LUX*

RESORTS & HOTELS

INTEGRATED ANNUAL REPORT

2015

LUX ISLAND RESORTS LTD

CONTENTS

GROUP STRUCTURE **2-3**

DIRECTORS' PROFILE **4-5**

BOARD AND COMMITTEES **6**

MANAGEMENT AND ADMINISTRATION **7**

DIRECTORSHIP **8-9**

FINANCIAL HIGHLIGHTS & RATIOS **10**

FINANCIAL STATUS AT A GLANCE **11**

VALUE ADDED STATEMENTS **12-13**

HIGHLIGHTS **14-15**

CHAIRMAN'S REPORT **16-19**

CEO'S REPORT **20-25**

AWARDS **26**

TRIP ADVISOR COMMENTS & RATINGS **28-30**

MORE REASONS TO GO LUX* **32-33**

OUR GROWING RESORTS & HOTELS PORTFOLIO **34-53**

CORPORATE GOVERNANCE REPORT **54-63**

OTHER STATUTORY DISCLOSURES **64-66**

NON-FINANCIAL PERFORMANCE **67-75**

STATEMENT OF COMPLIANCE **76**

SECRETARY'S CERTIFICATE **77**

FINANCIAL STATEMENTS **78-79**

INDEPENDENT AUDITORS' REPORT **80-81**

STATEMENT OF FINANCIAL POSITION **82**

STATEMENT OF PROFIT OR LOSS **83**

STATEMENT OF OTHER COMPREHENSIVE INCOME **84**

STATEMENT OF CHANGES IN EQUITY **85-86**

STATEMENT OF CASH FLOWS **87**

NOTES TO THE FINANCIAL STATEMENTS **88-155**

NOTICE TO SHAREHOLDERS **156**

PROXY FORM **157**

ANNEX 1: GRI REPORT CONTENT BOUNDARY **160-162**

ANNEX 2: GRI CONTENT INDEX **163-166**

ANNEX 3: EXTERNAL ASSURANCE REPORT **167-169**

LUX*
RESORTS & HOTELS

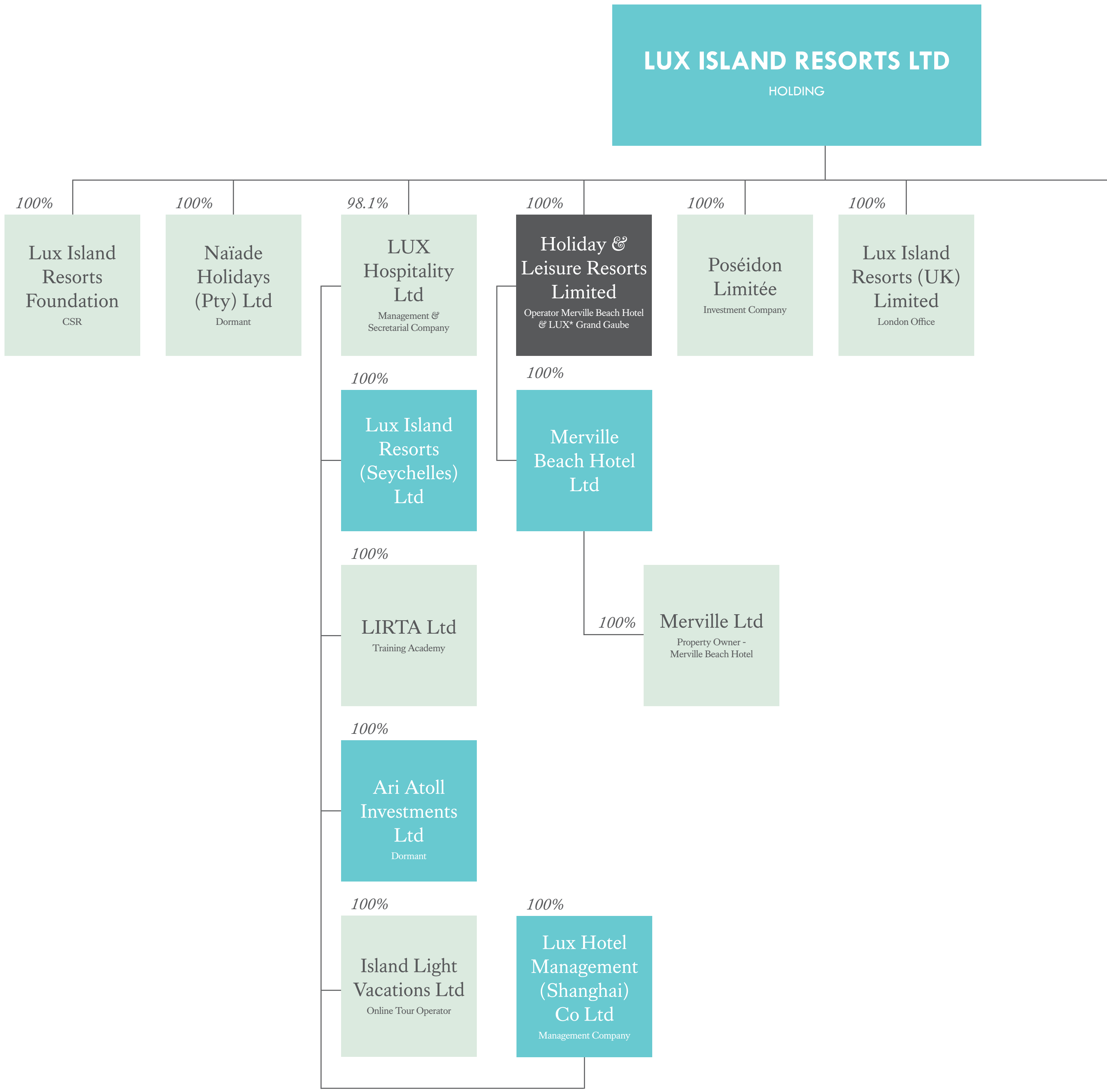
DEAR STAKEHOLDER,

Your Board of Directors is pleased to present the Integrated Annual Report of Lux Island Resorts Ltd for the year ended 30th June 2015. This report was approved by the Board of Directors on 28th September 2015.

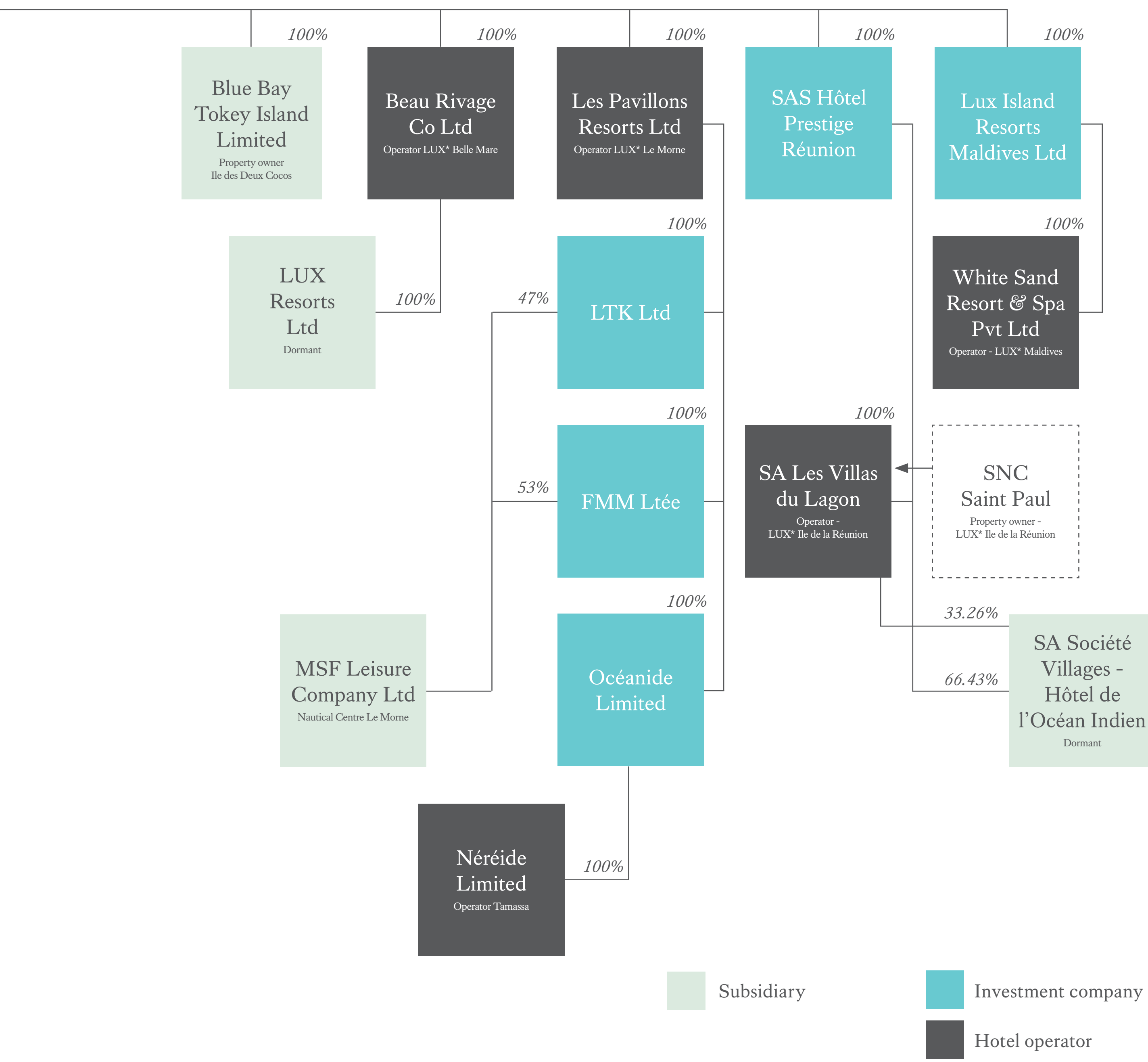
Arnaud Lagesse
Chairman

GROUP STRUCTURE

AS AT 30TH JUNE 2015



G4-6, G4-7, G4-17


100%
Blue Bay Tokey Island Limited
Property owner Ile des Deux Cocos
100%
Beau Rivage Co Ltd
Operator LUX* Belle Mare
100%
Les Pavillons Resorts Ltd
Operator LUX* Le Morne
100%
SAS Hôtel Prestige Réunion
100%
Lux Island Resorts Maldives Ltd
LUX Resorts Ltd
Dormant
100%
100%
LTK Ltd
47%
100%
White Sand Resort & Spa Pvt Ltd
Operator - LUX* Maldives
100%
FMM Ltée
53%
100%
SA Les Villas du Lagon
Operator - LUX* Ile de la Réunion
SNC Saint Paul
Property owner - LUX* Ile de la Réunion
100%
MSF Leisure Company Ltd
Nautical Centre Le Morne
Océanide Limited
33.26%
66.43%
SA Société Villages - Hôtel de l'Océan Indien
Dormant
Néréide Limited
Operator Tamassa
100%
Subsidiary
Investment company
Hotel operator

DIRECTORS' PROFILES

ARNAUD LAGESSE

Arnaud Lagesse was appointed as Non-Executive Chairman of the Company on 29th October 2003. He holds a 'Maitrise de Gestion' from the University of Aix-Marseille III, France and is a graduate of 'Institut Supérieur de Gestion', France. He also completed an Executive Education Program at INSEAD, Fontainebleau, France, and an Advanced Management Program (AMP180) at Harvard Business School, Boston, USA. He joined GML in 1993 as Finance and Administrative Director before becoming in August 2005 its Chief Executive Officer. He also participated in the National Corporate Governance Committee as a member of the Board. He is a member of the Board of Directors of several of the country's major companies and is the Chairman of Ireland Blyth Limited, BlueLife Ltd, Lux Island Resorts Ltd, City Brokers Ltd, inter alia. Arnaud Lagesse is an ex-president of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association and the Sugar Industry Pension Fund. Arnaud Lagesse is also the Chairman of GML Fondation Joseph Lagesse since July 2012. He has also recently been appointed as Chairman of the National Committee on Corporate Governance.

Directorship in other listed companies:
BlueLife Limited , Ireland Blyth Limited,
The United Basalt Products Ltd ,
Forward Investment & Development Enterprises Ltd
Phoenix Investment Company Ltd , Alteo Ltd

PAUL JONES

With more than 4 decades of international hotel management experience, Paul Jones joined LUX* in 2010, where he quickly established his mark as a charismatic leader, with a unique and passionate approach to hospitality management, centered around People, Culture and Service.

Paul Jones' rich career covers various key leadership positions, having served for almost 20 years as Managing Director of the Sun Resorts Group, and later, as President of One&Only, where he was instrumental in successfully launching and growing the brand on a global basis.

Recognized as a leading figure in the establishment and development of the hotel and tourism industry in Mauritius, Paul Jones was conferred the Dignity of Companion of the Order of St Michael and St Georges by her Majesty Queen Elizabeth II. He was also awarded one of the highest honours by the President of the Comores, the Chevalier de l'Etoile d'Anjouan, for his significant contribution to the growth and development of the hotel and tourism sector in the Comores.

Paul Jones directly oversees the Company's overall strategic direction, spearheading the Group's global development plans. He holds an MBA with distinction from the University of Surrey & followed the Program for Management Development at The Harvard Business School. He is a Fellow of the Institute of Hospitality in the UK.

He was appointed as Chief Executive Officer of the Company on 1st October 2010 and as Director of the Board on 29th September 2011.

Directorship in other listed companies : *None*

ALEXIS HAREL

Born in 1962, Alexis Harel holds a Bachelor of Science Degree in Business Administration-Accounting from Louisiana State University, USA. He started his career in auditing with De Chazal Du Mee, then occupied managerial position in the industrial sector and participated in setting up the first BPO (Business Process Outsourcing) company in Mauritius where he was Managing Director. He joined Grays & Co in 1992 and currently holds the position of Commercial Director. He is an Executive Director of Terra Mauricia and member of the Management Committee. He also serves as Director of Rehm Grinnaker Construction Co Ltd, Terragri and Grays Distilling amongst others.

He was appointed as Director of the Company and as Chairman of the Audit Committee in April 2004 and as Chairman of the Corporate Governance Committee in April 2005.

Directorship in other listed companies: *Terra Mauricia Limited, United Docks Ltd*

DÉSIRÉ ELLIAH

Born in 1964, Désiré Elliah is a Fellow of the Association of Chartered Certified Accountants with 26 years experience in auditing, accounting and corporate finance. Before joining the Group in 2004 as Chief Financial Officer, he was a partner of DCDM, the largest accounting firm in Mauritius. He has extensive experience in feasibility studies, financial restructuring, share valuation and due diligence reviews.

He was appointed as Director of the Company in October 2004.

Directorship in other listed companies : *None*

STÉPHANE LAGESSE

Born in 1959, Stéphane Lagesse holds a degree in Gestion des Entreprises Parix IX Dauphine and joined the Palmar Group in 1983 where he currently holds the position of Chief Executive Officer and Director. He participated in the setting up two garment manufacturing companies in Mauritius.

He was appointed as Director of the Company in March 1999 and as a member of the Audit Committee in October 2003.

Directorship in other listed companies : *The United Basalt Products Ltd*

JULIAN HAGGER

Born in 1970, Julian has a rich career of some 20 years in hospitality of which 14 years in senior management and at corporate level in prestigious international groups such as Belmond (Orient-Express), Ritz-Carlton and Marriott. He is a holder of a Bachelor of Science Degree in Business Administration from Hawaii Pacific University, U.S.A, and holds a diploma in Swiss Hotel Management from the Hotel Institute of Management (H.I.M), Montreux, Switzerland. Julian is responsible for driving top-line revenue for LUX* Resorts & Hotels and associated businesses, ensuring the strategic priorities of the discipline are aligned and designed to yield profitable sales, increased market share, and enhanced competitive advantage. He was appointed as Director of the Company in February 2012.

Directorship in other listed companies : *None*

JEAN-CLAUDE BÉGA

Born in 1963 and Fellow of the Association of Chartered Certified Accountants, Jean-Claude Béga joined GML in 1997 and is the Chief Financial Officer of GML Management Ltée, the Chairman of Phoenix Beverages Limited, of Anahita Estates Limited and EllGeo Re (Mauritius) Ltd and acts as director of a number of companies including Alteo Limited, AfrAsia Bank Limited, Abax Corporate Services Limited and Anahita Residences & Villas Limited.

He was appointed as Director and member of the Audit Committee of the Company in June 2004.

Directorship in other listed companies : *Alteo Limited, Phoenix Beverages Limited*

CHRISTOF ZUBER

Swiss, born in 1956, Christof Zuber helds a PhD in economics from University of Zurich.

Following a first consulting activity in International Banking, Christof Zuber moved into the world of Fast Moving Consumer Goods. After several positions in Switzerland and abroad in key account management, sales and marketing with Jacobs Suchard, he assumed responsibility as CEO of different companies. Two of them where publicly quoted: Attisholz Holding Ltd. with the Household Brands Hakle and Tela followed by the brewery Feldschlösschen Holding Ltd. as the Swiss market leader. He gained exposure to the travel sector as CEO of the Hotelplan Group, an European multi-billion Tour Operator with activities in Hotels and Airline. Today, Christof Zuber is a private equity advisor and investor and assumes strategic and occasionally operational responsibilities still in the travel sector and luxury goods.

He was appointed Director of the Company in February 2012 and member of the Remuneration Committee and of the Corporate Governance Committee in September 2012.

Directorship in other listed companies : *None*

J. CYRIL LAGESSE

Born in 1932, J. Cyril Lagesse set up in the early 1970's the 'Compagnie d'Investissement et de Développement Limitée', now GML Investissement Ltée, founder entity of today's well known GML, which has positioned itself as one of the regional leaders. J. Cyril Lagesse sits on the board of several of the country's most prestigious companies, two of which are listed on the Stock Exchange of Mauritius Ltd.

He was appointed as Director of the Company in October 2003.

Directorship in other listed companies : *Ireland Blyth Limited, Phoenix Beverages Limited, Phoenix Investment Company Ltd*

JEAN DE FONDAUMIÈRE

Born in 1953, Jean de Fondaumière is a Chartered Accountant of Scotland. He worked in Australia for eleven years and subsequently in Mauritius for fifteen years until he retired as the CEO of the Swan Group at the end of 2006. He is a past Chairman of The Stock Exchange of Mauritius and his former directorships include companies operating in the African, Indian Ocean and Asia Pacific regions. Jean holds a portfolio of directorships in Mauritius for companies operating in commerce, finance, power generation, sugar and tourism.

He was first appointed director of the company in November 2003, resigned in December 2006 and appointed director in March 2008 at which time he became a member of the Remuneration Committee of the Company. He was also appointed as member of the Audit Committee in September 2012.

Directorships in other listed companies : *Alteo Limited, Constance La Gaité Company Limited, Hotelest Limited, Constance Hotel Services Limited*

MAXIME REY

Born in 1952, Maxime Rey started an accounting career in 1973 in Mauritius, first in Auditing, and then in the Sugar Industry. Immigrating to South Africa in 1981, he worked for Kuehne and Nagel (Pty) Ltd, the South African arm of a leading global provider of innovative and fully integrated supply chain solutions. He was appointed Group Financial Controller in 1989 and Director in 1992. Back in Mauritius in 1993, he joined the Swan Group, one of the market leaders in the local Insurance sector, where he is at present holding the position of Senior Manager - Group Finance, Loans & Legal. He serves as Director to a number of Companies in the commercial, financial, investment, sugar and tourism sectors, and is a member of various Board Committees.

He was appointed as Director of the Company in September 2012.

Directorship in other listed companies : *Belle Mare Holding Ltd, Constance La Gaieté Company Ltd, MFD Group Ltd*

LAURENT DE LA HOGUE

Born in 1975, Laurent de la Hogue holds a Master degree in Management and Finance from the "Ecole Supérieure de Gestion et Finance" in Paris, France. He joined GML in 2001 as Treasurer for the setting up of the central treasury unit and is presently Finance Executive - Corporate & Treasury for GML Management Ltée. Laurent de la Hogue is actually the Chairman of GML Trésorerie Ltée and Director of a number of companies such as Abax Holding Ltd, Forward Investment Development Enterprises Ltd and the United Basalt Products among others.

He was appointed as Alternate Director in August 2009 and as Director on 15th February 2011.

Directorship in other listed companies: *The United Basalt Products Ltd & Forward Investment Development Enterprises Ltd*

BOARD AND COMMITTEES

BOARD OF DIRECTORS

DIRECTORS	ALTERNATE DIRECTORS
Arnaud Lagesse (Chairman)	
Paul Jones (Chief Executive Officer)	
Jean-Claude Béga	
Laurent de la Hogue	
Jean de Fondaumière	
Désiré Elliah	Dev Poolovadoo
Julian Hagger	
Alexis Harel	Jean Raymond Harel
J. Cyril Lagesse	Hugues Lagesse
Stéphane Lagesse	Amaury Lagesse
Maxime Rey	
Christof Zuber	

AUDIT COMMITTEE

Alexis Harel (Chairman)
Jean-Claude Béga
Jean de Fondaumière
Stéphane Lagesse

CORPORATE GOVERNANCE COMMITTEE

Alexis Harel (Chairman)
Arnaud Lagesse
Christof Zuber

REMUNERATION COMMITTEE

Arnaud Lagesse (Chairman)
Jean de Fondaumière
Alexis Harel
Christof Zuber

SECRETARY

LUX Hospitality Ltd
Per Désiré Elliah

ALTERNATE DIRECTORS' PROFILES

Jean-Raymond Harel

Born in 1934, Jean-Raymond Harel completed a Bachelor of Science Degree in Chemical Engineering from Louisiana State University in Baton Rouge, Louisiana, USA, in 1957. He had a rich career in the Sugar Industry and relative fields such as design of equipment, general engineering, preliminary studies leading to the implementation of a thermal power plant and setting up of an alcohol distillery and its bottling plant. He was also a member of the Board of the Mauritius Commercial Bank for eighteen years and served two terms as Vice-President and President. He retired from his executive functions a few years ago.
He was appointed as Director of the Company in July 1998 and as Chairman from October 1998 to November 2002. He resigned as Director and was appointed as Alternate Director to Alexis Harel in April 2004.
Directorship in other listed companies : None

Amaury Lagesse

Born in 1961, Amaury Lagesse has studied Management in South Africa and started working in a clothing company in Durban for one year. He then specialised in textile management in England and Scotland before joining in 1987 the Palmar Group, where he currently holds the position of Production Manager.
He was appointed as Alternate Director to Stéphane Lagesse in December 2003.
Directorship in other listed companies : None

Hugues Lagesse

Born in 1975, Hugues Lagesse holds a diploma in administration and finance from "Ecole Supérieure de Gestion et Finance" in Paris, France. In September 2007, he followed a course on Management at INSEAD in Fointainebleau, France and a course in Real Estate development in Paris and at Harvard Business School in Boston, USA.
He is the Senior Development Executive of BlueLife Ltd listed company on the Mauritius Stock Exchange, a member of GML which deals with the promotion and development of land property.
He was appointed as Alternate Director to J. Cyril Lagesse in April 2004.
Directorship in other listed companies : None

Deodass Poolovadoo

Born in 1962, Deodass Poolovadoo was one of the first persons to join the Company in 1990. He graduated in Accounting and Finance from the UK and is the Group Financial Controller responsible for the financial management of the Company and of its subsidiaries.
He was appointed as Alternate Director to Désiré Elliah in August 2009.
Directorship in other listed companies : None

MANAGEMENT AND ADMINISTRATION

EXECUTIVE DIRECTORS
Paul Jones – Chief Executive Officer
Désiré Elliah – Chief Financial Officer
Julian Hagger – Chief Sales and Marketing Officer

CHIEF INTERNAL AUDITOR
Pritila Joynathsing-Gayan

LEADERSHIP TEAM
Marie-Laure Ah-You – Chief Strategy Officer
Nicolas Autrey – Chief Human Resources Officer
Stephane Baras – Directeur Général – LUX*Saint Gilles & Hôtel Le Récif,
Jeff Butterworth – Chief Spa & Wellness Officer
Mario de l'Estrac – Manager - Ile des Deux Cocos
Jérémie de Fombelle – General Manager – LUX* Le Morne
Tony Duval – General Manager - Merville Beach
Tobi Kuhlang – Head of Global Revenue Management
Walter Lanfranchi – Corporate Chef
Brice Lunot – General Manager – LUX* Grand Gaube
Gemma Marsh – Brand Guardianship Manager
Axelle Mazery – Group Press & Public Relation Manager
Ashish Modak – General Manager – LUX* Belle Mare
Smita Modak – Group Training Manager
Henry Niu – General Manager – LUX* Tea House Road
Nitesh Pandey – General Manager – Tamassa
Sydney Pierre – Head of Worldwide Sales
Dev Poolovadoo – Group Financial Controller
Hurrydeo Ramlagun – Financial Reporting Manager
Dominik Ruhl – Regional Director Middle East and Maldives
Ruben Thumiah – Regional Financial Controller
Guillaume Valet – Group Head of Legal, Secretarial and Corporate Affairs
Joe Wu – Managing Director – Greater China

BANKERS
The Mauritius Commercial Bank Ltd
State Bank of Mauritius Ltd
Bank One Limited
Barclays Bank Plc
Standard Bank (Mauritius) Ltd
State Bank of India (Mauritius) Ltd
AfrAsia Bank Ltd
Banque Française Commerciale Océan Indien
HSBC Limited (Mauritius, UK, Germany, Maldives)
Bank of Ceylan
Standard Bank of South Africa Limited
Banque de la Réunion
MCB Seychelles

LEGAL ADVISORS
Clarel Benoit
André Robert
Hervé Duval

AUDITORS
Ernst & Young
Chartered Accountants

REGISTERED OFFICE
Pierre Simonet Street
Floréal
Mauritius

NOTARY
Jean Pierre Montocchio

REGISTRY AND TRANSFER OFFICE
LUX Hospitality Ltd
Pierre Simonet Street
Floréal
Mauritius

G4-5, G4-6

DIRECTORSHIP

AS AT 30 JUNE 2015

	Lux Island Resorts Ltd	Beau Rivage Co Ltd	Blue Bay Tokey Island Limited	Les Pavillons Resorts Ltd	Poséidon Limitée	LUX Resorts Ltd	FMM Ltee	LTK Ltd	MSF Leisure Company Ltd	LIRTA Ltd	LUX Hospitality Ltd	Lux Island Resorts UK Limited	
Autrey Nicolas										✓			
Baras Stéphane													
Béga Jean-Claude	✓												
Burian Peter													
De Fondaumière Jean	✓												
De la Hogue Laurent	✓												
Elliah Désiré	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	
Hagger Julian	✓										✓		
Harel Alexis	✓	✓	✓	✓	✓	✓					✓		
Harel Jean Raymond (Alternate to A. Harel)	✓												
Jones Paul	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Julie B. Suzanne (Alternate to P. Burian and G. Mein)													
Lagesse Arnaud	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	
Lagesse Amaury (Alternate to S. Lagesse)	✓												
Lagesse J. Cyril	✓												
Lagesse Hugues (Alternate to J. C. Lagesse)	✓												
Leon Liu													
Lagesse Stéphane	✓												
Mein Gemma													
Poolovadoo Dev (Alternate to D. Elliah)	✓												
Rey Maxime	✓												
Zuber Christof	✓										✓		

(1&2) Désiré Elliah (Alternate to Arnaud Lagesse)
Robert Ahnee (previous director of WSR) deceased on 8 July 2014.
Neermal Shimadry and Selvinah Vydelingum (Alternate to Neermal Shimadry) resigned from WSR on 31 December 2014

	Lux Island Resorts (Seychelles) Ltd	Lux Island Resorts Maldives Ltd	White Sands Resort & Spa Pvt Ltd	Naïade Holidays (Pty) Ltd	Holiday & Leisure Resorts Limited	Island Light Vacations Ltd	Lux Island Resorts Foundation	Merville Beach Hotel Ltd	Merville Limited	Hôtel Prestige Réunion SAS	Les Villas du Lagon SA	SVHOI SA	LUX Hotel Management (Shanghai) Co Ltd	Néréide Limited	Océanide Limited
											✓	✓			
	✓	✓													
			✓ (1)	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓ (2)	✓ (2)
													✓		
			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	✓	✓													
	✓	✓	✓		✓			✓	✓					✓	✓
			✓												
	✓	✓													

FINANCIAL HIGHLIGHTS & RATIOS

LUX ISLAND RESORTS & SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS	Year ended June 30, 2015	Year ended June 30, 2014	Year ended June 30, 2013	Year ended June 30, 2012	Year ended June 30, 2011
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total Revenue	4,655,096	3,970,747	3,771,263	3,714,030	3,095,265
EBITDA	1,052,389	893,424	774,320	667,049	665,479
Depreciation and amortisation	(372,813)	(308,575)	(313,552)	(309,913)	(244,002)
Operating Profit before finance charges	679,576	584,849	460,768	357,136	421,477
Finance charges	(234,940)	(250,044)	(303,443)	(331,489)	(309,158)
Share of results in associated companies	5,326	263	(12,095)	(11,391)	(66,372)
Profit before taxation	449,962	335,068	145,230	14,256	45,947
Taxation	(63,629)	(53,243)	(38,635)	20,731	(32,963)
Profit after taxation	386,333	281,825	106,595	34,987	12,984
Result after tax from discontinued operation	(11,233)	3,124	3,487	(1,846)	(1,478)
Non-controlling interests	(7,064)	(13,687)	(6,935)	(6,245)	(4,947)
Profit attributable to the Group	368,036	271,262	103,147	26,896	6,559
	Rs	Rs	Rs	Rs	Rs
Earnings per share (EPS)	2.94	2.38	0.91	0.24	0.07
Dividends per share	1.0	0.50	-	-	-

BALANCE SHEETS	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total assets	11,613,009	10,342,196	9,847,589	10,078,596	10,336,220
Interest bearing debt	4,205,140	4,606,325	4,997,687	5,403,286	5,759,881
Borrowing excluding overdraft	3,844,461	4,400,252	4,940,068	5,092,367	5,440,604
Total equity	5,765,153	4,436,734	3,707,444	3,596,254	3,492,707
Net Assets per share	42.24	39.01	32.59	31.62	30.71

FINANCIAL RATIOS					
EBITDA Margin	23%	23%	21%	18%	21%
Interest Cover (EBITDA/Interest)	4.48	3.57	2.55	2.01	2.15
Dividend Cover	2.94	4.77	N/a	N/a	N/a
Return on equity	6%	6%	3%	1%	0%
Return on assets	3.2%	2.6%	1.0%	0.3%	0.1%
Debt to equity	0.73	1.04	1.35	1.50	1.65

FINANCIAL STATUS AT A GLANCE

Consolidated Cash Flow Statement Year ended 30th June 2015		Rs 000
Net cash flows from operating activities		813,106
Net cash flows from investing activities	(1)	(345,442)
Net cash flows from financing activities	(2)	(632,390)
Net decrease in cash & cash equivalents		(164,726)
Cash and Cash equivalents on 30th June 2014		(97,777)
Cash and Cash equivalents on 30th June 2015		(262,503)

Statement of Financial Position As at 30th June 2014	Rs 000
Assets	
Cash and Cash Equivalents	-
Current Assets	*980,462*
Investment & Other	*1,327,536*
Property, Plant and Equipment	*7,925,902*
Total Assets	*10,233,900*
Liabilities & Equities	
Cash and Cash Equivalents	*97,777*
Current liabilities	*1,456,344*
Non-current liabilities	*4,243,045*
Share Capital. Premium & Reserves	*3,345,540*
Retained Earnings	*967,722*
Non-controlling Interest	*123,472*
	10,233,900

Consolidated Income Statement Year ended 30th June 2015	Rs 000
Revenue	4,655,096
Profit for the year	375,100
Non-controlling interest	(7,064)
Profit attributable to the group	368,036

Share Capital & Reserves As at 30th June 2015	Rs 000
Balance at 30th June 2014	3,345,540
Right issue for share exchange	1,144,153
Foreign exchange and other reserve	88,110
Balance at 30th June 2015	4,577,803

Retained Earnings As at 30th June 2015	Rs 000
Balance at 30th June 2014	967,722
Other movement (Note 5)	(13,388)
Total Earnings for the year	368,036
Dividend declared	(136,787)
Balance at 30th June 2015	1,185,583

Statement of Financial Position As at 30th June 2015		Rs 000
Assets		
Cash and Cash Equivalents		-
Current Assets	(3)	875,677
Investment & Other	(3)	1,519,821
Property, Plant and Equipment	(3)	9,119,335
Total Assets		11,514,833
Liabilities & Equities		
Cash and Cash Equivalents		262,503
Current Liabilities	(4)	1,683,991
Non-current Liabilities	(4)	3,803,187
Share Capital. Premium & Reserves		4,577,802
Retained Earnings		1,185,583
Non-controlling Interest		1,767
		11,514,833

Notes

(1) Net cash paid from investing activities is mainly in respect of Capital expenditure incurred during the year. The main one being for LUX* Belle Mare and offset by receipts from sale of LUX* Belle Mare villas during the period. Also included is overdraft of Nereide consolidated as a subsidiary.

(2) Net cash flow used in financing activities is in respect of loan and finance lease repayments.

(3) Movements in Current assets, property, plant and equipment, Intangible and other non-current assets are mainly explained by the consolidation of Oceanide Ltd as a subsidiary.

