(120,484)
As at September 30, 2018		**6,349,551**	**3,309,548**	**7,527**	**854,404**	**4,188**	**10,525,218**

The notes on pages 111 to 183 form an integral part of these financial statements.
Auditor's report on pages 96 to 101.

	Notes	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY Restated 2017
Operating activities		**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
Profit before tax		**230,382**	160,311	**527,840**	230,028
Adjustments to reconcile profit before tax to net cash flows					
Non-cash:					
Depreciation and impairment on property, plant and equipment		**678,101**	659,203	**402,425**	384,962
Amortisation of intangible assets	27	**3,967**	18,732	**2,343**	2,343
(Profit)/loss on disposal of property, plant and equipment		**(4,000)**	6,943	**(148,457)**	(106,542)
Loss on disposal of other financial assets		**-**	1,450	**-**	-
Gain on disposal of associates		**-**	(60,931)	**-**	(60,931)
Foreign exchange differences		**89,218**	(206,158)	**23,196**	(82,707)
Impairment loss on intangible assets	27	**9,797**	-	**-**	-
Impairment loss on available-for-sale financial assets	30	**47**	-	**47**	-
Impairment loss on investment and intercompany receivable	13	**-**	-	**-**	455,748
Impairment of inventories	32(e)	**37,373**	33,581	**-**	-
Provision for bad debts	33(a)	**5,843**	2,934	**3,805**	-
Dividend income	22	**(2,166)**	(42)	**(73,149)**	(65,041)
Interest income	20	**(14,425)**	(12,029)	**(118,801)**	(165,487)
Interest expense		**825,914**	937,746	**621,154**	765,848
(Gain)/loss on other financial assets	21	**(67,948)**	85,292	**(67,948)**	85,292
Share of profit of associates	29	**(4,943)**	(8,860)	**-**	-
Decrease in employee benefit asset	39	**29,255**	14,112	**28,032**	19,703
Working capital adjustments:					
(Increase)/decrease in inventories		**(19,047)**	35,766	**(189,707)**	(49,078)
(Increase)/decrease in trade and other receivables		**(157,652)**	267,666	**(65,803)**	63,491
Increase/(decrease) in trade and other payables		**658,541**	(187,136)	**726,637**	(139,842)
Income tax paid	23(a)	**(49,989)**	(107,404)	**(6,386)**	(5,847)
Net cash flows generated from operating activities		**2,248,268**	1,641,176	**1,665,228**	1,331,940
Investing activities					
Purchase of property, plant and equipment		**(1,097,018)**	(1,011,736)	**(793,049)**	(807,622)
Purchase of investment properties		**(1,669)**	-	**-**	-
Proceeds from sale of property, plant and equipment		**18,021**	84,111	**395,478**	63,640
Acquisition of associates		**-**	(1,890)	**-**	-
Proceeds from disposal of associates		**-**	60,931	**-**	60,931
Proceeds from disposal of other financial assets		**-**	27,743	**-**	-
Dividend received		**8,291**	6,600	**73,149**	65,041
Interest received	20	**14,425**	12,029	**118,801**	165,487
Net cash flows used in investing activities		**(1,057,950)**	(822,212)	**(205,621)**	(452,523)
Financing activities					
Proceeds from borrowings		**13,172,470**	8,536,540	**12,942,420**	5,254,787
Repayment of term loans		**(15,386,154)**	(7,086,564)	**(15,247,521)**	(6,895,266)
Repayment of finance lease liabilities		**(106,949)**	(125,596)	**(82,268)**	(89,628)
Repayment of debentures		**(95,632)**	(102,566)	**(95,632)**	(102,566)
Proceeds from debentures		**2,971,713**	-	**2,971,713**	-
Proceeds from issue of shares to non-controlling interests		**-**	492,093	**-**	-
Proceeds from shareholder loan		**128,575**	-	**-**	-
Repayment of long-term loan receivable		**-**	-	**3**	3,677,712
Advances to subsidiaries		**-**	-	**(352,339)**	(789,892)
Interest paid		**(817,076)**	(1,013,429)	**(612,315)**	(817,940)
Dividends paid to equity holders of the parent		**(60,240)**	-	**(60,240)**	-
Dividends paid to non-controlling interests		**(86,177)**	(69,549)	**-**	-
Net cash flows (used in)/generated from financing activities		**(279,470)**	630,929	**(536,179)**	237,207
Net increase in cash and cash equivalents		**910,848**	1,449,893	**923,428**	1,116,624
Cash and cash equivalents at October 1,		**(614,845)**	(2,061,537)	**(1,236,059)**	(2,344,657)
Net foreign exchange differences		**(4,731)**	(3,201)	**2,717**	(8,026)
Cash and cash equivalents at September 30,	35(a)	**291,272**	(614,845)	**(309,914)**	(1,236,059)

The notes on pages 111 to 183 form an integral part of these financial statements.
Auditor's report on pages 96 to 101.

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, 2018 were authorised for issue in accordance with a resolution of the Directors on December 19, 2018. 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.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholder of the Company.

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. Group information

Information on subsidiaries:

Name of Corporation	Main business activity	Country of incorporation	Effective % holding 2018	2017
Beachcomber Limited	Investment	Mauritius	**100**	100
Kingfisher Ltd	Investment	Mauritius	**100**	100
Kingfisher 2 Limited*	Investment	Mauritius	**100**	-
Kingfisher 3 Limited*	Investment	Mauritius	**100**	-
Semaris Ltd (previously known as Alto Development Limited)**	Property	Mauritius	**100**	-
Beachcomber Training Academy Limited	Hotel training	Mauritius	**100**	100
Les Salines Development Ltd	Property	Mauritius	**100**	100
Les Salines Golf and Resorts Limited	Hotel Project	Mauritius	**100**	100
Ste Anne Resorts Limited	Hotel operations	Seychelles	**100**	100
Reef Resort Limited*	Property	Seychelles	**100**	-
Praslin Resort Limited*	Property	Seychelles	**100**	-
Beachcomber Gold Coast Resort Limited	Dormant	Seychelles	**100**	100
Beachcomber Marketing (Pty) Ltd	Tour operating	South Africa	**51**	51
Beachcomber Tours	Tour operating	France	**100**	100
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 (UK) 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
Mautourco Ltd ***	Tour operating	Mauritius	**51**	51
Transmaurice Car Rental Ltd	Car rental	Mauritius	**51**	51
Societe Pur Blanca	Investment	Mauritius	**51**	51
Santayarea (Mauritius) Limited (previously known as Santayarea by Beachcomber Ltd)	Hotel training	Mauritius	**56**	56
Domaine de l'Harmonie Limitée	Services	Mauritius	**100**	100
Beachcomber Hospitality Investments Ltd	Real Estate	Mauritius	**56**	56

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.

* Incorporated during the year
** Change of name during the year
*** White Palm Ltd has been amalgamated into Mautourco Ltd on October 01, 2017.

Information on associates

Name of Corporation	Year end	Class of shares	Percentage holding 2018	2017
			%	%
South West Tourism Development Ltd	June 30,	Ordinary shares	**31**	31
Launderers (Hotels & Restaurants) Ltd	June 30,	Ordinary shares	**50**	50
Parure Limitée	June 30,	Ordinary shares	**48**	48
Societe Cajeva*	June 30,	Parts	**50**	50

Investment in associates consists of investments in unquoted shares and are incorporated in the Republic of Mauritius.

* Prior to year end, the Corporate Governance Committee gave their consent for the disposal of shares in Societe Cajeva. The terms and conditions of which are yet to be finalised.

BASIS OF PREPARATION AND OTHER SIGNIFICANT ACCOUNTING POLICIES

3. Basis of preparation and statement of compliance

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 financial assets 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. Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

The consolidated financial statements of New Mauritius Hotels Limited (the 'Company') and its subsidiaries (the 'Group') comply with Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

4. Summary of other significant accounting policies

(a) Foreign currency translation

The Group's financial statements are presented in Mauritian rupees, which is also the parent company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. 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 at 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.

(b) Financial assets

Initial recognition

Financial assets are classified at initial recognition as financial assets at fair value through profit or loss, derivatives designated as hedges, 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 recognised 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 and relevant disclosures are provided in related notes.

4. Summary of other significant accounting policies (Cont'd)

(b) Financial assets (Cont'd)

Subsequent measurement

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

Derivatives recorded at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

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

Hedging activities - cash flow hedges

(i) Derivatives designated as hedges

Derivatives are initially recognised at fair value on the date the contracts are entered into and are subsequently carried at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and if so, the nature of the items being hedged. The Group designates its derivative as a hedge of a particular risk associated with a recognised highly probable forecast transaction, i.e. a cash flow hedge.

The Group documents at inception of the transaction the relationship between the hedging instruments and the hedging items as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instrument are highly effective in offsetting changes in cash flows of hedge items.

The Group has entered into forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income accumulated in the hedging reserve and transferred to the statement of profit or loss when the hedged forecast transactions are recognised. The fair value of the ineffective portion of currency forwards are recognised immediately in the statement of profit or loss. When the forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised into other comprehensive income are reclassified to the statement of profit or loss immediately.

(ii) Borrowings

The Group and the Company have borrowings which are denominated in Euro and part of their revenue are also generated in that same currency. The Group and the Company have a cash flow hedge whereby the foreign exchange exposure arising from translation of the borrowings is hedged against the revenue stream. The effective portion of the gain or loss on the hedging instrument is recognised in the other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss as operating expenses. The realised gain/loss upon repayment of the borrowings is released to the statement of profit or loss. When the hedge transaction is terminated or is no longer expected to occur, the cumulative gain or loss previously recognised in the statement of other comprehensive income is released to the statement of profit or loss immediately.

The fair values of various derivatives instruments used for hedging purposes are disclosed in note 34. Movement on the hedging reserve in shareholders' equity are shown in note 37.

4. Summary of other significant accounting policies (Cont'd)

(b) Financial assets (Cont'd)

Loans 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 statement of profit or loss. The losses arising from impairment are recognised in 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 assets 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 assets 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

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

Financial assets carried at amortised cost

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

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

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

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

4. Summary of other significant accounting policies (Cont'd)

(b) Financial assets (Cont'd)

Available-for-sale financial assets (Cont'd)

For available-for-sale financial assets, 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 is 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 the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increase 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 the statement of profit or loss.

(c) Financial liabilities

Initial recognition

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

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

The Group's financial liabilities include trade and other payables, bank overdraft, borrowings, derivatives and preference shares. Relevant disclosures are provided in related notes.

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 the statement of 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.

(d) 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 the 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 has 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.

4. Summary of other significant accounting policies (Cont'd)

(d) Derecognition of financial assets and liabilities (Cont'd)

Financial liabilities

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

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

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offsetted 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.

(f) Current versus non-current classification

The Group presents assets and liabilities in the 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.

(g) 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.

(h) Other taxes

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

(i) Impairment of non-financial assets

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

4. Summary of other significant accounting policies (Cont'd)

(i) Impairment of non-financial assets (Cont'd)

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

Impairment losses of continuing operations are recognised in the statements of 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 the 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 units 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 September 30, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

(j) 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 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
Recognised as it accrues (taking into account the effective interest rate on the asset).

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

5. Changes in accounting policies

Amendments to published Standards effective in the reporting period

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12).
The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. The amendment has no impact on the Group's financial statements.

Disclosure Initiative (Amendments to IAS 7).
The amendments require the entity to explain changes in its liabilities arising from financing activities. This includes changes arising from cash flows (e.g., drawdowns and repayments of borrowings) and non-cash changes such as acquisitions, disposals, accretion of interest and unrealised exchange differences. A reconciliation of the opening and closing carrying amounts for each item for which cash flows have been or would be classified as financial activities is presented in note 35.

Annual improvements to IFRSs 2014-2016 Cycle

IFRS 12 Disclosure of Interests in Other Entities. The amendments clarify that entities are not exempted from all of the disclosure requirements of IFRS 12 while entities have been classified as held for sale or as discontinued operations. The amendment has no impact on the Group's financial statements.

Standards, amendments to published standards and interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations issued are effective for the Group's accounting periods beginning on or after October 1, 2018, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments
IFRS 15 Revenue from Contracts with Customers
IFRS 16 Leases
Clarifications to IFRS 15 Revenue from Contracts with Customers
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
Annual Improvements to IFRSs 2014-2016 Cycle
IFRIC 22 Foreign Currency Transactions and Advance Consideration
Transfers of Investment Property (Amendments to IAS 40)
IFRS 17 Insurance Contracts
IFRIC 23 Uncertainty over Income Tax Treatments
Prepayment Features with negative compensation (Amendments to IFRS 9)
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)
Annual Improvements to IFRSs 2015-2017 Cycle
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)

Where relevant, the Group is still evaluating the effect of these standards, Amendments to published standards and interpretations issued but not yet effective, on the presentation of its financial statements.

6. Standards and interpretations issued but not yet effective in the reporting period
IFRS 9 Financial Instruments - effective for annual periods beginning on or after January 1, 2018

In July 2014, the IASB issued IFRS 9 'Financial Instruments', which is the comprehensive standard to replace IAS 39 'Financial Instruments: Recognition and Measurement and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Classification and measurement

The classification and measurement of financial assets will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. These factors determine whether the financial assets are measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVPL'). In many instances, the classification and measurement outcomes will be similar to IAS 39, although differences may arise. The combined effect of the application of the business model and the contractual cash flow characteristics tests may result in some differences in the population of financial assets measured at amortised cost or fair value compared with IAS 39. The classification of financial liabilities is essentially unchanged. For certain liabilities measured at fair value, gains or losses relating to changes in the entity's own credit risk are to be included in other comprehensive income.

Financial Assets	PER IAS 39	Per IFRS 9	Impact
• Trade receivables • Receivable from group companies • Long-term loan receivables • Cash & cash equivalents	These are initially recognised at fair value which is the original invoice amount and are subsequently carried at amortised cost using the effective interest rate method less for impairment. Gains and losses are recognised through profit or loss when the receivables are derecognised or impaired.	Receivables including cash and cash equivalent previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. The classification does not change under the new IFRS.	No impact

6. Standards and interpretations issued but not yet effective (Cont'd)

IFRS 9 Financial Instruments - effective for annual periods beginning on or after January 1, 2018 (Cont'd)

Classification and measurement (Cont'd)

Financial Assets	PER IAS 39	Per IFRS 9	Impact
• Available-for-sale investment (AFS) • Equity Investments	After initial measurement, available-for-sale financial assets are subsequenty measured at fair value with unrealised gains or losses being recognised in other comprehensive income (OCI) in the available-for-sale reserves until the investment is derecognised or until the investment is determined to be impaired at which time the cummulative gain or loss is included in the statement of profit or loss.	Equity investments previously classified as AFS financial assets are now classified and measured as financial assets at fair value through profit or loss, if they are held for trading. Otherwise, they are classified as financial assets at fair value through OCI.	The equity investments that the Group possesses are not held for trading and will therefore be classified as 'financial assets at fair value through OCI' under IFRS 9. Thus, there will be no change in terms of classification and measurement.

There are no changes in the classification of financial liabilities under IFRS 9 when compared to IAS 39.

Impairment
At initial recognition, allowance (or provision in the case of commitments and guarantees) is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised are considered to be in 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are in 'stage 3'.

