



NEW MAURITIUS HOTELS LIMITED

AUDITED ABRIDGED FINANCIAL STATEMENTS FOR YEAR ENDED SEPTEMBER 30, 2015



STATEMENT OF PROFIT OR LOSS

	THE GROUP	
	Year ended 30.09.2015 Rs.'000	Year ended 30.09.2014 Rs.'000
Revenue	9,356,658	8,793,343
Direct costs	(2,166,722)	(1,899,652)
Staff costs	(3,092,693)	(2,924,188)
Other expenses	(2,675,299)	(2,638,115)
Other income	132,446	260,476
Finance revenue	196,661	211,651
Share of results of associates	13,956	1,423
(Loss)/profit on disposal of property, plant and equipment	(8,174)	2,127
EBITDA	1,756,833	1,807,064
Finance costs	(940,718)	(688,640)
Depreciation and impairment of property, plant and equipment	(536,380)	(563,282)
Amortisation of intangible assets	(5,881)	(4,594)
Pre-operational expenses re Marrakech project	-	(61,697)
Impairment of goodwill	(5,883)	-
Profit before tax	267,971	488,852
Income tax (expense)/credit	(60,394)	12,782
Profit for the year	207,577	501,634
Profit attributable to:		
Owners of the parent	168,978	458,494
Non-controlling interests	38,599	43,140
	207,577	501,634
	0.35	0.95

Basic earnings per share (Rs)
(Number of shares used
in calculation: 484,270,608)

SEGMENTAL INFORMATION

GEOGRAPHICAL	2015 Rs.'000	2014 Rs.'000
Revenue:		
Mauritius	7,014,926	6,729,394
Morocco	1,184,221	806,177
Others	1,157,511	1,257,772
	9,356,658	8,793,343
EBITDA:		
Mauritius	1,666,851	1,578,867
Morocco	70,887	140,850
Others	19,095	87,347
	1,756,833	1,807,064

BUSINESS SEGMENT

Revenue:		
Hotel	6,948,199	6,530,793
Property	866,506	687,745
Others	1,541,953	1,574,805
	9,356,658	8,793,343
EBITDA:		
Hotel	1,400,459	1,348,682
Property	235,723	297,625
Others	120,651	160,200
	1,756,833	1,807,064

STATEMENT OF COMPREHENSIVE INCOME

	THE GROUP	
	Year ended 30.09.2015 Rs.'000	Year ended 30.09.2014 Rs.'000
Profit for the year	207,577	501,634
Other comprehensive income, net of tax:		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	309,236	(416,973)
Gain/(loss) on available-for-sale financial assets	686	(681)
Disposal of available for sale financial assets	(3,594)	-
Loss on cash flow hedges	(22,739)	(7,624)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Gains on revaluation of land and buildings	333,981	623,571
Remeasurement of retirement benefit obligations	(335,508)	23,858
Other comprehensive income for the year, net of tax	282,062	222,151
Total comprehensive income for the year	489,639	723,785
Total comprehensive income attributable to:		
Owners of the parent	455,143	676,523
Non-controlling interests	34,496	47,262
	489,639	723,785

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Retained Earnings	Attributable to owners of the parent				Total	Non- controlling Interests	Total equity
			Foreign Exchange Difference Reserves	Available- for-sale financial assets	Revaluation Reserves	Other Reserve			
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
As at October 1, 2013	1,724,361	6,499,379	(1,047,815)	14,559	4,861,628	624,583	12,676,695	68,915	12,745,610
Changes in equity for the year									
Total comprehensive income for the year	-	482,177	(424,328)	(681)	619,355	-	676,523	47,262	723,785
Depreciation transfer	-	37,268	-	-	(37,268)	-	-	-	-
Dividends	-	(161,424)	-	-	-	-	(161,424)	(41,920)	(203,344)
As at September 30, 2014	1,724,361	6,857,400	(1,472,143)	13,878	5,443,715	624,583	13,191,794	74,257	13,266,051
As at October 1, 2014	1,724,361	6,857,400	(1,472,143)	13,878	5,443,715	624,583	13,191,794	74,257	13,266,051
Changes in equity for the year									
Total comprehensive income for the year	-	(164,876)	288,410	(2,908)	334,517	-	455,143	34,496	489,639
Transfer re Bonus Issue	3,275,639	-	-	-	(3,275,639)	-	-	-	-
Depreciation transfer	-	48,680	-	-	(48,680)	-	-	-	-
Dividends	-	-	-	-	-	-	-	(49,686)	(49,686)
As at September 30, 2015	5,000,000	6,741,204	(1,183,733)	10,970	2,453,913	624,583	13,646,937	59,067	13,706,004

STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	As at 30.09.2015 Rs'000	As at 30.09.2014 Rs'000
ASSETS		
Non-current assets		
Property, plant and equipment	25,508,538	24,826,796
Investment properties	366,000	786,900
Intangible assets	1,696,073	1,697,550
Investment in associates	535,395	526,863
Available-for-sale investments	4,512	25,340
Deferred tax assets	209,877	130,261
	28,320,395	27,993,710
Current assets		
Inventories	4,752,530	3,882,196
Trade and other receivables	2,890,986	3,032,387
Other financial assets	10,408	20,257
Income tax prepaid	12,815	15,737
Cash in hand and at banks	809,367	801,277
	8,476,106	7,751,854
Total assets	36,796,501	35,745,564