(4) Movements in non-current liabilities and current liabilities are mainly explained by the consolidation of Oceanide Ltd as a subsidiary.

(5) Adjustment to retained earnings is in respect of acquisition of non-controlling interest of LIRML and also with respect to deemed disposal arising on Lux Hospitality Ltd.

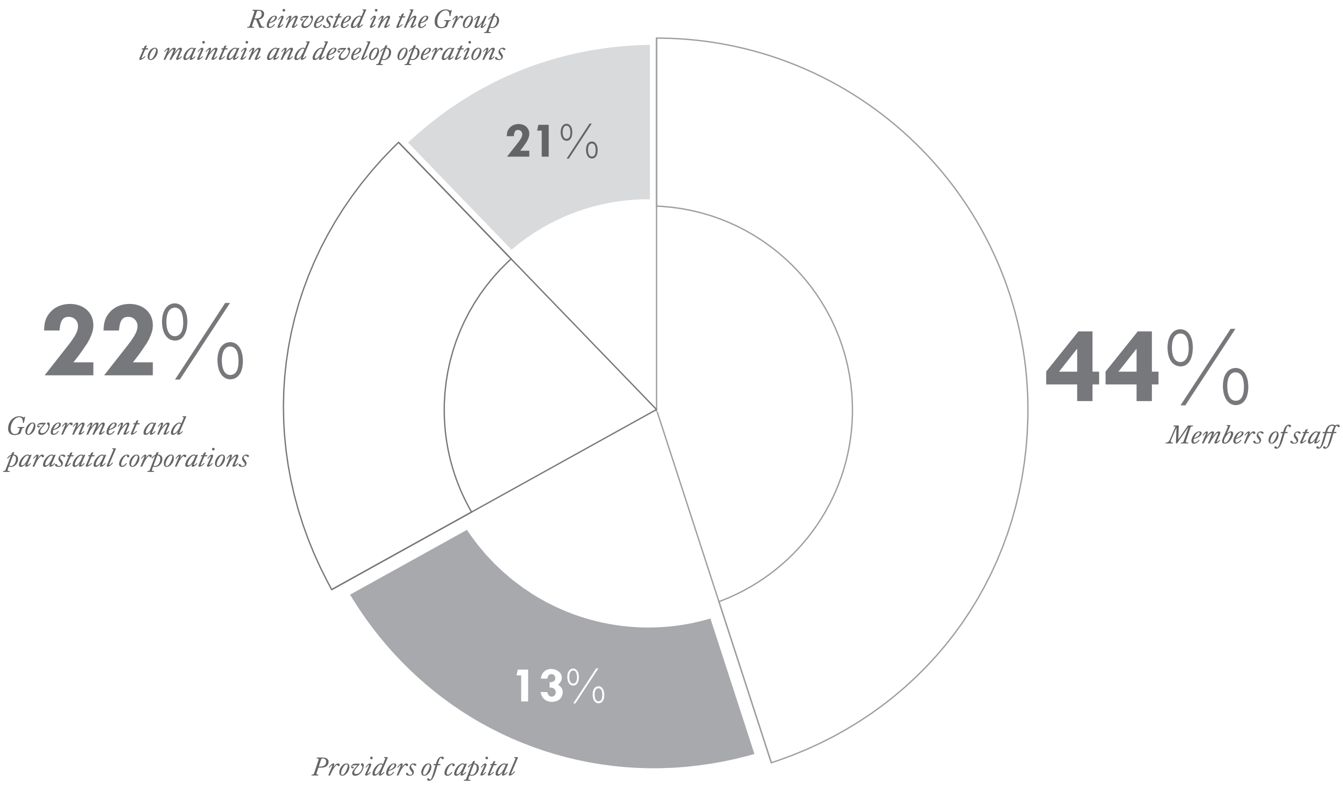
VALUE ADDED STATEMENTS

YEAR ENDED 30 JUNE 2015

	Year ended 30 June 2015	Year ended 30 June 2014*
	Rs'000	Rs'000
Revenue	4,655,096	*4,212,199*
Value Added Tax	437,685	*372,900*
Total revenue	5,092,781	*4,585,099*
Paid to suppliers for materials and services	2,148,721	*1,959,362*
Value added	2,944,060	*2,625,737*
Share of results of associates	5,326	*263*
Discontinued operations	(11,233)	*22,636*
Total wealth created	2,938,153	*2,648,636*
Distributed as follows:		
Members of staff		
Salaries and other benefits	1,294,858	*1,203,778*
Providers of capital		
Dividends to ordinary shareholders	136,787	*56,874*
Interest paid on borrowings	234,940	*259,382*
Profit attributable to non-controlling interests	7,064	*13,687*
	378,791	*329,943*
Government and parastatal corporations		
Value Added Tax	437,685	*372,900*
Income tax (Current and deferred)	63,629	*67,478*
Environmental Protection fee	18,459	*11,848*
Licences, permits and levies	2,838	*3,339*
Lease costs	137,831	*116,505*
	660,442	*572,070*
Reinvested in the Group to maintain and develop operations		
Depreciation and amortisation	372,813	*328,457*
Retained profit	231,249	*214,388*
	604,062	*542,845*
Total Wealth Distributed and Retained	2,938,153	*2,648,636*

* *Includes Hotel le Recif*

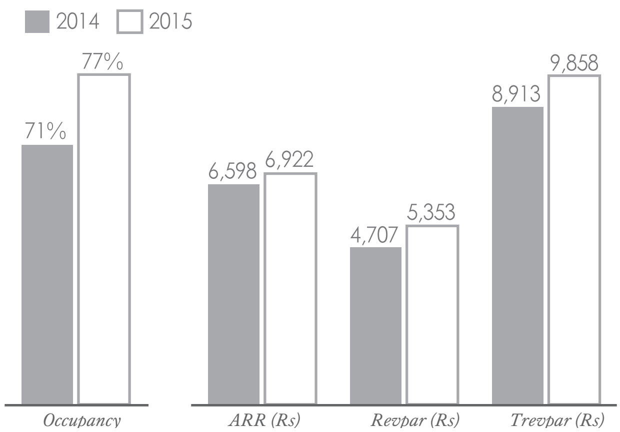
VALUE ADDED STATEMENTS



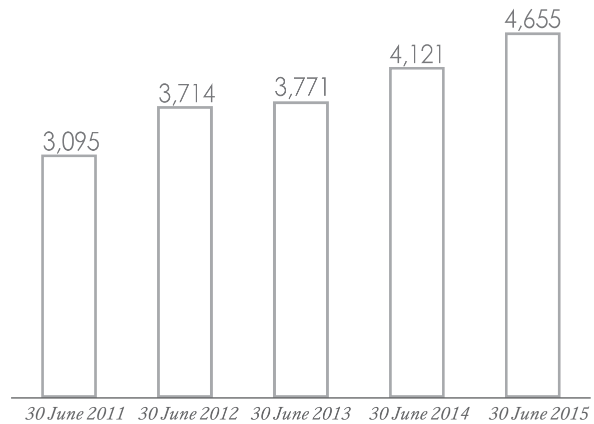
G4EC1

HIGHLIGHTS

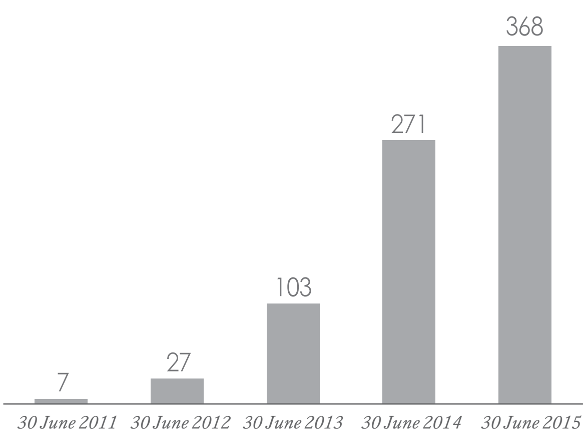
Key statistics



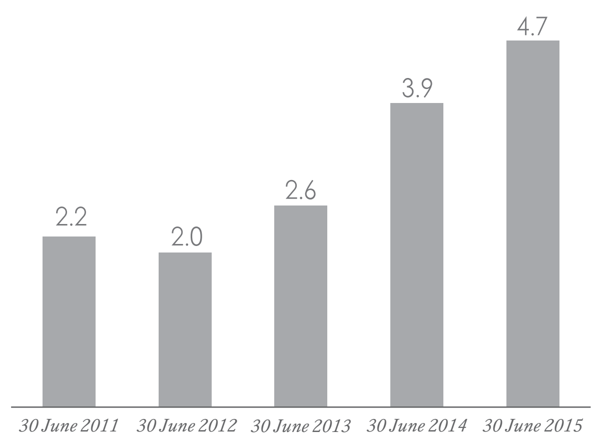
Turnover (Rs m)



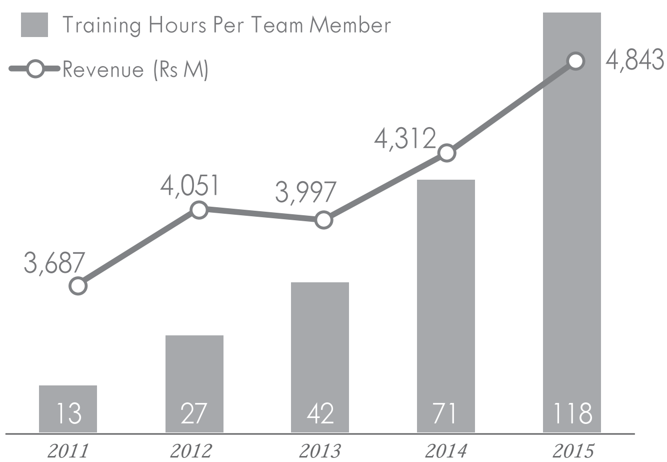
Profit for the Year (Rs m)



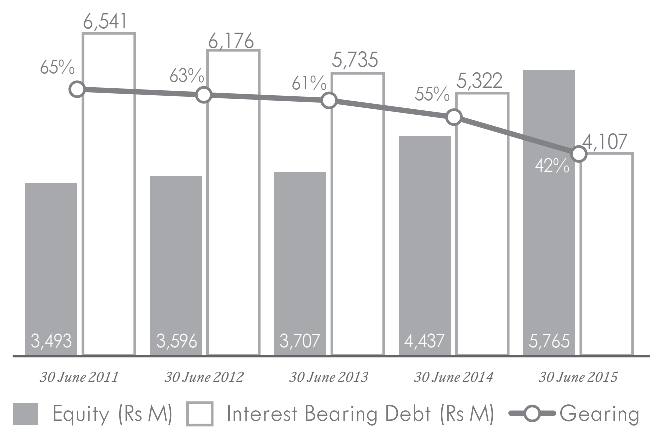
Interest Cover



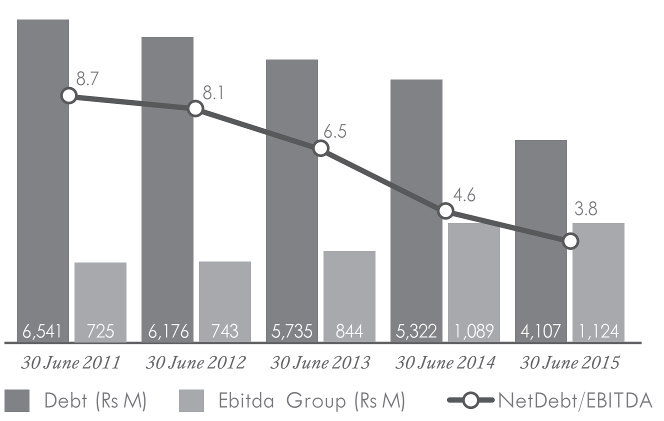
Training hours v/s Revenue



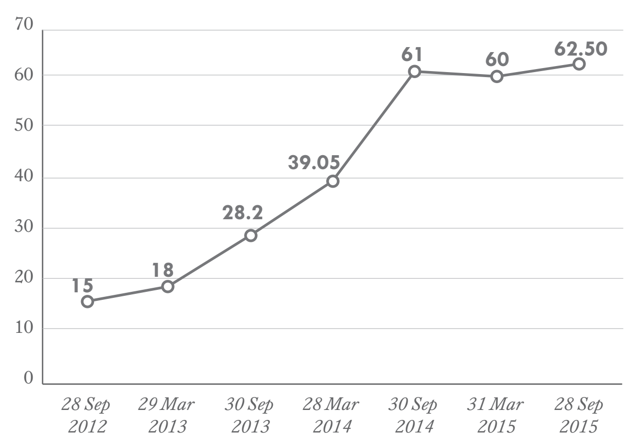
Evolution of Equity, Debt and Gearing



Evolution of Debt, EBITDA and Net Debt / EBITDA ratio



Share Price (Rs)



ARNAUD LAGESSE

Chairman

CHAIRMAN'S REPORT

Dear Stakeholder, I am delighted to present the Integrated Annual Report of LUX* Island Resorts Ltd for the financial year 2014-2015, which combines our financial and non-financial performances.

Our Integrated Annual Report has been aligned with International Sustainability Reporting Framework of the Global Reporting Initiative (GRI). The report is based on the G4 core option and details about the disclosures are found in the Content Index.

We have during the year worked on implementing actions in line with our commitment towards sustainable development.

It is therefore with great pleasure that, on behalf of the Board of Directors, I am submitting my report and the Group's audited results for the year ended 30 June 2015.

The financial year ended 30 June 2015 was a very good year for LUX* Resorts and Hotels with robust earnings growth in the midst of a difficult operating environment and despite the closure of LUX* Belle Mare for two months and the partial closure of LUX* South Ari Atoll, Maldives (25 % of its inventory) for one month in that financial year. I am pleased to report that, in line with our LUX* 2016 three-year strategic plan, for three consecutive years we have achieved double-digit growth in EBITDA. EBITDA for the financial year ended 30 June 2015 increased by Rs 159 million or 18% to reach Rs 1.052 billion. This performance is the result of the dedication, passion and energy of our people, our brand and our relentless focus on delivering on our strategy. On behalf of the Board, I would like to express my heartfelt gratitude to our 2,965 team members for their dedication to ensuring the continued growth and success of LUX* Resorts and Hotels.

The results for the year ended 30 June 2015, as shown on page 83, are not comparable with last year due to the consolidation of Oceanide Limited, the company which owns and operates Tamassa Hotel, as a subsidiary as from 1 January 2015. For a more complete and detailed review of the performance of the Group, I would refer shareholders to the CEO's report on pages 21 to 24.

Total revenue for the year under review reached Rs 4.7 billion, up by 17% on 2014, and profit before Income Tax increased by 34% from Rs 335 million to Rs 450 million. Despite the consolidation of Tamassa's debt as from 1 January 2015, net finance cost for the year, which was Rs 250 million a year ago, went down by Rs 15 million to Rs 235 million as a result of debt repayment and the conversion of 95% of the convertible bonds into equity in December 2014. The attributable profit for the year ended 30 June 2015 improved by 36%, from Rs 271 million to Rs 368 million. Earnings per share (EPS) from continued operations for the year increased by 28% to Rs 3.03, calculated on the adjusted number of shares in issue during the year including the new shares issued on 31 December 2014 following the exchange of shares owned by the outside shareholders of Oceanide and Lux Island Resorts Maldives and the conversion of the convertible bonds for shares in Lux Island Resorts Ltd. EPS in respect of continued and discontinued operations for the same period increased by 24% to Rs 2.94.

Total interest bearing debt at 30 June 2015, after consolidating Tamassa's borrowings and conversion of the convertible bonds amounted, to Rs 4.1 billion compared to Rs 4.5 billion in the previous year, a net reduction of Rs 400 million. The gearing of the Group at 30 June 2015 stood at 42% compared to 50% a year ago and is well below the industry average.

I am pleased to note that since July 2012, the share price of LUX* has been on an upward trend and, at the end of June 2015, it has hit a five-year high at Rs 63.25 despite a 20% increase in the number of shares in issue from 114 million last year to 136.5 million this year. The market capitalisation of the Company stood at the end of the reporting year at Rs 8.6 billion, an increase of 27% compared to a year ago. We remain committed to delivering long-term shareholder value and at the same time providing a sustainable return to our shareholders in terms of dividend. In June 2015, the Board declared a dividend of Re 1.00 per share compared to 50 cents last year, representing an increase of 100%. I am confident that, subject to cash flow, providing there is no deterioration in the environment and the positive trend continues, the Group should be able to maintain and even increase the dividend payout in the coming years.

We are also honoured to have been included in the Stock Exchange of Mauritius's Sustainability Index (SEMSI), which tracks the performance of companies in terms of economic, environmental, governance and social performance factors. LUX* Resorts and Hotels places great emphasis on sustainable development and corporate responsibility and we are pleased to be the first hotel group to form part of the Index. Being part of the SEMSI will also give more visibility to LUX* shares.

G4-1, G4-13, G4-28, G4-30, G4EC2

LUX* STRATEGY

As mentioned in my previous reports, our model is focused predominantly on managing hotels, which will enable us to grow at an accelerated pace with limited capital investment. We take a disciplined approach to capital allocation and we focus on building our brand.

In line with the above strategy, I would like to highlight a few key steps and initiatives that took place during the reporting period:

- The Group disposed of 100% of its shareholding in SAS Le Recif, which owns and operates Hotel Le Recif in Reunion Island on 1st April 2015. Subsequent to the disposal, LIR, through its subsidiary Lux Hospitality Ltd (LHL), signed a long-term management services agreement to market and manage the hotel. LHL also signed a long-term management services agreement and a technical services agreement with the new owner of Le Récif in connection with the design, development and management of a five-star luxury resort comprising of 82 pool villas at St Philippe on Reunion Island's South Coast.
- We signed a long-term management agreement with a hotel owner in the Maldives for the development and management of a 60-private villas, five-star luxury resort. The hotel will be situated in the North Male Atoll, fifteen minutes away by seaplane and sixty minutes by speedboat from the airport. The hotel will be branded LUX* and will be known as LUX* North Male Atoll. Following the signature of LUX* North Male Atoll, we have renamed our existing hotel in the Maldives, LUX* South Ari Atoll.
- We will open a second hotel managed by LUX* in China, the LUX* Tea Horse Road Benzilan, in December 2015. We are also in discussions with a number of hotel owners in China for the development and management of five-star hotels.
  As of now, the Group has signed long-term management contracts with third-party owners for 571 rooms, 400 of which will open in late 2016/early 2017. Our portfolio, which was 100% owned and managed two years ago, will grow to 1,877 rooms by the end of 2016, of which 32% will be managed under the LUX* brand for third-party owners.
- Whilst we expand our brand into new territories through the acquisition of management contracts, we continue to invest in our brand by means of new, refreshed and reinvented properties, with redesigned public spaces and enhanced amenities. We reopened LUX* Belle Mare, LUX* Resorts & Hotels' flagship property, on 1st September 2014, after a two-month closure period. The hotel has since been enjoying considerable success with high occupancy and strong average room rate growth as well as an increasing business factor.

The first phase of the renovation of LUX* South Ari Atoll, which involves the remodeling of 49 water villas, is currently progressing well and will be completed by December 2015. The finished product will be spectacular with all 49 villas having over water pools and a stunning overwater restaurant and bar complex. The renovation of all the remaining water villas, rooms and public areas will be carried out between May and September 2016. The Board is confident that the fully renovated LUX* South Aril Atoll will be able to maintain and improve on its already outstanding results in an increasingly popular destination.

We are also working on the redevelopment of our other owned properties and shareholders will be informed once the plans and financing have been finalised.

OUTLOOK

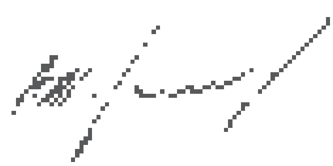
Although the environment remains uncertain, we are confident in our strategy to expand our footprint to become more of a global company through the acquisition of management contracts which will ensure our long-term growth.

As regards to the short term, we are optimistic that, we will continue our progression and will improve on the results produced in 2014/2015.

APPRECIATION

I wish to express the Board's and my own appreciation of the continuous support shown by all shareholders, bankers and business partners. I should also like to extend once more my sincere thanks to our dedicated team members for their valuable contributions and to our Chief Executive Officer and the management team for delivering these outstanding results.

I also express my gratitude to my Board colleagues for their valuable assistance and guidance.



Arnaud Lagesse
Chairman
28th September 2015

“Each guest arrival experience at the resort, is for me like a family member coming home, and I am here to make each moment of their stay with us matter, each minute of their stay a memorable one. I am a firm believer of our values and I do my utmost to practice and implement each value to its fullest. LUX* Resorts and Hotels reflects the future for me and also for my family”

JESSICA VENEETHEETHAN
GUESTS RELATIONS MANAGER LUX* BELLE MARE.

PAUL
JONES

CEO

CEO'S REPORT

Dear Stakeholder, We continue to deliver a superior value proposition to our customers, our people and our partners. In 2014/2015, LUX* Resorts & Hotels delivered another year of strong financial performance. Reported revenue and EBITDA (earnings before interest, tax, depreciation and amortisation) were Rs 4.7 billion and Rs 1.052 billion respectively, a growth of 17% and 18% on last year's turnover and EBITDA. The success story of LUX* Resorts & Hotels is based on the initiatives of incredibly innovative people. People with passion, pride and persistence – People who care – People who go the extra mile to make a difference. I would like to seize this opportunity to thank each and every one of our team members for making each moment matter and helping people celebrate life.

ENVIRONMENT

Tourist arrivals in Mauritius for the financial year ended 30 June 2015 increased by 8% compared with the previous year to reach 1,082,453. Arrivals from Europe, our main market, increased by 8% to reach 581,195. Our three main markets in Europe (France, UK and Germany) went up by 4%, 19% and 9% respectively. Arrivals from Asia reached 181,352, up by 16%, mainly due to an increase in arrivals from China and India of 30% and 17% respectively.

The Maldives continues on its upward trend, albeit at a lower rate compared to previous years. The number of tourist arrivals for the financial year ended 30 June 2015 amounted to 1,212,499, a growth of 2% on the previous year. The Chinese market, which remains the number one source market for the Maldives with 31% of the total number of arrivals, increased by 3% to a total of 370,491.

With regard to Reunion Island, the arrival statistics are not available for the financial year but the occupancy rate for the destination for the year under review went down by 2% to 59%.

GROUP RESULTS

There are a number of widely recognised key industry metrics that are used to track performance. These include occupancy, ADR (average daily rate) and Rev PAR (room revenue per available room) and are amongst the key performance measures actively monitored by LUX* Resorts & Hotels.

I am pleased to report that, for the reporting year, all these key metrics continued to improve. The Group occupancy rate was 77%, up by 6%, and the ADR also improved by 5% over last year. The increase in occupancy and ADR resulted in an increase in Rev PAR of 14%.

Below, we present and comment on the performance of all hotels operated by LUX* for the year ended 30 June 2015. It should be noted that the statutory results include 100% of the turnover and expenses of Tamassa Hotel as from 1 January 2015.

	Year ended 30 June 2015	Year ended 30 June 2014
	Rs 000	Rs 000
Revenue	4,875,384	*4,311,796*
EBITDA	1,100,688	*977,359*
Depreciation	(396,206)	*(343,711)*
Finance charges	(245,680)	*(298,408)*
Profit before income tax	458,802	*335,240*

Total revenue for the year ended 30 June 2015 increased by 13% to Rs 4.9 billion and EBITDA went up by 13% from Rs 977 million to Rs 1.1 billion. The EBITDA margin remained at 22% whilst the net profit margin before income tax improved by 2% points to 9% as a result of the reduction in finance charges (Rs 53 million). However, this favourable impact was reduced by the increase in depreciation of approximately the same amount as a result of the revaluation carried out at the end of last year and by the renovation of LUX* Belle Mare.

Performance inevitably varied across regions and across segments with each facing different economic, social and physical conditions.

MAURITIUS RESULTS

Despite the ongoing challenges in some markets coupled with a weak euro, our hotels in Mauritius delivered strong results during the year under review. The occupancy rate of our Mauritius hotels reached 81% compared to 73% in the previous year. RevPAR improved by 16% as a result of an 8% points increase in occupancy and average daily rate growth of 5%.

G4-8, G4-9, G4-12

Despite the closure of LUX*Belle Mare for two months, the total revenue from our Mauritius hotel operations increased by 15% from Rs 2.4 billion to Rs 2.8 billion. EBITDA for the year 2015 increased by 10% from Rs 596 million to Rs 658 million after accounting for a closure cost of Rs 25 million in respect of LUX* Belle Mare.

MALDIVES RESULTS

Industry dynamics remain favourable in the Maldives with tourist arrivals exceeding 1.2 million and with minimal supply growth. In this environment, and despite the removal of 49 water villas from the inventory for the month of June 2015 for renovation, our Maldives property did very well with an occupancy rate of 78% on available rooms, an increase of 1% point over the previous year. The increase in occupancy, coupled with a 14% increase in ADR, resulted in an increase of 15% in RevPAR for the financial year. EBITDA for the year increased by 18% from Rs 340 million to Rs 400 million.

REUNION RESULTS

Due to their dependency on the French market, our hotels in Reunion Island had another difficult year with arrivals in the island declining. During the year we disposed of Hotel Le Recif which we continue to operate under a long term management contract. LUX* Reunion managed to increase its occupancy by 4% points to 70% but had to reduce their ADR, which dropped by 3%. The combined effect of the increase in occupancy and decrease in ADR was an increase in RevPAR of 2%. Total revenue of the hotel increased by 6% to Rs 568 million and EBITDA was at the same level as last year at Rs 42m. The forthcoming weekly direct flight to China as from November 2015 should improve business and Management is working closely with the French Government to promote the diversification strategy.

PROPERTY, PLANT AND EQUIPMENT

The increase in property, plant and equipment values compared to the previous year is mainly due to assets of the Tamassa Hotel, which is now consolidated as a subsidiary, and capital expenditure incurred in the renovation of LUX* Belle Mare.

LIQUIDITY AND CAPITAL RESOURCES

During the year, Group cash flow from operations amounted to Rs 1.07 billion, an increase of 22% over the previous year. Interest paid by the Group for the year under review amounted to Rs 234 million, a reduction of Rs 54 million, as explained above. Interest cover (EBITDA/finance charges), which was already at a healthy 3.6 cover ratio in 2014, has improved to 4.5 for the year 2015.

The ratio of net debt to EBITDA, which was 16 five years ago, is today 3.8. This ratio is very healthy and is among the lowest in the industry. The Group is now in a strong position to meet its financial commitments and future expansion plans.

Net assets per share as at 30 June 2015 were Rs 42.22 compared to Rs 37.92 at the beginning of the financial year. This ratio increases to Rs 57.07 if the market value of the Group's leasehold land is taken into consideration.

MARKETING AND BRAND

Our customers are our most powerful marketing force

The Lux Hospitality Management philosophy is built on the concept of providing unique experiences for each and every one of our guests, whom after each stay leave with lifelong memories of happy moments.

These lasting memories are shaped by the beauty of the destinations in which we operate; the quality of our resorts; the outstanding service and the delivery of superb experiences which are known as the Reasons to go LUX*.

We have analysed all aspects of the customers' journey and made each and every moment of a guest's stay matter. This is what we mean when we say that our vision is to "help people celebrate life".

At the heart of the positive online feedback we receive, the focus is on our team members who have hosted our guests' stay. Their interactions, genuine and passionate service, the surprising and unexpected moments that they provide and, of course, the special attention given to all our guests is what our customers enthuse about. They have ultimately been touched by the shining service standards of LUX*.

As a result, the sound of our own voice remains discreet and in the background whilst that of our clients continues to get noticeably louder; they have in fact taken charge of our reputation, and with that our brand's image. For us the only way to control the direction of our most powerful marketing force, is to continue delivering on our vision of making each moment matter for all of our guests and to help people celebrate life in ways that are distinctive to LUX*.

Our brand is very much at the centre of our business strategy; from the new resorts and hotels that we manage, to the renovation of existing properties, to the continued development of the Reasons to go LUX*.

We strive to deliver on the promises that we have set ourselves: capturing the consumer's attention and ensuring that they keep cherished memories of their stay with us.

For this, we thank the thousands of team members across the group, who deliver upon the brand promise day in, day out, night in, night out. I think that it is fair to say that without their passion for delivering on our Shining Service Standards we would not have a brand at all...

HUMAN RESOURCES AND CONTINUOUS LEARNING

At LUX* Resorts & Hotels, our people are our most important asset. Our goal is to employ highly talented people who are fully engaged in our business and who deliver high levels of performance. We are therefore committed to developing and delivering initiatives that retain team members whilst attracting new talent to the company.

Serving people requires a compassionate and generous spirit and I am so encouraged when I read the numerous comments of our Guests on different platforms such as TripAdvisor. Those mentions clearly demonstrate that our Team Members are giving their utmost best to fulfil our Purpose of Helping People Celebrate Life, by displaying our LUX* Shining Personality Standards and delivering on the promise of our Brand.

The Management Team will continue to focus strategically on the education of all our Team Members and particularly on the skills required for the execution of our LUX* Shining Hospitality Standards and also strengthening our unique service culture through our renewed partnership with UP! Your Service College and Ron Kaufman. Such training initiative will always be a key driver in our pursuit of operational excellence.

As we prepare to open new properties in newer destinations, another area of strategic focus will be talent management and enhancement which we have commenced in partnership with The RBL Group, a global professional services firm committed to creating value through leadership and talent, strategic HR, and aligned organization capability.

We are committed to retain our best talent as this will be vital to the success of the brand in the coming years. A comprehensive and all-encompassing plan is being put in place to ensure our high potential team members are constantly engaged in learning through a combination of involvement in special projects, formal education, external mentors and community involvement.

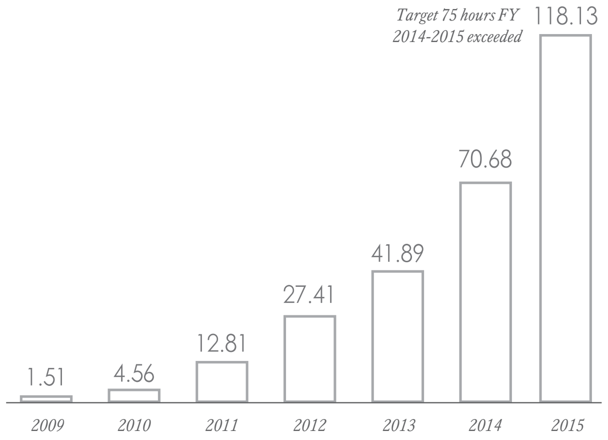
TRAINING HOURS EVOLUTION

I am delighted to share that we have again increased the amount of time invested in training. We closed the financial year at 118 average training hours per team member. Therefore showing an increase of 67% over last year's achievement and outperforming the set target of 75 average training hours.

It is worthy to note that approximately 60% of this accounts for training delivered on-the-job which does not disrupt service delivery in operations.

Another key initiative we have put in place is to increase the number of internal Certified Departmental Trainers who will be responsible to efficiently drive on-the-job training. We have achieved our target for 2014-15 to have 12% of our overall resorts staffing to be Certified Departmental Trainers. The target for 2015-16 is 15%.

TRAINING HOURS PER TEAM MEMBER PER YEAR



LUX* INNOVATION CHALLENGE

The LUX* Innovation Challenge continues to drive our Creativity and is now in its 3rd phase. In 2013 and 2014 we had our teams compete in the following 2 categories respectively:

- Innovate to Increase Loyalty of Guests
- Innovate to Increase Loyalty of Team Members

I am pleased to announce that the best idea "Etiquette and Morale Week" created by the Tamassa Team in last year's challenge won the "Best Initiative in Human Resources" at the Worldwide Hospitality Awards 2014.

The 3rd phase of the LUX* Innovation Challenge is due for launch in November 2015 and the category this time will be "Innovate to Increase Revenues". We are confident that our passionate Team Members will once again give the best of themselves and we look forward to receiving some excellent ideas to further boost our growth in revenues.

The LUX* Innovation Challenge will continue to be our company-wide contest where we will put our 5th value "Creativity" to test. The categories created for the forthcoming years are:

- Innovate to Increase Productivity of Team Members
- Innovate to Reduce Waste

LONG-TERM EXPANSION

We have strived to transform the Group into a more geographically dispersed and international company. Today revenue from our operations outside Mauritius accounts for about 50% of our total revenue. Although we will continue to invest in our Mauritian properties, we will pursue our international expansion in line with our asset-light strategy through hotel management contracts. The international expansion and diversification strategy that we have been working on over the last couple of years will start to pay dividends as from the financial year ending 30 June 2017 with the opening of the hotels in the pipeline – LUX* Al Zorah in the UAE, LUX* North Male Atoll in the Maldives and LUX* Sud Sauvage in Reunion Island. During the current financial year we will further strengthen our presence in the fast-growing People's Republic of China with the opening of our second LUX* hotel at Benzilan and other hotels on which we are actively working with some hotel owners. The increasing visibility of the LUX* brand in China will not only serve inbound tourists but also encourage outbound Chinese travellers to stay at LUX* hotels in countries where we operate.