The assessment of whether credit risk has increased significantly since initial recognition is performed at the end of each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument, rather than by considering an increase in ECL.

At the level of the Group, the simplified model will be applied.

An entity measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables or contract assets that result from transactions that are within the scope of IFRS 15 and that do not contain a significant financing component in accordance to IFRS 15. The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial Assets	PER IAS 39	Per IFRS 9	Impact
• Trade receivables • Receivable from group companies • Long-term loan receivables • Cash & cash equivalents	A financial asset or a group of financial assets is deemed to be impaired, 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 entity is required to assess at each reporting date whether there is any objective evidence of impairment. If any such evidence exists, the entity is required to perform impairment tests and determine whether an impairment loss should be recognised. The carrying amount of the receivable is reduced through the use of an allowance amount and included in profit or loss.	IFRS 9 replaces the incurred loss model. The impairment requirements apply to financial assets measured at amortised cost and amount receivable from contracts with customers as defined in IFRS 15. The Group will apply the simplified approach and record lifetime expected losses on all its receivables and cash and cash equivalents. The impairment requirement as per IFRS 9 apply to financial assets measured at amortised cost. At initial recognition, allowance is required for expected credit losses (ECL) resulting from default events that are possible within the next 12 months or on a life time basis.	The Group is currently developing an Expected Credit Loss model to measure impairment of its financial instruments in line with the requirements of the new standard. Cash and cash equivalents will have an insignificant impairment impact.

Hedge Accounting
The general hedge accounting requirements aim to simplify hedge accounting, creating a stronger link between it and risk management strategy and permitting the former to be applied to a greater variety of hedging instruments and risks. The standards do not explicitly address macro hedge accounting strategies, which are being considered in a separate project. To remove the risk of any conflict existing macro hedge accounting practise and the new general hedge accounting requirement, IFRS 9 includes accounting policy choice to remain with IAS 39 hedge accounting.

6. Standards and interpretations issued but not yet effective (Cont'd)

IFRS 9 Financial Instruments - effective for annual periods beginning on or after January 1, 2018 (Cont'd)

Hedge Accounting (Cont'd)
The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationship might be eligible for hedge accounting as the Standard introduces a more principles-based approach.

Transitional impact
The requirements of IFRS 9 'Financial Instruments' will be adopted by the Group from October 1, 2018. The classification and measurement and impairment requirements are applied retrospectively by adjusting the opening statements of financial position at the date of initial application, with no requirement to restate comparative periods. The Group does not intend to restate comparatives.

The Group does not expect changes in the classification and measurement of its financial assets as compared to IAS 39.

The adoption of IFRS 9 is not expected to affect significantly the net assets at October 1, 2018.

These estimates are based on accounting policies, assumptions, judgements and estimation technique that remain subject to change until the Group finalises its financial statements for the year ending September 30, 2019.

IFRS 15 Revenue from Contracts with Customers – effective January 1, 2018

IFRS 15 defines principles for recognising revenue and will be applicable to all contracts with customers. However, interest and fee income integral to financial instruments and leases will continue to fall outside the scope of IFRS 15 and will be regulated by the other applicable standards (e.g., IFRS 9, and IFRS 16 Leases). IFRS 15 provides a single, principle-based five-step model to be applied to all contracts with customers and revenue under this standard will need to be recognised as goods and services are transferred, to the extent that the transferor anticipates entitlement to goods and services. The standard will also specify a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and corresponding cash flows with customers. The Group has assessed the impact of IFRS 15 and is not expecting that there will be a significant impact on the net assets as at October 1, 2018.

The table below depicts the possible impact arising from the adoption of IFRS 15 on the Group's figures:

Treatment as per IAS 18	Changes under IFRS 15	Impact Assessment
Room Revenue		
Recognised as revenue when performance obligation is performed upon check-in. Revenue is recognised daily.	None	No material impact is expected. Breakage revenue is considered to be immaterial and thus no further evaluation has been carried out.
Food & Beverage Revenue (F&B)		
Rooms are sold on half board, full board or all-inclusive basis. F&B revenue is recognised as revenue daily upon check-in alongside the room revenue. Direct sales are recognised upon consumption. F&B revenue also includes direct sales at the restaurants or bars and are recognised upon consumption.	Recognised as revenue when performance obligation is performed upon check-in and consumption.	The timing of F&B revenue recognition will change for packaged sales following the adoption of IFRS 15. F&B revenue through packaged sale will have to be recognised when the performance obligation is satisfied, i.e., upon consumption. However, the impact has been assessed as not being material as the portion of F&B sale that would have to be deferred is not significant on any single day, and the impact would further be mitigated by opening cut-off adjustments.
Minor Other Departments		
Minor other departments include the provision of services such as laundry, spa and boutique sales. The Group acts as an agent from time to time. In an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result on increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead revenue is the amount of commission.	For the provision of services where the entity is an agent, it should recognise revenue based on the commission it receives from the sale (the gross amount of payments received from the customer less payments to the third party provider). Where the entity acts as a principal, revenue has to be recorded gross.	Both under IAS 18 and IFRS 15, only commission revenue (gross revenue less payments) should be recognised. The Group acts as an agent only on few instances and this provision is not expected to have any significant impact on the Group.
Commission revenue		
Commission revenue is recognised as actual inflow.	For the provision of services where the entity is a principal, it should recognise revenue based on the gross revenue, with a related expense for payments to third party.	As per IFRS 15, in the provision of services where the entity is a principal, gross revenue with a related expense for payments to third party should be recognised. Sale of foreign currency arises on few instances and this provision is not expected to have any significant impact on the Group.

6. Standards and interpretations issued but not yet effective (Cont'd)

IFRS 15 Revenue from Contracts with Customers – effective January 1, 2018 (Cont'd)

Treatment as per IAS 18	Changes under IFRS 15	Impact Assessment
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.	The Group's revenue from airline and inland catering are recognised when control of the goods has transferred, usually on dispatch of the goods.	No impact is expected
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 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.	The Group develops and sells villas. Revenue is recognised when control over the villas has been transferred to customers. As per terms of contract, customers can cancel the contract anytime by paying applicable penalties. Also the ownership of villas being constructed is transferred to customers on completion. On cancellation of contract by customer, the Group has the option to sell the villas to other customers. Therefore, revenue is recognised at a point in time when the legal title has been passed to the customer.	No impact is expected. The Group currently recognises revenue from sales of villas, when the significant risks and rewards of ownership of the real estate have been transferred to the buyer (i.e. on completion of contract). This will not change under IFRS15. However, should the contract change, the income recognition need to be reassessed.
Management fees		
Recognised as revenue when the amount can be measured reliably and it is probable that the economic benefits will flow to the entity.	Recognise variable consideration as revenue when it is highly probable that a significant reversal of the cummulative amount of revenue recognised will not occur.	No material impact is expected, as the Group currently recognises management fee income only when key financial metrics, on which the management fees are computed, are met. This will not change under IFRS 15.

IFRS 16 Leases - effective January 1, 2019

Adoption of IFRS 16 will result in the Company recognising right of use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Company does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment. Instead of recognising an operating expense for its operating lease payments, the Group will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company is still assessing the impact of the standard on its financial statements.

7. Basis of consolidation and financial information on material partly-owned subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at September 30, 2018.

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.

7. Basis of consolidation and financial information on material partly-owned subsidiaries (Cont'd)

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:

1. derecognises the assets (including goodwill) and liabilities of the subsidiary;
2. derecognises the carrying amount of any non-controlling interests;
3. derecognises the cummulative translation differences recorded in equity;
4. recognises the fair value of the consideration received;
5. recognises the fair value of any investment retained;
6. recognises any surplus or deficit in profit or loss;
7. reclassifies the parent's share of components previously recognised in other comprehensive income 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.

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

The proportion of equity interest held by material non-controlling interests is:

Name	Country of incorporation and operation	2018	2017
Mautourco Ltd	Mauritius	**49%**	49%
Beachcomber Marketing (Pty) Ltd	South Africa	**49%**	49%
Beachcomber Hospitality Investments Ltd	Mauritius	**44%**	44%

	2018	2017
Accumulated balances of material non-controlling interest:	**Rs.'000**	Rs.'000
Mautourco Ltd	**41,299**	35,046
Beachcomber Marketing (Pty) Ltd	**10,402**	16,086
Beachcomber Hospitality Investments Ltd	**544,585**	498,558
Profit and other comprehensive income allocated to material non-controlling interest:		
Mautourco Ltd	**16,810**	15,359
Beachcomber Marketing (Pty) Ltd	**26,186**	33,348
Beachcomber Hospitality Investments Ltd	**87,911**	18,683

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

Summarised statements of profit or loss for the year ended September 30, 2018:

	Mautourco Ltd	Beachcomber Marketing (Pty) Ltd	Beachcomber Hospitality Investments Ltd
	Rs.'000	**Rs.'000**	**Rs.'000**
Revenue	**597,490**	**212,327**	**555,580**
Cost of sales	**(310,954)**	**-**	**-**
Administrative and other expenses	**(247,302)**	**(167,418)**	**(2,924)**
Finance revenue	**44**	**29,273**	**-**
Finance costs	**(5,760)**	**-**	**(302,334)**
Other income	**6,694**	**-**	**278**
Profit before tax	**40,212**	**74,182**	**250,600**
Income tax	**(7,100)**	**(20,782)**	**(47,210)**
Profit for the year from continuing operations	**33,112**	**53,400**	**203,390**
Total comprehensive income	**34,306**	**53,441**	**197,820**
Attributable to non-controlling interests	**16,810**	**26,186**	**87,911**
Dividends paid to non-controlling interests	**-**	**(31,870)**	**(54,307)**

7. Basis of consolidation and financial information on material partly-owned subsidiaries (Cont'd)

Summarised statements of profit or loss for the year ended September 30, 2017:

	Mautourco Ltd	Beachcomber Marketing (Pty) Ltd	Beachcomber Hospitality Investments Ltd
	Rs.'000	Rs.'000	Rs.'000
Revenue	443,507	216,179	367,241
Cost of sales	(245,615)	-	-
Administrative and other expenses	(172,232)	(156,385)	(6,259)
Finance revenue	-	27,788	525
Finance costs	(4,546)	-	(277,835)
Other income	18,070	6,942	-
Profit before tax	39,184	94,524	83,672
Income tax	(5,839)	(26,467)	(13,129)
Profit for the year from continuing operations	33,345	68,057	70,543
Total comprehensive income	26,561	66,736	90,068
Attributable to non-controlling interests	15,359	33,348	18,683
Dividends paid to non-controlling interests	(13,720)	(34,961)	(20,868)

Summarised statements of financial position as at September 30, 2018:

	Mautourco Ltd	Beachcomber Marketing (Pty) Ltd	Beachcomber Hospitality Investments Ltd
	Rs.'000	**Rs.'000**	**Rs.'000**
Property, plant and equipment and other non-current financial assets	**209,092**	**5,867**	**7,065,386**
Trade and other receivables, cash and bank balances	**184,097**	**555,112**	**33,260**
Trade and other payables and current liabilities	**(239,979)**	**(539,750)**	**(257,402)**
Interest-bearing loans and borrowing and other non-current liabilities	**(68,926)**	**-**	**(5,424,968)**
Total equity	**84,284**	**21,229**	**1,416,276**
Attributable to:			
Owners of the parent	**42,985**	**10,827**	**871,691**
Non-controlling interests	**41,299**	**10,402**	**544,585**

Summarised statements of financial position as at September 30, 2017:

	Mautourco Ltd	Beachcomber Marketing (Pty) Ltd	Beachcomber Hospitality Investments Ltd
	Rs.'000	Rs.'000	Rs.'000
Property, plant and equipment and other non-current financial assets	160,762	7,661	6,435,709
Trade and other receivables, cash and bank balances	121,130	454,541	47,956
Trade and other payables and current liabilities	(162,026)	(429,374)	(257,790)
Interest-bearing loans and borrowing and other non-current liabilities	(45,223)	-	(5,094,993)
Total equity	74,643	32,828	1,130,882
Attributable to:			
Owners of the parent	39,597	16,742	632,324
Non-controlling interests	35,046	16,086	498,558

7. Basis of consolidation and financial information on material partly-owned subsidiaries (Cont'd)

Summarised cash flow information for year ended September 30, 2018:

	Mautourco Ltd	Beachcomber Marketing (Pty) Ltd	Beachcomber Hospitality Investments Ltd
	Rs.'000	**Rs.'000**	**Rs.'000**
Cash flows from/(used in)			
Operating activities	**108,876**	**182,921**	**512,600**
Investing activities	**(16,159)**	**60,630**	**(598,951)**
Financing activities	**5,218**	**(65,040)**	**(179,014)**
Net increase/(decrease) in cash and cash equivalents	**97,935**	**178,511**	**(265,365)**

Summarised cash flow information for year ended September 30, 2017:

Cash flows from/(used in)	Rs.'000	Rs.'000	Rs.'000
Operating activities	30,224	124,489	327,509
Investing activities	(17,870)	24,953	(6,059,669)
Financing activities	(36,313)	(71,530)	5,760,278
Net (decrease)/increase in cash and cash equivalents	(23,959)	77,912	28,118

8. 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.

9. 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 counterparty 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 of 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.

9. Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The following table shows the maximum exposure to credit risk for the components of the statements of financial position.

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Cash and cash equivalents	**1,057,971**	1,260,151	**150,563**	474,074
Available-for-sale financial assets	**8,664**	4,114	**8,391**	3,782
Trade and other receivables*	**2,035,518**	1,955,139	**1,325,439**	970,784
Long-term loan receivable	**-**	-	**1,873,833**	1,719,142
	3,102,153	3,219,404	**3,358,226**	3,167,782

*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, 2018 and 2017. 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 Euros, US Dollars, Pound Sterling, Rands, Australian Dollars, Seychelles Rupees and Moroccan Dirhams exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to changes in the fair value of net investment in foreign operations):

	Increase in rates	THE GROUP Effect on profit/loss before tax	THE COMPANY Effect on profit/loss before tax
2018	**%**	**Rs.'000**	**Rs.'000**
Euros	**5%**	**(338,615)**	**(55,105)**
Pound Sterling	**5%**	**4,212**	**1,380**
Rands	**5%**	**(22,847)**	**(12,094)**
United States Dollars	**5%**	**8,477**	**8,334**
Australian Dollars	**5%**	**(1)**	**1**
Seychelles Rupees	**5%**	**(8,979)**	**-**
Moroccan Dirhams	**5%**	**3,920**	**-**
2017 (Restated)			
Euros	5%	(273,834)	1,175
Pound Sterling	5%	8,985	3,488
Rands	5%	1,342	(15,040)
United States Dollars	5%	4,387	1,979
Australian Dollars	5%	1	1
Seychelles Rupees	5%	(2,888)	-
Moroccan Dirhams	5%	6,357	1,348

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

9. Financial risk management objectives and policies (Cont'd)

(a) Foreign currency risk (Cont'd)

Currency profile

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

	THE GROUP			
	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Euros	**446,712**	218,678	**7,219,023**	5,695,365
Pound Sterling	**300,775**	338,599	**216,541**	158,901
Rands	**325,428**	402,938	**782,385**	376,092
United States Dollars	**193,263**	230,265	**23,731**	142,532
Australian Dollars	**93**	16	**113**	-
Seychelles Rupees	**8,720**	145,748	**188,292**	18,617
Mauritian Rupees	**666,856**	815,424	**9,896,312**	13,393,296
Moroccan Dirhams	**1,160,287**	1,067,622	**1,081,896**	1,125,379
Others	**20**	114	**543**	39
	3,102,154	3,219,404	**19,408,836**	20,910,221

	THE COMPANY			
	FINANCIAL ASSETS		FINANCIAL LIABILITIES	
	2018	2017	**2018**	2017 (Restated)
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Euros	**1,879,782**	2,047,019	**2,981,875**	2,023,517
Pound Sterling	**29,974**	78,336	**2,377**	8,586
Rands	**1,370**	1,029	**243,246**	301,830
United States Dollars	**173,446**	197,139	**6,769**	157,569
Australian Dollars	**13**	16	**-**	-
Seychelles Rupees	**-**	26,969	**-**	-
Mauritian Rupees	**1,273,615**	817,160	**11,709,953**	13,955,892
Moroccan Dirhams	**-**	-	**-**	-
Others	**26**	114	**544**	39
	3,358,226	3,167,782	**14,944,764**	16,447,433

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017 (Restated)
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Net exposure, excluding Mauritian Rupees	**(7,077,226)**	(5,112,945)	**(1,150,200)**	(140,919)

(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%.

