



NEW MAURITIUS HOTELS LIMITED

AUDITED ABRIDGED FINANCIAL STATEMENTS FOR YEAR ENDED SEPTEMBER 30, 2013

INCOME STATEMENT

	THE GROUP	
	Year ended 30.09.2013 Rs.'000	Year ended 30.09.2012 Rs.'000
Revenue	7,818,863	8,110,396
Direct costs	(1,271,747)	(1,270,661)
Staff costs	(2,636,454)	(2,592,160)
Other expenses	(2,439,378)	(2,521,420)
Depreciation of property, plant and equipment	(505,244)	(506,899)
Amortisation of intangible assets	(3,952)	(3,831)
Profit on disposal of property, plant and equipment	9,433	6,086
Finance revenue	15,849	42,151
Finance costs	(609,491)	(586,541)
Other income	112,348	30,630
Share of results of associated companies	41,039	(12,349)
Pre-operational expenses re Marrakech project	(103,195)	(92,470)
Profit before tax	428,071	602,932
Income tax (expense)/credit	(24,356)	7,987
Profit for the year	403,715	610,919
Profit attributable to:		
Owners of the parent	369,427	581,634
Non-controlling interests	34,288	29,285
	403,715	610,919
Basic earnings per share (Rs)	2.29	3.60
SEGMENTAL INFORMATION		
Segment revenue:		
Hotel operations	6,222,501	6,524,484
Others	1,596,362	1,585,912
Total revenue	7,818,863	8,110,396
Segment results:		
Hotel operations	887,064	1,121,768
Others	84,457	99,743
	971,521	1,221,511
Finance revenue	15,849	42,151
Finance costs	(609,491)	(586,541)
Other income	112,348	30,630
Share of results of associated companies	41,039	(12,349)
Pre-operational expenses re Marrakech project	(103,195)	(92,470)
Profit before tax	428,071	602,932

STATEMENT OF COMPREHENSIVE INCOME

	THE GROUP	
	Year ended 30.09.2013 Rs.'000	Year ended 30.09.2012 Rs.'000
Profit for the year	403,715	610,919
Other comprehensive income, net of tax:		
Exchange differences on translating foreign operations	(33,289)	1,380
Gain/(loss) on available-for-sale financial assets	6,880	(20,599)
Gain/(loss) on cash flow hedges	7,361	(231)
Gains on revaluation of land and buildings	349,022	14,160
Share of other comprehensive income of associates	-	6,430
Other comprehensive income for the year, net of tax	329,974	1,140
Total comprehensive income for the year	733,689	612,059
Total comprehensive income attributable to:		
Owners of the parent	702,415	582,625
Non-controlling interests	31,274	29,434
	733,689	612,059

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Retained Earnings	Attributable to owners of the parent				Non- controlling Interests	Total equity	
			Foreign Exchange Difference Reserves	Available-for- sale financial Reserves	Revaluation Reserves	Other Reserves			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Balance at October 1, 2011	1,724,361	5,447,655	(1,025,901)	28,278	4,582,556	1,428,913	12,185,862	46,799	12,232,661
Changes in equity for the year									
Total comprehensive income for the year	-	581,634	1,000	(20,599)	14,160	6,430	582,625	29,434	612,059
Transfer to retained earnings	-	46,842	-	-	(46,842)	-	-	-	-
Dividends	-	-	-	-	-	-	-	(17,571)	(17,571)
Balance at September 30, 2012	1,724,361	6,076,131	(1,024,901)	7,679	4,549,874	1,435,343	12,768,487	58,662	12,827,149
Balance at October 1, 2012	1,724,361	6,076,131	(1,024,901)	7,679	4,549,874	1,435,343	12,768,487	58,662	12,827,149
Changes in equity for the year									
Derecognition of subsidiaries	-	810,760	-	-	-	(810,760)	-	-	-
Total comprehensive income for the year	-	369,427	(22,914)	6,880	349,022	-	702,415	31,274	733,689
Transfer to retained earnings	-	37,268	-	-	(37,268)	-	-	-	-
Dividends	-	(161,424)	-	-	-	-	(161,424)	(21,021)	(182,445)
Balance at September 30, 2013	1,724,361	7,132,162	(1,047,815)	14,559	4,861,628	624,583	13,309,478	68,915	13,378,393

STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	As at 30.09.2013 Rs'000	As at 30.09.2012 Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	22,681,483	20,839,342
Investment properties	480,900	378,330
Intangible assets	1,707,528	1,706,910
Investment in associates	524,683	509,585
Available-for-sale investments	26,021	19,141
Employee benefit asset	12,962	32,184
	25,433,577	23,485,492
Current assets		
Inventories	4,150,415	3,458,486
Trade and other receivables	2,520,765	1,993,319
Income tax prepaid	46,348	49,414
Cash in hand and at bank	849,316	680,696
	7,566,844	6,181,915
Total assets	33,000,421	29,667,407
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Stated capital	1,724,361	1,724,361
Retained earnings	7,132,162	6,076,131
Other components of equity	4,452,955	4,967,995
	13,309,478	12,768,487
Non-controlling interests	68,915	58,662
Total equity	13,378,393	12,827,149
Non-current liabilities		
Borrowings	10,112,954	8,263,293
Deferred tax liability	1,464,362	1,419,454
Employee benefit liability	9,167	6,857
Total non-current liabilities	11,586,483	9,689,604
Current liabilities		
Trade and other payables	3,048,690	2,477,043
Borrowings	4,986,855	4,673,611
Total current liabilities	8,035,545	7,150,654
Total liabilities	19,622,028	16,840,258
Total equity and liabilities	33,000,421	29,667,407

STATEMENT OF CASH FLOWS

	THE GROUP	
	Year ended 30.09.2013 Rs'000	Year ended 30.09.2012 Rs'000
Net cash flows generated from operating activities	697,090	1,370,606
Investing activities		
Purchase of property, plant and equipment	(1,527,169)	(918,203)
Purchase of intangible assets	-	(305)
Proceeds from sale of property, plant and equipment	23,240	24,306
Proceeds from redemption of shares in associates	24,145	-
Dividend received	3,398	5,247
Interest received	15,843	24,871
Net cash flows used in investing activities	(1,460,543)	(864,084)
Financing activities		
Proceeds from borrowings	5,230,360	4,738,997
Repayment of term loans	(3,813,984)	(4,191,512)
Financing through lease obligations	148,368	-
Repayment of finance lease liabilities	(80,538)	(61,660)
Interest paid	(955,118)	(827,287)
Dividends paid to equity holders of the parent	-	(80,712)
Dividends paid to non-controlling interests	(21,021)	(17,571)
Net cash flows from financing activities	508,067	(439,745)
Net (decrease)/increase in cash and cash equivalents	(255,386)	66,777
Cash and cash equivalents at October 1,	(971,797)	(1,066,671)
Net foreign exchange difference	(19,936)	28,097
Cash and cash equivalents at September 30,	(1,247,119)	(971,797)

COMMENTS

Consolidation and Accounting Standards

The audited Financial Statements for year ended September 30, 2013 have been prepared in accordance with IFRS. There has been no change in the accounting policies and methods that were adopted in the last Financial Statements. New accounting standards and interpretations, which came into application, did not have any material impact on the financial performance or position of the Group.

Overview

During the year under review, tourist arrivals grew by 1.9% at national level. A drop of 4.5% was, however, recorded in arrivals from European countries with France and Italy, two of our main markets, registering reductions of 10% and 23% respectively. This is mainly attributable to less favourable air access conditions in terms of connectivity and pricing. Hotel room capacity having increased at more or less the same pace as arrivals, market pressure continued to prompt heavy rate discounting on the part of many hotel operators. As a result, gross revenue of the hotel industry dropped in relation to last year.

Group Results

In these difficult trading conditions, NMH maintained its pricing policy and service quality and succeeded in securing almost the same average revenue per guest as that realised last year but with lower occupancy. Total Revenue for the year showed a shortfall of Rs292m in relation to last year. Other income represents mainly the fair value gain on the investment property at Les Salines whilst operating costs include a number of non-recurrent items of almost equivalent amount. Costs were otherwise well contained but on account of the adverse revenue variance mentioned above, Net Profit after tax amounted to Rs404m as against Rs611m last year. As a result, basic earnings per share dropped from Rs3.60 per share to Rs2.29.

Dividends

A dividend of Rs1 per share was declared in September and paid on December 2, 2013.

Borrowings / Net Assets

After the issue of multicurrency notes last July, Net Borrowings was up by Rs1.994bn, bringing the gearing ratio to 107%. The proceeds were used mainly for the purpose of financing the Marrakech project, thus increasing the Net Asset Value per share from Rs 79.46 to Rs 82.88.

Marrakech Project

The hotel in Marrakech will host its first guests on December 26 this year. It will start operating with 44 keys whereas its remaining 99 suites will be in operation by end of March 2014. The 18-hole golf course, 15 villas and all civil works associated with the remaining 79 villas of phase one will be completed at opening date.

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

Outlook

At the time of writing, Earnings for the first quarter to December 31, 2013 are expected to be more than 10% higher than those realised during last year's corresponding period. Forward bookings on hand for the second quarter to March 2014 are also comfortably higher in relation to last year. Prospects appear therefore good for Group Earnings to grow significantly for the first half-year. This, coupled with the profit to be realised on the sales of villas in Marrakech, should strengthen the Group's financial position.

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

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

By Order of the Board

December 17, 2013



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