CAFÉ LUX* FRANCHISE

As part of its Reasons To Go LUX* concept, LUX* created its own coffee brand, Café LUX*. Today you will find a Café LUX* at the heart of all LUX* Resorts and Hotels. We wanted to share this experience with the community and it is in this context that LUX* decided to enter into a franchise agreement with some promoters for the operation of a Café LUX* in the Trianon Shopping Park in Mauritius. The Café LUX* in Trianon is now very popular with people in Mauritius. As a result of its resounding success, the promoters have decided to open a second Café LUX* in the Bagatelle Mall of Mauritius in December 2015. The objective in the short term is to have one Café LUX* in each of the major shopping malls in Mauritius.

AWARDS AND ACCOLADES

We are very proud of the large number of industry awards our brand has won during the 2014/2015 year; we have focused on ensuring the brand stays relevant to the changing needs of our guests. To support this, we conduct intensive survey with our guests to ensure that we have the best possible understanding of their actual needs. This unique insight allows us to better differentiate our hotel experiences and is a key driver in our ability to grow ahead of the market. The number of awards our brand receives externally is remarkable, reflecting the work we have been doing to build awareness, recognition and guest satisfaction. The list of awards received in 2014 / 2015 alone is given on pages 26 to 30.

OUTLOOK

We continue to remain confident in the long-term growth prospects of LUX* Resorts & Hotels. We are constantly looking for growth opportunities and we are working closely with several hotel owners and developers with a view to securing management contracts.

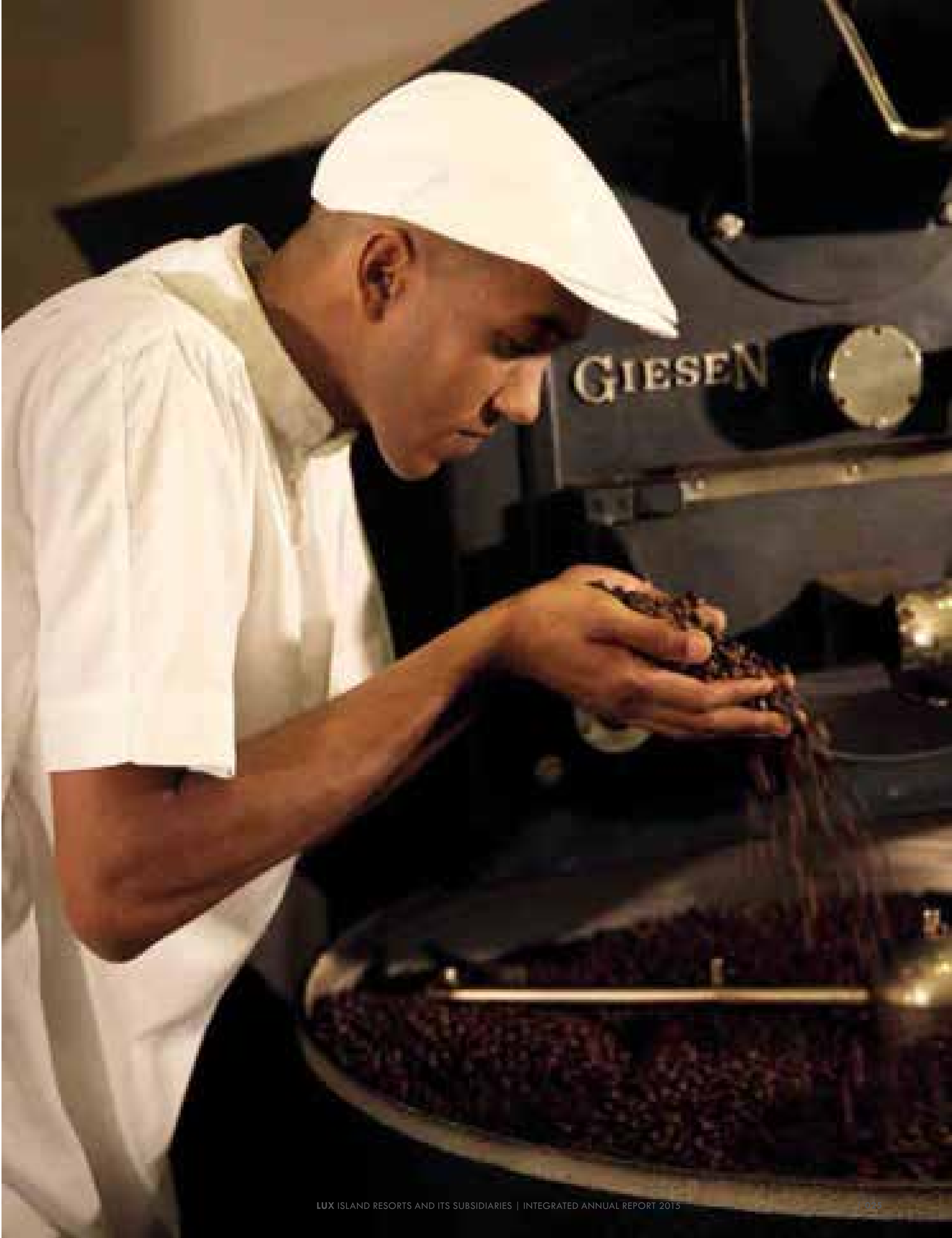
In the short term, on the basis of the estimated results for the first quarter of the new financial year ending on 30 September 2015 and the forecast for the second quarter, and assuming no deterioration in the general economic conditions, we are confident that we will maintain our performance throughout 2015/2016. The increase in arrivals from Europe noted in recent months and the number of additional flights announced as from October 2015 should improve the performance of our Mauritius properties, aided by the continuing increase in arrivals from the Asian market, particularly China. We expect our Maldives property to maintain its strong performance and our hotels in Reunion Island should improve on their results from last year.

I wish to extend my gratitude to my colleagues in the executive management team who all performed well together to deliver the strong results.

In conclusion, on behalf of the Executive Management team, I would like to express our gratitude to all who contributed to our success in the 2014/2015 financial year, including our customers, our guests, shareholders, business partners, suppliers and the communities in which we operate. To our 2,965 team members across all the countries in which we are present, again a profound thank-you for your ongoing dedication, passion and support without which we could not have achieved these results.

I would also like to seize this opportunity to thank my fellow Board members, and in particular the Chairman, Arnaud Lagesse, for their wise counsel and unfailing support.

Paul Jones
Chief Executive Officer
28th September 2015


GIESEN

AWARDS

LUX* RESORTS & HOTELS

2015 - Awarded as Best Hotel Group of the year
for the third edition of the "Ile Maurice Tourisme Awards"

2014 - Awarded "Best Initiative in Human Resource" title for LUX* "Etiquette & Moral Week"
by Worldwide Hospitality Awards 2014

2014 - Awarded "Best Resorts for Weddings and Honeymoons"
by Travel Agents Choice Awards (UK)

LUX* BELLE MARE

2015 - Highly Commended as Best Family Hotel (outside Europe)
at the Junior Design Awards 2015

2015 - Awarded the "2015 Travellers' Choice Award"
by TripAdvisor

2015 - Awarded "Best Overseas Hotel" by Best D.E.S.I.G.N Hotels Awards – The Bund Magazine Shanghai

2014 - Awarded "Best Newcomer"
by Conde Nast Johansens Awards for Excellence

2014 - Highly Commended as Best Family Hotel (outside Europe)
at the Junior Design Awards 2014

LUX* GRAND GAUBE

2015 - Awarded the "2015 Travellers' Choice Award"
by TripAdvisor

2015 – Awarded "Best Wedding Hotel"
by Travel & Leisure China

2014 - Awarded "Certificate of Excellence"
by TripAdvisor

LUX* LE MORNE

2015 - Awarded the "2015 Travellers' Choice Award"
by TripAdvisor

LUX* SAINT GILLES

2015 – Awarded "Reunion Island's Leading Hotel"
by World Travel Awards

LUX* SOUTH ARI ATOLL

2015 - Awarded "Indian Ocean's Leading Beach Resort"
by World Travel Awards

2015 - Awarded the "2015 Travellers' Choice Award"
by TripAdvisor

2014 - Awarded "Leading Family Resort"
by Maldives Travel Awards

LUX* TEA HORSE ROAD LIJIANG

2015 – Awarded "Best New Arrival Award for the Best Luxury Hotel in Lijiang"
from Hurun Report China Best of the Best Awards

2014 – LUX* Tea Horse Road Lijiang wins its first award "Best Theme Hotel of China"
by China Best Hotels & Resorts Award – Travel Info Magazine China

TAMASSA

2015 - Awarded the "2015 Travellers' Choice Award"
by TripAdvisor

2014 - Awarded the "Certificate of Excellence" by TripAdvisor

MERVILLE BEACH

2014 - Awarded the "Certificate of Excellence"
by TripAdvisor

"Working for LUX* Resorts & Hotels is exciting, passionate and thrilling. At LUX* Le Morne, we truly believe that each moment matters, and create memorable LUX* moments for our guests and colleagues. I cannot imagine working anywhere else than at LUX* since I have always been given various opportunities to grow and encouraged to be creative. The LUX* Family is a healthy one and I am proud to be part of it."

VIK CHUTTUR
F&B MANAGER LUX* LE MORNE

COMMENTS & RATINGS

idyllique Wow Fabulous Paradise Amazing beautiful relaxing friendly Awesome excellent fantastic Superb

NISHANTH_86
SEP 17 2015
LUX* Belle Mare

"Hospitality at its best"

"Beautiful resort with excellent hospitality... Probably the best place to stay in east Coast of Mauritius"

GRANDZZI , KINSHASA, CONGO
SEPTEMBER 16, 2015
LUX* Belle Mare

"Fantastic hotel!!!"

"...Our stay was absolutely fabulous!..."

CHRIS9831 , NORTHUMBERLAND
SEPTEMBER 15, 2015
LUX* South Ari Atoll

""Wow...Wow...Wow"

"Food: The best we have had in any resort, great choice, excellently presented and tastes great... Beach: Great beach with an outstanding service... Staff: Always wanting to help, always smiling, always professional, always going that extra mile for you. I am well traveled and this resort and it's staff without doubt provided one of the best services I have seen."

LEIGH & TERRI
SEP 17, 2015
LUX* Grand Gaube

"Amazing place"

"This place is fantastic... Cannot fault this place in any way"

AUDREY J, PARIS, FRANCE
SEPTEMBER 16, 2015
LUX* South Ari Atoll

"Le paradis sur Terre"

"...Le cadre est idyllique et magique. Le staff est parfaitement à sa place. A vivre absolument...."

KYLE J , JOHANNESBURG, SA
SEPTEMBER 15, 2015
Tamassa Resort, Bel Ombre

"Awesome place"

"...the way we were treated it was most certainly 5* but then again thats LUX for you.... The staff go above and beyond to make you feel welcome and cater to your every need... The spa is fantastic, food is fabulous & ambience is awesome - would definitely recommend this resort!"

KARENAA3277VC , SOUTH ARI ATOLL
SEPTEMBER 15, 2015
LUX* South Ari Atoll

"We didn't want to leave"

"...This place is beautiful... it had everything you desired... heaven on earth and add the fact that the employees were so nice and attentive... This resort was luxury with a high attention to detail..."

SARAH R , NOTTINGHAM, UK
SEPTEMBER 16, 2015
LUX* Grand Gaube

"Amazing honeymoon, place and people!!"

"...There aren't enough words to describe just how amazing this place is !..."

366HEIDIN
SEP 17 2015
LUX* Grand Gaube
★★★★★
"Fabulous Stay - friendly staff"

"This hotel is pure luxury... The food is of the best quality... The staff was so friendly, accommodating and the extras that the resort offer from phone home box, ici bar daily to the message in a bottle where you could win a spa treatment or bottle of SA wine. To top that off the LUX* coffee bar - best ever!..."

NIC M , MATLOCK, UK
SEPTEMBER 16, 2015
LUX* Grand Gaube
★★★★★
Amazing hotel, amazing staff!!

"...it was one of the best holidays and hotels we have stayed in... The real making of the hotel is it's staff..."

CHELSIE Q , SOUTHAMPTON, UK
SEPTEMBER 15, 2015
LUX* South Ari Atoll
★★★★★
"...most beautiful amazing place..."

"...It was the most beautiful amazing place I have ever seen in the whole world... the staff were just fantastic... I just burst out crying because it was so incredible... They would hide bottles around the beach and if you found one you would win a bottle, massage or something... There would be a secret bar somewhere on the beach... There is not one thing I can fault..."

CHRISTIANJ426 , BRUSSELS, BELGIUM • SEPT 17, 2015
Tamassa Resort, Bel Ombre
★★★★★
"Cadre idyllique"

"...le service est impeccable... le personnel est très anticipatif..."

MRS_D_T, PORTSMOUTH, UK
SEPTEMBER 14, 2015
LUX* Grand Gaube
★★★★★
"Stunning hotel! Amazing service! Excellent all inclusive package"

"LUX* are an excellent collection of 5 star hotel resorts..."

MISSKX7 , MANCHESTER, UK
SEPTEMBER 15, 2015
LUX* Belle Mare
★★★★★
"Amazing resort!"

"...I would definitely come here again - we had a perfect honeymoon :)..."

MIKNELE , DUBAI, U.A.E
SEPTEMBER 15, 2015
LUX* South Ari Atoll
★★★★★
"Simply superb !"

"...What a beautiful location with great people very efficient and helpful staff. We have never in all our years of travelling experienced anything quite as extraordinary as this..."

KIERAND, DUBLIN • SEPT 16, 2015
Tamassa Resort, Bel Ombre
★★★★★
"The most relaxing holiday ever"

"...it was GOLD STANDARD... All the staff there, without exception, were friendly and went out of their way to make sure every need and whim were catered for.... This is the holiday by which all future holidays will be measured!"

LOLWA A , DUBAI, UAE
SEPTEMBER 16, 2015
LUX* Grand Gaube
★★★★★
"Such a great vacation and resort"

"...it was the best place I've been to in my life, it was the best hotel indeed...loved the movie night outdoors... it was like a dream"

PARESH G
SEPTEMBER 15, 2015
LUX* South Ari Atoll
★★★★★
"Excellent stay in paradise... Did not want to leave"

"We had an excellent stay at the LUX* maldives. Everything was perfect... various surprises on the resort e.g. Cinema outdoors, secret bar... cocktail class, message in a bottle, but overall excellent service from all the staff..."

tripadvisor

COMMENTS & RATINGS

idyllique Wow Fabulous Paradise Amazing beautiful relaxing friendly Awesome excellent fantastic Superb

DR ALI M,
SEP 27 2015,
LUX* Belle Mare

"Wow! What an unbelievable resort!!

The staff members here are incredibly accommodating and flexible and this is what makes this resort so very special."

KATHERINE680,
SEP 6 2015,
LUX* St Gilles

"Tout le personnel est vraiment charmant et à l'écoute"

"Je tenais a remercier chaleureusement tout le personnel du restaurant, leur attention ainsi que leur beaux sourires."

CHRISTINA H,
AUG 24 2015,
LUX* Grand Gaube

'Stunning Staff!"

"...the staff, oh my goodness so friendly and so helpful and all look genuinely happy to work at LUX* Grand Gaube."

SANGTHEHOBO,
SEP 9 2015,
LUX* St Gilles

"LUX Reunion Made our honeymoon more memorable and cherishable"*

"Great resorts with fantastic staff who gave personalized attention."

AYAZ A,
SEP 14 2015,
LUX* Belle Mare

"...the greatest assets of this hotel are the person that works there."

"Great facilities, great staff, great hotel, amazing location- best location on this stretch beach: white sandy sand, water as Evian, scene of a postcard with clean stone free laze."

ANAISLUDOVIC, MENTON, FRANCE,
OCT 19 2015,
LUX* Le Morne

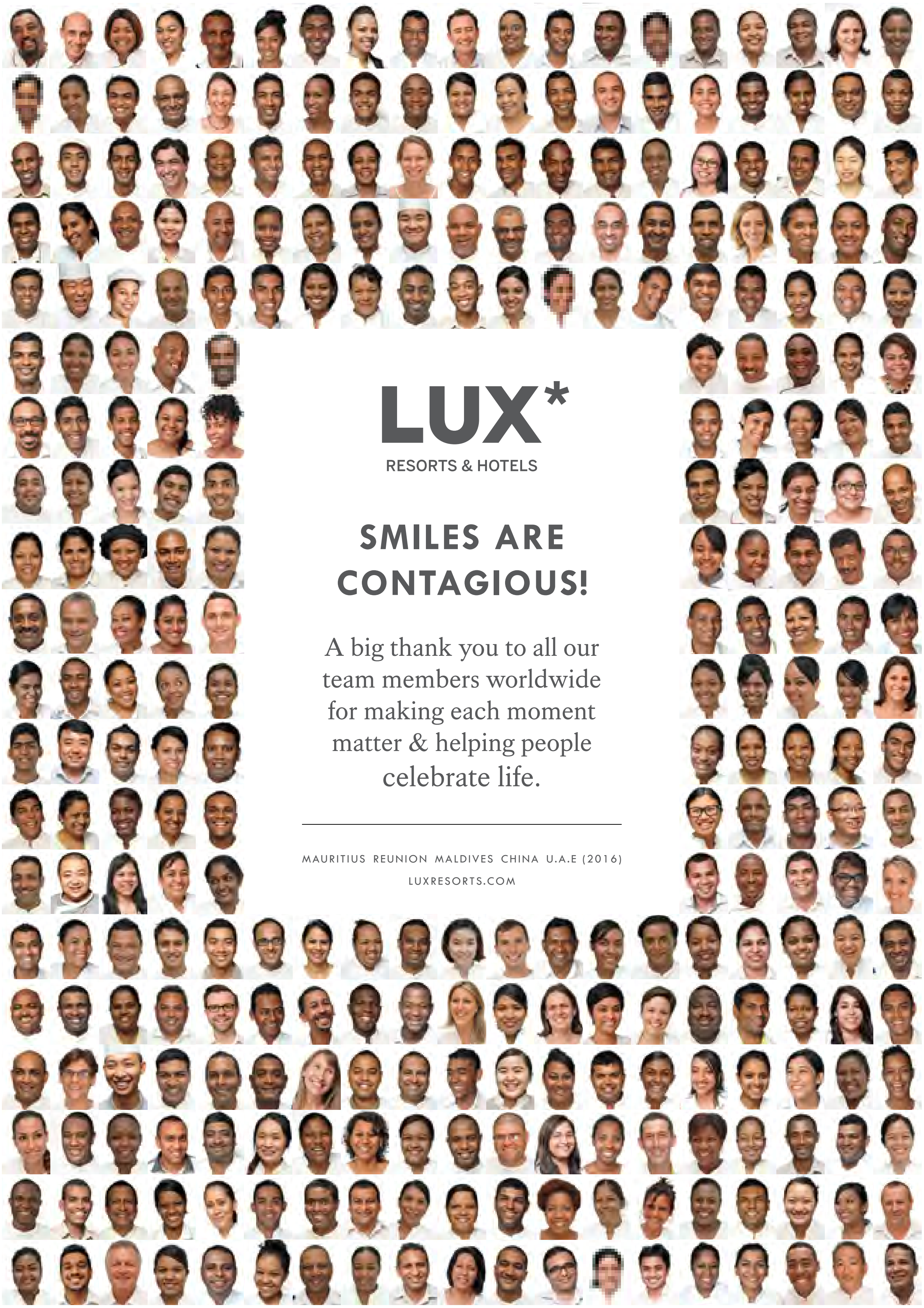
"Exceptionnel !!!!"

« Un grand merci au personnel qui est au top et fera le maximum pour rendre votre séjour le plus agréable possible. Tout le monde est d'une grande gentillesse et d'une grande discrétion et cela est vraiment un plus pour moi. »

XAVIER LAGESSE, MAURITIUS
OCT 21 2015,
LUX* Le Morne

"Séjour Féerique"

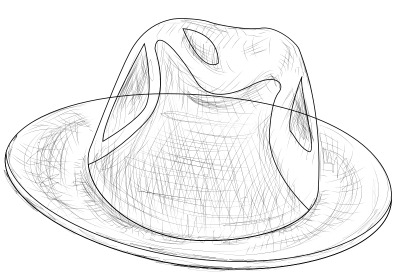
Ces quelques lignes ne suffiront pas à restituer la féerie de ce lieu... Le sourire et l'attention du personnel couronne la quiétude du lieu et offre simplicité et douceur de vivre. Merci à l'équipe si dévouée qui permettent à ceux qui séjournent au LUX* Le Morne de vivre des moments hors du temps.


LUX*
RESORTS & HOTELS
SMILES ARE CONTAGIOUS!
A big thank you to all our team members worldwide for making each moment matter & helping people celebrate life.
MAURITIUS REUNION MALDIVES CHINA U.A.E (2016)
LUXRESORTS.COM

MORE REASONS TO GO LUX*

PANAMA HAT STATION
Need a break from the midday sun? Iconic, lightweight, brimmed straw headgear from Ecuador is an essential for any shade-seeking sartorialist. Whether you prefer the traditional black-grosgrain ribbon or a more boldly hued band, browse the LUX* edit of these classic light-coloured hats at our pop-up stalls and maybe even have your initials embroidered as a memento.

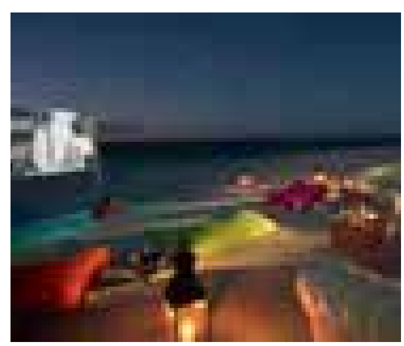
PHONE HOME
Those classic red British telephone boxes in the grounds aren't just ornamental, you know. Step inside and you can call friends and family, locally or internationally, for free – whenever you fancy. No roaming charges; no nasty surprises on your phone bill.



MESSAGE IN A BOTTLE
Every day at LUX* is a treasure hunt. Spot one of our bottles buried on the beach or secreted in the gardens, and you'll be on your way to an unexpected treat. It might be a LUX* Me massage, dinner for two on the beach or something else – there's only one way to find out what's in store: just pop that cork and unroll the scroll...

MAMMA AROMA
From the splash of tropical oil in your tub to the sea-salt scrub that exfoliates your sun-kissed skin, LUX* puts a little extra pampering into every bathroom. Designed to delight and made with minimal environmental impact, our amenities are blended from natural ingredients and island essences, Tibetan roseroot, fragrant flowers and health-enhancing spices. In addition, Shirley Page has created a range of essential oils especially for LUX* Me spa experiences. Not only do they smell incredible, they're also available as a range of facial products, allowing you to take some of that healing home.

SCRUCAP
Wine lovers, rejoice. Our 11 specially selected South African wines have been carefully bottled to taste their very best for you – chardonnay, chenin blanc, pinot noir, sauvignon, shiraz and more. Naturally, our sommelier has a wealth of other labels to tempt you, but we don't know any other 'house wine' that has attracted such a dedicated following of connoisseurs.



CINEMA PARADISO
Beanbags? Check. Fresh popcorn? Well, naturally. Ice cream? But of course. Our alfresco cinema shows cult classics, family favourites, blockbusters and more, in the great outdoors and under the stars...

Need a break from the midday sun?

G4-4

We believe that great coffee isn't just a luxury, it's a daily essential

CAFE LUX*

We believe that great coffee isn't just a luxury; it's a daily essential. That's why every one of our resorts has a Café LUX* at its heart. Savour barista-prepared organic coffee, freshly roasted and blended on site. Cappuccino? Affogato? You got it. Nitro, cold-press or pour-over? Our bean-loving team are dab hands with all the latest trends and techniques.

LUX* ME

Our integrated philosophy of wellbeing offers a step-by-step path to a healthier way of life. In addition to hosting outdoor classes, our personal trainers specialising in Pilates, yoga and meditation can tailor programmes to suit your goals, and our Stephen Price-trained Wellness Concierge can help you create a vitality-boosting regime to ensure you leave LUX* fitter than you arrived.

TREAD LIGHTLY

We can't always promise clear skies but, with your help, we can at least work towards a clear conscience. Memorable holidays shouldn't have to cost the earth. That's why we offset 100% of the carbon emitted at our resorts, and are closely involved in local sustainability and conservation initiatives wherever we go in the world – just a few of the measures that help us to leave a lighter footprint.

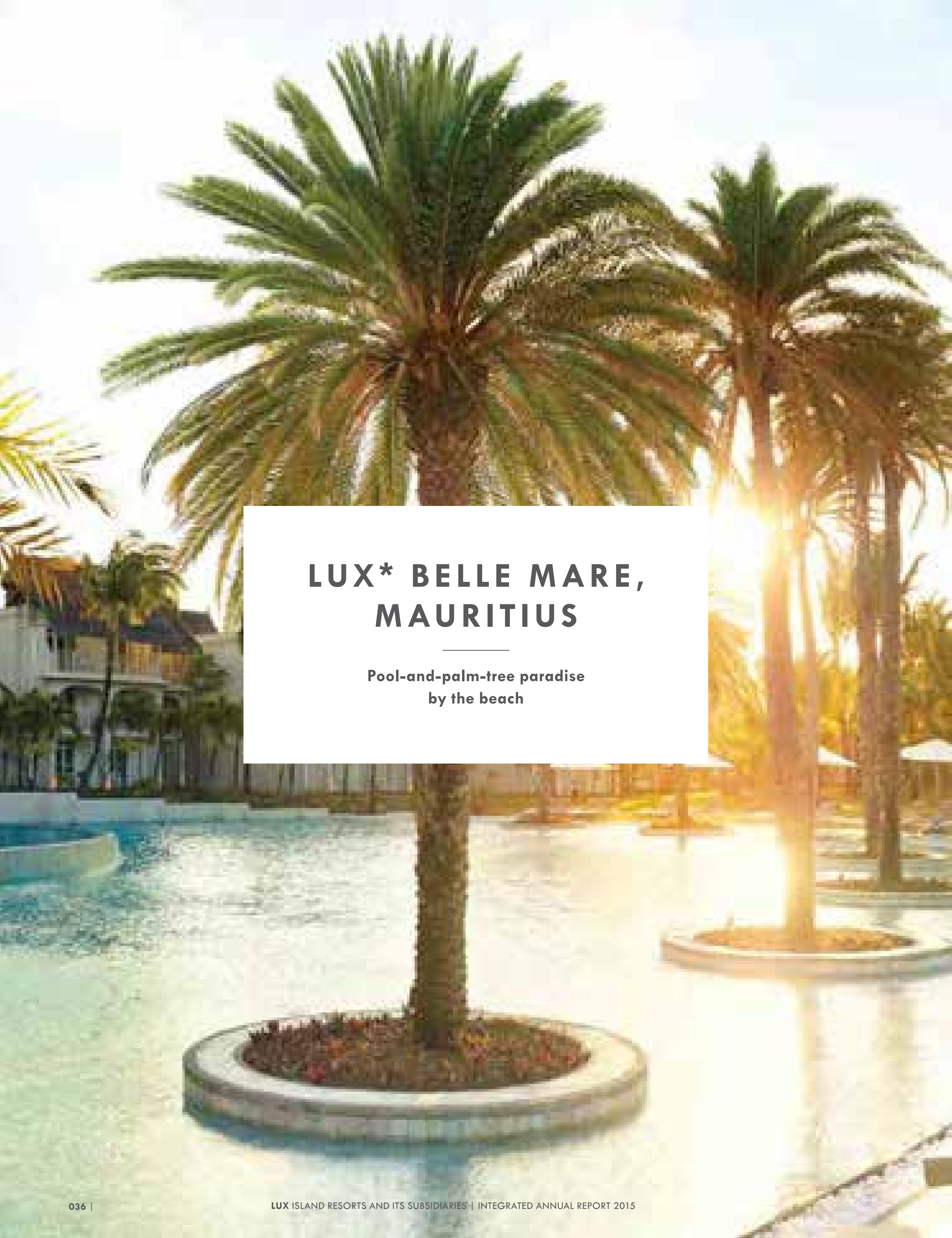
ICI

A holiday without ice cream is like an infinity pool without water. So we've created our own brand, ICI, which we serve in hand-waffled cones. Sicilian pistachio variegato, bubble gum, crema with crunchy hazelnut and an anything-but-average Madagascan vanilla are just a few of our house-made flavours.

TREE OF WISHES

Wishes make the world go round, and LUX* will help you make them. On arrival, you'll be handed a tag or a ribbon to tie to the resort's Tree of Wishes. We can't say for sure that your dream will come true, but we can say that, every year, one ribbon will be chosen to receive a free LUX* holiday.

OUR GROWING RESORTS & HOTELS PORTFOLIO



LUX* BELLE MARE, MAURITIUS

Pool-and-palm-tree paradise by the beach



Designed with Kelly Hoppen's characteristic panache, the thatched mod-colonial suites of LUX* Belle Mare are sea-view sanctuaries set in Stephen Woodhams' glorious gardens. At the heart of the five-star resort is Mauritius' biggest swimming pool, overlooked by foodie destination MIXE and lively rum hut Mari Kontan. Michelin-starred chef Vineet Bhatia is behind Amari by Vineet, serving up a symphony of Indian flavours, and Chinese tastes from dim sum to dandanmian are on offer at Duck Laundry. Gently buzzing by day, sashaying to Balearic beats by night, Beach Rouge is a restaurant-bar with soul, while relaxed gastropub and microbrewery K-Bar delivers craft beers on tap. Expect above-and-beyond service everywhere, from the skilled baristas in Café LUX* to the underwater experts at the Dive Centre. The spa is a knockout too: but it's much more than a pretty space with a specialist tea room; here, qualified therapists ensure you leave feeling your best – whether through treatments, yoga or tai chi. The coastline feels as though you have it to yourselves: crystal-clear water glinting turquoise and sand as powder soft and snow white as you'll ever know.

174 suites, including 51 Junior Suites, 27 Romantic Junior Suites, 33 Junior Suites Pool View, 19 Junior Suites Beach View, 4 Ocean Suites, 7 Honeymoon Suites, The LUX Suite. Four restaurants, two bars, Tea House, Rolls-Royce food truck and a café.*

Don't miss...

- Basking beside beryl waters on the brochure-perfect beach.
- Touring the globe via the Asian, European and African flavours of MIXE.
- Rejuvenating your skin with a sea-salt scrub in the LUX* Me spa.
- Fun times in PLAY for little ones, and in Studio 17 for teens.

You'll also love...

- Exploring the lagoon on a traditional flat-bottomed pirogue fishing boat.
- Dazzling scuba diving, watersports and big-game fishing.
- Lunch on the hoof from the Rolls-Royce food truck.
- Yoga sessions and nature walks through leafy Domaine de l'Etoile.
- Horseriding on Belle Mare Beach.
- Browsing the market stalls at Centre de Flacq.
- Golfing at one of three 18-hole courses nearby.

In the press

'LUX* by name and luxe by nature, LUX* Belle Mare offers white sands, sumptuous rooms and activities such as Teddy Tennis to encourage little ones, plus wellbeing safaris for adults.'
– *BA High Life*

Distance to airport

45km (1h)

TEAM TIP

'Be sure to pay us a visit at K-Bar and discover the art and science of craft beer. Although there's passion and precision in the making of great brews like the Cuvée LUX*, the storage and service are also hugely influential in making the experience such a pleasure.'

Darun
Supervisor, K-Bar

G4-4

It's tempting, that's for sure: fully fitted luxury villas promising all the five-star perks of LUX* Belle Mare on your doorstep, with the added bonuses of round-the-clock personal service, private heated pool and cocktail-perfect garden. Designed by Kelly Hoppen, these bright, elegant and uplifting spaces are soothing and blissfully private – the bathrooms alone are worth writing home about. Entertain in your villa, or call for a ride to a restaurant – do it all your way. Enjoy your own discreet hideaway (that custom-designed bed can be hard to leave), or take a short stroll along the winding path through Stephen Woodhams' gardens down to the Indian Ocean – knowing that sunloungers are always reserved for you on the beach. At LUX* Belle Mare, you are invited to embrace the best of Mauritius' natural beauty, without having to surrender your need for independence, sophistication and service. It's like your own home from home – but even better than you're imagining.

12 villas, all with private pools and butler service, comprising 8 Ocean Villas, 2 Beachfront Villas, 2 Prestige Villas.

Don't miss...

- Lunch on a private island? Just ask. LUX* can arrange exclusive boat trips, including snorkelling, waterfalls and visits to a historic lighthouse.
- Skydiving – just one activity that can be arranged at the click of your fingers. Ease your way back to earth with an hour-long massage in the garden of your villa.
- Alfresco dining in your garden – prepped yourself in your kitchen or delivered from the restaurant.

You'll also love...

- Tempted to book a table for dinner? The iPad LUX* Valet will take care of it – and order pre-dinner drinks straight to your suite.
- A day of LUX* Me treatments tailored to your preferences. Start with a healthy breakfast on your terrace and end with a soothing petal-sprinkled soak in your sunken bath tub.

In the press

'Try an evening of wine tasting, or – even better – take a cookery class with a chef.'
– *Sunday Times Travel Magazine*

Distance to airport

45km (1h)

TEAM TIP

'At Café LUX*, we like to showcase the latest coffee techniques and technologies; my current favourite is our Nitro coffee. Treated with nitrogen and then chilled in a keg, it's then served from a tap like a beer – it even has a foamy head. Sweeter and less acidic than cold-brew coffee, it nonethless packs a punch, which makes it the perfect summer-morning pick-me-up.'