9. Financial risk management objectives and policies (Cont'd)

(b) Interest rate risk (Cont'd)

	Increase in rates	THE GROUP Effect on profit/loss before tax/ Equity	THE COMPANY Effect on profit/loss before tax/ before tax/Equity
	%	Rs.'000	Rs.'000
2018			
Interest-bearing loans and borrowings in Rs	**1.00%**	**68,096**	**65,367**
Interest-bearing loans and borrowings in EUR	**0.25%**	**19,950**	**5,408**
Interest-bearing loans and borrowings in MAD	**0.25%**	**1,084**	**-**
Interest-bearing loans and borrowings in SCR	**0.25%**	**51**	**-**
Interest-bearing loans and borrowings in USD	**0.25%**	**-**	**-**
2017			
Interest-bearing loans and borrowings in Rs	1.00%	65,367	73,692
Interest-bearing loans and borrowings in EUR	0.25%	5,408	2,084
Interest-bearing loans and borrowings in MAD	0.25%	-	-
Interest-bearing loans and borrowings in SCR	0.25%	-	-
Interest-bearing loans and borrowings in USD	0.25%	-	340

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

(c) Liquidity risk

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

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

The Group	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2018						
Trade and other payables	**-**	**2,927,269**	**-**	**-**	**-**	**2,927,269**
Borrowings*	**1,887,327**	**153,555**	**1,851,231**	**7,287,930**	**11,951,582**	**23,131,625**
Other financial liabilities	**-**	**3,194**	**-**	**58,246**	**-**	**61,440**
	1,887,327	**3,084,018**	**1,851,231**	**7,346,176**	**11,951,582**	**26,120,334**
2017						
Trade and other payables	-	1,955,139	-	-	-	1,955,139
Borrowings*	1,874,996	93,612	4,617,953	6,040,871	7,933,241	20,560,673
Other financial liabilities	-	44,660	26,482	-	-	71,142
	1,874,996	2,093,411	4,644,435	6,040,871	7,933,241	22,586,954

* Borrowings include future interest costs.

The Company	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2018						
Trade and other payables	**-**	**-**	**3,039,029**	**-**	**-**	**3,039,029**
Borrowings*	**1,581,118**	**48,859**	**1,505,375**	**5,402,997**	**6,788,319**	**15,326,668**
Other financial liabilities	**-**	**3,194**	**-**	**-**	**-**	**3,194**
	1,581,118	**52,053**	**4,544,404**	**5,402,997**	**6,788,319**	**18,368,891**
2017						
Trade and other payables	-	688,029	-	-	-	688,029
Borrowings*	1,710,133	24,999	4,159,689	4,554,066	4,607,521	15,056,408
Other financial liabilities	-	44,660	26,482	-	-	71,142
	1,710,133	757,688	4,186,171	4,554,066	4,607,521	15,815,579

* Borrowings include future interest costs.

9. Financial risk management objectives and policies (Cont'd)

(d) Capital management

Equity price risk

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

10. Capital management

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

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

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The actual gearing is higher as anticipated by management and is pincipally due to the financing of projects as part of the Group's strategy. The gearing ratio will improve once cash is generated from the projects. The Group includes within net debt, interest-bearing loans and borrowings, less cash and cash equivalents. Total capital is based on equity attributable to equity holders of the parent as shown in the statement of financial position. The gearing ratios at September 30, 2018 and September 30, 2017 were as follows:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000 Restated
Interest-bearing loans and borrowings	**23,131,625**	20,560,673	**15,326,668**	15,056,408
Less interests costs included above	**(6,711,554)**	(2,423,000)	**(3,424,185)**	(1,102,370)
Less cash in hand and at bank	**(1,057,971)**	(1,260,151)	**(150,563)**	(474,074)
Net Debt	**15,362,100**	16,877,522	**11,751,920**	13,479,964
Equity	**13,015,275**	10,870,762	**10,525,218**	8,211,158
Equity attributable to equity holders of the parent	**13,015,275**	10,870,762	**10,525,218**	8,211,158
Gearing Ratio (Net debt/equity)	**118%**	155%	**112%**	164%

11. Distributions

Accounting Policy

Cash dividend to equity holders

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

	THE GROUP AND THE COMPANY	
	2018	2017
	Rs.'000	Rs.'000
Interim dividend paid for the year ended September 30, 2018 of Rs/cts 0.11 per share	**60,240**	-
Final dividend payable for the year ended September 30, 2018 of Rs/cts 0.11 per share	**60,244**	-
	120,484	-

12. 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, flight & 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.
• Tour operating - carried out in Mauritius, France, United Kingdom, Italy and South Africa.
• Airline and inland catering - carried out in Mauritius.
• Property development - carried out in Morocco and to be started in Mauritius.

Business segments

For the year ended September 30, 2018	**Hotel Operations**	**Tour Operations**	**Flight & Inland Catering**	**Property Development and others**	**Group**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Revenue	**7,882,882**	**1,384,032**	**270,527**	**569,402**	**10,106,843**
Profit/(loss) after tax	**199,793**	**75,127**	**(145,053)**	**4,542**	**134,409**
Segment assets	**30,653,820**	**1,499,856**	**429,554**	**3,094,452**	**35,677,682**
Investment in associates	**-**	**-**	**-**	**718,423**	**718,423**
Total assets					**36,396,105**
Segment liabilities	**20,925,005**	**1,314,608**	**118,439**	**428,291**	**22,786,343**
Other segment information:					
Capital expenditure	**966,451**	**65,983**	**9,341**	**95,425**	**1,137,200**
Depreciation and impairment on property, plant and equipment	**(589,875)**	**(52,686)**	**(12,348)**	**(20,979)**	**(675,888)**
Amortisation of intangible assets	**(3,529)**	**-**	**-**	**(438)**	**(3,967)**

Business segments

For the year ended September 30, 2017	**Hotel Operations**	**Tour Operations**	**Flight & Inland Catering**	**Property Development and others**	**Group**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Revenue	7,662,751	1,264,711	246,049	354,705	9,528,216
Profit/(loss) after tax	172,296	70,672	(7,237)	(202,872)	32,859
Segment assets	27,910,782	1,475,280	370,644	5,559,172	35,315,878
Investment in associates	-	-	-	478,919	478,919
Total assets					35,794,797
Segment liabilities	21,884,086	1,137,806	134,765	1,218,379	24,375,036
Other segment information:					
Capital expenditure	961,109	89,067	7,042	-	1,057,218
Depreciation and impairment on property, plant and equipment	580,195	47,474	12,616	18,918	659,203
Amortisation of intangible assets	4,036	14,696	-	-	18,732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12. Segmental reporting (Cont'd)

Geographical segments	**Mauritius**	**Europe**	**Morocco**	**Other Countries**	**Group**
For the year ended September 30, 2018	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Segment revenue	**8,196,507**	**588,119**	**1,105,489**	**216,728**	**10,106,843**
Segment assets	**25,476,176**	**805,119**	**7,776,383**	**2,338,427**	**36,396,105**
Capital expenditure	**876,305**	**19,647**	**16,118**	**225,130**	**1,137,200**

Geographical segments	Mauritius	Europe	Morocco	Other Countries	Group
For the year ended September 30, 2017	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Segment revenue	7,650,801	501,829	802,907	572,679	9,528,216
Segment assets	24,560,993	934,949	8,127,030	2,171,825	35,794,797
Capital expenditure	889,274	9,674	111,696	46,574	1,057,218

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

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, 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 judgements, 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 Board of Directors 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.

At September 30, 2018, the Group and the Company had net current liabilities of nil (2017: Rs 622m) and Rs 2.1bn (2017: Rs 4.3bn) respectively. On the other hand, the net cash position of the Group and the Company improved by Rs 906m and Rs 926m respectively.

The Directors believe that there is no going concern issue at Group and Company level given the availability of undrawn banking facilities (refer to note 35(a)) and certain elements such as deposits from guests and buyers of villas which are recorded in current liabilities but will not result in cash outflows in the next year. Moreover, the Group has successfully completed its financial restructuring during the financial year. This will enable the Group to pursue its renovation and development programs.

The Board 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.

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 27(a).

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimates and assumptions (Cont'd)

Currency forward contracts
The Group has entered into forwards that qualify as cash flow hedge against highly probable forecasted transactions in foreign currencies. The probable forecasted transactions are duly certified expected costs to be incurred in the development project being undertaken by the Group which qualifies as the hedge item. The forward contract Euro for US Dollar is the hedge instrument. The change in the fair value of the hedge instrument has been judged to be fully effective at the year ended September 30, 2018 and recognised under other comprehensive income (note 34).

SIGNIFICANT TRANSACTIONS AND EVENTS

Net investment in foreign operations

The Company has receivable balances from its overseas subsidiaries. The Directors reviewed those balances and concluded that, effective October 1, 2015, part of those balances qualified as "net investment in foreign operations". These amounts are regarded as monetary items that are receivable from foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future. Further amounts transferred during the financial year ended September 30, 2018 were regarded as net investment in foreign operations and included under investment in subsdidiaries (refer to note 28 (ii) for more details).

Accordingly, the foreign exchange differences arising at the individual financial statements of the Company and its subsidiaries have been reclassified from profit or loss to other comprehensive income (foreign exchange reserves) upon consolidation in accordance with paragraph 32 of IAS 21 - The Effects of Changes in Foreign Exchange Rates.

13. Impairment losses

Included in impairment losses are the following:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Investment in subsidiaries (notes (a) and (b))	**-**	-	**-**	455,748

Impairment of financial and non-financial assets

At each year-end, an impairment testing is carried out to assess the recoverability of the Company's investments and current accounts from its associates and subsidiaries as well as assessing the carrying value of the Groups' property, plant and equipment.

The impairment loss of Rs 455m recognised in the Company's accounts last year, related to the recoverability of the Company's investment and current account in Beachcomber Hotel S.A taking into account time value of money.

No impairment loss has been assessed this year following the impairment testing. The main significant assumptions which have been taken into account are:

(a) Domaine Palm Marrakech S.A

Phase 1 of the project which consists of selling 94 villas has nearly reached its end with the cumulative sales of 90 villas. Phase 2 has been launched commercially in November 2018 and it consists of selling of 18 plots of land and 39 villas. Phase 3 will consist of sale and delivery of 150 villas.

The project cash flows for the remaining Phase 1 villas and Phases 2 & 3 have been taken into account for the NRV testing of the carrying value of inventories at year-end. The selling prices and margins for Phases 2 & 3 villas were based on management estimates and were expected to be higher than Phase 1.

The carrying amount of investment and inter-company receivable amounted to Rs 1.06bn is covered by the combined fair values of the golf course, country club, office buildings and investment properties included in the books of Domaine Palm Marrakech S.A.

(b) Beachcomber Hotel S.A

The recoverable amount for the hotel has been determined using discounted cash flow techniques.

The significant assumptions as follows are deemed conservative: (i) the occupancy rate is capped at 60% as from 2021 (ii) Guest night spending (GNS) for the coming years will increase by 24% between 2019 and up to 2021 but will remain below the industry average for comparable hotels in Marrakech; the GNS will increase by 4%/5% year on year as from 2023 (iii) Capital expenditure is kept relatively low for the next few years as the hotel is new but will increase as from 2022 (iv) the residual value was estimated at the end of its useful life.

Discount rates:
A discount rate of 10.08% representing the current market assessment of the risks specific to a cash-generating unit was used. The discount rate calculation was based on the specific circumstances of the Company and was 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 Company is obliged to service.

14. Events after the reporting date

Accounting Policy
If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, the Group will assess if the information affects the amounts that it recognises in the Group's consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

Events which occurred after the reporting date and which require disclosure in the financial statements for the year ended September 30, 2018 are as follows:

1. On October 23, 2018 Semaris Ltd, a wholly-owned subsidiary of New Mauritius Hotels Limited, has signed a Memorandum of Understanding with Safran Landcorp Ltd to develop the 365 arpents property at Les Salines into 220 luxury villas and a 18-hole golf course of international standard. The agreement is subject to several conditions precedent to be fulfilled by both parties during a 12-month period.

2. On November 27, 2018, the local authorites have given their clearances for the disposal of 2,000,000 ordinary shares from Societe Pur Blanca in Mautourco Holdings Ltd to a strategic partner for a consideration of EUR 750,000. After the deal, the Group will have an effective holding of 40.8% in Mautourco Ltd. The share of net assets of Mautourco Ltd in the consolidated financial statements at September 30, 2018 amounted to Rs 52.5m.

3. On December 06, 2018, the Ministry of Environment granted the EIA Certificate for the proposed hotel project at Les Salines, Black River. NMH Group will invest Rs 3bn in the resort's construction via Beachcomber Hospitality Investments Ltd. The project is part of a large integrated development scheme set across 365 arpents of freehold land, located behind the hotel complex and owned by NMH. The hotel will consist of 310 rooms and 56 family units.

15. Related party transactions and disclosures

For the purposes of these financial statements, parties are considered to be related to the Group if they have the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice versa, or if they and the Group are subject to common control. Related parties may be individuals or other entities.