EQUITY AND LIABILITIES

Equity attributable to owners of the parent		
Stated capital	5,000,000	1,724,361
Retained earnings	6,741,204	6,857,400
Other components of equity	1,905,733	4,610,033
	13,646,937	13,191,794
Non-controlling interests	59,067	74,257
Total equity	13,706,004	13,266,051
Non-current liabilities		
Convertible preference shares	1,755,115	-
Borrowings	10,401,739	9,430,966
Deferred tax liabilities	1,508,201	1,419,966
Employee benefit liabilities	1,126,060	718,752
Total non-current liabilities	14,791,115	11,569,684

Current liabilities		
Trade and other payables	3,189,614	3,779,879
Borrowings	5,106,639	7,086,795
Other financial liabilities	-	40,509
Income tax payable	3,129	2,646
Total current liabilities	8,299,382	10,909,829
Total liabilities	23,090,497	22,479,513
Total equity and liabilities	36,796,501	35,745,564

STATEMENT OF CASH FLOWS

	THE GROUP	
	Year ended 30.09.2015 Rs.'000	Year ended 30.09.2014 Rs.'000
Net cash flows generated from operating activities	1,493,254	1,225,382
Net cash flows used in investing activities	(701,539)	(1,518,340)
Net cash flows from/(used in) financing activities	29,617	(641,162)
Net increase/(decrease) in cash and cash equivalents	821,332	(934,120)
Cash and cash equivalents at October 1,	(2,195,886)	(1,247,119)
Net foreign exchange difference	(84,991)	(14,647)
Cash and cash equivalents at September 30,	(1,459,545)	(2,195,886)

On the back of a more favourable air access policy, Beachcomber expects much improved results for the year ending September 30th, 2016.

COMMENTS

The audited Financial Statements for the year ended September 30th, 2015 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 International Financial Reporting Standards and interpretations, which came into application, did not have any material impact on the financial performance or position of the Group.

Overview

During the year under review, tourist arrivals in Mauritius increased by 9%. That growth is largely attributable to Government's decision to open up air access, which led to increased airline capacity from several destinations. As a result, NMH hotels performed better, improving their average occupancy and Guest Night Spending (total revenue per night per guest).

The renovation works carried out at the Royal Palm last year and the refurbishments of the public areas and wellness centers at Le Paradis, which necessitated the closure of the hotel for two months this year, are highly appreciated by our regular guests and the trade in general.

In order to reduce the Group's debt and alleviate cash flow constraints, a financial restructuring scheme in three parts was drawn up during the year. The first two parts, viz. an issue of cumulative preference shares cum corporate bonds and a rescheduling of loan repayments, have already been implemented whereas the third part which consists in taking strategic initiatives is in progress.

Results

In spite of a 6.4% increase in Revenue and a 6.8% growth in operating profit, Group results for the year were down on last year's on account of significantly lower fair value gain on investment property included under Other Income (Rs 106m against Rs 251m), and much higher finance costs (Rs 941m as compared to Rs 689m). The increase in finance costs stems from the interest related to the Royal Palm Marrakech which had been capitalised until the hotel came into operation and a loss of Rs 110m (as compared to a profit of Rs 145m last year) arising on the retranslation of borrowings in foreign currencies. After a rather disappointing first quarter, the hotel operations in Mauritius performed satisfactorily during the rest of the financial year. The hotels' average occupancy improved from 64% to 66% and Guest Night Spending increased from Rs 6,118 to Rs 6,239. Operating costs were well contained. The Trou aux Biches hotel performed particularly well, recording a 25% increase in its operating profit. Royal Palm Marrakech, operating at full capacity, has had a low rate of occupancy due partly to the geopolitical situation in the region. A significant loss was thus incurred. This loss was somewhat mitigated by the gain realised on the sale of villas.

In the light of recent events in Paris and the Middle East, the Board of directors has decided to adopt a very conservative approach in its forecasts for the sale of villas and the future performance of the hotel in Marrakech. The Board has therefore considered it prudent to impair part of its investment in Domaine Palm Marrakech in the Company's financial statements (with no material impact on Group accounts) to allow for a potential downturn. The Board also limited the recognition of the deferred tax asset resulting from the tax losses of Royal Palm Marrakech. As a result, the Group suffered a tax charge of Rs 60m compared to a tax credit of Rs 13m last year.

The non-hotel operations have had mixed fortunes. Whilst the operating profit of Plaisance Catering, Beachcomber Tours South Africa and Mautourco improved significantly, White Palm and Beachcomber Tours France recorded losses.

Ste Anne Resort in Seychelles improved marginally its operating profit in spite of a 24% increase in occupancy.

Outlook

The financial restructuring scheme launched this year should reach its final stage with the implementation of the strategic initiatives currently in progress. The Group's indebtedness and finance costs should consequently be materially reduced.

Some 40 rooms will be added to Le Victoria hotel between April and October 2016 whereas some 60 de luxe rooms at Le Paradis will be renovated during the "low season" without, in both cases, disrupting the operations. These two initiatives should contribute to improve future results.

Despite difficult operating conditions in Marrakech, much improved results are expected for the Group for the financial year to September 2016. For the quarter to December 2015, the hotels' average occupancy should increase from 65% in the corresponding period last year to 75% and Guest Night Spending from Rs 7,290 to Rs 7,650. Bookings in hand for the second quarter to March 2016 are up 28% on last year's. The non-hotel operations, locally and overseas, should also perform better.

The Board of directors has declared an ordinary dividend of Rs 0.33 per share and a dividend of Rs 0.33 per preference share, both payable on or about January 27th, 2016.

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 22nd, 2015



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HOTELS

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