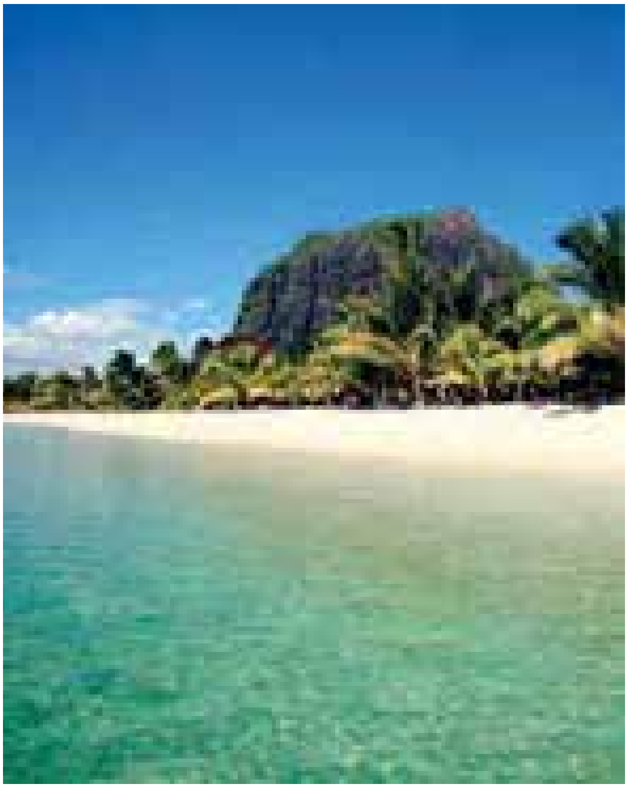
Pooja
Barista

LUX* BELLE MARE VILLAS, MAURITIUS

Rustic luxe and seclusion-on-sea

LUX* LE MORNE, MAURITIUS

Elegant coastal sweep of beach, pool and perfection



Sunsets in Mauritius are invariably magnificent, but seen from the soft white beaches of LUX* Le Morne, they're another level of spectacular. That's not the only sight worth snapping on this leafy Unesco-protected peninsula: there's also the view over the water from your lagoon-facing suite, the kaleidoscope of colour in the flower-filled gardens, and of course, the famous mountain. Even the LUX* Me spa enjoys a grandstand view of the ruggedly inspiring Le Morne Brabant peak. There's more than glorious panoramas though; take a dip in one of four pools, stroll or ride horses along the seemingly endless stretch of talcum-soft sands, or raise it up a gear with tennis, beach volleyball and a raft of watersports. In the mood to explore? Hike or bike your way around the peninsula, or cruise the coast by catamaran, stopping for a splash or a snorkel in the warm crystal waters. And at the end of the day, there's the cosseting surroundings of your suite to tempt you back into slumber. The only challenge? You might not want to shut your eyes and miss a second of this scenery...

149 rooms, including 64 Superior Rooms, 10 Junior Suites, 15 Honeymoon Suites, 45 Prestige Junior Suites and 15 Ocean Junior Suites. Three restaurants, two bars and a café.

Don't miss...

- Just-caught seafood and New World wines at the beach barbecue.
- Savouring Thai tastes in East, and Creole, Indian and Chinese flavours in the Kitchen.
- Cleverly mixed cocktails and fresh juices at the Ilot and Oasis swim-up bar.
- Having your photo taken, backdropped by the stunning pool and the sea beyond.

You'll also love...

- Kite surfing at one of the world's best spots for the sport, right on the doorstep.
- Watching wild dolphins at play just a short boat ride from the resort (see page 67).
- Hiking through the fabulous flora of the Black River Gorges National Park or up Le Morne with the island's only licensed guide.
- Admiring the dunes of Chamarel, aka the Seven Coloured Earths.
- Swinging through the fairways at nearby Tamarina, one of Mauritius' finest golf estates.

In the press

'It's easier to get active when you're on a jaw-droppingly beautiful island – the five-star LUX* Le Morne on the southwest of Mauritius is surrounded by miles of white sandy beaches, sheltered coves and the breathtaking Morne Mountain'
– *Hello! Fashion*

Distance to airport

60km (1h15)

TEAM TIP

'If you're up for the effort, pull on your hiking boots and climb Le Morne Brabant, 555m above sea level. From the top, surrounded by exotic plants and colourful birds, you really understand why Unesco have designated it a World Heritage site.'

Seeya
Resort Hostess

Tiered thatched hideaways framed by filao trees and scattered at the edge of three aquamarine bays... Grand Gaube checks every tropical-paradise tickbox, from palm-tree-strung hammocks to feet-in-the-sand dining under the stars. Throw in a soundtrack of chirping tree frogs and exotic birdsong and it's an experience to spoil all five of the senses. Take it totally easy and shuffle from the LUX* Me spa to one of three tempting pools, or take full advantage and shimmy from a scuba lesson to a sega dance show – watersports, games, and cultural events all come in plentiful supply. Exhausted afterwards? Flop onto a beanbag for a popcorn-fuelled open-air cinema session among coconut palms and the sea breeze. Food lovers, with so much to savour, make sure you pack an appetite, especially if you go all-inclusive. As you'd expect from somewhere with a fishing village next door, the grilled seafood is as delicious as just-caught fish, crab and lobster gets. Sun-blessed by day and moonstruck at night, LUX* Grand Gaube sets out to enchant every guest, whether you're a loved-up couple on your first holiday, seasoned romantics celebrating a landmark anniversary, or a can't-sit-still family determined to take home precious memories.

198 rooms and suites, including 22 Superior Rooms, 104 Ocean Superior Rooms, 46 Deluxe Rooms, 23 Junior Suites, 2 Senior Suites, 1 Emperor Villa. Four restaurants, bar and café.

Don't miss...

- A spicy serving of *gateaux piment* – the much-loved chilli-fritter speciality is best enjoyed as part of a long lazy lunch under the trees at Banyan – The Island Kitchen.
- Swaying to the rhythm of a vivacious sega performance right on the beach.
- A tour of the bay from a stand-up paddle-board or a whirl at beach volleyball.

You'll also love...

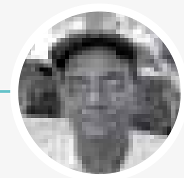
- The bird's-eye view of the spectacular coral reefs by seaplane.
- Dipping your toes into Grand Baie's buzzing scene of bars and boutiques.
- Trying your hand at – or maybe mastering – fishing on a trip to Ile aux Bernaches.
- Bargain-hunting in the Grand Baie bazaar or Goodlands market.
- Escaping from the little ones in Banyan's adults-only zone.

In the press

'It is certainly in a beautiful location, an easy walk from a quiet fishing village on the north coast of Mauritius; every room, suite and villa has lovely ocean views, there are lots of amenities including three swimming pools and a spa...'
– *The Mail on Sunday*

Distance to airport

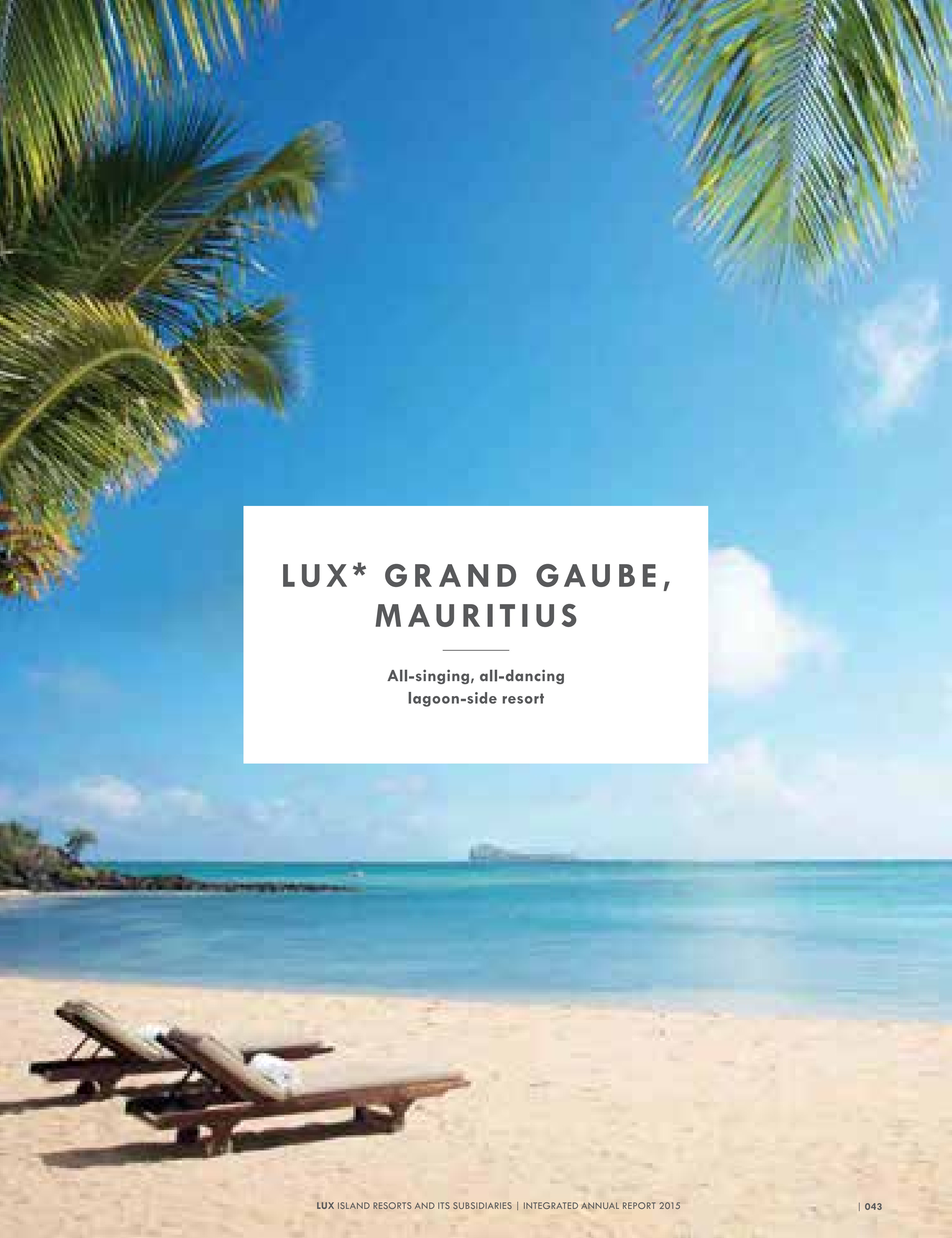
76km (1h15)



TEAM TIP

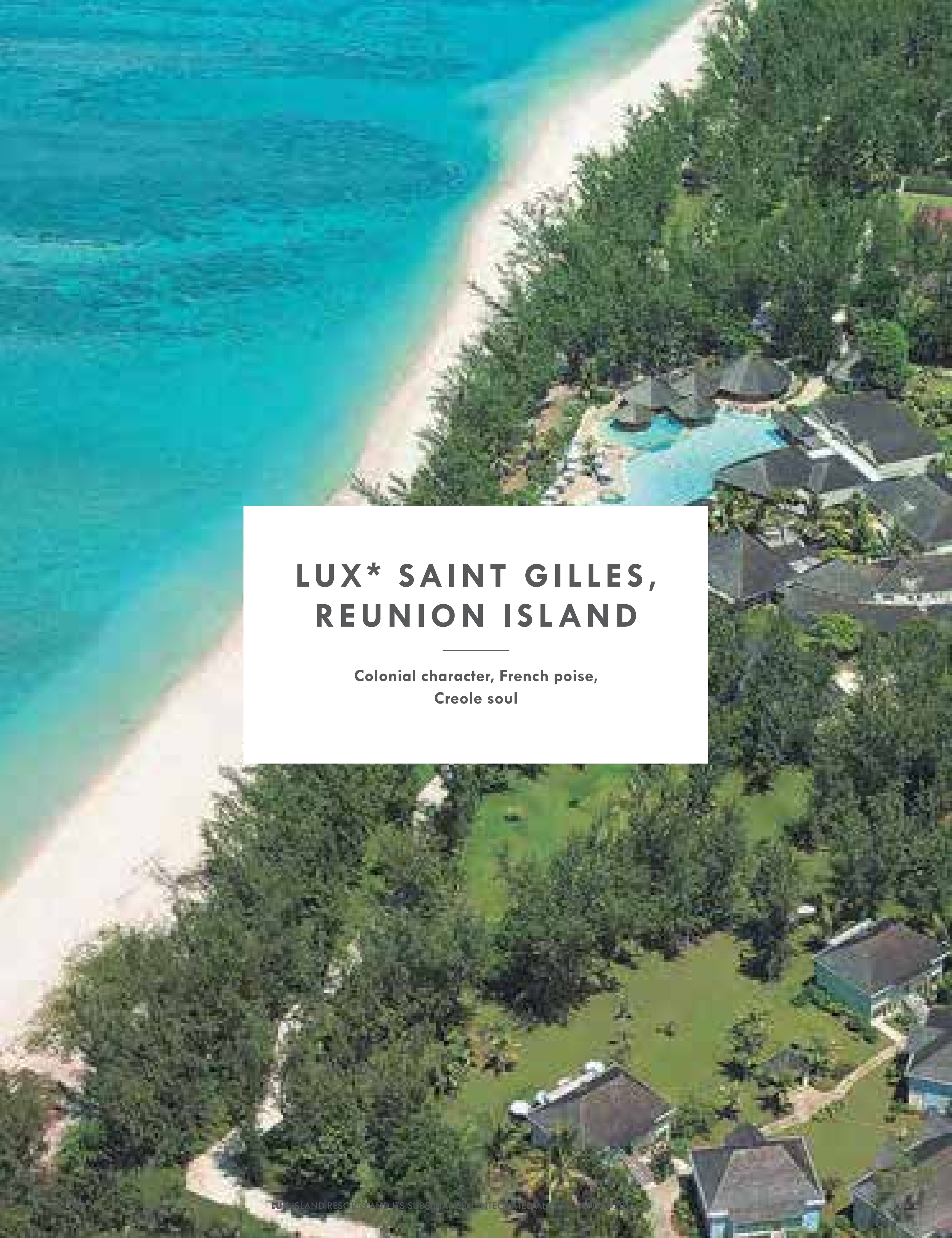
'If you see me in the garden, please feel free to stop and chat! I really enjoy taking interested guests on tours of the gardens and nursery. I could talk about our native plant species all day. If you're lucky enough to find me in my herb garden, I might even rustle you up an infusion made from freshly clipped lemongrass.'

Neermal
Head Gardener



LUX* GRAND GAUBE, MAURITIUS

All-singing, all-dancing lagoon-side resort



LUX* SAINT GILLES, REUNION ISLAND

Colonial character, French poise, Creole soul

Adventurers love this far-flung corner of France. The lush volcanic island of Reunion is an outdoor playground, with peaks to be climbed, waterfalls to be conquered and trails for hiking or biking. And there's no better base than LUX* Saint Gilles. The island's first five-star beach resort sits bang on L'Hermitage, Reunion Island's finest stretch of coral-enhanced sands, fringing a reef-sheltered lagoon. Not fussy or formal, these pine trees and plantation-style porched villas beg you to unwind. Although many guests find there are too many natural attractions on their doorstep to linger long after breakfast, you might be torn about whether to stray further than the sunlounger. As well as the island's largest swimming pool and seven hectares of tropical gardens to lose yourself in, there are Power Plate and Pilates classes, yoga, stretching, tennis, snorkelling and volleyball on tap – plus pétanque too. *Naturellement*. The French accent is also deliciously evident in the elegant eateries, suited to every mood, from relaxed seafood-platter brunches beachside at La Plage to landmark celebrations in elegant Orangine, which, of course, has a wine cellar worth a toast or two.

174 rooms and suites, 85 Superior Rooms, 61 Deluxe Rooms, 8 Junior Suites, 10 Family Deluxe Rooms. Three restaurants, a bar and a café.

Don't miss...

- Lunch *à deux* in the aromatic herb garden or enjoy a romantic dinner on the beach.
- Learning to make zingy Creole curries at Carry's Bar at La Plage.
- Birdwatching from your balcony.
- Borrowing snorkels to get up close and personal with tropical fish, just a few feet from shore.

You'll also love...

- Taking an awe-inspiring tour of the pitons and cirques – best admired from a helicopter.
- Following a speleologist through the lava tunnels of the Piton de la Fournaise (see page 40), or hiking through lush national parks.
- Exploring the Unesco-approved terrain by 4x4, whale watching and waterfall canyoning: the resort specialises in excursions par excellence.
- Discovering the lagoon in a transparent kayak or underwater seascooter.

In the press

'An impressive property with direct access to L'Hermitage beach, a 6km strip blessed with a lagoon rich in marine life.'
– *The Independent*

Distance to airport

Roland Garros Airport: 50km (0h45)
Pierrefonds Airport: 40km (0h35)

TEAM TIP

'The best way to discover the real Reunion Island is with a guided hike around the Cirque de Mafate. It takes about two hours, and the guides know everything there is to know about the history of the cirque and its inhabitants. After a traditional Reunion Island meal, you can rest your legs and admire the incredible landscape from a helicopter.'

Arthur
Internal Sales Manager

A story-book castaway island. Four kilometres of pristine white-sand beach. A stilted pontoon lined with thatched wooden villas jutting out over the impossibly blue waters of the Indian Ocean. Envisaging a perfect picture of the Maldives? Chances are that Dhidhoofinolhu – a private island paradise in South Ari Atoll – looks a lot like what you're imagining. The sheltered lagoon provides unbeatable viewings of stingrays, coral fish, baby black-tip reef sharks and the occasional manta ray, and the five-star PADI diving centre exhilarates pros and novices alike. Take to the waves and go waterskiing, wakeboarding or windsurfing; slice through the surf on a jetski, or strap a water jetpack to your feet and experience the high-octane thrills of flyboarding. On land, follow secret zigzagging pathways through orchid-dotted tropical gardens; hone your backhand on the tennis courts and dip into a perfect pair of turquoise pools. With seven restaurants, you won't have to venture far for dinner and, when you're tempted by a cocktail, there are six bars with shakers at the ready. When darkness falls, Musik, the island nightclub, is there to keep you up beyond bedtime...

193 pavilions, suites and villas, including 36 Beach Pavilions, 12 Junior Suites, 45 Beach Villas, 12 Beach Pool Villas, 38 Prestige Water Villas, 26 Signature Water Villas, 20 Signature Pool Water Villas, 3 Honeymoon Water Villas with pool , 1 Presidential Villa. Seven restaurants, six bars and a café.

Don't miss...

- Snorkelling the clear waters of the house reef.
- Taking a tasting tour of global cuisine, ranging from Maldivian delicacies to fine dining.
- Visiting LUX* Me Spa and Fitness for a restorative Zhengliao cupping treatment or a workout in the outdoor jungle gym.
- Stingray and baby shark feeding every afternoon.

You'll also love...

- A boat tour to a local island or deserted sandbank, crossing spectacular turquoise waters.
- An encounter with whale sharks: join a safari with the in-house marine biologist to spy the world's largest fish.
- The chance to spend a Maldivian evening under the stars, with spiced tea and henna rituals.
- Bike rides and walking tours treating visitors to a taste of local life – look out for coral-stone houses and craft stalls along the way.

In the press

'The only settlement on the postcard-perfect island of Dhidhoofinolhu (easy for you to say!), is the perfect spot for your beach towel'
– *Perfect Wedding*

Distance to airport

25-minute seaplane journey from Malé International Airport during daylight hours. 20-minute domestic flight to a nearby airport and 10-minute speedboat ride after dark.

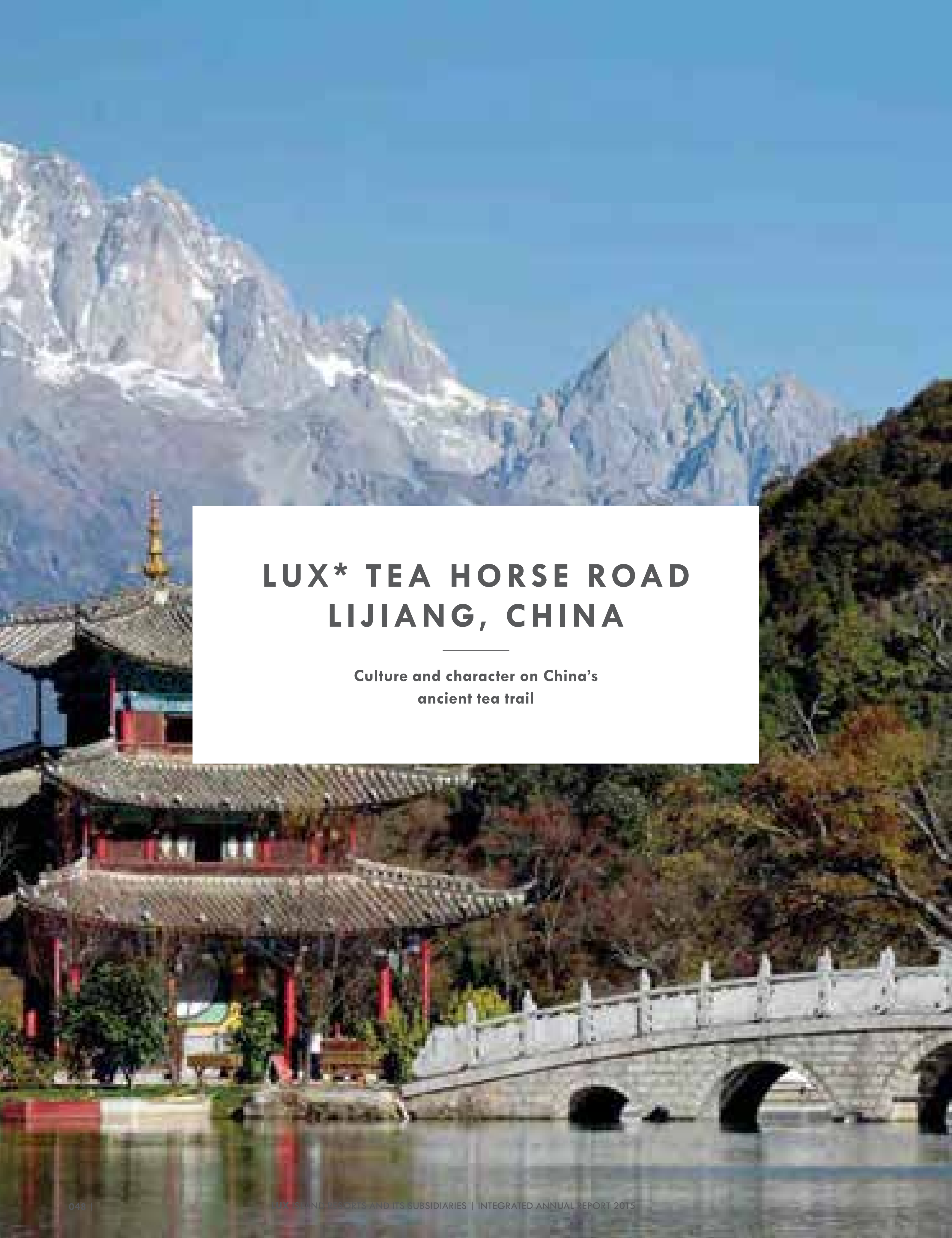
TEAM TIP

'The waters surrounding Dhidhoofinolhu are brilliant for discovering whale sharks. These huge and friendly creatures are fascinating to watch, and the trips we operate will teach you how to identify them individually by their distinctive spots and stripe patterns.'

Chiara
Resident Marine Biologist

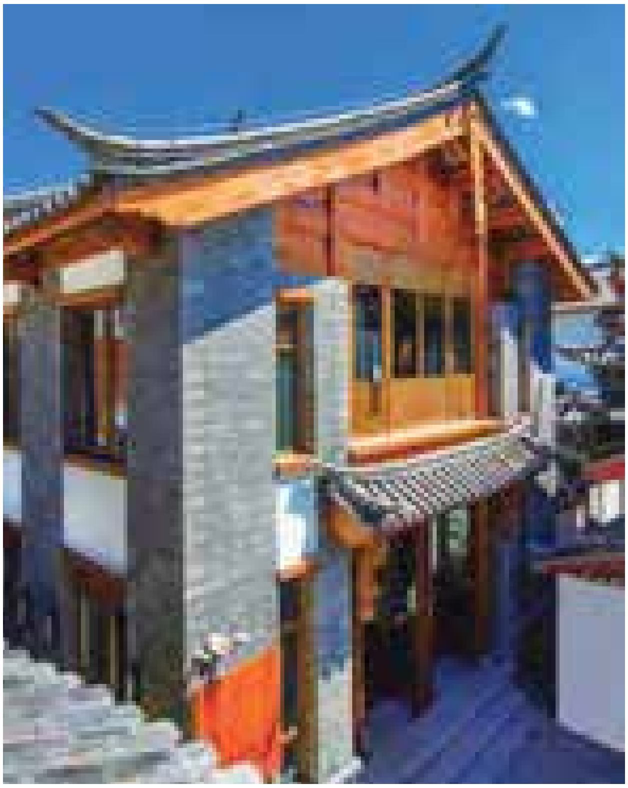
LUX* SOUTH ARI ATOLL, MALDIVES

Fantasy-island overwater villas in a divers' dream world



LUX* TEA HORSE ROAD LIJIANG, CHINA

Culture and character on China's ancient tea trail



The Shangri-La region's age-old traditions and unspoilt landscapes have lured many discerning travellers to this history-steeped area of western China, but now there's another reason to visit. The first LUX* boutique hotel along an exciting new circuit of distinctive stays allows guests to discover the legends of the Tea Horse Road first hand. This serene courtyard sanctuary is seamlessly tucked into the heart of the ancient town of Lijiang, a Unesco World Heritage site that's both rich in culture and astonishing in its beauty. It's a place for explorers; start in the Chamadao library, which spills with stories about this fascinating part of the world, then venture into the highland surroundings to discover Tiger Leaping Gorge, Jade Dragon Snow Mountain, Stone Drum Town – in these parts, the names are as inspiring as the scenery. Here, you can discover the provinces of Yunnan and Sichuan, up towards Tibet, while enjoying all the expected perks of a LUX* experience. With just 10 rooms, you're guaranteed an intimate atmosphere, with personal-touch hospitality to make your Tea Horse Road adventure totally unique and tailored to you.

10 rooms, including 6 Superior Rooms, 2 Deluxe Rooms, 2 Junior Suites. Restaurant, bar, Tea Lounge and Chamadao Library.

Don't miss...

- Learning to prepare varied and flavoursome Yunnan cuisine, with a traditional Naxi market trip and cooking class.
- Sipping delicious Pu'er teas and discovering the local rituals.
- Discovering the ancient art of Dongba pictographs.
- Playing golf on Asia's highest course, the longest par-72 in the world.

You'll also love...

- Horseback riding through spectacular scenery along the ancient trails of the Tea Horse Road.
- Guided hikes through the Tiger Leaping Gorge for every level of fitness.
- Open-air concerts and festivals in Lijiang.
- Bike rides to the ancient towns of Shuhe and Baisha.

In the press

'Rooms offer views over tranquil courtyards and picturesque rooftops. From the hotel, guests can explore nature trails on foot, bike or horseback, learn to cook the traditional Naxi cuisine of the area and its people, and learn about tea ceremonies inspired by tales of the Tea Horse Road.'
– *Metro*

Distance to airport

Lijiang Sanyi International Airport: 28km (0h30)

TEAM TIP

'One of the great thrills of visiting Lijiang is getting lost! Wandering the narrow cobbled lanes of the ancient town brings you a surprise at every turn. But you're never lost for long; three lines in the middle of the road means the main square's not far; two means you're still in the Old Town; and one means you're going into private courtyards and had better turn around…

Lea
Guest Relations Officer

LUX* TEA HORSE ROAD
BENZILAN, CHINA

Yunnan's mountain-gateway getaway

Opening late 2015 A few snow-topped summits along from Lijiang, the second stop on the LUX* Tea Horse Road trail awaits. Here, where the Yangtze river curves its way along the valley floor and the Meili Snow Mountains tower into the sky, 30 rooms and suites offer travellers a window into the region's Tibet-influenced culture and camera-ready landscape. Once a stopping point for caravan trains, Benzilan was famed for the fearlessness of its horsemen. Today, it's a magnet for adventurers – and those in search of soul-easing tranquillity. Start the day with a meditation session overlooking the waters of the Yangtze, then head out with expert guides on mushroom-foraging expeditions, exploring secret trails. Visit frozen-in-time villages, temples and monasteries, or make the most of the mild climate and rest your mountain-weary feet beside the infinity pool. Here, the day unfolds to your schedule; but whatever you do, you're sure to leave with a broadened mind, a nurtured body and an invigorated spirit.

30 rooms, including 22 Superior King Rooms, 6 Superior Twin Rooms, 2 LUX Suites. Restaurant, private dining room, Teahouse, Café LUX* and the Chamadao library.*

Don't miss...

- Joining the monks of the Dongzhulin lamasery as they chant towards the sacred peak of Kawagebo, the highest in the Meili Snow Mountains.
- Visiting a Nixi pottery workshop and learning how to craft the coveted black ceramics of Shangri-La.
- Dining with a Tibetan family, sampling local specialities such as yak meat while sipping on home-made barley whisky.

You'll also love...

- Mountain treks along ancient caravan routes, tailored to your fitness level.
- Leisurely evenings listening to stories of the local traders by the fireside.
- Discovering the history and rituals surrounding Pu'er tea in the LUX* Teahouse (and tea's not the only drink around here – the Café LUX* baristas can whip you up a perk-packed coffee too).

Distance to the airport

Shangri-La Airport: 87km (2h)

LUX* AL ZORAH, UAE

Designer beachside luxury, a short drive from Dubai

Opening late 2016 Amid the luminescent lagoons and creeks of the smallest of the seven Emirate sheikdoms is our first hideaway in the United Arab Emirates, LUX* Al Zorah. This sleek destination resort is an easy 40 minutes by car from Dubai International Airport and a swift 10 minutes from Sharjah. Styled with a blend of modern Arabian grandeur and signature LUX* simplicity by hotel-architect extraordinaire Jean-Michel Gathy, the 191 rooms, suites and private villas guarantee guests lashings of contemporary glamour here on the Arabian Gulf. If you're imagining dusty desert surroundings, however, think again; Al Zorah is a biodiverse coastal oasis, with around 60 bird species living here – including the star-of-the-show pale pink flamingoes who dwell among the mangroves. As you'd expect from LUX*, the wellness facilities are top notch, so relaxation and rejuvenation are definitely on the agenda, but with year-round sun, 12 dazzling kilometres of silky sandy beach and a wealth of outdoor-adventure possibilities, there's plenty to tempt you beyond the treatment room.

191 rooms, suites, chalets and villas, including 139 Standard Guestrooms, 17 Executive Suites, 11 Spa Suites, 10 Pool Chalets, 10 Family Suites and 6 Villas. Two restaurants, two bars and a Teahouse, Café LUX and Beach Rouge.*

Don't miss...

- Diving, boating, kitesurfing, flyboarding and all manner of other waterbound pleasures.
- Birdspotting in the surrounding mangrove forest.
- Inspiring yoga sessions in a naturally spectacular alfresco setting.

You'll also love...

- Strolling a boardwalk parade that promises restaurants, cafés and boutiques galore.
- A visit to the world-class marina and beach club.
- Teeing off at the Jack Nicklaus signature 18-hole golf course.

Distance to the airport

Dubai International Airport: 30km (0h40)

LUX* NORTH MALE ATOLL, MALDIVES

Unparalleled modern luxury, unspoilt island beauty

Opening summer 2016 North Malé Atoll offers you a virgin-island idyll with the inimitable touch of LUX*. Promising the ultimate in castaway luxe with perfectly pitched service, it's the ideal base to discover the water-bound wonders of the Maldives. Each of the 60 contemporary pool villas – with at least two bedrooms – is an architecturally unique pocket of privacy. Admire endless ocean from your floor-to-ceiling villa windows or step from the jetty and onto your personal yacht. With two luxurious cabins, you can set sail for up to seven days. Marvel over rainbow-hued reefs teeming with tropical fish on a snorkelling or scuba trip, or simply sink back into talc-soft sand and soak up the sun – our paradise is yours to play with.

60 villas, including 12 Superior Beach Villas (110sqm), 3 Deluxe Beach Villas (128sqm), 4 Family Beach Villas (161sqm), 1 Royal Beach Villa (319sqm), 30 Superior Ocean Villas (110sqm), 5 Deluxe Ocean Villas (128sqm), 4 Family Ocean Villas (161sqm), 1 Royal Ocean Villa (319sqm). Three restaurants,bar and champagne lounge.

Don't miss...

- Discovering the unspoilt atolls from the deck of your own luxury yacht.
- Diving or snorkelling the coral reef – the marine biology centre can give you the lowdown on the life aquatic.
- Swimming in the resort's millpond-still lagoon.

You'll also love...

- Melt-in-the-mouth sushi and sashimi at the overwater Asian restaurant.
- Committing those ocean views to canvas at the resort's art studio.
- Winding down with a LUX* Me treatment after an expert-led workout or watersports session.

Distance to the airport

56km (1h) by speedboat

LUX* SUD SAUVAGE, REUNION ISLAND

Opening late 2016 LUX* Sud Sauvage is a villa-only eco resort that has found its niche on Reunion Island's Côte Sauvage. Nestled in lush tropical greenery, each of the 82 150m² villas welcome discerning travellers in search of authenticity and luxury with discreet charm. Clean lines, generous views of the natural surroundings, omnipresent light, and contemporary design offers unpretentious luxury. These prestigious villas each with their own private pool, are part of a new villa design concept, and a new art of living in a completely secure environment, with secluded private gardens. The warm and integrated architecture harmonises perfectly in the interior and exterior design.