The following transactions have been entered into with related parties:

		THE GROUP		THE COMPANY	
(i) Included in Revenue are:	**Nature of goods or services**	**2018 Rs.'000**	2017 Rs.'000	**2018 Rs.'000**	2017 Rs.'000
Subsidiaries:					
Beachcomber Marketing (Pty) Ltd	Hotel packages	**-**	-	**603,952**	649,183
Beachcomber Tours	Hotel packages	**-**	-	**403,579**	446,113
Beachcomber Tours Limited	Hotel packages	**-**	-	**394,300**	359,690
Beachcomber Hotel Marrakech S.A.	Promoter's fees	**-**	-	**-**	1,134
Domaine Palm Marrakech S.A.	Promoter's fees	**-**	-	**-**	2,168
Associate:					
Parure Limitée	Space rental	**2,360**	1,451	**2,360**	1,451

		THE GROUP		THE COMPANY	
(ii) Included in Other income are:	**Nature of goods or services**	**2018 Rs.'000**	2017 Rs.'000	**2018 Rs.'000**	2017 Rs.'000
Subsidiaries:					
Beachcomber Hospitality Investments Ltd	Management fees	**-**	-	**1,985**	2,115
Ste Anne Resorts Limited	Management fees	**-**	-	**81**	9,175
Santayarea (Mauritius) Ltd	Management fees	**-**	-	**12,574**	10,401
Semaris Ltd	Management fees	**-**	-	**1,244**	-
Beachcomber Training Academy Limited	Management fees	**-**	-	**5,232**	3,498
Beachcomber Hospitality Investments Ltd	Profit on disposal	**-**	-	**149,666**	123,833
Beachcomber Hospitality Investments Ltd	Dividend income	**-**	-	**65,094**	46,094
Mautourco Ltd	Dividend income	**-**	-	**-**	14,278
Associate:					
Parure Limitée	Dividend income	**-**	1,933	**-**	1,933
South West Tourism Ltd	Dividend income	**4,625**	4,626	**4,625**	4,626
Launderers (Hotels & Restaurants) Ltd	Dividend income	**1,500**	-	**1,500**	-

15. Related party transactions and disclosures (Cont'd)

(iii) Included in Other expenses are:	Nature of goods or services	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
		Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Subsidiaries:					
Beachcomber Limited	Rent	-	-	**1,000**	1,000
Beachcomber Tours SA	Incentive commission	-	-	**5,702**	5,057
Mautourco Ltd	Incentive commission	-	-	**604**	2,393
Mautourco Ltd	Transport & Carriage	-	-	**265**	699
Beachcomber Hospitality Investments Ltd	Rent	-	-	**556,740**	397,604
Beachcomber Training Academy Limited	Training courses	-	-	**522**	3,509
Santayarea (Mauritius) Ltd	Training courses	-	-	**11,508**	11,855
Trans-Maurice Car Rental Ltd	Car rental	-	-	**3,239**	-
Associate:					
Launderers (Hotels & Restaurants) Ltd	Laundry services	**127,575**	128,417	**127,575**	128,417
Other related parties:					
New Mauritius Hotels Superannuation Fund	Rent	**27,599**	27,050	**27,599**	27,050
ENL Property	Consultancy fees	**11,139**	13,269	**11,139**	13,269
ENL Limited	Secretarial fees	**3,150**	1,075	**3,150**	1,075
(iv) Included in Finance costs are:					
Interest on call account with subsidiaries:					
Beachcomber Marketing (Pty) Ltd	Interest on call account	**-**	-	**17,469**	19,661
Included in interest on finance lease:					
Beachcomber Limited	Interest on finance lease	**-**	-	**1,612**	3,253
Included in interest on loans and overdrafts:					
Subsidiaries:					
Beachcomber Limited	Interest on loans	**-**	-	**9,322**	22,420
Beachcomber Limited	Interest on loans capitalised	**-**	-	**-**	9,855
Ste Anne Resorts Limited	Interest on loans	**-**	-	**7,325**	14,857
(v) Included in Finance income:					
Subsidiaries:					
Beachcomber Hospitality Investments Ltd	Interest on loan receivable	**-**	-	**118,664**	164,451

(vi) Included in the Trade and other receivables balance are:	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Subsidiaries:				
Beachcomber Tours	**-**	-	**63,675**	88,840
Beachcomber Tours Limited	**-**	-	**24,983**	28,890
Beachcomber Marketing (Pty) Ltd	**-**	-	**67,171**	54,929
White Palm Ltd	**-**	-	**-**	3,223
Mautourco Ltd	**-**	-	**8,141**	2,983
Beachcomber Training Academy Limited	**-**	-	**4,769**	12,892
Ste Anne Resorts Limited	**-**	-	**51,940**	26,969
Beachcomber Gold Coast Limited	**-**	-	**107,357**	107,357
Kingfisher Ltd	**-**	-	**2,351**	2,350
New Mauritius Hotel - Italia Srl	**-**	-	**31,041**	31,111
Les Salines Development Ltd	**-**	-	**21**	21
Les Salines Golf and Resort Limited	**-**	-	**139,150**	63,698
Plaisance Catering Limited	**-**	-	**75**	75
Beachcomber Hospitality Investments Ltd	**-**	-	**12,047**	192,066
Domaine de L'Harmonie Ltée	**-**	-	-	2,977
Santayarea (Mauritius) Ltd	**-**	-	**6,568**	8,025
Semaris Ltd	**-**	-	**314,149**	-
Associates:				
Parure Limitée	**132**	207	**132**	207
Societe Cajeva	**12,863**	12,803	**12,863**	12,803
Other related party:				
New Mauritius Hotels Superannuation Fund	**245**	156	**245**	156

15. Related party transactions and disclosures (Cont'd)

(vii) Included in the loan at call payable to subsidiaries balance are:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Subsidiary:				
Loan at call payable to Beachcomber Marketing (Pty) Ltd	**-**	-	**241,010**	299,594

(viii) Shareholder's loan receivable from related party included under long-term loan receivables

Beachcomber Hospitality Investments Ltd	**-**	-	**1,873,833**	1,719,142

(ix) Long-term receivables included in investment in subsidiaries

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Ste Anne Resorts Limited	**-**	-	**1,029,298**	1,029,298
Beachcomber Hotel S.A.	**-**	-	**177,806**	93,556
Domaine Palm Marrakech S.A.	**-**	-	**120,012**	44,033

(x) Included in trade and other payables balance are:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Subsidiaries:				
Beachcomber Tours	**-**	-	**4,438**	5,616
Beachcomber Marketing (Pty) Ltd	**-**	-	**-**	7,294
Beachcomber Tours Limited	**-**	-	**225**	9,412
Kingfisher 2 Ltd	**-**	-	**1**	-
Kingfisher 3 Ltd	**-**	-	**1**	-
Semaris Ltd	**-**	-	**1**	-
Mautourco Ltd	**-**	-	**1,551**	1,484
White Palm Ltd	**-**	-	**-**	3,372
Beachcomber Training Academy Limited	**-**	-	**1,608**	80
Beachcomber Hospitality Investments Limited	**-**	-	**113,424**	73,958
Ste Anne Resorts Limited	**-**	-	**-**	3,184
Trans-Maurice Car Rental Ltd	**-**	-	**116**	-
Beachcomber Hotel S.A.	**-**	-	**-**	2,237
Beachcomber Limited	**-**	-	**1,451,673**	1,364,090
Santayarea (Mauritius) Ltd	**-**	-	**8,018**	800
Associate:				
Launderers (Hotels & Restaurants) Ltd	**39,810**	14,766	**39,810**	14,766
Other related parties:				
Fondation Espoir Developpement Beachcomber				
(Not-for-profit organisation)	**549**	168	**549**	168
ENL Agri Ltd	**991**	-	**991**	-
ENL Property	**848**	-	**848**	-
ENL Limited	**273**	-	**273**	-
ENL Corporate Services	**-**	5	**-**	5

(xi) Interest-bearing loans and borrowings from related parties included in "term loans":

	THE GROUP		THE COMPANY	
	2017	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Loan payable to GRIT Real Estate Income Group Limited	**1,497,750**	1,374,101	**-**	-
Loans payable to Beachcomber Limited	**-**	-	**150,000**	316,703
Loans payable to Ste Anne Resorts Limited	**-**	-	**-**	261,471

(xii) Borrowings from related parties included in "obligations under finance leases":

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Ste Anne Resorts Limited	**-**	-	**1,767**	9,699
Beachcomber Limited	**-**	-	**992**	24,492

15. Related party transactions and disclosures (Cont'd)

Terms and conditions of transactions with related parties
Outstanding balances at year-end are unsecured and settlement occurs in cash. New Mauritius Hotels Limited has acted as guarantor for a EUR 5.25m granted to Ste Anne Resorts Limited. For the financial year, the Company assessed recoverability of amounts owed by related parties and no impairment loss was recorded (2017: Rs 455.7m). Refer to note 13 for more details. The Group assessed provision for impairment from its associates and no impairment was noted. 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 notes 13 and 27.

Loans from related parties

Loan payable at call to Beachcomber Marketing (Pty) Ltd bears fixed interest rate at 5% (2017: 7.5%).

Loans payable to Beachcomber Limited comprises of three loans; two of which have been fully repaid during the year amounting to Rs 66.7m and Rs 100m. The third loan amounted to Rs 150m as at year end and bears an interest rate of PLR-1.25% having as maturity date December 30, 2027.

Finance lease facilities taken from related parties

The Company benefited from leasing facilities from leasing companies through Beachcomber Limited regarding kitchen and gym equipment. The lease was contracted between Beachcomber Limited and the lessor. The amount due by the Company to Beachcomber Limited amounts to Rs 0.992m (2017: Rs 24m).

Interest is payable at a rate of 8.5% p.a, and the lease is payable within 2 years.

New Mauritius Hotels Limited has confirmed its continuous financial support to its subsidiaries, namely Ste Anne Resorts Limited and Mautourco Ltd because all of them are in a net current liability position as at September 30, 2018.

(xiii) Compensation of key management personnel

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Short-term employee benefits and termination settlements	**183,481**	173,563	**119,087**	106,748
Post-employment benefits	**11,749**	12,423	**10,622**	10,656
	195,230	185,986	**129,709**	117,404

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS

16. Insurance recovery from fraud

In March 2016, a fraud amounting to Rs 115m was committed to the detriment of the Company through devious electronic means and impersonation. The fraud resulted in 2 transfers to a foreign bank account. In 2017, the Company received an amount of Rs 59m as final insurance settlement pertaining to this matter.

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Insurance recovery from fraud	**-**	59,151	**-**	59,151

17. Staff costs

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Wages, salaries, fees and bonuses	**2,325,566**	2,248,966	**1,752,716**	1,633,672
Social costs	**260,518**	298,454	**167,973**	159,923
Other employee benefits and related expenses	**679,187**	691,886	**623,821**	573,087
	3,265,271	3,239,306	**2,544,510**	2,366,682

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS (CONT'D)

18. Other expenses

	THE GROUP		THE COMPANY	
				Restated
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Operating supplies and cleaning expenses	**491,811**	445,452	**406,351**	341,531
Repairs and maintenance	**267,160**	244,061	**244,166**	217,221
Utility costs	**454,684**	544,297	**407,565**	403,826
Marketing expenses	**919,558**	791,016	**534,329**	494,098
Guest entertainment	**113,535**	101,429	**105,980**	97,285
Administrative expenses	**437,187**	523,397	**218,572**	260,635
Operating lease rentals	**193,156**	181,738	**717,601**	596,213
Licences, patents, insurance and taxes	**142,885**	143,925	**134,282**	130,372
	3,019,976	2,975,315	**2,768,846**	2,541,181

19. Closure costs

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Staff costs	**18,527**	83,556	**-**	49,721
Other expenses	**59,777**	17,866	**-**	17,866
	78,304	101,422	**-**	67,587

In 2017, closure costs related to payroll costs and other expenses incurred by the Company during the closure of Canonnier Beachcomber Golf Resort & Spa. At Group level, the staff costs also included an amount of Rs 33.8m paid as redundancy costs to former Ste Anne Resorts Limited employees. In 2018, the closure costs relate to the closure of Ste Anne Resorts Limited in Seychelles.

20. Finance revenue

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Interest income	**14,425**	12,029	**118,801**	165,487
Exchange gain on currency borrowings	**-**	42,272	**-**	79,950
	14,425	54,301	**118,801**	245,437

Included in interest income of the Company, is an amount of Rs 118m (2017: Rs 164m) pertaining to interest received on shareholder's loan to BHI. Refer to note 31 for the terms and conditions.

21. Finance costs

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Exchange loss on retranslation of receivables from subsidiaries	**5,669**	-	**5,669**	-
Exchange loss on currency borrowings	**27,922**	-	**20,240**	-
Loss on derivatives	**3,194**	71,142	**3,194**	71,142
Dividends on preference shares	**63,179**	109,547	**63,179**	109,547
Interest costs on:				
Bank overdrafts	**25,148**	102,924	**18,033**	100,208
Loans	**564,740**	720,578	**356,260**	530,845
Debentures	**160,593**	46,675	**160,593**	46,675
Finance leases	**18,022**	24,369	**11,388**	16,496
Call account with subsidiaries (note 15(iv))	**-**	-	**17,469**	19,661
Others	**42**	5,264	**42**	5,264
	868,509	1,080,499	**656,067**	899,838
Less borrowing costs capitalised	**(5,810)**	(71,611)	**(5,810)**	(62,848)
	862,699	1,008,888	**650,257**	836,990

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS (CONT'D)

Finance costs (Cont'd)

Accounting Policy
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.

Borrowing costs capitalised can be analysed as follows:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Interest cost on bank loans and overdrafts and debentures included in:				
Property, plant and equipment (note 25 (c))	**-**	(901)	**-**	-
Inventories (note 32 (c))	**(5,810)**	(65,329)	**(5,810)**	(62,848)
Cost of sales	**-**	(5,381)	**-**	-
Total borrowing costs capitalised	**(5,810)**	(71,611)	**(5,810)**	(62,848)

22. Other income

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Other operating income	**21,416**	31,817	**19,275**	21,780
Investment income: Quoted	**1,915**	7	**1,915**	7
Unquoted	**251**	35	**71,234**	65,034
Exchange gain on treasury transactions	**67,891**	307,517	**67,697**	307,517
Exchange gain on retranslation of receivables from subsidiaries	**-**	-	**-**	11,931
	91,473	339,376	**160,121**	406,269

23. Income tax

Accounting Policy
Current income tax

Current income tax 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.

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS (CONT'D)

23. Income tax (Cont'd)

Accounting Policy
Deferred income tax (Cont'd)

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

Deferred income tax assets and liabilities are measured at the tax rates (2017: 17%) 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.

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 profit or loss and other 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.

Interest and penalties

Management consider that penalties and interest have the characteristics of tax since they are paid to the tax authorities, are not tax deductible expenses and should therefore form part of tax expense.

Significant accounting judgements and estimates
Taxes

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

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement 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.