82 private villas, Spa, Café LUX, restaurant and Beach Rouge*

Don't miss...

- The Helicopter - A unique experience to discover the beautiful landscapes of Reunion Island form up above. More than pictures, bring back enchanted memories with you.
- The Volcano - A magic moment. A journey of two kilometres between the top and bottom of the lava flow tunnel grid allows you to discover galleries of all sizes, chambers, frozen lava cascades, shafts of light (the Cathedral) and numerous concretions.
- LUX* Me spa and wellness Safari including yoga sessions in the beautiful outdoors or create a vitality boosting programme that considers lifestyle as a central part of its approach.

You'll also love...

- Mountain treks discovering all the riches offered by this extraordinary island
- Leisurely afternoons in the green corridor of approximately 1.5 hectares; a sanctuary for the most remarkable species including sheltering of protected orchids such as the delicate comet orchid
- Discovering the history, culture and gastronomy of this vibrant island.

LUX* DIANSHAN LAKE, CHINA

Opening in 2017

CORPORATE GOVERNANCE REPORT

STATEMENT OF CORPORATE GOVERNANCE

The Group is engaged in adhering to the Code of Corporate Governance issued by the National Committee on Corporate Governance. The Board is fully committed to attaining and sustaining the highest standards of Corporate Governance with the aim of long-term value creation for the shareholders. This is achieved through group-wide awareness of business ethics and the stewardship and supervision of the management of the Group by the Board of Directors and the various Committees of the Board.

COMPANY CONSTITUTION

A copy of the Constitution is available at the registered office of the Company and on its website *www.luxresorts.com*.

There are no clauses of the constitution deemed material for special disclosure.

SHAREHOLDING

At 30th June 2015, the Company's share capital was Rs 1,367,865,350 (136,786,535 shares of Rs 10 each) and there were 3,471 shareholders (30.06.14: 3,277) on the registry.

The directors regard GML Investissement Ltée (GMLIL) as the ultimate holding company and as at 30th June 2015, two directors were common to the Company and GML Investissement Ltée (GMLIL), namely Messrs Arnaud Lagesse and J. Cyril Lagesse.

Shareholding of more than 5% of the Company at 30th June 2015 were:

GML Investissement Ltée	*38.31%*
MCB Group	*10.02%*
The Anglo-Mauritius Assurance Society Ltd	*6.36%*
Other shareholders	*45.31%*
Total	*100.00%*

The Company's shareholding profile as at 30th June 2015 was as follows:

Defined Brackets	Number of Shareholders	Number of Shares Owned	Percentage %
1-500	*1,168*	*214,939*	*0.157*
501-1,000	*398*	*327,050*	*0.239*
1,001-5,000	*914*	*2,326,422*	*1.701*
5,001-10,000	*333*	*2,476,080*	*1.81*
10,001-50,000	*464*	*10,142,284*	*7.415*
50,001-100,000	*79*	*5,789,633*	*4.233*
100,001-250,000	*60*	*8,719,412*	*6.374*
250,001-1,000,000	*46*	*21,370,027*	*15.623*
1,000,001-1,500,000	*2*	*2,146,587*	*1.569*
Over 1,500,000	*7*	*83,274,101*	*60.879*
	3,471	*136,786,535*	*100.00*

G4-34, G4-56

SUMMARY OF SHAREHOLDER CATEGORY

Category of Shareholders	Number of Shareholders	Number of Shares Owned	% of Total Issued Shares
Individuals	*3,088*	*30,687,618*	*22.435*
Insurance and assurance companies	*22*	*11,327,994*	*8.282*
Pension and provident funds	*18*	*1,900,015*	*1.389*
Investment and trust companies	*6*	*57,465,796*	*42.011*
Other corporate bodies	*337*	*35,405,112*	*25.883*
	3,471	*136,786,535*	*100.00*

SHARE PRICE INFORMATION

At the time of reporting, the share price of the company is around Rs 63/- compared to Rs 55/- at the same period for the previous financial statements.

SHAREHOLDERS' AGREEMENT

The Company is aware of the existence of a shareholders' agreement, signed in September 2007 between GMLIL, Forward Investment and Development Enterprises Limited and the Anglo-Mauritius Assurance Society Limited, which together hold 47.69% of the share capital of the Company.

This agreement, which is mainly a working arrangement among the shareholders mentioned above, takes into account the interest of all shareholders under the Companies Act 2001 and the principles of good Corporate Governance. It makes provision for the management of Lux Island Resorts Ltd and lays down procedures for key decisions, the administration and constitution of the Board and committees of the Board, dividend policy, retention and disposal of shares, and pre-emption rights.

MANAGEMENT AGREEMENT

LUX Hospitality Ltd, a subsidiary of Lux Island Resorts Ltd, was incorporated for the purpose of securing management contracts from third party owners. As from the 1st February 2013, all existing management contracts between Poseidon Limitee and the hotels within the Group have been transferred to LUX Hospitality Ltd.

DIVIDEND POLICY

Subject to internal cash-flow requirements and the need for future capital investments, it is the Company's policy to declare 50% dividends out of profits available for distribution, in accordance with the Companies Act 2001. The Audit Committee and the Board ensure that the Company satisfies the solvency test at each dividend declaration.

The Board declared a final dividend of Re 1.00 with respect to the year ended 30th June 2015.

Summary of dividend per share paid over the past five years in MUR:

Period	Interim	Final	Total
Year ended 30th June 2011	*nil*	*nil*	*nil*
Year ended 30th June 2012	*nil*	*nil*	*nil*
Year ended 30th June 2013	*nil*	*nil*	*nil*
Year ended 30th June 2014	*nil*	*0.50*	*0.50*
Year ended 30th June 2015	*nil*	*1.00*	*1.00*

BOARD OF DIRECTORS

There has been no change in the Board of Directors of the Company as at 30th June 2015.

The re-appointment as directors of Messrs Alexis Harel and Stéphane Lagesse who retired by rotation shall be submitted to the approval of the shareholders at the forthcoming Annual Meeting of Shareholders, together with the re-election of Mr J. Cyril Lagesse as Director under Section 138(6) of the Companies Act in line with the recommendations of the Corporate Governance Committee, which also serves as Nomination Committee.

All new directors are given a Directors Induction pack to get acquainted with the Company and its subsidiaries. They are also encouraged to meet with the Company's senior officers to gain a better insight into the operations.

The table below sets out the directors' respective category, direct and indirect interests and number of other directorships in listed companies as at 30th June 2015:

Directors	**Category**	**Direct Interest**		**Indirect Interest**	**Number of Other Directorships in Listed Companies**
		Shares	**%**	**%**	
Jean-Claude Béga	*NED*	*239,253*	*0.17*	-	*2*
Jean de Fondaumière	*INED*	*47,932*	*0.03*	-	*4*
Laurent de la Hogue	*NED*	*25,000*	*0.01*	-	*2*
Désiré Elliah	*ED*	*749,977*	*0.54*	-	-
Julian Hagger	*ED*	*108,720*	*0.07*	-	-
Alexis Harel	*INED*	*23,184*	*0.01*	-	*2*
Paul Jones	*ED*	-	-	-	-
Arnaud Lagesse	*NICB*	*53,316*	*0.03*	*0.57*	*7*
J. Cyril Lagesse	*NED*	*165,080*	*0.12*	-	*3*
Stéphane Lagesse	*NED*	*118,276*	*0.08*	-	*1*
Maxime Rey	*NED*	-	-	-	*3*
Christof Zuber	*INED*	-	-	-	-
Jean-Raymond Harel	-	*23,600*	*0.01*	-	-
Amaury Lagesse	-	*20,933*	*0.01*	-	-
Hugues Lagesse	-	*11,642*	*0.00*	*0.10*	-
Dev Poolovadoo	-	*479,071*	*0.35*	-	-

ED	Executive director
INED	Independent non-executive director
NED	Non-executive director
NICB	Non-independent Chairperson of the Board

Following implementation of the executive share scheme, the following directors of LUX* Island Resorts Ltd have direct holding in the subsidiary, Lux Hospitality Ltd.

	% Holding in Lux Hospitality Ltd
Paul Jones	*1%*
Désiré Elliah	*0.33%*
Julian Hagger	*0.43%*

Apart from the above holding none of the directors have any interest in the subsidiaries of the Company.

During the period under review, share dealings by directors (including Alternate directors) were as follows:

	Number of Shares Purchased/(Sold) Directly	Number of Shares Purchased/(Sold) Indirectly
Jean de Fondaumière	*47,932*	-
Désiré Elliah	*(105,789)*	-
Alexis Harel	*1,646*	-
Paul Jones	*(100,000)*	-
Arnaud Lagesse	*3,435*	-
J. Cyril Lagesse	*74,510*	-
Stephane Lagesse	*10,712*	-
Dev Poolovadoo	*(7,876)*	-

The directors endeavour to follow the principles of the Model Code for Securities Transactions by Directors of Listed Companies as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules 2000, and disclose any transaction in the shares of the Company as applicable.

The Company keeps an Interests Register in accordance with the Companies Act 2001 and an Insiders Register pursuant to the Securities Act 2005, and the registers are regularly updated with the information submitted by the directors and/or other insiders as applicable.

COMMUNICATION

The Chairman and the Management of the Company regularly meet fund managers, institutional investors and investment analysts to discuss the state of affairs of the Company and that of the industry in general, within the parameters of the Listing Rules and other applicable regulations. Any figures or information presented to those panels are simultaneously posted on the Company's website.

The Company communicates with the broader investment community and stakeholders via press releases and its quarterly results, which is also published on the website.

BOARD APPRAISAL

The Board appraisal is conducted annually by means of a questionnaire filled in by each director. The questions asked were categorised as follows:

- Company's relationship and communication with its shareholders.
- Board's responsibilities and relationship with Executive Management
- Size, composition and independence of the Board
- Board meetings and Chairman's appraisal
- Board's committees
- Director's self- assessment

The results were analysed and discussed in the Corporate Governance Committee and improvement actions were considered for implementation. For the year under review, the evaluation process confirmed that a majority of directors consider the Board to be effective and well balanced.

BOARD ACTIVITY DURING THE YEAR

The Board met six times between 1st July 2014 and 30th June 2015 - the individual attendance by directors is detailed below - for the purpose of considering and approving, amongst other things:

- The audited financial statements for the year ended 30th June 2014 and relevant publications
- Update on various projects
- Approval of Q1 results
- Approval of Q2 results
- Approval of Q3 results
- Budget for the financial year ending 30th June 2016

Decisions were also taken by way of written resolutions signed by all the directors.

Attendance Report (Period ended 30th June 2015)

		Committees		
	Board	**Audit**	**Remuneration**	**Corporate Governance**
Number of meetings held	*6*	*5*	*2*	*2*
Jean-Claude Béga	*6*	*5*		
Laurent de la Hogue	*6*			
Jean de Fondaumière	*5*	*5*	*2*	
Désiré Elliah	*6*			
Julian Hagger	*6*			
Alexis Harel	*5*	*5*	*2*	*2*
Paul Jones	*6*			
Arnaud Lagesse	*6*		*2*	*2*
J. Cyril Lagesse	*5*			
Stéphane Lagesse	*5*	*5*		
Maxime Rey	*5*			
Christof Zuber	*5*		*2*	*2*
In attendance				
Chief Executive Officer		*2*		*2*
Chief Financial Officer		*5*		
Chief Internal Auditor		*5*		
External auditors		*1*		

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Audit Committee is governed by a Charter which is in line with the provisions of the Code of Corporate Governance for Mauritius ("the Code").

The overall objective of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities. In so doing, the committee will review the financial reporting process, the system of internal control and management of risks, the audit process, the ethical behaviour of the Company, its executives and senior officials, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct.

In performing its duties, the committee maintains an effective working relationship with the board of directors, management, and the internal and external auditors. The committee mainly makes recommendations to the board for its approval or final decision.

To perform his or her role effectively, each Committee member is encouraged to obtain an understanding of the detailed responsibilities of Committee membership as well as the Company's business, operations, and risks.

The Audit Committee met five times during the year and has, amongst other things considered the following:

- Approval of the financial statements as at 30th June 2014
- Review of the budget for 2015/16
- Audit Plan for 2015/2016
- Taken cognizance of the internal and external audit reports issued.

The members of the Audit Committee are as follows:

Alexis Harel – Chairman
Jean-Claude Béga
Jean de Fondaumière
Stéphane Lagesse

REMUNERATION COMMITTEE

The Remuneration Committee has as its main aim to determine the basic salary and other benefits attributable to the Senior Officers of the Company and that of the Directors. In this exercise the Committee takes into account prevailing market conditions and the job profile and responsibilities of the Officers and Directors.

The Remuneration Committee met two times during the year and its members comprised of :

Arnaud Lagesse – Chairman
Jean de Fondaumière
Alexis Harel
Christof Zuber

G4-16

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee, which also acts as the Nomination Committee, is governed by a charter which determines the objects and functions of the Committee.

The main role of the Committee is to advise and make recommendations to the Board on all aspects of corporate governance which should be followed by the Company, so that the Board remains effective while complying with sound and recommended corporate practices and principles.

The members of the Committee are :

Alexis Harel – Chairman
Arnaud Lagesse
Christof Zuber

COMPANY SECRETARY

All directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

INDEPENDENT PROFESSIONAL ADVICE

The directors may also seek independent professional advice at the Company's expense as and when required.

STATEMENT OF REMUNERATION PHILOSOPHY

All directors receive a fixed fee and an additional fee for each board meeting attended. In addition, members of the Audit Committee and Corporate Governance Committee receive an extra fee for each committee meeting attended. No additional fees are paid to the members of the Remuneration Committee.

For the year ended 30th June 2015, there was no change to the fee structure of directors, which was as follows:

Board	
Annual director's fees	*Rs100,000*
Attendance fee	*Rs10,000*
Audit Committee	
Chairman's Annual fee	*Rs75,000*
Member's Annual fee	*Rs50,000*
Corporate Governance Committee	
Annual fee	*Rs25,000*

Remuneration paid to each executive director has not been disclosed individually as the Board considers this information as very sensitive in this very competitive environment. However, remuneration is set by the Remuneration Committee based on prevailing market rates. See page xx.

RELATED PARTY TRANSACTIONS

Please refer to page 143, Note 39 to the Financial Statements.

EXECUTIVE SHARE SCHEME

The Group has implemented an employee share scheme for its executives and senior employees of the company and its subsidiaries. Executives and senior employees are granted shares in the subsidiary, Lux Hospitality Ltd.

Executives and senior management are granted a certain number of shares upon the group achieving of a number of quantitative and qualitative criteria as described below:

- Improvement in Group EBITDA and Group Cash Flow
- Trip Advisor ranking of our hotels
- Improvement in share price of Lux Island Resorts ltd
- Results of client satisfaction survey

DONATIONS

The Company has a policy of channeling all requests for donations (excluding political donations, which are dealt with directly by the Board) and other forms of social assistance through its Corporate Social Responsibility function, duly incorporated under Lux Island Resorts Foundation since December 2009 Please refer to page 65, in Other Statutory Disclosures, for information regarding political and other donations.

CALENDAR OF IMPORTANT EVENTS

Publication of 1st quarter results	*November 2015*
Annual Meeting of Shareholders	*December 2015*
Declaration/payment of interim dividend (if applicable)	*November/December 2015*
Publication of half-yearly results	*February 2016*
Publication of 3rd-quarter results	*April/May 2016*
Declaration/payment of final dividend (if applicable)	*June/July 2016*
Financial year-end	*June 2016*
Publication of abridged end-of-year results	*September 2016*

INTERNAL CONTROL AND RISK MANAGEMENT

The directors are responsible for ensuring that the system of controls that is in place is sufficient and appropriate in order to enable the Company to mitigate the risks which may impact its objectives. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against misstatement or loss.

INTERNAL AUDIT

The Company has an established internal audit function which reviews internal controls on an ongoing basis. The function is headed by a Chief Internal Auditor who reports administratively to the CEO and functionally to the Audit Committee. A risk-based audit plan, which provides assurance over key business processes and business risks facing the Company, is approved by the Audit Committee annually.

RISK MANAGEMENT

The Group's activities are exposed to a wide range of risks that could impact on its operational and financial performance. The Board has overall responsibility for setting the risk management strategy and the audit Committee reviews, monitors and assesses the process to ensure adequacy and effectiveness of the risk management system. All risks are documented in a Risk Register and this is reviewed at least yearly to identify new and emerging risks. All mitigating measures taken to manage those risks are subject to review at least annually and reported to the Audit Committee.

The main risks faced by the Group are listed below.

- **INDUSTRY OR SECTOR RISK**

  The volume of tourist arrivals in Mauritius and the other destinations where the Group operates may not grow to match with the expansion in room capacity brought about by the construction of new hotels. This imbalance may create competitive pressure on Lux Island Resorts Ltd.

  The Group is however well experienced and positioned in the market and is able to compete effectively in the main markets.

- **POLITICAL RISK**

  The role of Government is crucial in the development of the tourism industry. Political stability, allocation of adequate funds for the promotion of this sector and a well balanced approach to the opening of air access are very important factors to be considered.

  The Company, through its affiliation with 'Association des Hoteliers et Restaurateurs – Ile Maurice' (AHRIM) and equivalent associations in Maldives and Reunion, takes part in discussions which affect the policies regarding air access and tourism.

- **MARKET RISK**

  The economic recession or downturn in Europe which remains the Group's main market could adversely and materially affect the Group's operations and financial condition.

  Management's strategy is to diversify its client base so as to be less dependent on one market.

- **INFORMATION SYSTEM RISK**

  The Company relies on critical information systems to handle its operations. A breakdown in any of these systems will cause disruptions in operations and may affect the financial results. Regular backups of all systems are kept to mitigate the risk of information loss. An IT audit was conducted in the financial year to identify any weaknesses in our systems and measures were taken to address those weaknesses.

- **HUMAN RESOURCE RISK**

  The hospitality industry, in the countries in which the Group operates, is very competitive and with the limited workforce available in these countries, finding the right people and retaining them are the challenges that the Group face.

  The Group conducts regular salary benchmarking across the industry to ensure that its people receive salaries and benefits which are in line with industry norms. Moreover, the Company has a well-defined training program to ensure the continuous development of its staff. The Company has also joined forces with Ron Kaufman; founder of UP! Your Service College and one of the world's most sought-after educators, consultants, and thought-leaders in achieving superior service.

- **HEALTH, SAFETY AND ENVIRONMENTAL RISKS**

  The health and wellbeing of our guests and staff is a high priority for the Group. Intensive training is provided to staff, and the highest standards of care are applied to the services and products provided to our guests.

- **INSURABLE RISK REVIEW**

  In order to protect itself against any liability falling outside the scope of coverage or against any inadequate coverage, the Group reviews its insurance policies on a yearly basis with expert advisors.

- **FINANCIAL RISKS**

  The Group's activities expose it to a variety of financial risks. A description of the significant risk factors is given below.

  CREDIT RISK

  The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment.

  The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of products and services are made to clients with an appropriate credit history. Adequate insurance cover has also been taken against this risk.

  INTEREST RATE RISK

  The Group is exposed to interest rate risk as it borrows at variable rates (PLR, LIBOR, EURIBOR and OAT) + a margin. Any increase in these rates may negatively affect its results.

  FOREIGN EXCHANGE RISK

  It is the practice in the hospitality industry to fix tariffs yearly in advance. In order to achieve stability of tariffs in the overseas markets, contracts with tour operators are denominated in the major international currencies of the markets in which the foreign tour operators belong.

  A significant number of contracts are therefore denominated in Euros, Pounds Sterling and US Dollars and invoices are raised in these currencies. While the Group is therefore exposed to a fall in revenue should the Rupee appreciate against one or more of the international currencies.

  LIQUIDITY RISK

  Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping reliable credit lines available.

ETHICS

The Group's whistleblowing policy, which is an extension to the Group's Code of Ethics, gives details of the telephone hotline in place to report any areas of malpractices, fraud or non-compliance to law or Company's policies. The hotline is operated by an independent third party to ensure confidentiality of matters reported. All cases are investigated and reported to the Corporate Governance Committee.

CORPORATE SOCIAL RESPONSIBILITY AND GREEN INITIATIVES

Please refer to Non-Financial Performance section on pages 68 to 74.

Désiré Elliah
LUX Hospitality Ltd
Secretary
28th September 2015

OTHER STATUTORY DISCLOSURES

(PURSUANT TO SECTION 221 OF THE COMPANIES ACT 2001)

The directors have pleasure in submitting the Annual Report of Lux Island Resorts Ltd and its subsidiaries for the year ended 30 June 2015.

MAIN ACTIVITIES

The main activities of Lux Island Resorts Ltd and its subsidiaries consist of operating and managing hotels.

DIVIDENDS

A dividend of Re. 1 has been declared in respect of the financial year ended 30 June 2015 (2014 : Rs 0.50)

RESULTS FOR THE YEAR

The statements of profit or loss and other comprehensive income for the year ended 30 June 2015 are shown on pages 83 and 84. Revenue of the Company and the Group was Rs 255 million and Rs 4,655 million respectively (2014: Company Rs 185 million and the Group Rs 3,970 million). The Company's profit for the year amounted to Rs 132 million (2014: profit of Rs 44 million) while the Group made a profit of Rs 375 million compared to a profit of Rs 285 million for the year ended 30 June 2014.

DIRECTORS SERVICE CONTRACT

The Chief Executive Officer and the Chief Sales and Marketing Officer have a service contract which expires on 30th June 2017 and 15th June 2016 respectively. The executive director of White Sand Resorts & Spa Pvt Ltd has a service contract which expires on 15th July 2016. The other executive directors of the Group have no service contract. Their employment is only subject to the Employment Rights Act and has no expiry date.

INDEMNITY INSURANCE

During the current year, the directors of Lux Island Resorts Ltd and its subsidiaries have renewed the indemnity insurance cover for directors'/officers' liability. There is no indemnity insurance for other employees.

CONTRACT OF SIGNIFICANCE

During the year under review, there was no contract of significance.

DIRECTORS' SHARE INTEREST

The interests of the directors in the securities of the company, as at 30th June 2015, are disclosed at page 56.

DIRECTORS' EMOLUMENTS

Remuneration and benefits (including bonuses and commissions) received and receivable from the Company and related corporations were as follows:

	Year ended 30 June 2015		Year ended 30 June 2014	
	Executive	Non- Executive	Executive	Non- Executive
	Rs	Rs	Rs	Rs
The Company	-	*2,155,000*	*300,000*	*2,198,000*
Subsidiary				
Lux Hospitality Ltd (note (a))	*57,958,000*	-	*52,539,000*	-

includes alternate directors.

Remuneration paid to each individual executive director has not been disclosed as the directors consider this information as very sensitive in this very competitive environment.

DONATIONS

Donations were as follows:

	JUNE 2015		JUNE 2014	
	Political	Others	Political	Others
	Rs	Rs	Rs	Rs
The Company	*400,000*	-	-	-
The Subsidiaries				
Holiday & Leisure Resorts Limited	*400,000*	*59,766*	-	*78,857*
Beau Rivage Co Ltd	*400,000*	*57,082*	-	*69,172*
Les Pavillons Resorts Ltd	*400,000*	*22,331*	-	*71,706*
Lux Hospitality Ltd	*400,000*	*75,000*	-	*47,622*

AUDITORS

The fees paid to the auditors, for audit and other services were as follows:

	THE GROUP		THE COMPANY	
	June 2015	June 2014	June 2015	June 2014
	Rs	Rs	Rs	Rs
(a) Ernst & Young				
Audit services	*2,700,000*	*2,730,000*	*510,000*	*610,000*
Other services	*235,000*	*230,000*	*75,000*	*95,000*
	2,935,000	*2,960,000*	*575,000*	*705,000*
(b) Other Auditors				
Audit services	*1,832,500*	*1,884,250*	-	-
Other services	-	-	-	-
	1,832,500	*1,884,250*	-	-
TOTAL	*4,767,500*	*4,844,250*	*575,000*	*705,000*

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS, INTERNAL CONTROL AND RISK MANAGEMENT

For the year under review, the directors report that:

- the financial statements fairly present the state of affairs of the Group and the Company as at the end of the financial period and the result of operations and cash flows for that period;
- adequate accounting records and an effective system of internal controls and risk management have been maintained;
- appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- the financial statements have been prepared in accordance and comply with International Financial Reporting Standards;
- the financial statements have been prepared on the going concern basis;
- they are responsible for safeguarding the assets of the Group and of the Company;
- they have taken reasonable steps for the prevention and detection of fraud and other irregularities; and

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

Approved by the Board of Directors on 28 September 2015 and signed on it behalf by:

Arnaud Lagesse
Chairman

Alexis Harel
Chairman of the Audit Committee

NON-FINANCIAL PERFORMANCE

NON-FINANCIAL PERFORMANCE

EXTERNAL ASSURANCE

For the information provided on non-financial performance, we have carried out an external assurance process. Please kindly refer to Annex 3 on page 167.

SUSTAINABILITY STRATEGY

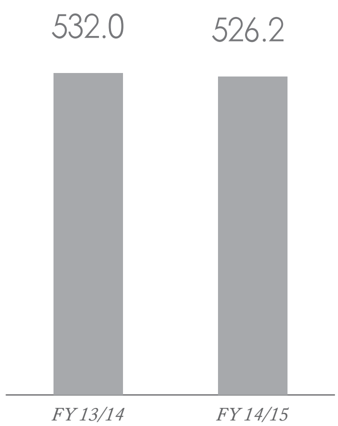
Details of LUX*'s Sustainability Strategy and Disclosure of Management Approach regarding our operations' material environmental and social dimensions were given in our Integrated Report 2014[1]. Through sustainable tourism development, LUX* Resorts and Hotels contributes towards improving the economic and social wellbeing in the destinations in which we operate, while continuously striving to reduce out environmental footprint. The incremental changes in performance measures and analyses against 2020 targets are reported in this section. In 2015, our contribution towards the Environmental Protection Fee was Rs 18.5 M and CSR contribution amounted to Rs 1.64 million plus additional sponsorships in kind.

1 http://www.luxresorts.com/media/2911202/GRIAnnualReport2015_25May2015.pdf - accessed 22 September 2015.

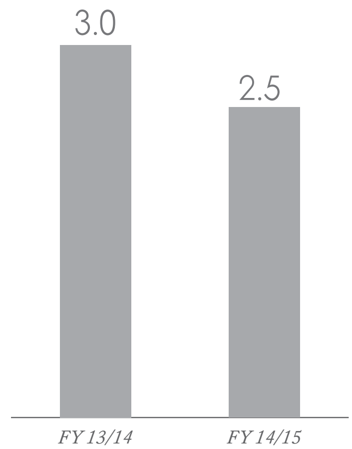
G4-18, G4-19, G4-20, G4-21, G4-24, G4-25, G4-26, G4-27

SUSTAINABILITY HIGHLIGHTS AT A GLANCE

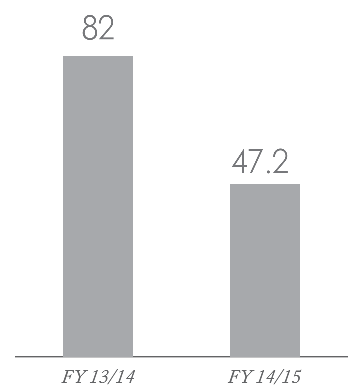
Energy (MJ/RNS)



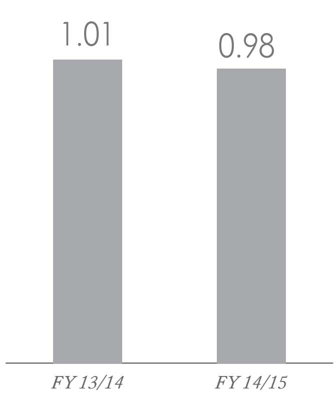
Water (m^3/RNS)



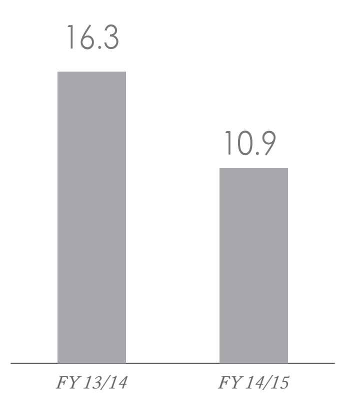
Carbon Footprint Scope 1 & Scope 2 (KgCO2e/RNS)



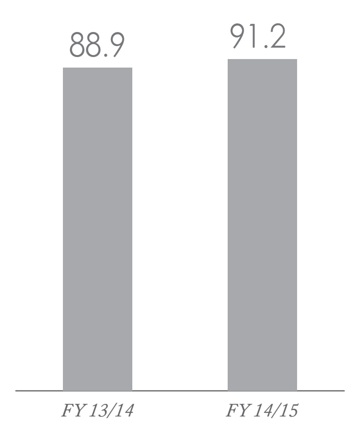
Wastewater (m^3/RNS)



Waste (kg/RNS)



Guest Satisfaction Index



OUR ENVIRONMENTAL FOOTPRINT DETAILED AS PER GRI GUIDELINES

ENERGY

The expenditure on energy (electricity and fuel) represents 8% of our operating costs. Total energy consumed increased from 199,296,954 MJ in 2013-14 to 207,597,555.6 MJ in 2014-15 with however a decrease in megajoules (MJ) per room night sold (RNS) to 526 MJ from 532 MJ in previous cycle.

Fuel and Electricity respectively represented 64% and 36% of total energy consumption. The highest amount of energy consumption (59%) is attributed to Maldives due to onsite power generation. The decrease in energy intensity shows that our operations are more energy efficient, and this decrease is on track to meet our target of 10% increase in energy efficiency by 2020.

The decrease in energy intensity arises from several Energy Efficiency (EE) measures: key cards control in all rooms ensures that lighting, air conditioners and other electronic appliances are switched off whenever the rooms are unoccupied; external lighting is timer-controlled; fuel consumption in standalone generators is monitored on a daily basis; preventive and regular maintenance contribute towards EE; and investments have also been made to replace halogen bulbs with LED or plasma lighting. In one hotel (LUX* Grand Gaube, Mauritius), cooking oil is being recycled into a biofuel to substitute for diesel in a golf cart vehicle. To date, around **Rs 800,000 has been invested in low energy consumption** bulbs. Through these EE measures, we achieve the triple dividend of reducing our energy bill; reducing GHG emissions, and supporting national energy policies.

WATER

LUX* Resorts and Hotels' aim is to use fresh water in the most efficient way and to prevent negative impacts on the quality of water. In water-stressed locations (LUX* South Ari Atoll, LUX* Grand Gaube and LUX* Le Morne), water is supplied by desalination plants.

Total water consumption was 971,955.4 m^3 in 2014-2015 representing an absolute decrease of 26% compared to 2013-2014. Water intensity was 2.5 m^3 per RNS – i.e. a decrease over the previous reporting period (3 m^3).

This decrease exceeds the water efficiency target of 5% expected by 2020. About 64% of all water is supplied by the national utilities. In 2014-2015, 255,662 m^3 of water was obtained from desalination representing a decrease by a factor of 2.8 compared to 2013-2014. Desalination is the only means of fresh water provision in Maldives. Rainwater harvesting increased by 15 m^3 in 2014-2015.

The **laundry Asterix** is our main initiative for reducing water consumption. Through its environment friendly messages, the Asterix has encouraged guests to reduce the amount of laundry to be washed by 20-30%. The housekeeping team participates in the quarterly monitoring of its performance. The **co-benefits of the Asterix are reduced energy consumption, lowering GHG emissions and operating costs. Reducing water use is also a way to adapt to climate change and climate variability in the locations where we operate.**

G4EN3, G4EN5, G4EN6, G4EN7, G4EN8, G4EN9, G4EN10

WASTE

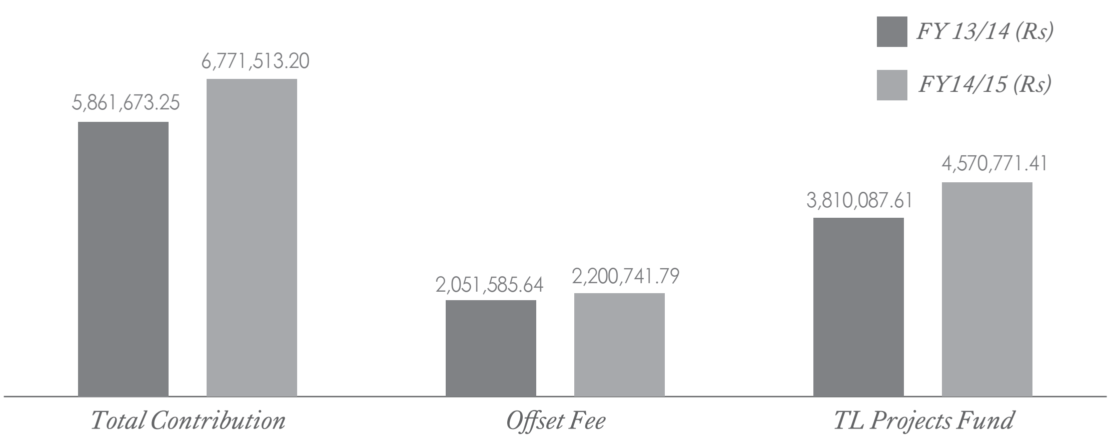
Solid waste generation was 4,305.9 tonnes in 2014-2015 v/s 6,124 tonnes in 2013-2014, which represents 10.4 kg per RNS in 2014-2015 (down from 16.3 kg per RNS in 2013-2014).

In line with the objectives of reducing use of plastic bottles waste (and reduction in emissions from transporting plastic bottles to resorts), LUX* has invested **Rs 2,800,000 out of the Tread Lightly Fund in project Earth & Dance and Rs 400,000** to reduce minibar plastic bottles. This involves in house water bottling. All international norms in line with HCCAP and European guidelines on health & safety are applied. Water quality assurance is provided by a third party consultant on a weekly basis, and Team Members have been given in depth trainings on water bottling. To reduce paper consumption, an online system **LUX* valet** has been implemented to communicate on available products & services. Bookings and Reservations can be done from the mini iPad. LUX* Resorts and Hotels works with the company Bioil which collects around 4.1816 tonnes of used oil per year and converts it into biofuel. All hotels and resorts dispose of their wastewater in a sustainable manner. Hotels are equipped with secondary treatment plants to treat their wastewater and the totality is used for irrigation of lawns and gardens.

CARBON FOOTPRINT - TREAD LIGHTLY

As part of our Carbon Management Plan, guests are given the opportunity to voluntarily **offset their carbon emissions during their stay through a €1/day carbon-offsetting fee**, which goes to our Tread Lightly[2] Fund. Through this flagship initiative, we collaborate with certified offsetting projects which are located in underdeveloped areas nearest to our operations. To date, the Tread Lightly Fund has been capitalised to **Rs 13,813,077** and distributed as follows**.**

TREAD LIGHTLY



As from 2014-2015, the split was as per below:

- **32.5%** of the offsetting fee goes to the **carbon offsetting projects** within the regions where LUX* is operating.
- **67.5%** of the has as objective to be **invested in projects towards reducing the carbon emissions** produced within the destinations Mauritius, Reunion Island, the Maldives and China.

For Financial ending 30 June 2015, LUX* Hotels & Resorts conducted its GHG Assessment and drafted its Carbon Footprint Report based on the 'Hotel Carbon Measurement Initiative[3]'. The calculation has been restated as there has been a change in consultant to Ecosur Afrique (www.ecosurafrique.com).

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2 http://www.luxresorts.com/en/tread-lightly - accessed 8 September 2014.
3 http://www.tourismpartnership.org/what-we-do/products-programmes/hotel-carbon-measurement-initiative - accessed on 3 October 2014.

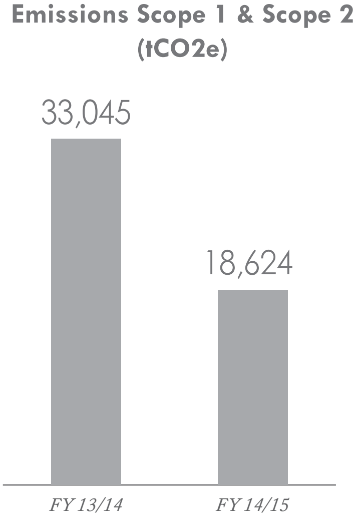
G4-14, 4GEN23

GHG EMISSIONS BY SCOPE

The total emissions on scopes 1, 2 and 3 of LUX* Hotels & Resorts were estimated at 644,097 tCO_2e against 621,832 tCO_2e due to higher RNS and the highest share being attributed to Scope 3 emissions (95%). Scope 1 emissions are direct emissions from LUX* Resorts and Hotels' operations that are owned or controlled by the organisation. In the present case, Scope 2 emissions (Indirect Energy) result from the generation of purchased or acquired electricity within the organisation. Scope 3 emissions are all other indirect emissions (not included in Scope 2) that occur outside of the organisation, including both upstream and downstream emissions. Scopes 1 & 2 emissions alone represent a total of 35,316 tCO_2e, which is equivalent to 89.5 Kg of CO_2e / RNS. We have however offset 16,692.2tCO_2 during the year and we came up to final emissions figure of 18,624 tCO_2e with a footprint of 47.2 $KgCo_2$/RNS.

The total emissions can be represented in relative terms using emissions per team member (~183.4 tCO_2e v/s ~212 tCO_2e/team member) or emissions per unit area of hotel infrastructures (~1.5 tCO_2e/m^2 v/s ~4 tCO_2e/m^2).

The hotels and resorts that account for the highest levels of emissions (Scope 1 and 2) are LUX* South Ari Atoll, LUX* Belle Mare, LUX* Grand Gaube, Tamassa and LUX* Le Morne. With respect to Scope 1, the source of emissions comprised stationary combustion (55%), fugitive emissions (39%) and mobile combustion (6%).



EFFLUENTS

Hotels are equipped with secondary treatment plants to treat their wastewater and the totality is used for irrigation of lawns and gardens. The volume of water recycled and reused for irrigation was 385,609 m^3 in this reporting cycle – i.e. a 1.9% increase over the previous period. In 2014-2015, 84,794 m^3 of effluents was disposed of in an environmentally sound way.

Waste water: 385,609 m^3 of wastewater was recycled for reuse in irrigation (1.9% increase over the preceding cycle).

Recycling: All waste water is recycled for irrigation. All PET bottles and cans are segregated from general waste for recycling.

The brine that is obtained from desalination plants is injected back into approved boreholes in a manner that does not impact adversely on the environment.

G4-15, G4EN15, G4EN16, G4EN17, G4EN18, G4EN19, G4EN22

BIODIVERSITY

LUX* South Ari Atoll operates a **Marine Biology Centre** dedicated to research the presence and conservation of whale sharks in the **South Ari Atoll Marine Protected Area**.[4] Whale sharks are listed as vulnerable on the IUCN (International Union for Conservation of Nature) Red List. The team works with marine biologists to collect data on the shark population, observing their migration patterns and feeding habits for instance. All guests are requested to participate in the project by contributing to a conservation fund. The Centre also organises regular "Whale Shark Education Days" to raise awareness about whale sharks within the local community. As part of its commitment to environmental sustainability, LUX* also sponsors the **Mauritian Wildlife Foundation for the conservation of endemic species on Ile Aux Aigrettes.**

OUR PEOPLE

EMPLOYMENT

As at 30 June 2015, there were 2,866 Team Members (including 822 new hires), up from 2,758 as at June 2014.

Out of the 108 new Team Members, 58% was male. As a policy, Team Member is recruited from within the same geographical region as the hotels. The number of contracts for seasonal workers also increased from 568 to 574 over the same period. Investment in training was 22,701,985 million in 2015, up from 17,662,474 in 2014.

We use a "Team Member Engagement Survey" to measure the Team Member Morale; Personal and Professional Accomplishment; Interrelationships, Sense of Belonging and Recognition; Physical Comfort at Work, Ergonomics, Salary, Benefits, Fun and Excitement. These indicators are combined into three indices, namely the Global Index, the Leadership Index and the Loyalty Index. We are glad to note that the Loyalty Index progressed from 73 to 81 for LUX* Resorts and Hotels, while the Global Index and the Leadership Index progressed from 69 to 75 and 69 to 76. The Survey is a means to ensure that the aspirations of our Team Members are satisfied. It is also used to address the high turnover characterising the industry, as we devise incentives for Team Members to grow their careers within LUX* Resorts and Hotels, and also to encourage loyalty. In 2014-2015, 903 persons left the group as opposed to 980 in 2013-2014.

DIVERSITY AND EQUAL OPPORTUNITY

LUX* Resorts and Hotels employs people from a range of cultural backgrounds, all treated with equality. The same diversity and equal opportunity approach is extended to our guests, business partners, suppliers and community neighbours. The Group has three women in senior management positions out of eleven senior managers. Men and women are offered equal pay for equal work in all locations. In addition, the salary paid to our Team Members in most locations is superior to the minimum salary paid, with namely 1.05:1 in Reunion and 1.1:1 in Mauritius. In 2014-2015, 13 persons with one or another form of disability were employed compared to 10 persons in 2013-2014. There has been no reported incident of discrimination in our resorts and hotels in 2014-2015.

COLLECTIVE BARGAINING

In Mauritius, 3 of our 5 properties have recognised trade unions with whom management interact on a regular basis. Those trade unions in each of those properties can legally negotiate in favour of a bargaining unit which usually covers 70% of the total number of Team Members in employment at the property level.

In Ile de la Reunion, we have a "Delegation Unique du Personnel – DUP" in both the properties we operate. Those organisations are the central point for negotiations and the members of same represent all hierarchical levels, hence negotiating in favour of 100 % of the permanently employed Team Members.

All interactions and negotiations with Trade Unions are done in line with the legal frameworks in place in those destinations with the support of our legal advisors.

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4 http://www.luxresorts.com/en/about-us/media-centre/news-releases/lux-maldives-reinforces-local-support-for-coral-reefs-conservation - accessed 23 September 2015.

G4-10, G4-11, G4HR3, G4LA1, G4LA6, G4LA9, G4LA11, G4LA12, G4LA13

TALENT MANAGEMENT

Our People are the essence of delivering world-class service to our guests. A key element in our talent management is training to ensure the development, continuous learning and career enhancement of our Team Members. In 2014-2015, 2,881 Team Members were trained for an investment of Rs 22,701,985, in contrast to 2,862 Team Members in 2013-1024 (Rs17, 662,474). The number of hours of training per Team Member averaged 118 hours. Training was targeted to male and female employees in an equal measure, and 92.5% of all trainings targeted Team Members with the remaining 7.5% reaching middle-to-upper management. LUX* Resorts Training Academy (LRTA) manages all trainings including cross-exposure requirements across all levels for the Group. The performance and career development of Team Members is reviewed periodically, and this provides the opportunity for identifying training needs on a continuous basis.

HEALTH AND SAFETY

In 2014-2015, training sessions were carried out on fire safety and first aid in order to ensure the highest possible health and well-being of our guests. The number of lost days due to injury decreased from 2,471 days in 2013-2014 to 2,310 days in 2014-2015. This decrease took place while the total number of Team Members increased by 3.9%.

HUMAN RIGHTS

The Training Academy of LUX* Resorts and Hotels launched a Human Rights training and between 62% and 85% of personnel in selected operations (LUX* Belle Mare, LUX* Le Morne and Head Office) were trained for a total of 718 hours. Increasing the awareness of Human Rights among our Team Members will help better screening of our suppliers and provide the highest levels of care to our guests. This training will be scaled up to other sites of operations in due course.

SOCIETY

The priority sectors for our Corporate Social Responsibility (CSR) work include the health for the needy, the alleviation of poverty, the re-establishment of human dignity and the importance of education and training at different levels. 100% of operations are involved in same. During 2014-2015, CSR spending was Rs 1,641,048 compared to Rs 2,183,000 in the previous reporting cycle.

The nine beneficiary NGOs were:

1. Thalassemia Society Ltd (Health)
2. Ecole Pailles en Queue (Social)
3. Atelier Joie de Vivre Chemin Grenier (Social)
4. Centre d'Eveil de Souillac (Social)
5. Ecole de la Vie de Baie du Tombeau (Social)
6. GML JL Foundation : Environment & Social - Various
7. Centre d'Eveil de Mangalkhan (Social)
8. Mauritian Wildlife Federation (Environment)
9. Elles C'est Nous (Social)

In the Maldives, LUX* is supporting the conservation of whale sharks in the South Ari Atoll waters through the Marine Biology Centre. We are also supporting the "Youth Foundation Movement of Dhigurah" and the Dhigurah School. In Reunion Island, LUX* is working with "1,000 sourires" association which supports the marginalised and handicapped children. Further, we implemented the Ray of Light initiative which includes various activities with contributions & sponsorships in kind. (http://www.luxresorts.com/en/about-us/sustainability-csr)

PRODUCT RESPONSIBILITY

LUX* Resorts and Hotels uses customer surveys on a regular basis to measure the level of satisfaction with respect to several facilities and services, including Emotions, Evening Entertainment, Beach, Food and Beverages, Fitness, Front Office, Housekeeping, IT, Kids Club, Kitchen, Laundry, Pool and Reservations. The overall satisfaction level for the Group stands at 91.2% in 2014-2015 v/s 88.9% for 2013-2014. Selected Team Members received training on how to handle customer complaints as a means to enhancing customer satisfaction.

G4HR2, G4SO1, G4PR5

STATEMENT OF COMPLIANCE

(SECTION 75 (3) OF THE FINANCIAL REPORTING ACT)

Name of PIE: Lux Island Resorts Ltd

Reporting Period: 30 June 2015

We the Directors of Lux Island Resorts Ltd, confirm that to the best of our knowledge, Lux Island Resorts Ltd has not complied with only Section 2.8.2 of the Code of Corporate Governance which requires the disclosure of remuneration of directors on an individual basis in the Corporate Governance report. We consider such information to be commercially sensitive and as such we have not disclosed this information.

SIGNED BY:

Arnaud Lagesse

Alexis Harel

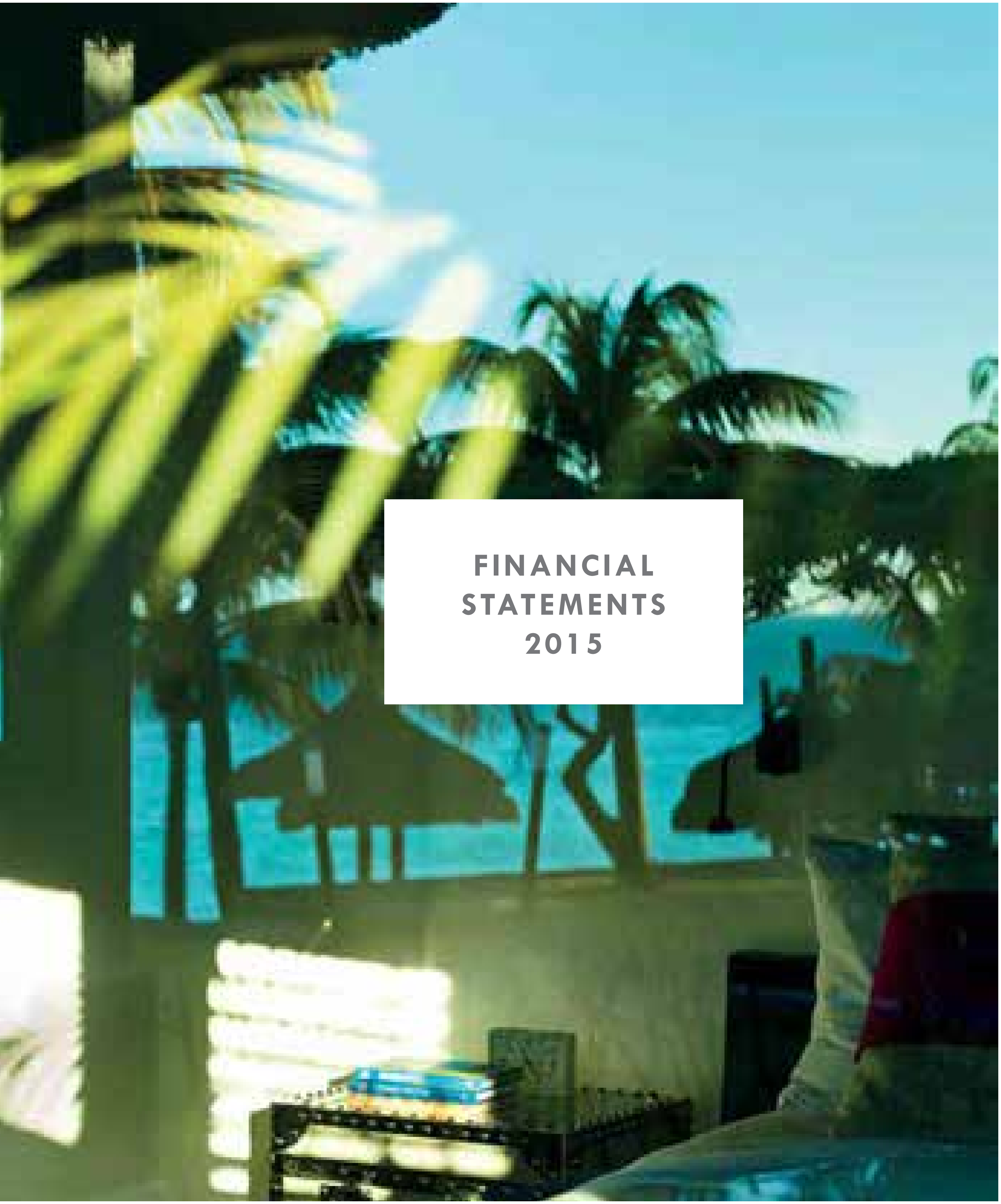
28th September 2015

SECRETARY'S CERTIFICATE

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, in terms of section 166(d).

Désiré Elliah
LUX Hospitality Ltd
Secretary

28th September 2015



FINANCIAL STATEMENTS 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LUX ISLAND RESORTS LTD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Lux Island Resorts Ltd (the "Company") and its subsidiaries (the "Group") on pages 82 to 154 which comprise the statements of financial position as at 30 June 2015 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements on pages 82 to 154 give a true and fair view of the financial position of the Group and the Company as at 30 June 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, comply with the Companies Act 2001 and the Financial Reporting Act 2004.

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

Other matter

This report has been prepared solely for the Company's members, 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 auditors' 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

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

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

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

Financial Reporting Act 2004

The directors are responsible for preparing the corporate governance report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance 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.

ERNST & YOUNG
Ebène, Mauritius
28 th September 2015

THIERRY LEUNG HING WAH, F.C.C.A
Licensed by FRC

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	THE GROUP		THE COMPANY	
		2015	2014	**2015**	2014
ASSETS		**Rs'000**	Rs'000	**Rs'000**	Rs'000
Non-current assets					
Property, plant and equipment	4	9,119,335	7,925,902	93,195	94,717
Intangible assets	5	1,475,084	1,073,758	-	-
Investment in subsidiary companies	6	-	-	3,523,585	2,839,384
Investment in associated company	7	-	232,449	-	-
Other financial assets	8	5	5	-	-
Deferred tax assets	9	44,732	21,282	-	-
Net employee defined benefit asset	10	-	42	-	-
		10,639,156	9,253,438	3,616,780	2,934,101
Current assets					
Inventories	11	141,530	87,065	-	-
Trade and other receivables	12	734,147	893,397	1,917,067	1,852,135
Cash and short term deposits	32 (a)	98,176	108,296	15,562	20,859
		973,853	1,088,758	1,932,629	1,872,994
TOTAL ASSETS		11,613,009	10,342,196	5,549,409	4,807,095
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	14	1,367,865	1,140,346	1,367,865	1,140,346
Share premium	14	1,308,453	391,819	1,308,453	391,819
Treasury shares	14	(18,081)	(18,081)	(18,081)	(18,081)
Other reserves	16	1,919,566	1,831,456	39,934	48,271
Retained earnings		1,185,583	967,722	1,035,482	1,040,687
Equity attributable to the owners of the parent		5,763,386	4,313,262	3,733,653	2,603,042
Non-controlling interests	17	1,767	123,472	-	-
Total equity		5,765,153	4,436,734	3,733,653	2,603,042
Non-current liabilities					
Interest-bearing loans and borrowings	18	3,313,722	3,775,476	92,143	593,130
Deferred tax liabilities	9	429,570	416,403	5,851	6,079
Net employee defined benefit liabilities	10	49,192	37,951	-	-
Government grants	19	10,703	13,215	-	-
		3,803,187	4,243,045	97,994	599,209
Current liabilities					
Interest-bearing loans and borrowings	18	891,418	830,850	63,375	24,424
Trade and other payables	20	971,914	801,581	1,517,600	1,580,420
Current tax liabilities	21 (d)	44,550	29,986	-	-
Dividend payable	15	136,787	-	136,787	-
		2,044,669	1,662,417	1,717,762	1,604,844
Total liabilities		5,847,856	5,905,462	1,815,756	2,204,053
TOTAL EQUITY AND LIABILITIES		11,613,009	10,342,196	5,549,409	4,807,095

These financial statements have been approved for issue by the Board of directors on 28 September 2015.

Name of directors

(1) Arnaud Lagesse **(2) Alexis Harel**

The notes set out on pages 88 to 154 form an integral part of these financial statements.
Independent Auditors' report on pages 80 to 81.

STATEMENT OF PROFIT OR LOSS

YEAR ENDED 30 JUNE 2015

	Notes	THE GROUP		THE COMPANY	
		Year ended 30 June 2015	Year ended 30 June 2014	Year ended 30 June 2015	Year ended 30 June 2014
Continuing operations		Rs'000	Rs'000	Rs'000	Rs'000
Sale of goods and services	22	4,515,913	3,867,270	-	-
Finance revenue	23	350	12,567	46,142	98,152
Other operating income	24	138,833	90,910	208,557	86,865
Total revenue		4,655,096	3,970,747	254,699	185,017
Cost of inventories	25	926,361	790,560	-	-
Employee benefits expense	26	1,294,858	1,096,528	-	-
Other operating expenses	27	1,381,488	1,190,235	12,467	19,134
		3,602,707	3,077,323	12,467	19,134
Earnings before interest, tax, depreciation and amortisation		1,052,389	893,424	242,232	165,883
Depreciation and amortisation	28	(372,813)	(308,575)	(1,522)	(2,140)
Operating profit	29	679,576	584,849	240,710	163,743
Finance costs	30	(234,940)	(250,044)	(109,356)	(121,692)
Share of results in associated company	7	5,326	263	-	-
Profit before tax		449,962	335,068	131,354	42,051
Income tax (expense)/credit	21	(63,629)	(53,243)	228	2,330
Profit from continuing operations		386,333	281,825	131,582	44,381
Discontinued operations					
Result for the year attributable to discontinued operations	13	(11,233)	3,124	-	-
Profit for the year		375,100	284,949	131,582	44,381
Profit for the year attributable to:					
- Owners of the Company		368,036	271,262	131,582	44,381
- Non-Controlling interests		7,064	13,687	-	-
		375,100	284,949	131,582	44,381
Earnings per share attributable to equity holders of the parent:					
From Continuing operations					
- Basic (Rs)	31	3.03	2.36		
- Fully diluted (Rs)	31	3.03	2.36		
From continuing and discontinued operations					
- Basic (Rs)	31	2.94	2.38		
- Fully diluted (Rs)	31	2.94	2.38		

The notes set out on pages 88 to 154 form an integral part of these financial statements.

Independent Auditors' report on pages 80 to 81.

STATEMENT OF OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2015

	Notes	THE GROUP		THE COMPANY	
		Year ended 30 June 2015	Year ended 30 June 2014	**Year ended 30-Jun-15**	Year ended 30 June 2014
		Rs'000	Rs'000	**Rs'000**	Rs'000
Profit for the year		375,100	*284,949*	131,582	*44,381*
Other comprehensive income that may not be reclassified to profit or loss subsequently					
Revaluation adjustment on property	*4*	-	*600,496*	-	*(3,904)*
Actuarial losses	*10(f)*	(2,340)	*(958)*	-	-
Income tax relating to components of other comprehensive income	*9*	(372)	*(92,796)*	-	*1,186*
		(2,712)	*506,742*	-	*(2,718)*
Other comprehensive income that may be reclassified to profit or loss subsequently					
Exchange difference on translation of foreign operations		205,673	*(1,499)*	-	-
Cash flow hedge movement	*16*	(23,943)	*(23,107)*	2,834	*19,815*
Release to income statement on repayment of borrowings	*16*	(6,961)	-	(11,171)	-
Recycling to profit or loss		(40,850)			
Share of reserves in associated company	*7*	33,215	*14,552*	-	-
Income tax relating to components of other comprehensive income	*9*	5,855	*439*	-	-
		172,989	*(9,615)*	(8,337)	*19,815*
Total other comprehensive income, net of tax		170,277	*497,127*	(8,337)	*17,097*
Total comprehensive income for the year, net of tax		545,377	*782,076*	123,245	*61,478*
Other comprehensive income attributable to:					
- Owners of the Company		164,821	*484,363*	(8,337)	*17,097*
- Non-Controlling interests		5,456	*12,764*	-	-
		170,277	*497,127*	(8,337)	*17,097*
Total comprehensive income attributable to:					
- Owners of the Company		532,857	*755,625*	123,245	*61,478*
- Non-Controlling interests		12,520	*26,451*	-	-
		545,377	*782,076*	123,245	*61,478*

The notes set out on pages 88 to 154 form an integral part of these financial statements.

Independent Auditors' report on pages 80 to 81.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2015

THE GROUP	Notes	Issued capital (Note 14)	Share premium (Note 14)	Treasury shares (Note 14)	Other reserves (Note 16)	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to the equity holders of the parent							
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2013		1,140,346	391,819	(18,081)	1,337,603	754,119	3,605,806	101,638	3,707,444
Other comprehensive income for the year		-	-	-	485,148	(785)	484,363	12,764	497,127
Profit for the year		-	-	-	-	271,262	271,262	13,687	284,949
Total comprehensive income for the year, net of tax		-	-	-	485,148	270,477	755,625	26,451	782,076
Share-based payment	33	-	-	-	8,705	-	8,705	-	8,705
Dividend to equity holders of the company	15	-	-	-	-	(56,874)	(56,874)	-	(56,874)
Dividend to non-controlling interests	17	-	-	-	-	-	-	(4,617)	(4,617)
At 30 June 2014		1,140,346	391,819	(18,081)	1,831,456	967,722	4,313,262	123,472	4,436,734
At 01 July 2014		1,140,346	391,819	(18,081)	1,831,456	967,722	4,313,262	123,472	4,436,734
Other comprehensive income for the year		-	-	-	167,533	(2,712)	164,821	5,456	170,277
Profit for the year		-	-	-	-	368,036	368,036	7,064	375,100
Total comprehensive income for the year, net of tax		-	-	-	167,533	365,324	532,857	12,520	545,377
Net movement in share-based payment	33	-	-	-	2,716	-	2,716	-	2,716
Acquisition of non-controlling interest in a subsidiary		-	-	-	-	(93,313)	(93,313)	(135,992)	(229,305)
Part disposal of a subsidiary		-	-	-	(188)	686	498	1,767	2,265
Recycling of revaluation reserve of associated company		-	-	-	(81,951)	81,951	-	-	-
Issue of shares		227,519	918,436	-	-	-	1,145,955	-	1,145,955
Share issue expenses		-	(1,802)	-	-	-	(1,802)	-	(1,802)
Dividend to equity holders of the company	15	-	-	-	-	(136,787)	(136,787)	-	(136,787)
At 30 June 2015		1,367,865	1,308,453	(18,081)	1,919,566	1,185,583	5,763,386	1,767	5,765,153

The notes set out on pages 88 to 154 form an integral part of these financial statements.

Independent Auditors' report on pages 80 to 81.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2015

THE COMPANY	Notes	Issued capital (Note 14)	Share premium (Note 14)	Treasury shares (Note 14)	Other reserves (Note 16)	Retained earnings	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2013		*1,140,346*	*391,819*	*(18,081)*	*31,174*	*1,053,180*	*2,598,438*
Other comprehensive income for the year		-	-	-	*17,097*	-	*17,097*
Profit for the year		-	-	-	-	*44,381*	*44,381*
Total comprehensive income for the year, net of tax		-	-	-	*17,097*	*44,381*	*61,478*
Dividend to equity holders of the company	*15*	-	-	-	-	*(56,874)*	*(56,874)*
At 30 June 2014		*1,140,346*	*391,819*	*(18,081)*	*48,271*	*1,040,687*	*2,603,042*
At 01 July 2014		*1,140,346*	*391,819*	*(18,081)*	*48,271*	*1,040,687*	*2,603,042*
Other comprehensive income for the year		-	-	-	*(8,337)*	-	*(8,337)*
Profit for the year		-	-	-	-	*131,582*	*131,582*
Total comprehensive income for the year, net of tax		-	-	-	*(8,337)*	*131,582*	*123,245*
Issue of shares		*227,519*	*918,436*	-	-	-	*1,145,955*
Share Issue expenses		-	*(1,802)*	-	-	-	*(1,802)*
Dividend to equity holders of the company	*15*	-	-	-	-	*(136,787)*	*(136,787)*
At 30 June 2015		*1,367,865*	*1,308,453*	*(18,081)*	*39,934*	*1,035,482*	*3,733,653*

The notes set out on pages 88 to 154 form an integral part of these financial statements.

Independent Auditors' report on pages 80 to 81.

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2015

	Notes	THE GROUP		THE COMPANY	
		Year ended 30 June 2015	Year ended 30 June 2014	**Year ended 30 June 2015**	Year ended 30 June 2014
		Rs'000	Rs'000	**Rs'000**	Rs'000
OPERATING ACTIVITIES					
Cash from operations					
Profit before tax from continuing operations		449,962	*335,068*	131,354	*42,051*
- Result attributable to discontinued operations	*13*	(11,233)	*17,359*	-	-
Adjustments for:					
- Investment impaired		-	*31*	-	-
- Executive share scheme	*33*	6,428	*8,705*	-	-
- Share of results of associated company	*7*	(5,326)	*(263)*	-	-
- Foreign exchange differences		(8,950)	*(3,904)*	(11,171)	-
- Depreciation and amortisation	*28*	388,697	*328,457*	1,522	*2,140*
- Profit on disposal of property, plant and equipment	*24*	(2,548)	*(1,678)*	-	-
- Gain on disposal of villa	*13 (b)*	-	*(16,863)*	-	-
- Loss on disposal of investment	*13 (a)*	10,886	-	-	-
- Dilution effect following shares issued by a subsidiary		(2,432)	-	-	-
- Fair value gain on remeasurement of existing holding in associated company		(687)	-	-	-
- Recycling of reerve of associated company		(40,850)			
- Retirement benefit obligations		7,206	*3,767*	-	-
- Interest income	*23*	(350)	*(12,567)*	(46,142)	*(98,152)*
- Interest expense	*30*	234,940	*250,044*	109,356	*121,692*
- Dividend income	*24*	-	-	(178,750)	*(56,383)*
		1,025,743	*908,156*	6,169	*11,348*
Changes in working capital:					
- Inventories		(33,040)	*4,402*	-	-
- Trade and other receivables		66,772	*(15,742)*	(64,932)	*452,855*
- Trade and other payables		13,979	*(17,928)*	(62,820)	*(450,331)*
Cash generated from operations		1,073,454	*878,888*	(121,583)	*13,872*
Interest received		350	*12,567*	46,142	*98,152*
Income tax paid	*21(d)*	(35,330)	*(22,591)*	-	-
Interest paid		(234,940)	*(250,044)*	(109,356)	*(121,692)*
Net cash flows from/(used in) operating activities		803,534	*618,820*	(184,797)	*(9,668)*
INVESTING ACTIVITIES					
Acquisition of shares in subsidiary		(74,639)	-	(15,458)	-
Acquisition of property, plant and equipment	*32(b)*	(468,288)	*(239,036)*	-	-
Purchase of intangible assets	*5*	(2,917)	*(1,584)*	-	-
Deposit on capital expenditure		-	*(55,301)*		
Proceeds on disposal of subsidiary net of cash acquired		48,385	-	-	-
Proceeds from sale of property, plant and equipment		3,743	*3,456*	-	-
Proceeds from sale of villas		148,274	*142,335*	-	-
Dividend received		-	-	178,750	*56,383*
Net cash flows (used in)/from investing activities		(345,442)	*(150,130)*	163,292	*56,383*
FINANCING ACTIVITIES					
Payments of long term borrowings		(580,998)	*(523,680)*	(21,637)	*(4,280)*
Repayment of obligation under finance leases		(7,295)	*(3,225)*	-	-
Payment of debentures and other loans		(44,097)	*(41,189)*	-	-
Dividend paid		-	*(56,874)*	-	*(56,874)*
Dividend to non-controlling interests		-	*(4,616)*	-	-
Net cash flows used in financing activities		(632,390)	*(629,584)*	(21,637)	*(61,154)*
Net decrease in cash and cash equivalents		(174,298)	*(160,894)*	(43,142)	*(14,439)*
At 01 July		(97,777)	*64,049*	17,112	*31,551*
Net foreign exchange difference		9,572	*(932)*	-	-
At 30 June	*32(a)*	(262,503)	*(97,777)*	(26,030)	*17,112*

The notes set out on pages 88 to 154 form an integral part of these financial statements.
Independent Auditors' report on pages 80 to 81.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

1. CORPORATE INFORMATION

Lux Island Resorts Ltd is a public company incorporated in Mauritius and its shares are listed on the Stock Exchange of Mauritius. Its registered office is situated at 58, Pierre Simonet Street, Floréal. The main activity of the Group and the Company is the operation and management of hotels.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

Statement of Compliance

The consolidated and separate financial statements of Lux Island Resorts Ltd and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRSs).

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Lux Island Resorts Ltd and its subsidiaries as at June 30, 2015.

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; and
- 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. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of 1 July 2014:

	Effective for accounting period beginning on or after
- IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	1 January 2014
- Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)	1 January 2014
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	1 January 2014
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	1 July 2014
- Annual Improvements 2010-2012 Cycle	1 July 2014
- Annual Improvements 2011-2013 Cycle	1 July 2014
- IFRIC 21 Levies	1 January 2014

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

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

- The meaning of ‘currently has a legally enforceable right of set-off’;
- The application of simultaneous realisation and settlement;
- The offsetting of collateral amounts; and
- The unit of account for applying the offsetting requirements.
- This amendment had no impact on the financial position or performance of the Group.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

New and amended standards and interpretations (Cont'd)

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

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

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

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

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

IAS 36 Impairment of Assets was amended to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

This amendment had no impact on the financial statements of the Group and the Company.