	THE GROUP		THE COMPANY	
				Restated
(a) Current income tax	**2018**	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
The major components of income tax expense for the years ended September 30, 2018 and 2017 are:				
Statements of profit or loss:				
Income tax charge on the adjusted profit for the year at 15% (2017: 15%)	**(42,428)**	(83,247)	**-**	-
Corporate Social Responsibility (CSR)	**(6,096)**	(5,652)	**(6,096)**	(5,652)
Deferred tax movement (note 23 (b))	**(56,144)**	(56,199)	**(55,832)**	535,617
Over/(under) provision of tax in previous year	**8,695**	17,646	**(31,443)**	18,862
Income tax (expense)/credit	**(95,973)**	(127,452)	**(93,371)**	548,827
Statements of other comprehensive income:				
Deferred tax relating to items recognised in other comprehensive income				
Remeasurement of employee benefit liabilities (note 23(b))	**(131,673)**	51,492	**(131,429)**	50,435

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS (CONT'D)

23. Income tax (Cont'd)

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Statements of financial position				
At October 1,	**12,234**	(16,062)	**13,017**	12,822
Income tax on the adjusted profit for the year at 15% to 30% (2017: 15% to 30%)	**(39,829)**	(71,253)	**(6,096)**	(5,652)
Exchange differences	**(6,842)**	(7,855)	**-**	-
Less: Payment during the year	**49,989**	107,404	**6,386**	5,847
At September 30,	**15,552**	12,234	**13,307**	13,017
Analysis of tax position at year end:				
Income tax prepaid	**18,504**	31,895	**13,307**	13,017
Income tax payable	**(2,952)**	(19,661)	**-**	-
	15,552	12,234	**13,307**	13,017

A reconciliation between tax expense and the product of accounting profit multiplied by the Mauritian's tax rate for the years ended September 30, 2018 and 2017 as follows:

	THE GROUP		THE COMPANY	
				Restated
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Profit before tax	**230,382**	160,311	**527,840**	230,028
Tax calculated at a tax rate of 15% to 30% (2017: 15% to 30%)	**(125,479)**	65,862	**(79,176)**	(34,504)
Corporate Social Responsibilty (CSR)	**(6,096)**	(5,652)	**(6,096)**	(5,652)
Effect of temporary difference on CSR	**(1,144)**	(6,062)	**3,690**	(5,432)
Expenses not deductible for tax purposes	**(20,744)**	(134,443)	**(13,768)**	(121,033)
Deferred tax asset not recognised	**15,282**	(131,480)	**-**	-
Over/(under) provision of tax in previous year	**8,695**	17,646	**(31,443)**	18,862
Release of deferred tax on disposal of properties	**-**	-	**-**	349,230
Other movement	**(4,535)**	-	**-**	291,298
Income not subject to tax	**38,048**	66,677	**33,422**	56,058
Tax (expense)/credit	**(95,973)**	(127,452)	**(93,371)**	548,827

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS (CONT'D)

23. Income tax (Cont'd)

(b) Deferred income tax (Cont'd)

THE GROUP

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

	Statement of financial position		Statement of profit or loss		Statement of other comprehensive income	
	2018	2017	**2018**	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
Deferred tax liabilities						
Accelerated capital allowances	**1,800,284**	1,663,192	**137,092**	(60,709)	**-**	-
Assets revaluation	**880,479**	880,479	**-**	-	**-**	-
Exchange differences	**12,819**	1,307	**11,512**	2,753	**-**	-
	2,693,582	2,544,978				
Deferred income tax assets						
Losses available for offsetting against future taxable income	**(576,090)**	(496,332)	**(79,758)**	116,524	**-**	-
Employee benefit liability	**(137,514)**	(266,801)	**(2,386)**	(3,220)	**131,673**	(51,492)
Provision	**(13,243)**	(13,285)	**42**	(3,007)	**-**	-
Exchange differences	**(5,374)**	4,984	**(10,358)**	3,858	**-**	-
	(732,221)	(771,434)				
Deferred tax liabilities (net)	**1,961,361**	1,773,544				
Disclosed as follows:						
Deferred tax assets	**(174,844)**	(134,556)				
Deferred tax liabilities	**2,136,205**	1,908,100				
	1,961,361	1,773,544				
Deferred income tax charged to income statement			**56,144**	56,199		
Deferred income tax charged/(credited) to other comprehensive income					**131,673**	(51,492)

The Group has determined that deferred tax assets cannot be recognised on tax losses of Rs 957m (2017: Rs 829m) carried forward since there is uncertainty on whether future taxable profit will be available against which the unused tax losses can be utilised.

THE COMPANY	Statement of financial position		Statement of profit or loss		Statement of other comprehensive income	
		Restated		Restated		
	2018	2017	**2018**	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
Accelerated capital allowances	**1,395,177**	1,342,390	**52,787**	(230,999)	**-**	-
Assets revaluation	**525,095**	525,095	**-**	(349,230)	**-**	-
Losses available for offsetting against future taxable income	**(329,756)**	(368,880)	**39,124**	29,589	**-**	-
Provision	**(10,200)**	(10,329)	**129**	(489)	**-**	-
Employee benefit liability	**(135,471)**	(262,135)	**(4,765)**	(3,350)	**131,429**	(50,435)
Deferred tax liabilities	**1,444,845**	1,226,141				
Deferred income tax charged/(credited)			**87,275**	(554,479)	**-**	-
Deferred income tax charged/(credited) to other comprehensive income					**131,429**	(50,435)

DETAILED INFORMATION ON STATEMENTS OF PROFIT OR LOSS ITEMS (CONT'D)

24. Earnings/(loss) per share

Accounting Policy
Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. On March 13, 2018, 123,310,046 preference shares of the Company were converted into 63,399,593 new ordinary shares ranking pari passu with the existing ordinary shares. The number of ordinary shares of the Company after the conversion is 547,670,201.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

		2018	2017
		Rs.'000	Rs.'000
Profit/(loss) attributable to ordinary equity holders of the parent for basic earnings		**1,094**	(38,472)
Interest on convertible preference shares (note 21)		**63,179**	109,547
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution		**64,273**	71,075
Weighted average number of ordinary shares for basic EPS ('000)		**519,357**	484,271
Effects of dilution from convertible preference shares ('000)		**20,623**	88,555
Weighted average number of ordinary shares adjusted for the effect of dilution ('000)		**539,980**	572,826
Basic earnings/(loss) per share	Rs.	**-**	(0.08)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements. The preference shares are not convertible into fixed number of shares and the final conversion window at the option of the shareholder will be in January 2019. The conversion will be effected at a factor of Rs 11 divided by the average market value of the ordinary shares during a 90 day period prior to the date of conversion less a 10% discount.

Diluted earnings per share	Rs.	**0.12**	0.12

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS

25. Property, plant and equipment

Accounting Policy
Plant and equipment are stated at historical 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 every 3 years; in prior years, revaluations were performed every 2 years.

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

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

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


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DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

25. Property, plant and equipment (Cont'd)

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

Office buildings	50 years
Plant and equipment	Between 6 to 15 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
Land is not depreciated	

For hotel buildings, depreciation is calculated on the straight-line basis at the remaining life of the lease terms.

Other fixed assets include plant and equipment, furniture and fittings, office equipment and electrical appliances and computers and electronic equipment.

Work in progress pertains mainly to costs incurred for the renovation works at Canonnier Beachcomber Golf Resort & Spa and Paradis Beachcomber Golf Resort & Spa and extension works at Victoria Beachcomber Resort & Spa.

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.

Significant accounting judgements and estimates
Revaluation of freehold land, hotel buildings and investment properties

The Group measures freehold land and hotel buildings at revalued amounts with changes in fair value being recognised in equity. In addition, it carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to determine fair value based on prevailing market data. Further details in respect of the freehold land and buildings and investment properties are contained in notes 25 and 26 respectively.

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 lease terms.

The Directors therefore made estimates based on historical experience and use best judgement to assess the useful life and assets and to forecast the expected residual values of the assets at the end of their expected 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 below.

THE GROUP	Freehold Land	Buildings	Other Fixed Assets	Motor Vehicles	Work in Progress	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost and valuation						
At October 1, 2016	1,846,323	20,586,111	5,745,369	439,095	410,319	29,027,217
Additions	-	71,279	232,976	80,088	672,875	1,057,218
Transfer	-	342,196	67,071	-	(409,267)	-
Disposals	(81,025)	-	(33,596)	(53,112)	-	(167,733)
Scrapped	-	-	(57,318)	-	-	(57,318)
Exchange differences	(32,227)	(291,561)	(87,414)	(3,484)	(10,840)	(425,526)
At October 1, 2017	1,733,071	20,708,025	5,867,088	462,587	663,087	29,433,858
Additions	950	44,998	252,031	76,295	762,926	1,137,200
Transfer	956	525,540	185,756	-	(712,252)	-
Disposals	-	-	(74,289)	(49,779)	-	(124,068)
Scrapped	-	-	(114,600)	-	(42,273)	(156,873)
Transfer from inventories	500,000	-	-	-	-	500,000
Transfer to intangible assets (note 27)	-	-	(100,095)	-	-	(100,095)
Transfer to non-current assets classified as held for sale (note 43)	-	(110,869)	(154)	(9,130)	-	(120,153)
Exchange differences	(9,718)	6,131	4,191	9,898	(2,203)	8,299
At September 30, 2018	**2,225,259**	**21,173,825**	**6,019,928**	**489,871**	**669,285**	**30,578,168**

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

25. Property, plant and equipment (Cont'd)

THE GROUP

	Freehold Land	Buildings	Other Fixed Assets	Motor Vehicles	Work in Progress	Total
Depreciation	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
At October 1, 2016	-	194,665	3,615,081	161,488	-	3,971,234
Charge for the year	-	196,291	398,323	64,589	-	659,203
Disposals	-	-	(31,076)	(45,602)	-	(76,678)
Scrapped	-	-	(56,010)	-	-	(56,010)
Exchange differences	-	(4,567)	(33,067)	(1,941)	-	(39,575)
At October 1, 2017	-	386,389	3,893,251	178,534	-	4,458,174
Charge for the year	-	188,775	418,726	68,387	-	675,888
Disposals	-	-	(70,926)	(39,121)	-	(110,047)
Scrapped	-	-	(112,387)	-	-	(112,387)
Transfer to intangible assets (note 27)	-	-	(70,491)	-	-	(70,491)
Transfer to non-current assets classified as held for sale (note 43)	-	(1,887)	(154)	(9,030)	-	(11,071)
Exchange differences	-	1,147	(9,829)	9,530	-	848
At September 30, 2018	**-**	**574,424**	**4,048,190**	**208,300**	**-**	**4,830,914**
Net Book Values						
At September 30, 2018	**2,225,259**	**20,599,401**	**1,971,738**	**281,571**	**669,285**	**25,747,254**
At September 30, 2017	1,733,071	20,321,636	1,973,837	284,053	663,087	24,975,684

THE COMPANY

	Freehold Land	Buildings	Other Fixed Assets	Motor Vehicles	Work in Progress	Total
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Cost and valuation						
At October 1, 2016	1,060,625	15,478,213	4,258,836	235,443	164,902	21,198,019
Additions	-	50,292	187,652	8,869	567,202	814,015
Transfer	-	91,470	67,071	-	(363,964)	(205,423)
Disposals	(81,025)	(3,817,843)	(22,934)	(14,857)	-	(3,936,659)
Scrapped	-	-	(57,318)	-	-	(57,318)
At October 1, 2017	979,600	11,802,132	4,433,307	229,455	368,140	17,812,634
Additions	950	42,670	213,295	31,620	541,599	830,134
Transfer	956	525,540	185,756	-	(712,252)	-
Disposals	-	(391,692)	(47,312)	(21,995)	-	(460,999)
Transfer from inventories	500,000	-	-	-	-	500,000
Scrapped	-	-	(96,697)	-	(42,273)	(138,970)
Transfer to intangible assets (note 27)	-	-	(39,219)	-	-	(39,219)
At September 30, 2018	**1,481,506**	**11,978,650**	**4,649,130**	**239,080**	**155,214**	**18,503,580**
Depreciation						
At October 1, 2016	-	133,000	3,124,529	94,497	-	3,352,026
Charge for the year	-	104,952	248,945	31,065	-	384,962
Disposals	-	(57,984)	(20,414)	(11,119)	-	(89,517)
Scrapped	-	-	(56,011)	-	-	(56,011)
At October 1, 2017	-	179,968	3,297,049	114,443	-	3,591,460
Charge for the year	-	103,298	267,274	29,127	-	399,699
Disposal adjustments	-	-	(46,828)	(17,484)	-	(64,312)
Scrapped	-	-	(93,971)	-	-	(93,971)
Transfer to intangible assets (note 27)	-	-	(32,329)	-	-	(32,329)
At September 30, 2018	**-**	**283,266**	**3,391,195**	**126,086**	**-**	**3,800,547**
Net Book Values						
At September 30, 2018	**1,481,506**	**11,695,384**	**1,257,935**	**112,994**	**155,214**	**14,703,033**
At September 30, 2017	979,600	11,622,164	1,136,258	115,012	368,140	14,221,174

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

25. Property, plant and equipment (Cont'd)

(a) Revaluation of freehold land and buildings

The Group and the Company have a policy of revaluing their freehold land and buildings every three years. The last revaluation was done on September 30, 2016 by Mr Noor Dilmohamed, Bsc (Appl) Val, Dip L.S. FAPI, Certified Practising Valuer and Cabinet Lazrak based on open market value. The Directors are of the opinion that there has been no material change to the property value during the year under review (September 30, 2017: same).

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

The revalued land and buildings consist of hotel properties. Management determined that these constitute two classes of assets namely land and buildings which is based on the nature, characteristics and risks of the property according to IFRS 13. 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.

		2018 & 2017
Significant observable valuation input		**Range**
Price per square metre:	- Freehold land	**Rs 996 - Rs 3,591**
	- Building	**Rs 35,304 - Rs 63,776**

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

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

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Cost	**18,614,933**	17,653,218	**9,018,085**	8,339,628
Accumulated depreciation	**(1,243,813)**	(1,103,272)	**(917,349)**	(850,164)
Net book values	**17,371,120**	16,549,946	**8,100,736**	7,489,464

(c) Borrowing costs

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Les Salines Golf and Resorts Limited:				
Borrowing costs capitalised in property, plant and equipment (note 21)	**-**	901	**-**	-

In 2017, the rate used to determine the amount of interest costs eligible for capitalisation varied between 2.2% to 4.9% for loans in foreign currency and 5.0% - 7.5% for loans denominated in Mauritian rupees.

(d) Assets held under finance leases

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
The carrying amount of property, plant and equipment held under finance leases was:	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
Plant and equipment and furniture included in other fixed assets				
Cost	**563,669**	576,676	**526,245**	521,186
Accumulated depreciation	**(387,203)**	(348,741)	**(362,187)**	(315,626)
Net book values	**176,466**	227,935	**164,058**	205,560
Motor vehicles				
Cost	**347,681**	275,740	**180,905**	160,960
Accumulated depreciation	**(193,104)**	(118,486)	**(103,363)**	(72,215)
Net book values	**154,577**	157,254	**77,542**	88,745

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

(f) Part of the total acquisition of property, plant and equipment which was financed by leases amounted to Rs 34.4m (2017: Rs 44.6m) for the Group and Rs 31.1m (2017: Rs 6.4m) for the Company.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

26. Investment properties

Accounting Policy
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.

	THE GROUP	
	2018	2017
	Rs.'000	Rs.'000
At October 1,	**343,383**	363,964
Additions	**1,669**	-
Foreign exchange difference	**9,050**	(20,581)
At September 30,	**354,102**	343,383

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

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

Significant unobservable valuation input	**2018 & 2017**
	Rs.'000
Price per square metre	**4,292**

27. Intangible assets

Accounting Policy
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 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 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.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

27. Intangible assets (Cont'd)

Accounting Policy (cont'd)
Other intangible assets

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

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of 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 the statement of 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 by the subsidiary White Palm Ltd, amalgamated into Mautourco Ltd during the year. The trademark has a useful life of five years and is amortised on a straight-line basis over its useful life.

Licences
Licences are amortised over a period of five years.