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

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

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

The Group did not enter into any hedge arrangement which required additional disclosure.

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

The amendment was made to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contribution, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

This amendment had no impact on the financial statements of the Group and the Company.

Annual Improvements 2010-2012 Cycle - effective 1 July 2014

The annual improvements 2010-2012 Cycle make amendments to the following standards:

- IFRS 2 - Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition';
- IFRS 3 - Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date;
- IFRS 8 - Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly;
- IFRS 13 - Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only);
- IAS 16 and IAS 38 - Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount; and
- IAS 24 - Clarify how payments to entities providing management services are to be disclosed.

Additional disclosure has been made in the financial statements of the Group to cater for these amendments.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

New and amended standards and interpretations (Cont'd)

Annual Improvements 2011-2013 Cycle

The annual improvements 2011-2013 Cycle make amendments to the following standards:

- IFRS 1 - Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only);
- IFRS 3 - Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself;
- IFRS 13 - Clarify the scope of the portfolio exception in paragraph 52; and
- IAS 40 - Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

Additional disclosure has been made in the financial statements of the Group to cater for these amendments.

IFRIC 21 Levies - effective 1 January 2014

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

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

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

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

This new interpretation had no impact on the Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

2.4 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt those standards when they become effective.

	Effective for accounting period beginning on or after
IFRS 9 Financial Instruments - Classification and measurement of financial assets, Accounting for financial liabilities and derecognition, impairment and hedging	1 January 2018
Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)	1 January 2016
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	1 January 2016
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2018
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	
1 January 2016	
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	
1 January 2016	
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	1 January 2016
Amendments to IAS 27: Equity Method in Separate Financial Statement	1 January 2016
Annual improvements 2012 – 2014 Cycle	1 July 2016
Disclosure initiative – Amendments to IAS 1	1 January 2016

2.4 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

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

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

Classification and measurement of financial assets

All financial assets are measured at fair value on initial recognition, adjusted for transaction costs if the instrument is not accounted for at fair value through profit or loss (FVTPL). Debt instruments are subsequently measured at FVTPL, amortised cost or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) (without subsequent reclassification to profit or loss).

Classification and measurement of financial liabilities

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other IAS 39 Financial Instruments: Recognition and Measurement classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortised cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases. Entities are generally required to recognise either 12-months' or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised.

Hedge accounting

Hedge effectiveness testing is prospective, without the 80% to 125% bright line test in IAS 39, and, depending on the hedge complexity, can be qualitative. A risk component of a financial or non-financial instrument may be designated as the hedged item if the risk component is separately identifiable and reliably measureable. The time value of an option, any forward element of a forward contract and any foreign currency basis spread, can be excluded from the designation as the hedging instrument and accounted for as costs of hedging. More designations of groups of items as the hedged item are possible, including layer designations and some net positions.

The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and business model under which they are held. The impairment requirements will generally result in earlier recognition of credit losses. The new hedging model may lead to more economic hedging strategies meeting the requirements for hedge accounting.

The impact of the new standard is currently being assessed.

2.4 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28) - effective 1 January 2016

This amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) was made to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- it requires full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations); and
- it requires the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

The directors will assess the impact of the amendments when they become effective.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) - effective 1 January 2016

This amendment to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures (2011) was made to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

The amendment will not have an impact on the Group as it is not considered as an Investment entity.

IFRS 14 Regulatory Deferral Accounts - effective 1 January 2016

IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.

This new standard will not have an impact, as the Group is not a first time adopter of IFRS.

2.4 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

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

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

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

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) - effective 1 January 2016

Amends IFRS 11 Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:

- Apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11
- Disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).

The amendment will not have an impact since the Group does not have any interests in joint operations.

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

Amends IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to:

- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment;
- Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated; and
- Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

The amendment will not have an impact since the Group does not use a depreciation method based on revenue for its plant and equipment and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

2.4 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

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

Amends IAS 16 - Property, Plant and Equipment and IAS 41 - Agriculture to:

- Include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16;
- Introduce a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales; and
- Clarify that produce growing on bearer plants remains within the scope of IAS 41.

The amendment will not have an impact as the Group does not recognise 'bearer plants'.

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

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

For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

The Group is still assessing whether to adopt this change in IAS 27.

Annual improvements 2012 – 2014 Cycle - effective 1 July 2016

The annual improvements 2012-2014 Cycle make amendments to the following standards:

- IFRS 5 - Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued;
- IFRS 7 - Additional guidance given to clarify whether a servicing contract is continuing involvement in a transferred assets, and clarification made on offsetting disclosures in condensed interim financial statements;
- IAS 9 - Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid; and
- IAS 34 - Clarifies the meaning of "elsewhere in the interim report" and require a cross reference.

The directors will assess the impact of the amendments when they become effective.

Disclosure Initiative (Amendments to IAS 1) - effective 1 January 2016

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and
- additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

No early adoption of these standards and interpretations is intended by the Board of directors.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency translation

The consolidated and separate financial statements are presented in Mauritian Rupees, which is the parent'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. Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the rate of exchange ruling at the reporting date. All differences are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken to other comprehensive income until the disposal of the net investment, at which time they are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Where the functional currency of the subsidiaries at the reporting date is not the presentation currency of the Group (the Mauritian Rupee), the assets and liabilities of these subsidiaries are translated into Mauritian Rupee at the rate of exchange ruling at the reporting date and, income and expenses are translated at the average exchange rates for the year. The exchange differences arising on the translation are taken through other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(b) Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Land and buildings are subsequently shown at fair value, based on valuations by external independent valuers, less accumulated depreciation for property and impairment losses recognised after the date of revaluation. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairments.

Increases in the carrying amount arising on revaluation are credited to revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged through other comprehensive income against the revaluation reserve to the extent that the decrease does not exceed the amount held in the revaluation reserve in respect of that same asset; all other decreases are charged to the profit or loss.

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.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of revalued assets, amounts in revaluation and other reserves relating to that asset are transferred to retained earnings.

Depreciation is calculated on the straight line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The useful life, residual value and method of depreciation of an item of property, plant and equipment are reviewed at each financial year end and adjusted prospectively if appropriate. The residual values and remaining useful lives of buildings have been estimated by the independent external valuers.

The annual rate of depreciation is as follows:

Buildings	-	2% - 9.45 %
Plant and equipment	-	10% - 20%
Furniture and fittings	-	10% - 33.33%
Motor vehicles	-	20%
Computer equipment	-	10% - 33.33%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Investment in subsidiaries

Financial statements of the Company

Investment in subsidiary companies are carried at cost which is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquirer. Acquisition-related costs are generally recognized in profit or loss as incurred. The carrying amount is reduced to recognise any impairment in the value of individual investments. The impairment loss is taken to profit or loss.

Consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Business combinations are accounted for using the purchase method of accounting.

(d) Investment in associates

Associates are entities in which the Company or the Group has significant influence but which are neither a subsidiary nor a joint venture of the Company or the Group.

Financial statements of the Company

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

Consolidated financial statements

The Group's investments in associates are accounted for using the equity method of accounting. The amount recognized in profit or loss reflects the Group's share of the results of operations of associates. The investment in associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate, less any impairment loss. The Group's investment in its associate includes goodwill on acquisition, which is treated in accordance with the accounting policy for goodwill stated further below.

Where there has been a change recognised in other comprehensive income of the associate, the Group recognises its share of any changes and discloses this, when applicable, in other comprehensive income.

When the Group's share of losses exceeds the carrying amount of the investment, the investment is reported at nil value and recognition is discontinued except to the extent of the Group's commitment on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognizing its share of profit only after its share of the profits equals the share of its losses not recognized.

(e) Intangible assets

Goodwill

Goodwill acquired in a business combination is initially measured as the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets and liabilities assumed. If after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, the excess is recognized in profit or loss as a bargain purchase gain. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

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, or group of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with IFRS 8 Segment Reporting.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a cash-generating unit (group of cash-generating units) 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.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Intangible assets (Cont'd)

Negative goodwill represents the excess of the acquirer's interest in the fair values of the identifiable net assets and liabilities acquired over the cost of acquisition. It is recognised immediately as income in the statement of comprehensive income.

Negative goodwill arising from the acquisition of an associated company is included as income in the determination of the Group's share of the associate's profit or loss of the period in which the associate was acquired.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset. The estimated useful lives of intangible assets with finite useful lives are as follows:

Computer software & Licenses	-	5 years
Leasehold rights	-	over the period of the leases.

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

(f) Trade and other receivables

Trade and other receivables are initially recognised at original invoice amount and are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised through profit or loss when the receivables are derecognised or impaired, as well as through the amortisation process.

(g) Derivative financial instruments

The Group sometimes uses forward contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

(h) Other financial assets

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Other financial assets (Cont'd)

The Group has the following investments:

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not loans and receivables, held-to-maturity investments or investments held at fair value through profit or loss. After initial recognition available-for sale financial assets are measured at fair value with gains or losses being recognised in other comprehensive income until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in other comprehensive income is included in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

(i) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated and separate statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Such financial assets are carried at amortised cost using the effective interest rate method.

(j) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss (FVTPL), 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.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Group's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) 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 in finance costs in profit or loss.

(k) 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 where:

- the rights to receive cash flows from the asset have expired;
- the Company or the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company or the Group has transferred its rights to receive cash flows from the asset and either (a) 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.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Financial assets (Cont'd)

Where the Company or the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's or the Group's continuing involvement in the asset. 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 Company or 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 is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

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

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

(l) Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred '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 observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Available-for-sale financial assets

If an available-for-sale asset is impaired, if there is objective evidence of a significant or prolonged decline in the fair value of the investment below its cost, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognised in profit or loss, the cumulative loss is transferred from other comprehensive income to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognised in profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss, only if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Trade and other receivables

For amounts due from customers carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are individually not significant. If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

If there is objective evidence that an impairment loss 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. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated and separate 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.

(n) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

(o) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Treasury shares

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognised in other reserves.

(p) Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group currently has only cash flow hedges which are accounted for as follows:

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised immediately in profit or loss.

Amounts taken to other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remains separately in equity until the forecast transaction or firm commitment affects profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. Non-financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the non-financial asset, the estimated future cash flows of the investment has been affected. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

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 recoverable amount is estimated. 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. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot 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 revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(r) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition, are accounted for on a weighted average cost basis.

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

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and 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. Where 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 any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(t) Retirement benefit obligations

The Group operates a defined benefit plan for some of its employees. For the remaining employees, the Group contributes to a unitised defined contribution pension scheme that was established on 1 July 2002. The employer contributes 9% of salaries less their contribution to the National Pensions Scheme in respect of members of the fund. Members contribute 6% of salaries less their contribution to the National Pensions Scheme. In each case the minimum monthly contribution is Rs.100.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Retirement benefit obligations (Cont'd)

Defined benefits schemes

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group 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 'employee benefit expenses' in the consolidated 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

Defined contributions schemes

Payments to defined contribution retirement plans are charged as an expense as they fall due. Unpaid contributions are recognized as a liability.

Other retirement benefits

For employees who are not covered by the above plan, the net present value of gratuities payable under the Employment Right Act 2008 is calculated and a liability accounted for. The obligations under this item are not funded.

Liabilities with respect to above schemes have been calculated by The Anglo Mauritius Assurance Society Ltd (Actuarial Valuer).

Right of set off

The Group has not offset the asset relating to one plan against a liability relating to another plan as it:

- does not have a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and
- does not intend to either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

(u) Taxes

Current tax

Current 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.

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 tax

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

- Where the deferred 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
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Taxes (Cont'd)

Deferred tax (Cont'd)

Deferred 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 utilized, except:

- Where the deferred 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
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred 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 tax asset to be utilised. Unrecognised deferred 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.

The principal temporary differences arise from depreciation on property, plant and equipment, revaluations of certain non-current assets, provisions for bad debts, tax losses carried forward and retirement benefit obligations.

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

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.

(v) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if the carrying amount will be recovered through a sale rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs attributable to the sale. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes. The resulting profit or loss (after taxes) is reported separately in the statement of profit or loss.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Lease

Group as lessee

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.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating 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. The interest balance should be recognised as a finance cost.

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

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The difference between actual payments and the straight lining of the expense is recognised as a liability or asset in the statement of financial position.

Group as a lessor

Assets subject to operating leases are presented in the statement of financial position according to the nature of the asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Lease income is recognised on a straight-line basis over the lease term even if the receipts are not on such a basis.

(x) 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.

(y) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal annual amounts over the expected useful life of the related asset.

(z) 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. The following specific criteria must also be met:

(i) Sale of goods and services

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and upon customer acceptance, if any, or performance of services, net of value added taxes and discounts, and after eliminating sales within the Group. The Group turnover reflects the invoiced values derived from hotel operations.

(ii) Other revenues

Other revenues earned by the Group are recognised on the following basis:

- Interest income - as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.
- Dividend income - when the shareholder's right to receive payment is established.
- Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms
- Management fees are recognised on an accrual basis.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(aa) Share based payment

Executives of the Group receive remuneration in the form of share-based payments, whereby they render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transaction for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Scope of Consolidation

The Company does not legally own SNC St Paul, an entity in Réunion Island which owns the property of SA Villas du Lagon. Having regard to the fact that:

- the entity was set up in order to take advantage of a specific tax exemption scheme applicable to French territories;
- the Company has an obligation to buy and the present shareholders an obligation to sell the shares of the entity at a specified time at Euro 1 per shareholder;

The Directors of the Company believe that the entity is a structured Entity (SE) since:

- it has the decision-making powers to obtain the majority of the benefits of the activities of the SE
- it has rights to obtain the majority of the benefits of the SE and therefore may be exposed to risks incident to the activities of the SE
- it has the ability to use its power over the investee to affect the amount of the returns.

Consequently, the Directors have consolidated financial statements of the SE in accordance with IFRS 10, Consolidated Financial Statements - structured entity.

Determination of functional and reporting currency

The determination of the functional currency of the Group is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected.

The Group primarily generates and expends cash in Mauritius. The majority of borrowings are denominated in Mauritian Rupee Furthermore, the shareholders of the Company are looking for returns in Mauritian Rupee and the Group's performance is evaluated in Mauritian Rupee.

Therefore, management considers Mauritian Rupee as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit 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 level of future taxable profits together with future tax planning strategies. At 30 June 2015, the status of unused tax losses of the Group was as follows:

	Recognised	Unrecognised	Total
	(Rs 000)	(Rs 000)	(Rs 000)
Tax losses	*310,660*	*843,659*	*1,154,319*

Useful life and residual value of buildings

The depreciation of buildings is dependent on the estimation of the useful lives and residual values of the buildings, which have been made by the Group based on the report of independent valuers. The carrying amount of buildings included under Property, Plant and Equipment amounted to Rs. 7,816M (2014: Rs. 6,855M).

Impairment of goodwill

Goodwill is tested on an annual basis for impairment loss in accordance with IAS 36. This requires an estimation of the "value in use' of the cash generating units to which goodwill is allocated. Estimating a value in use amount requires management to make estimates of the expected future cash flows from the cash generating unit and the selection of suitable discount rate in order to compute the present value of expected cash flow. The carrying amount of goodwill as at 30 June 2015 amounted to Rs. 1,071M (2014: Rs. 679.6M). Further details are given in Note 5.

Retirement benefits obligations

The cost of defined benefit pension plans and related provision, as disclosed in Note 10 to the financial statements requires the use of actuarial valuations. The actuarial valuation involves the use of significant estimates in respect of inter-alia, discount rate, expected return on plan assets, future salary increases, mortality rate and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The net employee liability at 30 June 2015 is Rs. 49.2M (2014: Rs. 37.9M). Further details are set out in Note 10.

Impairment of non-financial assets other than goodwill

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 of disposal and its value in use. The fair value less costs of disposal 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 DCF 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 sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

4. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Freehold Land and Buildings	Buildings on Leasehold Land	Plant and Equipment	Furniture and Fittings	Motor Vehicles	Computer Equipment	Construction in Progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST AND VALUATION								
At 01 July 2013	570,012	6,902,894	983,431	521,571	85,059	106,688	55,040	9,224,695
Transfer	-	28,011	6,392	13,507	-	-	(47,910)	-
Revaluation adjustment	5,388	(291,519)	-	-	-	-	-	(286,131)
Additions	14,802	55,618	75,677	86,420	6,270	18,744	342	257,873
Disposals	-	-	(8,990)	(8,319)	(9,988)	(4,485)	(285)	(32,067)
Exchange difference	-	5,725	144	(1,164)	(365)	295	7	4,642
At 30 June 2014	590,202	6,700,729	1,056,654	612,015	80,976	121,242	7,194	9,169,012
Transfer	-	1,635	(1,498)	1,498	-	-	(1,635)	-
Acquisition of subsidiary	-	1,047,650	38,460	35,609	2,532	2,048	2,928	1,129,227
Disposal of subsidiary	-	(404,214)	(77,968)	(9,726)	(145)	(14,579)	(59)	(506,691)
Additions	-	249,793	152,504	71,918	5,453	16,925	38,883	535,476
Disposals	-	(457)	(1,760)	(11,481)	(14,560)	(2,696)	-	(30,954)
Exchange difference	-	201,642	34,988	12,967	3,352	2,322	3,025	258,296
At 30 June 2015	590,202	7,796,778	1,201,380	712,800	77,608	125,262	50,336	10,554,366
DEPRECIATION								
At 01 July 2013	6,786	700,677	609,624	370,987	68,194	85,930	-	1,842,198
Revaluation adjustment	(8,538)	(878,089)	-	-	-	-	-	(886,627)
Charge for the year	1,752	172,026	83,074	39,799	4,842	10,481	-	311,974
Disposal adjustment	-	-	(8,623)	(8,091)	(9,500)	(4,075)	-	(30,289)
Exchange difference	-	5,386	1,177	(649)	(193)	133	-	5,854
At 30 June 2014	-	-	685,252	402,046	63,343	92,469	-	1,243,110
Disposal of subsidiary	-	(61,482)	(91,339)	(7,429)	(70)	(12,734)	-	(173,054)
Charge for the year	1,929	197,959	104,146	52,804	4,497	12,788	-	374,123
Disposal adjustment	-	(321)	(1,214)	(11,217)	(14,460)	(2,547)	-	(29,759)
Exchange difference	-	(11,204)	19,296	8,391	2,020	2,108	-	20,611
At 30 June 2015	1,929	124,952	716,141	444,595	55,330	92,084	-	1,435,031
NET BOOK VALUE								
At 30 June 2015	588,273	7,671,826	485,239	268,205	22,278	33,178	50,336	9,119,335
At 30 June 2014	590,202	6,700,729	371,402	209,969	17,633	28,773	7,194	7,925,902

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

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

THE COMPANY	Freehold Land and Buildings	Plant and Equipment	Furniture and Fittings	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST AND VALUATION				
At 01 July 2013	100,442	6,409	7,304	114,155
Revaluation adjustment	(9,692)	-	-	(9,692)
At 30 June 2014 and 2015	90,750	6,409	7,304	104,463
DEPRECIATION				
At 01 July 2013	4,753	2,994	5,647	13,394
Revaluation adjustment	(5,788)	-	-	(5,788)
Charge for the year	1,035	616	489	2,140
At 30 June 2014	-	3,610	6,136	9,746
Charge for the year	597	545	380	1,522
At 30 June 2015	597	4,155	6,516	11,268
NET BOOK VALUE				
At 30 June 2015	90,153	2,254	788	93,195
At 30 June 2014	90,750	2,799	1,168	94,717

(a) The freehold land and buildings and buildings on leasehold land of the Group and the Company in Mauritius were revalued in June 2014 at their open market value, by reference to recent market transactions on arm's length term, by Noor Dilmahomed & Associates, Chartered Valuer.

The building on leasehold land of the subsidiary, White Sand Resorts & Spa Pvt Ltd was revalued in June 2014 by Maldives Valuers Pvt. Ltd, Chartered Valuation surveyors at their open market value, by reference to recent market transactions on arm's length term.

The book values were adjusted to the revalued amount at 30 June 2014 and the revaluation surpluses net of deferred taxation were credited to revaluation reserves.

The Directors have reassessed the fair value of the hotel in Reunion Island. On the basis of current economic environment, the Directors are satisfied that the carrying value of the hotel reflect the fair value at the reporting date.

The Group's policy is to revalue its property every five years unless there is evidence that the fair value of the assets differ materially from the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

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

The following table gives information about how the fair value of land and buildings is determined:

	Valuation technique(s) and key input(s)	Fair value as at 2015	Fair value as at 2014	Fair Value Hierarchy	Significant unobservable input(s)
		Rs'000	Rs'000		
Land	Sales comparison approach	435,550	*435,550*	Level 2	N/A
Buildings	Sales comparison approach	7,572,593	*6,855,324*	Level 2	N/A

The directors have reassessed the fair value of the land and buildings at 30 June 2015 and consider the carrying value of the land and buildings approximates their fair values.

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:-

Building on leasehold land	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Cost	5,148,927	*3,915,988*	-	-
Accumulated depreciation	(1,088,562)	*(858,790)*	-	-
Net book value	4,060,365	*3,057,198*	-	-
Freehold land and building				
Cost	320,733	*320,733*	56,848	*56,848*
Accumulated depreciation	(23,470)	*(17,055)*	(8,487)	*(7,350)*
Net book value	297,263	*303,678*	48,361	*49,498*

(b) Plant and equipment and motor vehicles of the Group include leased assets as follows:

	Motor Vehicles		Plant and equipment	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Cost	16,988	*5,636*	34,187	*20,995*
Accumulated depreciation	(7,236)	*(1,610)*	(7,751)	*(2,663)*
Net book value	9,752	*4,026*	26,436	*18,332*

(c) Bank borrowings are secured on all the assets of the Group and the Company. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(d) No borrowing costs have been capitalised during the year (2014: Nil).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

5. INTANGIBLE ASSETS

THE GROUP

	Leasehold Rights	Goodwill	Computer Software & Licences	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At 01 July 2013	*703,571*	*688,450*	*59,664*	*1,451,685*
Additions	-	-	*1,584*	*1,584*
Disposals	*(70,172)*	-	-	*(70,172)*
Exchange difference	*(7,669)*	*(8,850)*	*39*	*(16,480)*
At 30 June 2014	*625,730*	*679,600*	*61,287*	*1,366,617*
Acquisition of subsidiary	-	*314,256*	*2,356*	*316,612*
Disposal of subsidiary	*(20,525)*	-	*(1,517)*	*(22,042)*
Additions	-	-	*2,917*	*2,917*
Write offs	-	-	*(151)*	*(151)*
Exchange difference	*70,695*	*77,242*	*458*	*148,395*
At 30 June 2015	*675,900*	*1,071,098*	*65,350*	*1,812,348*
AMORTISATION				
At 01 July 2013	*239,670*	-	*47,175*	*286,845*
Charge for the year	*13,581*	-	*5,116*	*18,697*
Disposal adjustment	*(9,308)*	-	-	*(9,308)*
Exchange difference	*(3,410)*	-	*35*	*(3,375)*
At 30 June 2014	*240,533*	-	*52,326*	*292,859*
Disposal of subsidiary	*(3,511)*	-	*(339)*	*(3,850)*
Charge for the year	*13,686*	-	*2,690*	*16,376*
Write offs	-	-	*(151)*	*(151)*
Exchange difference	*31,468*	-	*562*	*32,030*
At 30 June 2015	*282,176*	-	*55,088*	*337,264*
NET BOOK VALUE				
At 30 June 2015	*393,724*	*1,071,098*	*10,262*	*1,475,084*
At 30 June 2014	*385,197*	*679,600*	*8,961*	*1,073,758*

(a) Impairment test on goodwill

Goodwill acquired is measured as the sum of the consideration transferrred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets and liabilities assumed. Goodwill has been assessed as having an indefinite life and in accordance with IAS 36, goodwill has been assessed for impairment based on each cash generating unit.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

5. INTANGIBLE ASSETS (CONT'D)

(a) Impairment test on goodwill (Cont'd)

	THE GROUP	
	2015	2014
	Rs'000	Rs'000
Les Pavillons Resorts Ltd	70,000	70,000
Holiday & Leisure Resorts Limited	83,658	83,658
Lux Island Resorts Maldives Ltd	563,221	485,979
Oceanide Ltd	314,256	-
Other subsidiaries	39,963	39,963
	1,071,098	679,600

The recoverable amount of each cash generating unit has been determined based on their value-in-use. The pre-tax cash flow projection is based on financial budgets prepared by management covering a five-year period. The pre-tax discount rate applied represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

A yearly growth rate of 4% and a yearly 3% inflation rate have been assumed in the calculation.

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of each cash generating unit to at least maintain its market share.

A fall in the growth rate to 2% would result in an impairment.

As at 31 December 2014, the Group acquired the remaining 50.1% shareholding in Oceanide Limited by way of a share exchange.

The fair values of the identifiable assets and liabilities of Oceanide Limited as at the date of acquisition were:

	Fair value recognised on acquisition date
	Rs'000
Assets:	
Property, plant and equipment	1,129,227
Cash and cash equivalents	2,719
Trade receivables	105,065
Inventories	16,344
Deferred tax asset	28,686
Intangible assets: Computer software	2,356
	1,284,397

5. INTANGIBLE ASSETS (CONT'D)

	Fair value recognised on acquisition date
	Rs'000
Liabilities:	
Trade and other payables	*(246,792)*
Retirement benefit obligations	*(1,883)*
Interest-bearing loans and borrowings (excluding bank overdraft)	*(559,705)*
Bank overdraft	*(63,702)*
	(872,082)
Total identifiable net assets at fair value	*412,315*
% holdings acquired as at 31 December 2014	*100.00%*
Share of identifiable net assets at fair value attributable to Lux Island Resorts Limited	*412,315*
Total consideration to obtain control:	
Fair value of the shareholding of Lux Island Resorts Ltd prior to the new acquisition	*271,677*
Share exchange made to acquire the remaining shareholding	*447,928*
Cash consideration given in respect of the acquisition	*6,966*
	726,571
Goodwill	*314,256*

The deferred tax assets mainly comprise the effect of the accelerated depreciation for accounting purposes of property, plant and equipment and tax losses carried forward.

The fair value of the non-controlling interest in Oceanide Limited, an unlisted company, has been estimated by applying a discounted earnings technique. The fair value measurements are based on significant inputs that are not observable in the market.

The fair value estimate is based on:

- An assumed WACC of 9.22% ; and

- A terminal value, calculated based on long-term sustainable growth rates for the industry of 2%, which has been used to determine income for the future years.

Significant increase/(decrease) in the profit after tax of Oceanide Limited would result in higher/(lower) fair value of the contingent consideration liability, while significant increase/(decrease) in the discount rate and own non-performance risk would result in lower/(higher) fair value of the liability.

As at 30 June 2015, the key performance indicators of Oceanide Limited show that it is highly probable that the target will be achieved due to a significant expansion of the business and the synergies realised.

6. INVESTMENT IN SUBSIDIARY COMPANIES

	2015	2014
THE COMPANY	**Rs'000**	Rs'000
At 01 July	2,839,384	*1,423,318*
Addition	684,201	*1,416,066*
At 30 June	3,523,585	*2,839,384*

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

During the year ended 30 June 2015, the Company has acquired the remaining 8% non-controlling interest in its subsidiary, Lux Island Resorts Maldives Ltd as well as the 50.1% remaining shareholding in Oceanide Ltd, an associated company, which is now a fully owned subsidiary.

The acqusitions of shares in the subsidiaries were made by way of a share exchange whereby the non-controlling-shareholders in Lux Island Resorts Maldives Ltd and the shareholders of Oceanide Ltd were granted shares in Lux Island Resorts Ltd in exchange for their shares in the respective entities. The share exchange ratio was determined by an independant external valuer as at 31 December 2014.

(a) The subsidiary companies are as follows:

Name of Companies	Country of incorporation	Effective Shareholding 2015		Effective Shareholding 2014	
		Direct	Indirect	Direct	Indirect
		%	%	%	%
Les Pavillons Resorts Ltd	Mauritius	100	-	*100*	-
Beau Rivage Co Ltd	Mauritius	100	-	*100*	-
Blue Bay Tokey Island Limited	Mauritius	100	-	*100*	-
Poseidon Limitée	Mauritius	100	-	*100*	-
Holiday & Leisure Resorts Limited	Mauritius	100	-	*100*	-
Lux Resorts Ltd	Mauritius	-	100	-	*100*
Merville Beach Hotel Limited	Mauritius	-	100	-	*100*
Merville Limited	Mauritius	-	100	-	*100*
MSF Leisure Co Ltd	Mauritius	-	100	-	*100*
LTK Ltd	Mauritius	-	100	-	*100*
FMM Ltee	Mauritius	-	100	-	*100*
Lux Island Resorts UK Limited	England	100	-	*100*	-
Lux Island Resorts Seychelles Ltd	Seychelles	-	98	-	*100*
LIRTA Ltd	Mauritius	-	98	-	*100*
Naiade Holidays (Pty) Ltd	South Africa	100	-	*100*	-
SAS Hôtel Prestige Réunion (note (b))	France	100	-	*100*	-
SA Les Villas Du Lagon	Réunion Island	-	100	-	*100*
SAS Le Récif	Réunion Island	-	-	-	*99*
Ari Atoll Investment Ltd	Seychelles	-	98	-	*100*
Island Light Vacations Ltd	Mauritius	-	98	-	*100*
Lux Island Resort Foundation	Mauritius	100	-	*100*	-
Lux Island Resorts Maldives Ltd	Seychelles	100	-	*92*	-
White Sand Resorts & Spa Pvt Ltd	Maldives	-	100	-	*92*
Lux Hospitality Ltd	Mauritius	98	-	*100*	-
Oceanide Ltd	Mauritius	-	100	-	*49.9**
Nereide Ltd	Mauritius	-	100	-	*49.9**

*:- Previously accounted as an associate.

(b) In accordance with IFRS 10, Consolidated Financial Statements and as more fully explained in note 3, the Company has also consolidated the financial statements of SNC St Paul even if this entity does not legally belong to the Group. The structured entity is incorporated in Réunion Island.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Summarised below are the financial information of the sudsidiary, Lux Island Resorts Maldives Ltd, that had a material non-controlling interests in financial year 2014, based on its IFRS financial statements and before inter-company eliminations. As at 30 June 2015, Lux Island Resorts Maldives Ltd is a fully owned subsidiary of Lux Island Resorts Ltd.

Proportion of non-controlling interests	*8%*

	2014
	Rs'000
Financial position	
Non-current assets	*2,703,881*
Current assets	*475,176*
Non-current liabilities	*(960,713)*
Current liabilities	*(674,949)*
Net assets	*1,543,395*
Carrying amounts of non-controlling interests	*123,472*
Revenue	*1,276,148*
Comprehensive income	
Profit for the year	*171,093*
Other comprehensive income	*159,550*
Total comprehensive income	*330,643*
Profit allocated to non-controlling interests	*13,687*
Total comprehensive income allocated to non-controlling interests	*12,764*
Dividend paid to non-controlling interests	*(4,617)*
Cash flow	
Operating activities	*19,553*
Investing activities	*(483)*
Financing activities	*(19,136)*
Net decrease in cash and cash equivalents	*(66)*

7. INVESTMENT IN ASSOCIATED COMPANY

	THE GROUP	
	2015	2014
	Rs'000	Rs'000
At 01 July	232,449	*217,634*
Share of reserves	33,215	*14,552*
Share of results	5,326	*263*
Derecognition of associated company (refer to note below)	(270,990)	-
At 30 June	-	*232,449*

During the year ended 30 June 2015, the company acquired all the shares held by other shareholders of Oceanide Ltd and now considers Oceanide Ltd as a wholly owned subsidiary of the group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

7. INVESTMENT IN ASSOCIATED COMPANY (CONT'D)

The summarised financial information of the Group's investment in associated company for the year ended 30 June 2014 is as follows:

	THE GROUP
	Rs'000
Financial position	*2014*
Non-current assets	*1,312,032*
Cash and cash equivalents	*927*
Other current assets	*88,618*
Current trade and other payables	*(218,964)*
Current loans and borrowings	*(130,652)*
Non-current loans and borrowings	*(585,181)*
Other non-current liabilities	*(1,883)*
Equity	*464,897*
Proportion of Group's ownership	*49.9%*
Carrying amount of investment	*232,449*
Statement of profit or loss and other comprehensive income	
Revenue	*402,663*
Other income	*646*
Depreciation and amortisation	*(44,650)*
Interest expense	*(46,373)*
Other expenses	*(318,082)*
Profit before tax	*(5,796)*
Income tax	*6,321*
Profit for the year	*525*
Other comprehensive income	*29,103*
Total comprehensive loss	*29,628*
Group's share of profit	*263*
Group's share of total comprehensive income	*14,552*

8. OTHER FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
Available-for-sale investments	**Rs'000**	Rs'000	**Rs'000**	Rs'000
At 01 July	5	*36*	-	-
Impairment	-	*(31)*		-
At 30 June	5	*5*	-	-
Available-for-sale investments consist of:				
- Quoted shares	5	*5*	-	-

The fair value of quoted ordinary shares (classified as Level 1 as detailed in Note 40(d)) is determined by reference to published price quotations in an active market at the reporting date.