THE GROUP	**Goodwill arising on Acquisition**	**Leasehold Rights**	**Patents**	**Licences**	**Computer software**	**Total**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Cost						
At October 1, 2016	1,259,000	449,433	24,493	3,150	-	1,736,076
Exchange differences	-	(4,650)	-	-	-	(4,650)
At October 1, 2017	1,259,000	444,783	24,493	3,150	-	1,731,426
Write off*	-	-	(24,493)	-	-	(24,493)
Transfer from property, plant and equipment (note 25)	-	-	-	-	100,095	100,095
Exchange differences	-	(4,064)	-	-	-	(4,064)
At September 30, 2018	**1,259,000**	**440,719**	**-**	**3,150**	**100,095**	**1,802,964**
Amortisation						
At October 1, 2016	5,883	35,948	-	3,150	-	44,981
Amortisation charge	-	4,036	14,696	-	-	18,732
Exchange differences	-	(600)	-	-	-	(600)
At October 1, 2017	5,883	39,384	14,696	3,150	-	63,113
Write off*	-	-	(14,696)	-	-	(14,696)
Amortisation charge	-	3,967	-	-	-	3,967
Transfer from property, plant and equipment (note 25)	-	-	-	-	70,491	70,491
Exchange differences	-	(498)	-	-	-	(498)
At September 30, 2018	**5,883**	**42,853**	**-**	**3,150**	**70,491**	**122,377**
Net book values						
At September 30, 2018	**1,253,117**	**397,866**	**-**	**-**	**29,604**	**1,680,587**
At September 30, 2017	1,253,117	405,399	9,797	-	-	1,668,313

* White Palm Ltd has been amalgamated into Mautourco Ltd on October 1, 2017. The useful life of its patent was reassessed by management and was written off.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

27. Intangible assets (Cont'd)

THE COMPANY	Goodwill arising on Acquisition Rs.'000	Leasehold Rights Rs.'000	Computer Software Rs.'000	Total Rs.'000
Cost				
At October 1, 2016 & 2017	1,089,892	140,247	-	1,230,139
Transfer from property, plant and equipment (note 25)	-	-	39,219	39,219
At September 30, 2018	1,089,892	140,247	39,219	1,269,358
Amortisation				
At October 1, 2016	-	15,899	-	15,899
Amortisation charge	-	2,343	-	2,343
At October 1, 2017	-	18,242	-	18,242
Amortisation charge	-	2,343	-	2,343
Transfer from property, plant and equipment (note 25)	-	-	32,329	32,329
At September 30, 2018	**-**	**20,585**	**32,329**	**52,914**
Net book values				
At September 30, 2018	**1,089,892**	**119,662**	**6,890**	**1,216,444**
At September 30, 2017	1,089,892	122,005	-	1,211,897

(a) Cash-generating units

	Allocation of goodwill 2018 Rs.'000	2017 Rs.'000
Tour operating cash-generating unit		
Beachcomber Limited and its tour operating subsidiaries	**818,221**	818,221
Hotels operations cash-generating units		
Hotel boutiques	**4,101**	4,101
Royal Palm Beachcomber Luxury	**168,685**	168,685
Canonnier Beachcomber Golf Resort & Spa	**98,885**	98,885
The Company	**1,089,892**	1,089,892
Hotels operations cash-generating unit		
Ste Anne Resorts Limited	**89,745**	89,745
Tour operating cash-generating units		
Beachcomber Tours	**1,184**	1,184
Beachcomber Tours Limited	**72,296**	72,296
The Group	**1,253,117**	1,253,117

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 purpose.

For the other CGUs apart from Domaine Palm Marrakech S.A., the recoverable amount has been determined as follows:

- Hotel operations: The recoverable amount has been determined based on a Discounted Cash Flow (DCF) approach using management's forecasts using a discount rate of 9.75% - 10.08% for Mauritius and Marrakech operations. For Seychelles operations, future rental income was used using appropriate discount rates. In 2017, the recoverable amount was determined based on a DCF approach using management's forecasts using a discount rate of 11-14% for Mauritius and Marrakech operations while for Seychelles operations, value of property was used using appropriate discount rates.

- Tour operating: The recoverable amount has been determined based on a Discounted Cash Flow (DCF) approach using management's forecasts using a discount rate of 9.75%. In 2017, the Price-Earnings ratio of comparable companies were used with discount of 2% to adjust for difference in size, risks and geographical markets.

For details on Domaine Palm Marrakech S.A., refer to note 13(a).

(b) Leasehold rights

The leasehold rights comprise the 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 the road diversion at Trou aux Biches. The leasehold rights are amortised over the respective lease period which ranges from 25 to 60 years.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

28. Investment in subsidiaries

Accounting Policy
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 involvement with the entity and has the ability to affect those returns through its power over the entity.

Financial statements of the Company

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

	THE COMPANY	
	2018	2017
Cost (unquoted)	**Rs.'000**	Rs.'000
At October 1,	**8,307,319**	7,357,517
Additions during the year (note (i))	**63,004**	615,657
Transfer from amount due from subsidiaries (note (ii))	**160,228**	789,893
Disposals (note (iii))	**(365,150)**	-
Impairment for the year (note 13)	**-**	(455,748)
At September 30,	**8,165,401**	8,307,319
Analysed as follows:		
Unquoted equity instruments	**6,916,246**	7,674,140
Interest-free loans	**1,249,155**	1,088,927
Impairment for the year	**-**	(455,748)
	8,165,401	8,307,319

(i) Additions during the year relate mainly to the acquisition of additional ordinary shares in Beachcomber Training Academy Limited and the acquisition of Les Salines Golf & Resort Limited from Les Salines Development Ltd.

(ii) During the year, an amount due from Domaine Palm Marrakech S.A. (Rs 76.0m) and from Beachcomber Hotel S.A. (Rs 84.2m) were reclassified from "amount due from subsidiaries" to "investment in subsidiaries". This amount is regarded as a monetary item that is receivable from a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future. It is therefore considered as part of the entity's net investment in these foreign operations. (Refer to note 4 for more details).

(iii) The Company has disposed of its investment in Les Salines Development Ltd to Semaris Ltd (previously known as Alto Development Limited).

Other information:
The Company has a loan of EUR 10m against which it pledged its shares in Kingfisher Ltd which, in turn, holds 100% of Ste Anne Resorts Limited.

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

29. Investment in associates

Accounting Policy
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.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

29. Investment in associates (Cont'd)

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 the statement 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. Where 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 results of associates' in the statements of 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 the statement of profit or loss.

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
At October 1,	**478,919**	474,727	**19,062**	19,062
Additions	**-**	1,890	**-**	-
Dividends	**(6,125)**	(6,558)	**-**	-
Share of results of associates recognised in profit or loss	**4,943**	8,860	**-**	-
Share of results of associates recognised in other comprehensive income	**240,686**	-	**-**	-
At September 30,	**718,423**	478,919	**19,062**	19,062

Summarised financial information in respect of each of the material associates is set out below:

2018	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Non-controlling Interests**	**Revenue**	**Profit/ (loss) for the year**	**Other Compre-hensive Income**	**Dividend Received**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
South West Tourism Development Ltd and its subsidiaries	**554,557**	**4,968,877**	**974,203**	**430,453**	**169,489**	**570,703**	**17,988**	**1,477,828**	**4,625**
2017									
South West Tourism Development Ltd and its subsidiaries	473,020	3,347,703	720,756	394,158	223,962	726,451	(69,149)	-	4,625

The summarised financial information above represents amounts shown in the associates' financial statements prepared in accordance with IFRS, adjusted for equity accounting purposes.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

29. Investment in associates (Cont'd)

(c) Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

2018	Opening Net assets	Profit/ (Loss) for the year	Other Compre-hensive Income	Dividends	Closing Net assets	Ownership Interest	Interest in Associates	Carrying Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000
South West Tourism Development Ltd and its subsidiaries	**2,481,846**	**17,988**	**1,477,828**	**(28,374)**	**3,949,288**	**16.30%**	**643,734**	**643,734**
2017								
South West Tourism Development Ltd and its subsidiaries	2,581,374	(97,986)	-	(1,542)	2,481,846	16.30%	404,541	404,541

(d) Aggregate information of associates that are not individually material

	THE GROUP	
	2018	2017
	Rs.'000	Rs.'000
Carrying amount of interests	**74,689**	74,378
Share of profit	**2,007**	24,832
Share of other comprehensive income	**(197)**	-
Share of total comprehensive income	**1,810**	24,832
Share of dividends	**(1,500)**	(1,933)

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

30. Available-for-sale financial assets

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
At October 1,	**4,114**	1,541	**3,782**	1,247
Fair value gain	**4,597**	2,573	**4,656**	2,535
Impairment	**(47)**	-	**(47)**	-
At September 30,	**8,664**	4,114	**8,391**	3,782
Analysed into:				
Quoted	**8,664**	4,066	**8,391**	3,734
Unquoted	**-**	48	**-**	48
	8,664	4,114	**8,391**	3,782

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.

31. Long-term loan receivable

	THE COMPANY	
	2018	2017
	Rs'000	Rs'000
Long-term loan receivable	**1,873,833**	1,719,142

On December 2, 2016, the Company entered into a shareholder's loan agreement with its subsidiary Beachcomber Hospitality Investments Ltd, a company incorporated in Mauritius. The loan balance as at September 30, 2018 has a final maturity of 8 years from the date of first disbursement.

Terms and conditions of the loan:

- The loan bears an interest of 6.25% per annum;
- Interest shall be paid one month in advance on an annual basis until final maturity.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

32. Inventories

Accounting Policy
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.

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Food and beverages (cost)	**87,971**	98,375	**77,918**	82,107
Operating equipment (net realisable value)	**143,727**	139,686	**135,387**	112,749
Operating supplies, sales products and others (net realisable value)	**148,485**	151,382	**131,135**	126,416
Spare parts (cost)	**52,815**	57,939	**32,290**	28,940
Stock of land for sale (cost) (note (a))	**3,672,102**	4,168,235	**2,003,695**	2,334,696
Goods in transit	**16,020**	28,420	**12,346**	22,747
	4,121,120	4,644,037	**2,392,771**	2,707,655
(a) Stock of land for sale is made up of:				
Land for sale at Les Salines, Mauritius (cost)	**2,003,695**	2,331,439	**2,003,695**	2,334,696
Villas under construction in Marrakech, Morocco (cost)	**1,668,407**	1,836,796	**-**	-
	3,672,102	4,168,235	**2,003,695**	2,334,696

(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 5.8m for the Group (2017: Rs 65.3m) and an amount of Rs 5.8m for the Company (2017: Rs 62.8m) pertaining to interest costs capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation varied between 2.5% to 4.9% for loans in foreign currency and 6.25% to 7.5% for loans denominated in Mauritian rupees, which is the effective rate of interest on the specific borrowings.

(d) Cost of inventories expensed amounts to Rs 1,011.6m (2017: Rs 1,151.6m) and Rs 1,639.3m (2017: Rs 1,597.6m) for the Company and for the Group respectively.

(e) At Group level, an impairment loss of Rs 37.4m was expensed and recorded under "Direct costs" (2017: Rs 33.6m). It relates to losses on some villas in Domaine Palm Marrakech S.A. whose net realisable value are expected to be lower than their costs.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

33. Trade and other receivables

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Trade receivables	**859,913**	729,959	**461,429**	485,094
Less: Provision for impairment (note (a))	**(35,008)**	(32,020)	**(7,868)**	(4,460)
Trade receivables - net	**824,905**	697,939	**453,561**	480,634
Other receivables	**1,567,654**	1,542,796	**257,640**	214,346
Amounts due from associates (note 15)	**12,995**	13,010	**12,995**	13,010
Amounts due from subsidiaries (note 15)	**-**	-	**833,438**	453,747
	2,405,554	2,253,745	**1,557,634**	1,161,737

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

At September 30, 2018, trade receivables at nominal value of Rs 35.0m (2017: Rs 32.0m) for the Group and Rs 7.9m (2017: Rs 4.5m) for the Company were impaired and fully provided for.

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

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
At October 1,	**32,020**	38,900	**4,460**	10,692
Charge during the year	**5,843**	2,934	**3,805**	-
Write-off	**(4)**	(9,641)	**-**	(6,059)
Release during the year	**(2,851)**	(173)	**(397)**	(173)
At September 30,	**35,008**	32,020	**7,868**	4,460

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

GROUP			Past due but not impaired			
	Total	Neither past due nor impaired	< 30 days	30 - 60 days	61 - 90 days	> 90 days
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2018	**824,905**	**395,147**	**189,347**	**145,006**	**15,277**	**80,128**
2017	697,939	476,589	130,523	35,630	14,702	40,495

COMPANY			Past due but not impaired			
	Total	Neither past due nor impaired	< 30 days	30 - 60 days	61 - 90 days	> 90 days
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2018	**453,561**	**287,382**	**85,037**	**24,051**	**12,287**	**44,804**
2017	480,634	297,112	105,793	32,782	11,180	33,767

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

For the terms and conditions pertaining to related party receivables, refer to note 15.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

34. Other financial liabilities

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Other financial liabilities at fair value through profit or loss:				
Derivatives not designated as hedges:				
Foreign exchange forward contracts	**(3,194)**	(71,142)	**(3,194)**	(71,142)
Disclosed as follows:				
Current liabilities	**(3,194)**	(71,142)	**(3,194)**	(71,142)
Total other financial liabilities at fair value through profit or loss	**(3,194)**	(71,142)	**(3,194)**	(71,142)

The notional amounts of the outstanding forward foreign exchange contracts not designated as hedges at September 30, 2018 were EUR 5.5m and USD 5.6m.

Derivatives financial instruments

	THE GROUP		THE COMPANY	
Derivatives designated as hedges:				
Foreign exchange forward contracts	**(58,246)**	-	**-**	-
Disclosed as follows:				
Current liabilities	**(58,246)**	-	**-**	-
Total other financial liabilities designated as hedges	**(58,246)**	-	**-**	-
Total other financial liabilities	**(61,440)**	(71,142)	**(3,194)**	(71,142)

The notional amounts of the outstanding forward foreign exchange contracts designated as hedges at September 30, 2018 were EUR 47.3m.

35. Cash and cash equivalents

Accounting Policy
Cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments, are normally those with less than three months' maturity from the date of acquisition.

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

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

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Cash in hand and at banks	**1,057,971**	1,260,151	**150,563**	474,074
Bank overdrafts (note 38)	**(766,699)**	(1,874,996)	**(460,477)**	(1,710,133)
	291,272	(614,845)	**(309,914)**	(1,236,059)

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash is Rs 1,058m (2017: Rs 1,260m) for the Group and Rs 151m (2017: Rs 474m) for the Company.

At September 30, 2018, the Group and Company did not have any undrawn loan facilities (2017: Group and Company: Rs 361m). Undrawn overdraft facilities amounted to Rs 1,463m (2017: Rs 930m) for both Group and Company.

(b) Non-cash transactions

The main non-cash transaction in 2017 pertains to investment in subsidiary at Company level.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

35. Cash and cash equivalents (Cont'd)

(c) Reconciliation of liabilities arising from financing activities:

THE GROUP

			Non-cash changes				
	2017	Cash flows	Acquisition	Amortisation cost	Conversion	Foreign Exchange movement	2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Term loans	12,161,492	(2,213,684)	-	-	-	2,592	**9,950,400**
Finance lease liabilities	253,784	(106,949)	34,361	-	-	35	**181,231**
Preference shares	1,761,130	-	-	11,817	(1,349,551)	-	**423,396**
Debentures	712,170	2,876,081	-	-	-	12,400	**3,600,651**
Loan from related party	1,374,101	128,575	-	-	-	(4,926)	**1,497,750**
	16,262,677	**684,023**	**34,361**	**11,817**	**(1,349,551)**	**10,101**	**15,653,428**

THE COMPANY

			Non-cash changes				
	2017	Cash flows	Acquisition	Amortisation cost	Conversion	Foreign Exchange movement	2018
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Term loans	9,593,857	(2,305,101)	-	-	-	3,658	**7,292,414**
Finance lease liabilities	176,748	(82,268)	31,123	-	-	-	**125,603**
Preference shares	1,761,130	-	-	11,817	(1,349,551)	-	**423,396**
Debentures	712,170	2,876,081	-	-	-	12,400	**3,600,651**
	12,243,905	**488,712**	**31,123**	**11,817**	**(1,349,551)**	**16,058**	**11,442,064**

36. Stated capital

	Issued number of shares		Issued and fully paid	
	2018	2017	**2018**	2017
			Rs.'000	Rs.'000
As at October 1,	**484,270,608**	484,270,608	**5,000,000**	5,000,000
Conversion of preference shares	**63,399,593**	-	**1,349,551**	-
As at September 30,	**547,670,201**	484,270,608	**6,349,551**	5,000,000

On March 13, 2018, the Company issued 63,399,593 ordinary shares following the option exercised by preference shareholders to convert their preference shares into ordinary shares.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

37. Other components of equity

Nature and purpose of reserves	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Other reserves	**624,583**	624,583	**-**	-
These reserves are principally used to record the fair value adjustments relating to shares issued by the Company to acquire non-controlling interests in local subsidiaries and the movement in the reserves of the associates.				
Available-for-sale financial assets reserve	**17,865**	13,268	**7,527**	2,871
Fair value reserves are principally used to record the fair value adjustment relating to available-for-sale financial assets.				
Revaluation reserves	**2,346,243**	2,144,592	**854,404**	884,593
Revaluation reserves are principally used to record changes in fair value of freehold land and buildings following revaluation exercises performed by an independent surveyor. They are also used to record impairment losses to the extent that such losses relate to decreases on the same asset previously recognised in revaluation reserves.				
Foreign exchange difference reserves	**(1,867,108)**	(1,891,193)	**4,188**	-
These reserves include exchange differences arising on retranslation of the financial statements of foreign subsidiaries and loss or gain arising on cash flow hedges.				
Total other components of equity	**1,121,583**	891,250	**866,119**	887,464

38. Borrowings	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Current portion				
Bank overdrafts (note (a)/note 35)	**766,699**	1,874,996	**460,477**	1,710,133
Bank loans (note (b))	**1,589,723**	3,970,449	**1,509,167**	3,888,552
Obligations under finance leases (note (c))	**83,481**	110,723	**54,509**	80,008
Debentures (note (d))	**615,032**	95,887	**615,032**	95,887
	3,054,935	6,052,055	**2,639,185**	5,774,580
Non-current portion				
Bank loans (note (b))	**8,360,677**	8,191,043	**5,783,247**	5,705,305
Loan to related company (note (b)/note 15(xi))	**1,497,750**	1,374,101	**-**	-
	9,858,427	9,565,144	**5,783,247**	5,705,305
Obligations under finance leases (note (c))	**97,750**	143,061	**71,094**	96,740
Debentures (note (d))	**2,985,619**	616,283	**2,985,619**	616,283
	12,941,796	10,324,488	**8,839,960**	6,418,328
Preference shares (note (e))	**423,396**	1,761,130	**423,396**	1,761,130
	13,365,192	12,085,618	**9,263,356**	8,179,458
Total borrowings	**16,420,127**	18,137,673	**11,902,541**	13,954,038

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

38. Borrowings (Cont'd)

(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 5.00% and 9.50% per annum.

(b) Term loans

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Term loans can be analysed as follows:				
Current				
Within one year	**1,589,723**	3,970,449	**1,509,167**	3,888,552
Non-current				
After one year and before two years	**241,232**	803,158	**149,204**	693,039
After two years and before five years	**3,944,112**	2,800,171	**1,458,711**	2,503,702
After five years	**5,673,083**	5,961,815	**4,175,332**	2,508,564
	9,858,427	9,565,144	**5,783,247**	5,705,305
	11,448,150	13,535,593	**7,292,414**	9,593,857

Terms loans are denominated as follows:

	Effective interest rate	Maturity	THE GROUP		THE COMPANY	
			2018	2017	**2018**	2017
	%		**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
Denominated in:						
MUR	3.15% - 6.75%	On demand	**1,128,772**	257,000	**1,109,811**	257,000
MUR	4.5% - 7.6%	2027 - 2033	**4,192,100**	7,868,095	**4,192,100**	7,868,095
EUR	2.55%	2020	**-**	8,029	**-**	-
EUR	EURO LIBOR + (1.5% to 5.25%)	2018 - 2025	**967,392**	1,019,874	**756,360**	1,015,948
EUR	EURIBOR +(2.5% to 4.25%)	2024 - 2028	**1,234,143**	378,854	**1,234,143**	316,894
EUR	4%	2021	**1,997,000**	2,001,750	**-**	-
EUR	6.25% - 7.5%	2026	**1,497,750**	1,374,101	**-**	-
USD	4.5%-5%	2018	**-**	135,920	**-**	135,920
MAD	6%-7%	2017-2024	**430,993**	491,970	**-**	-
			11,448,150	13,535,593	**7,292,414**	9,593,857

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

The loan to related company is unsecured and subordinated to the bank loans. It is repayable on the 10th anniversary of the loan agreement dated December 2, 2016.

The term loans include loans totalling nil (2017: EUR 6.6m) from Ste Anne Resorts Limited and loans amounting to Rs 150m (2017: Rs 316.7m) from Beachcomber Limited.

In the prior and current financial years, the Company had undergone a Financial Re-engineering Program which alleviated cash flow pressures. Several existing loans have been rescheduled to longer terms to reduce the mismatch between the Company's cash inflows and the repayment profile of the loans.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

38. Borrowings (Cont'd)

(c) Obligations under finance leases

Accounting Policy

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 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.

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Minimum lease payments:				
Within one year	**90,332**	126,775	**63,462**	90,888
After one year and before two years	**55,437**	94,155	**36,977**	55,049
After two years and before five years	**62,865**	61,570	**46,943**	50,336
	208,634	282,500	**147,382**	196,273
Less: Future finance charges on obligations under finance leases	**(27,403)**	(28,716)	**(21,779)**	(19,525)
Present value of obligations under finance leases	**181,231**	253,784	**125,603**	176,748
Present value analysed as follows:				
Current				
Within one year	**83,481**	110,723	**54,509**	80,008
Non-current				
After one year and before two years	**48,174**	85,366	**31,254**	49,643
After two years and before five years	**49,576**	57,695	**39,840**	47,097
	97,750	143,061	**71,094**	96,740
	181,231	253,784	**125,603**	176,748

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	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Term debentures can be analysed as follows:				
Current				
Within one year	**615,032**	95,887	**615,032**	95,887
Non-current				
After one year and before two years	**-**	616,283	**-**	616,283
After two years and before five years	**1,613,514**	-	**1,613,514**	-
After five years	**1,372,105**	-	**1,372,105**	-
	2,985,619	616,283	**2,985,619**	616,283
	3,600,651	712,170	**3,600,651**	712,170

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

38. Borrowings (Cont'd)

(d) Debentures (Cont'd)

Debentures are denominated as follows:

	Effective interest rate	Maturity	THE GROUP 2018	THE GROUP 2017	THE COMPANY 2018	THE COMPANY 2017
	%		**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
Mauritian rupees Tranche A notes	Repo rate + 1.35%	15-Jul-18	**-**	95,887	**-**	95,887
Mauritian rupees Tranche B notes	Repo rate + 1.85%	15-Jul-19	**617,603**	616,283	**617,603**	616,283
FLRNMUR5Y	Repo rate + 0.85%	15-Nov-22	**223,389**	-	**223,389**	-
FRNMUR5Y	Fixed rate 4.75%	15-Nov-22	**595,704**	-	**595,704**	-
FLRNMUR7Y	Repo rate + 1.40%	15-Nov-24	**744,630**	-	**744,630**	-
FRNMUR7Y	Fixed rate 5.40%	15-Nov-24	**620,525**	-	**620,525**	-
FRNEUR4Y [EURO]	Fixed rate 3.35%	15-Nov-21	**798,800**	-	**798,800**	-
			3,600,651	712,170	**3,600,651**	712,170

(e) Preference shares

Redeemable convertible non-voting preference shares

In the financial year 2015, the Company issued 161,423,536 redeemable convertible non-voting preference shares at an issue price of Rs 11 each, totalling Rs 1,775,658,896. The purpose of same was to reduce the level of bank borrowings of the Company as part of the Financial Re-engineering Program.

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

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

Salient features of the preference shares are as follows:

- The preference shares are convertible into ordinary shares at the shareholder's option in January 2018 and January 2019. The conversion will be effected at a factor equal to Rs 11 divided by the average market value of the ordinary shares during a 90-day period prior to the date of conversion less a 10% discount.
- In January 2018, at first conversion window, 123,310,046 preference shares of the Company were converted into 63,399,593 new ordinary shares ranking pari passu with the existing ordinary shares. The remaining number of preference shares of the Company after the conversion is 37,813,490.
- The Company may, at its absolute discretion, from July 28, 2022, redeem or buy back the preference shares (in whole or in part) at their nominal value together with a sum equal to the prorated preferred dividend payable in respect of the relevant financial year, plus any preferred dividend accrued but not paid from previous financial years.
- The shares constitute unsecured and subordinated obligations of the Company and accordingly rank junior to all secured and unsubordinated creditors of the Company but ahead of ordinary shareholders.
- The preference shares were classified as a liability even though the shares are redeemable at the option of the Company (as from 2022) since there is a contractual obligation to pay dividend (in priority over ordinary dividends) and the shares do not convert into fixed number of shares.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

39. Employee benefits liabilities

Accounting Policy
(i) Defined benefit plans

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

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

Past service cost are recognised in profit or loss on the earlier of:
• The date of the plan amendment or curtailment; and
• The date that the Company recognises restructuring related costs.

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

• Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements;

• Net interest expense or income.

(ii) Defined contribution plans

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

(iii) Severance allowance

The Group and the Company are 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.

Significant accounting judgements and estimates

Employee benefit liabilities

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.

The Group has both funded and unfunded obligations. For the funded obligations, the Group participates in the New Mauritius Hotels Group Superannuation Fund, a multi-employer pension plan registered under the Private Pension Fund Act, the assets of which are held independently. The pensions plan are funded from payments from the employees and the Group, taking into account the recommendations of an independent actuary, namely Swan Life Ltd. For the unfunded obligations the Group participates in the Rogers Money Purchase Retirement Fund. The unfunded liability relates to employees who are entitled to retirement gratuities payable under the Employment Right Act 2008. The pension scheme is a defined benefit scheme.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

Significant accounting judgements and estimates (cont'd)

39. Employee benefits liabilities (Cont'd)

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs'000**	Rs'000
Funded obligation (note (a))	**800,859**	1,550,933	**796,891**	1,541,968
Unfunded obligation (note (b))	**20,811**	18,482	**-**	-
	821,670	1,569,415	**796,891**	1,541,968

(a) Funded Obligation

(i) The amounts recognised in the statements of financial position in respect of funded obligation are as follows:

Defined benefit obligation	**4,049,870**	4,627,926	**4,029,367**	4,600,818
Fair value of plan assets	**(3,249,011)**	(3,076,993)	**(3,232,476)**	(3,058,850)
Employee benefit liability	**800,859**	1,550,933	**796,891**	1,541,968

(ii) Movement in the liability recognised in the statements of financial position:

At October 1,	**1,550,933**	1,234,936	**1,541,968**	1,225,588
Amount recognised in profit or loss	**200,900**	196,062	**198,592**	194,073
Amount recognised in other comprehensive income	**(776,760)**	298,417	**(773,109)**	296,677
Employer's contributions	**(174,214)**	(178,482)	**(170,560)**	(174,370)
At September 30,	**800,859**	1,550,933	**796,891**	1,541,968

(iii) The amounts recognised in the statements of profit or loss are as follows:

Current service cost	**109,932**	106,478	**108,067**	105,154
Scheme expenses	**10,976**	7,973	**10,910**	7,911
Interest cost on defined benefit obligation	**250,237**	251,693	**248,793**	249,699
Return on plan assets	**(170,245)**	(170,082)	**(169,178)**	(168,691)
Net benefit expense	**200,900**	196,062	**198,592**	194,073

(iv) The amounts recognised in the statements of other comprehensive income are as follows:

Losses on pension scheme assets	**35,453**	(264,500)	**30,258**	(270,569)
Experience losses/(gains) on the liabilities	**135,881**	(167,999)	**139,621**	(158,873)
Changes in assumptions underlying the present value of the scheme	**(948,094)**	730,916	**(942,988)**	726,119
	(776,760)	298,417	**(773,109)**	296,677

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
(v) Cumulative actuarial losses recognised:	**Rs.'000**	Rs.'000	Rs.'000	Rs.'000
Cumulative actuarial losses at October 1,	**1,516,453**	1,218,036	**1,502,274**	1,205,597
Actuarial (gains)/losses recognised in current year	**(776,760)**	298,417	**(773,109)**	296,677
Cumulative actuarial losses at September 30,	**739,693**	1,516,453	**729,165**	1,502,274

(vi) Reconciliation of the present value of defined benefit obligation:

Present value of obligation at October 1,	**4,627,926**	3,825,811	**4,600,818**	3,796,489
Current service cost	**109,932**	106,478	**108,067**	105,154
Interest cost on defined benefit obligation	**250,237**	251,693	**248,793**	249,699
Employees' contribution	**32,457**	33,258	**31,775**	32,491
Actuarial (gains)/losses	**(812,213)**	562,917	**(803,367)**	567,246
Benefits paid	**(158,469)**	(152,231)	**(156,719)**	(150,261)
Present value of obligation at September 30,	**4,049,870**	4,627,926	**4,029,367**	4,600,818

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

39. Employee benefits liabilities (Cont'd)

(a) Funded Obligation (Cont'd)

(vii) Reconciliation of fair value of plan assets:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fair value of plan assets at October 1,	**3,076,993**	2,590,875	**3,058,850**	2,570,901
Return on plan assets	**170,245**	170,082	**169,178**	168,691
Employer's contributions	**174,214**	178,482	**170,560**	174,370
Scheme expenses	**(10,976)**	(7,973)	**(10,910)**	(7,911)
Employees' contribution	**32,457**	33,258	**31,775**	32,491
Actuarial (losses)/gains	**(35,453)**	264,500	**(30,258)**	270,569
Benefits paid	**(158,469)**	(152,231)	**(156,719)**	(150,261)
Fair value of plan assets at September 30,	**3,249,011**	3,076,993	**3,232,476**	3,058,850

The actual return on the plan assets was Rs 150.5m (2017: Rs 376.4m) for the current financial year.

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

	THE GROUP AND THE COMPANY	
	2018	2017
	%	%
Discount rate	**6.30**	5.50
Future salary increase	**3.00**	3.00
Pension increase	**0.00**	1.00
Post retirement mortality tables	**PMA92/PFA92**	PMA92/PFA92

(ix) Quantitative sensitivity analysis for significant assumptions as at September, 30 is shown as follows:

Assumptions	Discount rate			
	THE GROUP		THE COMPANY	
Sensitivity	1% increase	1% decrease	1% increase	1% decrease
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
2018				
Impact on defined benefit obligation	**558,834**	**705,097**	**700,238**	**555,191**
2017				
Impact on defined benefit obligation	(708,507)	902,000	(703,710)	904,000

	Future salary increase			
	THE GROUP		THE COMPANY	
	1% increase	1% decrease	1% increase	1% decrease
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
2018				
Impact on defined benefit obligation	**289,158**	**246,733**	**287,155**	**244,841**
2017				
Impact on defined benefit obligation	338,641	(285,000)	335,958	(285,000)

The sensitivity analyses above have been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

39. Employee benefits liabilities (Cont'd)

(b) Unfunded obligation

(i) The amounts recognised in the statements of financial position in respect of unfunded obligation are as follows:

	THE GROUP	
	2018	2017
	Rs.'000	Rs.'000
Benefit liability	**20,811**	18,482
(ii) Movement in the liability recognised in the statements of financial position:		
At October 1,	**18,482**	17,601
Amount recognised in profit or loss	**3,116**	3,180
Benefits paid	**(547)**	(6,648)
Amount recognised in other comprehensive income	**(240)**	4,349
At September 30,	**20,811**	18,482
(iii) The amounts recognised in the statements of profit or loss are as follows:		
Current service cost	**2,236**	2,323
Interest cost on defined benefit obligation	**880**	857
Net benefit expenses	**3,116**	3,180
(iv) The amounts recognised in the statements of other comprehensive income are as follows:		
Liability experience loss	**1,213**	1,765
Actuarial (gains)/losses recognised in other comprehensive income	**(1,453)**	2,584
	(240)	4,349

	THE GROUP	
	2018	2017
	Rs.'000	Rs.'000
(v) Reconciliation of the present value of defined benefit obligation:		
Present value of obligation at October 1,	**18,482**	17,601
Current service cost	**2,236**	2,323
Interest cost	**880**	857
Actuarial (gains)/losses	**(240)**	4,349
Benefits paid	**(547)**	(6,648)
Present value of obligation at September 30,	**20,811**	18,482

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

	2018	2017
	%	%
Discount rate	**4.4 - 6.4**	5.5
Future salary increase	**4.0**	3.0

	THE GROUP AND THE COMPANY	
	2018	2017
(c) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:	**%**	%
Local equities	**45**	48
Overseas bond and equities	**18**	20
Fixed interest	**19**	15
Property and other	**18**	17
	100	100

The overall expected rate of return on plan assets is determined by reference to market yields on bonds and expected yield difference on other types of assets held.

(d) Maturity profile of the defined benefit obligation

The weighted average duration of the liabilities as at September 30, 2018 is 14 years.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

39. Employee benefits liabilities (Cont'd)

(e) Expected contribution for next year

The Group is expected to contribute Rs 176m (2017: Rs 174m) including employees' contribution to its defined benefit pension plan in the next financial year.

(f) Plan assets

Included in the plan assets is a property, valued at an open market value of Rs 432m (2017: Rs 421m). The property is rented to the Company by New Mauritius Hotels Group Superannuation Fund.

(g) Risk associated with the plans

The pension plans expose the Group and the Company to the following actuarial risks:

Longevity risk: The liabilities disclosed are based on the mortality table PA(92). Should the experience of the pension plans be less favourable than the standard mortality tables, the liabilities will increase.

Interest risk: If the bond interest rate decreases, the liabilites would be calculated using a lower discount; and would therefore increase.

Investment risk: Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.

Salary risk: If salary increases are higher than assumed in our basis, the liablities would increase giving rise to actuarial losses.

40. Trade and other payables

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	Restated 2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Trade payables	**1,670,336**	1,034,624	**598,345**	106,690
Other payables	**1,573,559**	1,619,655	**935,792**	820,676
Loan at call payable to subsidiaries (note 15(vii))	**-**	-	**241,010**	299,594
Amount due to subsidiaries (note 15(x))	**-**	-	**1,581,056**	1,471,527
Amount due to associates (note 15(x))	**39,810**	14,766	**39,810**	14,766
	3,283,705	2,669,045	**3,396,013**	2,713,253

(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 15.

41. Fair value of assets and liabilities

Accounting Policy
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.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

41. Fair value of assets and liabilities (Cont'd)

Accounting Policy
Fair value measurement (Cont'd)

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 fair value 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.

Significant accounting judgements and estimates
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 judgement is required to establish fair values. The judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

41. Fair value of assets and liabilities (Cont'd)

As at September 30, 2018, 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			
	2018	**Level 1**	**Level 2**	**Level 3**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Other financial instruments at fair value through profit or loss:				
Foreign exchange forward contracts (Financial liabilities) (note 34)	**(3,194)**	**-**	**(3,194)**	**-**
Available-for-sale financial assets (note 30)	**8,664**	**8,664**	**-**	**-**
Property	**22,824,660**	**-**	**22,824,660**	**-**
Investment properties	**354,102**	**-**	**354,102**	**-**
Borrowings	**(15,653,428)**	**-**	**(15,653,428)**	**-**

	THE COMPANY			
	2018	**Level 1**	**Level 2**	**Level 3**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Other financial instruments at fair value through profit or loss:				
Foreign exchange forward contracts (Financial liabilities) (note 34)	**(3,194)**	**-**	**(3,194)**	**-**
Available-for-sale financial assets (note 30)	**8,391**	**8,391**	**-**	**-**
Property	**13,176,890**	**-**	**13,176,890**	**-**
Borrowings	**(11,442,064)**	**-**	**(11,442,064)**	**-**

Assets/(liabilities) measured at fair value

	THE GROUP			
	2017	Level 1	Level 2	Level 3
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Other financial instruments at fair value through profit or loss:				
Foreign exchange forward contracts (Financial liabilities) (note 34)	(71,142)	-	(71,142)	-
Available-for-sale financial assets (note 30)	4,114	4,066	-	48
Property	22,054,707	-	22,054,707	-
Investment properties	343,383	-	343,383	-
Borrowings	(16,262,677)	-	(16,262,677)	-

	THE COMPANY			
	2017	Level 1	Level 2	Level 3
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Other financial instruments at fair value through profit or loss (note 34):	-	-	-	-
Foreign exchange forward contracts (Financial liabilities)	(71,142)	-	(71,142)	-
Available-for-sale financial assets (note 30)	3,782	3,734	-	48
Property	12,601,764	-	12,601,764	-
Borrowings	(12,243,905)	-	(12,243,905)	-

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

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

41. Fair value of assets and liabilities (Cont'd)

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 notes 25 and 26 respectively.

During the year ended September 30, 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

42. Sale and leaseback transaction between the Company and Beachcomber Hospitality Investments Ltd

The Company signed a number of agreements with Leisure Property Northern (Mauritius) Limited (LPNM), a wholly-owned subsidiary of GRIT Real Estate Income Group Limited (Previously known as "Mara Delta Property Holdings Limited"), with respect to Beachcomber Hospitality Investments Ltd ("BHI") on 17 November 2016. The agreements entailed that:

- NMH transferred the hotel properties known as Victoria Beachcomber, Canonnier Beachcomber and Mauricia Beachcomber together with the attached leasehold land to BHI for a total consideration of EUR 155m (Rs 6bn) but would continue to manage the hotels.

- NMH would hold 55.58% of BHI's share capital, the remaining 44.42% being held by LPNM.
- NMH will have a call option to buy back the shares held by LPNM, such option being exercisable between the 7th and 10th anniversary of the Subscription and Shareholders Agreement.

- NMH would pay BHI an annual rental equivalent to 7.5% of the value of the assets, increasing annually. The lease agreement had an initial duration of 15 years commencing December 2, 2016 with 3 successive ten-year renewal periods at the option of the Company for three successive period of ten years.

The profit realised on the sale of the 3 hotels and the attached leasehold land to BHI amounted to EUR 62m (Rs 2.2bn) is spread on a straight-line basis over a period of 15 years in line with the lease agreement signed between New Mauritius Hotels Limited and Beachcomber Hospitality Investments Limited which stipulates a non-cancellable lease period of 15 years. Refer to table below for details:

	THE COMPANY	
	2018	2017
	Rs.'000	Rs.'000
Profit on disposal of assets	**2,121,159**	2,244,992
Less portion of gain accounted as deferred income as follows:		
Current liabilities	**(149,666)**	(149,666)
Non-current liabilities	**(1,821,827)**	(1,971,493)
Profit recognised in current year	**149,666**	123,833

43. Non-curent assets classified as held for sale

(i) The Company has entered into a Share sale and purchase agreement with a third party on 25 May 2018 in a view to dispose the Reef property in Seychelles. The disposal of the property is expected to be completed during the first quarter of calendar year 2019, subject to clearances from the local authority.

The net disposal proceeds are expected to be much higher than the carrying value of the Reef assets.

The following class of assets relating to Reef hotel were classified as held for sale as at September 30, 2018:

	THE GROUP
	2018
	Rs.'000
Land and buildings	**108,982**
Plant and equipment	**100**
	109,082

Furniture, fittings and office equipment had nil net book value as at September 30, 2018.

DETAILED INFORMATION ON STATEMENTS OF FINANCIAL POSITION ITEMS (CONT'D)

44. Prior year adjustments

The prior year adjustments are in respect of the following for financial statements of the Company for the year ended September 30, 2017:

(i) Release of deferred tax liabilities on hotel properties disposed to a subsidiary.
(ii) Undeprovision of rental expenses

The effects on the statements of financial position are as follows:

	THE COMPANY		
	Deferred tax liabilities	Trade and other payables	Retained earnings
	Rs.'000	Rs.'000	Rs.'000
Balance as reported at September 30, 2017:			
as previously reported	1,517,439	2,671,659	2,073,990
prior year adjustments:			
(i) release of deferred tax liabilities on hotel properties disposed to a subsidiary	(291,298)	-	291,298
(ii) undeprovision of rental expenses	-	41,594	(41,594)
as restated	1,226,141	2,713,253	2,323,694

The effects on the statements of profit or loss and other comprehensive income for year 2017 are as follows:

	2017
	Rs.'000
Increase in other expenses	(41,594)
Decrease in income tax expense	640,528
Increase in profit for the year	598,934

45. Commitments

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
(a) Capital commitments	**Rs.'000**	Rs.'000	**Rs.'000**	Rs.'000
Les Salines project (i)	**4,700,000**	4,700,000	**400,000**	4,700,000
Villa project (Morocco) (ii)	**4,825,000**	3,000,000	**-**	-
Canonnier Beachcomber (iii)	**-**	250,000	**-**	150,000
Victoria Beachcomber (iii)	**-**	125,000	**-**	125,000
Ste Anne Resorts Limited (iv)	**2,800,000**	2,800,000	**-**	-
	12,325,000	10,875,000	**400,000**	4,975,000

(i) Les Salines project will consist of the development of approximately 395 arpents to be developped as a 4-star hotel (30 arpents), residential property (205 arpents) - both developments to be done through NMH subsidiaries and the construction of a golf course (160 arpents) to be done in NMH Company.

(ii) The amount of Rs 4.825bn represents the estimated cost of phases 2 and 3 of the property development in Marrakech (2017: completion of Phase 1 and Phase 2 only). Phase 2 will consist of developing and selling of 18 plots of land and 39 premium villas whereas Phase 3 will consist of 150 villas. Phase 2 was officially launched in November 2018.

(iii) These commitments pertained to the completion of renovation/extension of Canonnier and Victoria. The works were fully completed in December 2017.

(iv) These commitments relates to the extension of Sainte Anne hotel from 87 rooms to 296 rooms. The extension works are expected to be completed to finish by August 2020 and the hotel will be rented to Club Med SAS upon completion.

(b) Operating lease commitments

Accounting Policy
Operating lease

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

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

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs.'000	Rs.'000	**Rs.'000**	Rs.'000
Within one year	**143,898**	142,769	**131,413**	125,675
After one year but not more than five years	**575,593**	142,507	**525,652**	502,700
More than five years	**6,387,422**	6,270,466	**5,912,994**	5,316,928
	7,106,913	6,555,742	**6,570,059**	5,945,303

SECTION 5 - ANNEX

FREQUENTLY ASKED QUESTIONS

1. What is an Annual Meeting of Shareholders (AMS)?

An AMS is a meeting of the shareholders of a company. The law provides that it should be held not more than once in each calendar year and not later than 6 months after the balance sheet date of a company.

2. Who may attend the AMS?

In compliance with S120(3) of the Companies Act 2001, the Board has resolved that only the shareholders of the Company registered in the share register of the Company as at March 01, 2019 are entitled to attend the AMS.

3. Why should a shareholder attend the AMS?

Shareholders are encouraged to attend the AMS as it:
• provides them with a direct contact with the Board and management of the Company;
• enables them to have more insight into the operations, strategy and performance of the Company; and
• provides them with reasonable opportunity to discuss and comment on the management of the Company.

4. What matters are discussed at the AMS?

Usually, the following business is transacted at the AMS:
• the approval of the audited accounts of the Company;
• the receiving of the auditor's report;
• the consideration of the Annual Report; and
• the re-election/re-appointment of Directors.

5. What if a shareholder cannot attend the AMS?

An individual shareholder who cannot attend the meeting may appoint a proxy.

A corporate shareholder may, on the other hand, appoint a representative to attend the AMS and to act on its behalf.

6. What is a proxy?

A proxy is the person appointed by a shareholder to represent him/her at the AMS. Such person, who need not necessarily be a shareholder of the Company, may be heard at the meeting as if he/she were the shareholder.

7. How does a shareholder appoint a proxy/representative?

Shareholders are requested to fill in the Proxy Form sent to them with the notice convening the meeting. Corporate shareholders may also provide a Corporate Resolution to appoint their representative. Should a shareholder wish his/her proxy/representative to vote at the meeting in a particular manner, he/she is requested to fill in the resolution boxes provided on the appropriate forms.

8. After appointing a proxy, can a shareholder still attend the AMS?

Yes, but he/she is requested to make himself/herself known to the Company Secretary as soon as he/she arrives at the meeting. The proxy will consequently have no right to be heard and to vote at the meeting.

9. How many votes does a shareholder have?

Every shareholder, present in person or by proxy/representative, shall have one vote on a show of hands.

Where a poll is taken, each shareholder shall have the number of votes that corresponds to the number of shares held by him/her in the Company.

10. What is the voting procedure?

Voting at the AMS is generally by show of hands. However, if a poll is demanded for a particular resolution, then ballot papers shall be distributed and shareholders will be requested to cast their votes thereon.

11. How to obtain a copy of the minutes of proceedings of the last AMS of the Company?

A shareholder may make such a request to the Company Secretary prior to the AMS.

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