9. DEFERRED TAX

Deferred income taxes are calculated on all temporary differences under the liability method.

Deferred tax is reflected in the statements of financial position as follows:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax assets	(44,732)	*(21,282)*	-	-
Deferred tax liabilities	429,570	*416,403*	5,851	*6,079*
	384,838	*395,121*	5,851	*6,079*
The movement in the deferred income tax account is as follows:				
At 01 July	395,121	*274,232*	6,079	*9,595*
Acquisition of subsidiary	(28,686)	-	-	-
Recognised in profit or loss (note 21)	17,753	*29,530*	(228)	*(2,330)*
Recognised in other comprehensive income	(5,483)	*92,357*	-	*(1,186)*
Exchange difference	6,133	*(998)*	-	-
At 30 June	384,838	*395,121*	5,851	*6,079*

Deferred income tax at 30 June relates to the following:

THE GROUP	Balance		Movement	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax liabilities				
Accelerated depreciation	171,325	*225,720*	(54,395)	*4,171*
Revaluation of property, plant and equipment	293,139	*261,453*	31,686	*83,564*
	464,464	*487,173*	(22,709)	*87,735*
Deferred tax assets				
Retirement benefit obligations	(6,675)	*(6,395)*	(280)	*(2,750)*
Tax losses	(57,271)	*(75,306)*	18,035	*34,699*
Provision for bad debts and others	(15,680)	*(10,351)*	(5,329)	*1,205*
	(79,626)	*(92,052)*	12,426	*33,154*
Net deferred tax liabilities	384,838	*395,121*		
Total movement for the year			(10,283)	*120,889*
Recognised as follows:				
In profit or loss (Note 21)			17,753	*29,530*
Consolidation adjustment following acquisition of subsidiary			(28,686)	-
In other comprehensive income			(5,483)	*92,357*
Exchange difference			6,133	*(998)*
			(10,283)	*120,889*

9. DEFERRED TAX (CONT'D)

THE COMPANY

	Balance		Movement	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred tax liabilities				
Accelerated depreciation	427	*585*	(158)	*(2,349)*
Revaluation of property, plant and equipment	5,424	*5,494*	(70)	*(1,395)*
	5,851	*6,079*	(228)	*(3,744)*
Net deferred tax liabilities	5,851	*6,079*		
Total movement for the year			(228)	*(3,744)*
Recognised as follows:				
In profit or loss (Note 21)			(228)	*(2,330)*
In other comprehensive income			-	*(1,186)*
			(228)	*(3,516)*

Deferred tax assets have not been recognised on tax losses amounting to Rs. 842 million (2014: Rs. 1,009 million) for the Group.

10. NET EMPLOYEE DEFINED BENEFIT LIABILITIES/(ASSETS)

(a) The benefits of employees of the Group fall under three different types of arrangements:

(i) A defined benefit scheme which is funded. The plan assets are held independently by a pension fund;

(ii) A defined contribution scheme; and

(iii) Retirement benefits as defined under the Employment Rights Act 2008 and which are unfunded.

(b) The liabilities in respect of the defined benefit obligations (i) and (iii) above are analysed as follows:

	THE GROUP	
	2015	2014
	Rs'000	Rs'000
Funded obligation - Obligation/(Asset) (note (c - o))	5,493	*(42)*
Unfunded obligation (note (p - u))	43,699	*37,951*
	49,192	*37,909*

As there is no right of set off in respect of the two above obligations, the amounts have been disclosed separately.

10. NET EMPLOYEE DEFINED BENEFIT LIABILITIES/(ASSETS) (CONT'D)

FUNDED OBLIGATION

(c) The amounts recognised in the statement of financial position in respect of the funded obligation are as follows:

	THE GROUP	
	2015	2014
	Rs'000	Rs'000
Present value of funded obligation	50,102	*46,052*
Fair value of plan assets	(44,609)	*(46,094)*
Liability/(asset) in the Statement of Financial Position	5,493	*(42)*
(d) Movement in the statements of financial position:		
At 01 July	(42)	*2,513*
Total expenses (note (e))	1,342	*1,804*
Actuarial losses/(gains) recognised in Other Comprehensive Income	4,389	*(4,061)*
Contributions paid	(196)	*(298)*
At 30 June	5,493	*(42)*
(e) The amounts recognised in the statement of profit or loss are as follows:		
Current service cost	1,082	*1,403*
Interest cost	140	*287*
Scheme expenses	30	*35*
Cost of insuring risk benefits	90	*79*
Total included in staff costs	1,342	*1,804*
(f) **The total actuarial losses/(gains) recognised in OCI are as follows:**		
Funded obligation (Note (j))	4,389	*(4,061)*
Unfunded obligation (Note (s))	(2,049)	*5,019*
	2,340	*958*
(g) Changes in the fair value of plan assets are as follows:		
At 01 July	46,094	*41,346*
Interest on plan assets	3,220	*3,109*
Employer's contribution	196	*298*
Scheme expenses	(30)	*(35)*
Cost of insuring risk benefits	(90)	*(79)*
Actuarial (losses)/gains	(163)	*1,455*
Benefits paid	(4,618)	-
At 30 June	44,609	*46,094*

10. NET EMPLOYEE DEFINED BENEFIT LIABILITIES/(ASSETS) (CONT'D)

FUNDED OBLIGATION (CONT'D)

		THE GROUP	
		2015	2014
		Rs'000	Rs'000
(h)	Changes in defined benefit obligation are as follows:		
	At 01 July	46,052	*43,859*
	Current service cost	1,082	*1,403*
	Interest cost	3,360	*3,395*
	Actuarial (losses)/gains	4,226	*(2,605)*
	Benefits paid	(4,618)	-
	At 30 June	50,102	*46,052*
(i)	The main categories of plan assets are as follows:		
	Local equities	19,895	*16,086*
	Overseas equities	14,141	*15,534*
	Fixed interest	10,082	*13,644*
	Properties	491	*830*
	Total market value of assets	44,609	*46,094*
(j)	Analysis of amount recognised in Other Comprehensive Income:		
	Losses/(gains) on pension scheme assets	163	*(1,456)*
	Experience losses/(gains) on the liabilities	1,819	*(2,605)*
	Changes in assumptions underlying the present value of the scheme	2,407	-
	Actuarial losses /(gains) recognised in OCI	4,389	*(4,061)*
(k)	**Sensivity analysis**		
	Decrease in Defined benefit Obligation due to 1% increase in discount rate	5,851	*2,937*
	Increase in Defined Benefit Obligation due to 1% increase in future long-term salary assumption	1,897	*1,258*

The sensitivity analysis above have been determined based on sensibly possible changes of the discount rate or salary increase rate occuring at the end of the reporting period if all other assumptions remained unchanged.

The plan is a defined benefit arrangement, with benefits based on final salary, it provides for a pension at retirement and a benefit on death or disablement in service before retirement.

(l) (i) The assets of the plan are invested in GML Pension Fund which includes a diversified portfolio of asset classes. In view of exposure to Equities, some volatility in the return from one year to the other is expected.

(ii) As the fund is expected to produce a smooth return, a fairly reasonable indication of the future returns can be obtained by looking at historical ones. Therefore, the long term expected return on asset assumption has been based on historical performance of the fund.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

10. NET EMPLOYEE DEFINED BENEFIT LIABILITIES/(ASSETS) (CONT'D)

FUNDED OBLIGATION (CONT'D)

(iii) The fixed interest portfolio includes government bonds, debentures, mortgages and cash. The expected return for this asset class has been based on yields of government bonds at 30 June 2015.

(m) Future cash flows

- The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.

- The weighted average duration of the defined benefit obligation is 12 years.

- Employer's contributions to be paid in the next reporting period is estimated at Rs. 1.6m (2014: Rs. 0.3m).

(n) Risk Associated with the Plans

The Defined Benefit Plans expose the Group and the Company to actuarial risks such as longevity risk, interest rate risk, market (investment) risk, and salary risk.

Interest rate risk

If the bond interest rate decreases, the liabilities would be calculated using a lower discount rate, and would therefore increase.

Investment risk

The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise. (For funded benefits only).

Salary risk

If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

(o) The principal actuarial assumptions with respect to the Funded Scheme used for accounting purposes were:

	THE GROUP	
	2015	2014
	%	%
Discount rate	6.8	*7.5*
Future NPS ceiling increase	6.0	*5.5*
Future expected pension scheme	0.0	*3.0*
Future long term salary increase	9.3	*10.0*
Post retirement mortality tables	a(92)	*a(90)*

UNFUNDED OBLIGATION

(p) The amounts recognised in the statements of financial position in respect of unfunded obligation are as follows:

	THE GROUP	
	2015	2014
	Rs'000	Rs'000
Present value of unfunded obligation	43,699	*37,951*

10. NET EMPLOYEE DEFINED BENEFIT LIABILITIES/(ASSETS) (CONT'D)

UNFUNDED OBLIGATION (CONT'D)

(q) Movement in the liability recognised in the statement of financial position:

	THE GROUP	
	2015	2014
	Rs'000	Rs'000
At 01 July	37,951	*30,591*
Acquisition of subsidiary	1,883	-
Total expenses (note (r))	6,205	*3,381*
Actuarial (gain)/loss	(2,050)	*5,019*
Benefits paid	(144)	*(1,118)*
Exchange difference	(146)	*78*
At 30 June	43,699	*37,951*

(r) The amounts recognised in the statements of comprehensive income are as follows:

	THE GROUP	
	2015	2014
	Rs'000	Rs'000
Current service cost	3,180	*1,280*
Interest cost	3,025	*2,101*
Past service cost	-	-
Total included in staff costs	6,205	*3,381*

(s) Amount recognised in Other Comprehensive Income

	THE GROUP	
	2015	2014
	Rs'000	Rs'000
Experience losses/(gains)	(2,050)	*5,019*

(t) Sensivity analysis

	THE GROUP	
	2015	2014
	Rs'000	Rs'000
Decrease in Defined benefit Obligation due to 1% increase in discount rate	7,450	*6,171*
Increase in Defined Benefit Obligation due to 1% increase in future long-term salary assumption	9,857	*8,096*

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

10. NET EMPLOYEE DEFINED BENEFIT LIABILITIES/(ASSETS) (CONT'D)

UNFUNDED OBLIGATION (CONT'D)

(u) The principal actuarial assumptions with respect to the Unfunded Scheme used for accounting purposes were as follows:

	THE GROUP	
	2015	2014
	%	%
Discount rate	6.75	*7.50*
Future salary increases	4.75	*5.50*

11. INVENTORIES

	THE GROUP	
	2015	2014
	Rs'000	Rs'000
Food and beverages	56,976	*40,591*
Spare parts and maintenance	39,363	*25,834*
Others	45,191	*20,640*
	141,530	*87,065*

Inventories have been pledged as securities for bank borrowings of the Group. All inventories are at cost and there were no write downs of inventories during the year (2014: Nil).

12. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Trade receivables	516,230	*423,752*	-	*1,095*
Receivable from subsidiaries (note (39))	-	-	1,915,477	*1,721,241*
Receivable from associated company (note (39))	-	*168,169*	-	*123,950*
Other receivables and prepayments	234,120	*339,596*	1,590	*6,944*
	750,350	*931,517*	1,917,067	*1,853,230*
Less allowances for impairment of receivables	(16,203)	*(38,120)*	-	*(1,095)*
	734,147	*893,397*	1,917,067	*1,852,135*

(i) Trade receivables are not secured, non-interest bearing and are generally on 30 days term. Impairment of receivables have been assessed on a collective basis only as there were no indications of impairment on an individual basis. The Group has subscribed to a credit protection scheme for its trade receivables with a Global Service Provider, with a view to minimise its credit risk exposure.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(ii) At 30 June 2015, the ageing analysis of trade receivables is as follows:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Not past due	183,703	*138,851*	-	-
Due less than 30 days	144,044	*123,462*	-	-
More than 30 and less than 60 days	67,268	*53,820*	-	-
More than 60 and less than 90 days	37,338	*35,722*	-	-
More than 90 days	83,877	*71,897*	-	*1,095*
	516,230	*423,752*	-	*1,095*

None of the balances have been impaired.

(iii) The movement in allowances for impairment of trade and other receivables were as follows:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 01 July	38,120	*49,161*	1,095	*1,095*
Acquisition and disposal of subsidiary	(7,051)	-	-	-
Charge for the year	2,555	*6,802*	-	-
Utilised	(19,956)	*(17,494)*	(1,095)	-
Exchange difference	2,535	*(349)*	-	-
At 30 June	16,203	*38,120*	-	*1,095*

(iv) Other receivables and receivables from associated company are neither past due nor impaired. No collaterals are held in respect of those receivables. These are repayable within 6 months.

13. DISCONTINUED OPERATIONS

	THE GROUP	
Result for the year attributable to discontinued operation:	**2015**	2014
	Rs'000	Rs'000
Disposal of SAS Le Recif (note a)	(11,233)	*(19,512)*
Disposal of Villa - LUX* Belle Mare (note b)	-	*22,636*
	(11,233)	*3,124*
Earnings per share attributable to discontinued operation (Rs.)	(0.09)	*0.02*

13. DISCONTINUED OPERATIONS (CONT'D)

(a) On 1 April 2015, the Group disposed of its wholly owned subsidiary SAS Le Recif (the Company); a company incorporated and operating in Reunion Island. The results of SAS Le Recif for the period from 1 July 2014 to 31 March 2015 are presented below:

	Period from 1 July 2014 to 31 March 2015	Year ended 30 June 2014
	Rs'000	Rs'000
Revenue	190,832	*241,452*
Direct costs	(36,651)	*(49,687)*
Employee benefits	(77,801)	*(107,250)*
Operating expenses	(54,933)	*(60,572)*
Depreciation	(15,889)	*(19,882)*
Operating profit from a discontinued operation	5,558	*4,061*
Finance costs	(5,905)	*(9,338)*
Loss before tax from a discontinued operation	(347)	*(5,277)*
Income tax expense	-	*(14,235)*
Loss for the period/year from a discontinued operation	(347)	*(19,512)*
Loss on disposal of SAS Le Recif	(10,886)	-
Result for the year attributable to discontinued operation	(11,233)	*(19,512)*

The major classes of assets and liabilities of SAS Le Recif as at 31 March 2015 were as follows:

	31-Mar-15	30-Jun-14
	Rs'000	Rs'000
Assets		
Property, plant and equipment	327,133	*365,657*
Intangible assets	18,048	*19,592*
Inventories	1,601	*1,890*
Receivables and prepayments	25,811	*22,666*
Cash in hand and at bank	15,562	*4,253*
	388,155	*414,058*
Liabilities		
Borrowings (including bank overdraft)	(183,859)	*(215,721)*
Trade and other payables	(60,813)	*(47,427)*
	(244,672)	*(263,148)*
Net assets directly associated with the disposal group	143,483	*150,910*

(b) The following financial information relates to Lux* Belle Mare's Villas which were disposed of during the financial year 2014.

13. DISCONTINUED OPERATIONS (CONT'D)

Result for the year from discontinued operations - Lux* Belle Mare - Villas

	THE GROUP
	2014
	Rs'000
Total revenue	*60,905*
Total operating expenses	*(42,789)*
Operating profit	*18,116*
Finance costs	*(12,343)*
Profit before tax	*5,773*
Gain on disposal of villas	*16,863*
Result for the year attributable to discontinuing operations	*22,636*

	THE GROUP	
	2015	2014
Cash flows from discontinuing operations	**Rs'000**	Rs'000
Cash flow from operating activities	-	*5,773*
Cash flows from investing activities	-	*176,066*
Cash flows from financing activities	-	*(55,000)*
Net cash flows from discontinuing operations	-	*126,839*

14. ISSUED CAPITAL

	THE GROUP AND THE COMPANY	
(a) Stated capital	**2015**	2014
Ordinary shares of Rs 10 each.	**Rs'000**	Rs'000
At 01 July 2014	1,140,346	*1,140,346*
Issued during the year	227,519	-
At 30 June 2015	1,367,865	*1,140,346*

Number of shares	No of Shares	
	2015	2014
At 01 July and at 30 June	136,786,535	*114,034,651*

During the year ended 30 June 2015, the Company acquired the non-controlling interest of Lux Island Resorts Maldives Ltd and the shares held by the other shareholders of Oceanide Ltd by way of a share exchange.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

14. ISSUED CAPITAL (CONT'D)

(a) Stated capital (Cont'd)

Furthermore, the majority of the bond holders of the Company, who had options to convert their bond into share capital on 31 December 2014, have exercised their option (see note 18 (c)).

The number of shares issued in each case are as follows:

	No. of shares	Value per share	Total consideration	Share Capital	Share Premium
		Rs	Rs'000	Rs'000	Rs'000
Acquisition of shares of Oceanide Ltd and Lux Island Resorts Maldives Ltd	*11,980,447*	*55.97*	*670,546*	*119,805*	*550,741*
Conversion of Bonds	*10,771,437*	*44.14*	*475,409*	*107,714*	*367,695*
			1,145,955	*227,519*	*918,436*

(b) Share premium

The excess of the amount received over the par value of the shares issued net of share issue costs is transferred to share premium.

Movement in share premium account is as follows:

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
At 01 July 2014	391,819	*391,819*
Arising on share issue during the year	918,436	-
Share issue expenses	(1,802)	-
At 30 June 2015	1,308,453	*391,819*

(c) Treasury shares

		THE GROUP AND THE COMPANY	
		2015	2014
Number of shares	**Units**	287,000	*287,000*
Value	**Rs'000**	18,081	*18,081*

15. DIVIDEND

On 26 June 2015, the Board of directors have declared a dividend of Re. 1.00 (2014: Rs. 0.50) per each ordinary share held with respect to the year ended 30 June 2015. The dividend was paid on 15 August 2015.

16. OTHER RESERVES

(a) THE GROUP

	Reserve in associated company	Cash Flow Hedging Reserve	Asset Revaluation Reserve	Share based payment Reserve	Foreign Currency Translation Reserve	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 01 July 2013	*75,034*	*(23,514)*	*1,274,109*	-	*11,974*	*1,337,603*
Cash flow hedging on loan in foreign currency	*14,552*	*(23,107)*	-	-	-	*(8,555)*
Revaluation of property	-	-	*585,690*	-	-	*585,690*
Currency translation difference	-	-	-	-	*543*	*543*
Share based payment	-	-	-	*8,705*	-	*8,705*
Income tax related to other comprehensive income	-	*439*	*(92,969)*	-	-	*(92,530)*
At 30 June 2014	*89,586*	*(46,182)*	*1,766,830*	*8,705*	*12,517*	*1,831,456*
Cash flow hedging on loan in foreign currency	*33,215*	*(23,943)*	-	-	-	*9,272*
Cash flow hedge reserve released on repayment of loan	-	*(6,961)*	-	-	-	*(6,961)*
Currency translation difference	-	-	-	-	*205,673*	*205,673*
Share based payment issued (note 26)	-	-	-	*6,428*	-	*6,428*
Share based payment used	-	-	-	*(3,712)*	-	*(3,712)*
Recycled to profit or loss (note 24)	*(40,850)*	-	-	-	-	*(40,850)*
Recycled to retained earnings	*(81,951)*	-	-	-	-	*(81,951)*
Transfer to non-controlling interests	-	-	-	*(188)*	*(5,456)*	*(5,644)*
Tax on above	-	*5,855*	-	-	-	*5,855*
At 30 June 2015	-	*(71,231)*	*1,766,830*	*11,233*	*212,734*	*1,919,566*

Nature and purpose of other reserves

Reserve in associated company

This reserve recorded the share of revaluation and hedging reserve in the associated company.

Cash flow hedging reserve

This reserve records the effective portion of the gain or loss on the hedging instruments in cash flow hedges. The movement for the year is in respect of exchange difference on conversion of loan in US$ and EURO at year end rate.

16. OTHER RESERVES (CONT'D)

(a) THE GROUP (CONT'D)

Nature and purpose of other reserves (Cont'd)

Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of land and buildings (net of deferred tax on the revalued asset) and decreases to the extent that such decreases relates to an increase on the same asset previously recognised in equity.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries and associates. It is also used to record the hedging of net investments in a foreign operation.

Share based payment reserve

The share based payment reserve is used to recognise the value of equity-settled share based payments provided to its executives as part of their remuneration. Refer to note 33.

(b) THE COMPANY

	Asset Revaluation Reserve	Cash Flow Hedge Reserve	Total
	Rs'000	Rs'000	Rs'000
At 01 July 2013	*40,733*	*(9,559)*	*31,174*
Cash flow hedging	-	*19,815*	*19,815*
Revaluation during the year	*(2,718)*	-	*(2,718)*
At 30 June 2014	*38,015*	*10,256*	*48,271*
Cash flow hedging on loan in foreign currency	-	*2,834*	*2,834*
Release on repayment of loan	-	*(11,171)*	*(11,171)*
At 30 June 2015	*38,015*	*1,919*	*39,934*

17. NON-CONTROLLING INTERESTS

	THE GROUP	
	2015	2014
	Rs'000	Rs'000
At 01 July	123,472	*101,638*
Share of result for the year	7,064	*13,687*
Share of reserve for the year	5,456	*12,764*
Acquisition of non-controlling-interest by the Company	(135,992)	-
Arising on part disposal of subsidiary	1,767	
Dividend	-	*(4,617)*
At 30 June	1,767	*123,472*

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

17. NON-CONTROLLING INTERESTS (CONT'D)

During the year ended 30 June 2015, the Company has acquired the non-controlling-interest in Lux Island Resorts Maldives Ltd, which is now a fully owned subsidiary

The subsidiary, Lux Hospitality Ltd, has issued shares to some executives of the company pursuant to the executive share scheme. The effective control of Lux Island Resorts Ltd in Lux Hospitality Ltd was diluted to 98.1% resulting in a non-controlling-interest of 1.9% being recorded this year.

18. INTEREST-BEARING LOANS AND BORROWINGS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current				
Bank loans (note (a))	509,605	*577,705*	21,783	*20,677*
Finance leases (note (b))	10,634	*6,096*	-	-
Debentures	-	*31,724*	-	-
Other loans (note (d))	10,500	*9,252*	-	-
Bank overdrafts (note 32(a))	360,679	*206,073*	41,592	*3,747*
	891,418	*830,850*	63,375	*24,424*
Non-current				
Bank loans (note (a))	3,229,030	*3,218,557*	67,573	*93,130*
Finance leases (note (b))	21,623	*14,639*	-	-
Convertible bonds (note (c))	24,570	*500,000*	24,570	*500,000*
Other loans (note (d))	38,499	*42,280*	-	-
	3,313,722	*3,775,476*	92,143	*593,130*
Total interest-bearing loans and borrowings	4,205,140	*4,606,326*	155,518	*617,554*

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Bank loans can be analysed as follows:-				
Within one year	509,605	*577,705*	21,783	*20,677*
After one year and before two years	517,208	*579,277*	17,924	*21,813*
After two years and before five years	1,621,853	*1,907,549*	49,649	*54,209*
After five years	1,089,969	*731,731*	-	*17,108*
	3,738,635	*3,796,262*	89,356	*113,807*

18. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

			THE GROUP		THE COMPANY	
			2015	2014	**2015**	2014
			Rs'000	Rs'000	**Rs'000**	Rs'000
Denomination		Maturity				
EURO	LIBOR + 4%	June 2019	47,982	*59,877*	-	-
MUR	*6.90% - 7.50%*	June 2023	868,649	*970,348*	-	-
EURO	EURIBOR + 3%	June 2023	142,549	*170,438*	-	-
EURO	*5.76%*	Dec 2017	47,142	*62,361*	-	-
EURO	*5.68%*	Oct 2017	14,127	*19,370*	-	-
EURO	OAT + 1.40%	Oct 2017	-	*22,859*	-	-
EURO	EURIBOR + 1.60%	Dec 2017	8,782	*24,985*	-	-
EURO	*3.75%*	Dec 2014	-	*186,165*	-	-
EURO	EURIBOR + 1.40%	Dec 2015	25,664	*61,800*	-	-
EURO	EURIBOR + 1.30%	Dec 2019	191,521	*219,986*	-	-
MUR	**PLR**	June 2019	19,280	*21,789*	-	-
US$	LIBOR + 1.25% - 1.5%	June 2023	197,460	*192,131*	-	-
US$	LIBOR + 5%	June 2016	13,395	*19,462*	8,222	*11,977*
US$	LIBOR + 2.5%	Dec 2019	222,880	*229,520*	-	-
US$	LIBOR + 2.5% - 3.25%	Dec 2019	284,602	*293,228*	-	-
US$	LIBOR + 2.5%	Dec 2019	519,519	*535,271*	-	-
US$	LIBOR+2.25%	June 2020	51,324	*52,910*	-	-
US$	LIBOR+2.75%	June 2019	17,693	*17,441*	-	-
EURO	LIBOR+4%	June 2017	45,031	*56,014*	-	-
EURO	LIBOR+4.0%	June 2023	462,406	*222,555*	-	-
EURO	LIBOR+4.5%	June 2023	270,504	-	-	-
EURO	LIBOR+3%	June 2019	288,125	*357,752*	81,134	*101,830*
			3,738,635	*3,796,262*	89,356	*113,807*

(b) Finance lease liabilities - minimum lease payments:				
Within one year	11,834	*6,972*	-	-
After one year and before two years	10,217	*7,085*	-	-
After two years and before five years	12,986	*8,636*	-	-
	35,037	*22,693*	-	-
Future finance charges on finance leases	(2,780)	*(1,958)*	-	-
Present value of finance lease liabilities	32,257	*20,735*	-	-
The present value of finance lease liabilities may be analysed as follows:				
Within one year	10,634	*6,096*	-	-
After one year and before two years	9,448	*6,355*	-	-
After two years and before five years	12,175	*8,284*	-	-
	32,257	*20,735*	-	-

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. The rate of interest on the lease vary between 2% to 7.65%.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

18. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

(c) Convertible bonds

In April 2011, 50 million units of unsecured Convertible Bonds have been issued for an aggregate amount of Rs. 500 million. The Convertible Bonds are listed on the Stock Exchange of Mauritius and carry interest at the rate of 9% per annum. Interests on the Convertible Bonds are payable twice yearly in March and September.

The Convertible Bonds are redeemable on 31 December 2017. However, the holder of a Convertible Bond has the option to convert the Bond into share capital on:

31 December 2014

31 December 2015

31 December 2016

On the above specified dates, the number of shares to be delivered on conversion of one (1) convertible bond will be determined by applying the following formula:

P/(Ax0.80)

A is equal to the average price of share listed on the stock exchange for the ninety day period ending on 15 November preceding the relevant conversion period.

P is equal to the principal amount.

Exercise of options of conversion of bonds

The first exercise date being 31 December 2014, 721 bond holders owning a total amount of 47,542,960 bonds have exercised their options to convert their bonds into shares. The exercise share price determined through the above mechanism was Rs. 44.14.

The movement in the bond account is as follows:

	THE GROUP AND THE COMPANY	
	2015	2014
	Rs'000	Rs'000
At 01 July	500,000	*500,000*
Rights of coversion exercised during the year	(475,409)	-
Fraction amount paid cash	(21)	-
Balance at 30 June	24,570	*500,000*

(d) Other loans

Other loan of the subsidiary White Sand Resorts & Spa Pvt Ltd is denominated in US$ and is unsecured and bears an interest rate of 3% annually. The loan is repayable as follows:

	THE GROUP	
	2015	2014
	Rs'000	Rs'000
Within one year	10,500	*9,252*
After one year and before two years	12,500	*15,500*
After two years and before five years	25,999	*26,780*
	48,999	*51,532*

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2015

19. GOVERNMENT GRANTS

	THE GROUP	
	2015	2014
	Rs'000	Rs'000
At 01 July	13,215	*15,068*
Release against depreciation charge (note 28)	(1,802)	*(2,214)*
Exchange difference	(710)	*361*
At 30 June	10,703	*13,215*

The grant is in respect of Government assistance to finance the construction of a hotel in Reunion Island and has been accounted under the income approach. The grant is being released to profit or loss against depreciation charge over the useful life of the asset.

20. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables	354,256	*255,718*	704	-
Amount payable to fellow subsidiaries (note 39)	-	-	1,475,194	*1,543,187*
Accrued expenses	277,278	*230,077*	18,403	*18,132*
Other payables	340,380	*315,786*	23,299	*19,101*
	971,914	*801,581*	1,517,600	*1,580,420*

Trade and other payables are non-interest bearing and are normally settled on 60-days term.

21. TAXATION

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
(a) **Charge for the year**	Rs'000	Rs'000	Rs'000	Rs'000
Current tax on taxable profit for the year (note (c))	45,869	*37,948*	-	-
Under provision in previous year	7	-	-	-
Deferred taxation movement (note 9)	17,753	*29,530*	(228)	*(2,330)*
Income tax expense/(credit)	63,629	*67,478*	(228)	*(2,330)*
Less tax on discontinued activity (note 13)	-	*(14,235)*	-	-
Tax on continuing activities	63,629	*53,243*	(228)	*(2,330)*

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

21. TAXATION (CONT'D)

(b) **Reconciliation between income tax expense and accounting profit is as follows:**

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before tax	438,729	*338,192*	131,354	*42,051*
Tax calculated at a rate of 15% (2014: 15%)	65,809	*52,864*	19,703	*6,308*
Effect of different tax rates	(22,267)	*(16,715)*	-	-
Under provision in previous year	7	-	-	-
Expenses not deductible for tax purposes	3,892	*7,943*	-	*52*
Over provision of deferred tax in previous year	-	*(559)*	-	*(140)*
Tax losses not recognised	3,419	*16,876*	-	-
Utilisation of unused tax losses	(14,895)	-	(14,895)	-
Foreign tax credit	(5,036)	-	(5,036)	-
Tax effect of share of results from associates	(799)	*35*	-	-
Other adjustments - Derecognition of deferred tax	33,499	*8,160*	-	-
Income not subject to tax	-	*(1,126)*	-	*(8,550)*
Income tax expense/(credit)	63,629	*67,478*	(228)	*(2,330)*

Expenses not deductible for tax purposes include impairment of group reveivable balance in a subsidiary not allowed for tax purposes.

Different tax rates arise on the taxation of foreign units located in Réunion Island, Seychelles, UK and South Africa.

(c) **Statements of financial position**

	THE GROUP		THE COMPANY	
At 01 July	29,986	*14,943*	-	-
Provision for the year (note (a))	45,869	*37,948*	-	-
Under provision in previous year	7	-	-	-
Paid during the year	(35,330)	*(22,591)*	-	-
Exchange difference	4,018	*(314)*	-	-
At 30 June	44,550	*29,986*	-	-

22. SALE OF GOODS AND SERVICES

	THE GROUP		THE COMPANY	
	Year ended 30 June 2015	Year ended 30 June 2014	**Year ended 30 June 2015**	Year ended 30 June 2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Room revenue	2,451,667	*2,091,742*	-	-
Food and Beverages	1,573,521	*1,317,557*	-	-
Others	490,725	*457,971*	-	-
	4,515,913	*3,867,270*	-	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

23. FINANCE REVENUE

	THE GROUP		THE COMPANY	
	Year ended 30 June 2015	Year ended 30 June 2014	**Year ended 30 June 2015**	Year ended 30 June 2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest income	350	*12,567*	46,142	*98,152*

24. OTHER OPERATING INCOME

	THE GROUP		THE COMPANY	
	Year ended 30 June 2015	Year ended 30 June 2014	**Year ended 30 June 2015**	Year ended 30 June 2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rental income	7,150	*2,882*	7,800	*7,800*
Management fees	17,976	*18,639*	-	-
Foreign exchange gains	40,004	*41,418*	22,007	*22,682*
Profit on disposal of property, plant and equipment	2,548	*1,678*	-	-
Dividend income	-	-	178,750	*56,383*
Recycling of reserve of associated company (note 16)	40,850	-	-	-
Others	30,305	*26,293*	-	-
	138,833	*90,910*	208,557	*86,865*

25. COST OF INVENTORIES

	THE GROUP		THE COMPANY	
	Year ended 30 June 2015	Year ended 30 June 2014	**Year ended 30 June 2015**	Year ended 30 June 2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Food, beverages and room supplies	655,754	*544,367*	-	-
Others	270,607	*246,193*	-	-
	926,361	*790,560*	-	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

26. EMPLOYEE BENEFITS EXPENSE

	THE GROUP		THE COMPANY	
	Year ended 30 June 2015	Year ended 30 June 2014	**Year ended 30 June 2015**	Year ended 30 June 2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries	1,176,349	*985,273*	-	-
Social security costs	87,849	*84,305*	-	-
Executive Share Scheme (note 33)	6,428	*8,705*	-	-
Pension costs -				
Defined contribution scheme	16,685	*13,060*	-	-
Defined benefit scheme (note 10(e))	1,342	*1,804*	-	-
Other retirement benefit (note 10(q))	6,205	*3,381*	-	-
	1,294,858	*1,096,528*	-	-

27. OTHER OPERATING EXPENSES

	THE GROUP		THE COMPANY	
	Year ended 30 June 2015	Year ended 30 June 2014	**Year ended 30 June 2015**	Year ended 30 June 2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Marketing expenses	297,355	*254,677*	-	-
Heat, light and power	255,943	*266,827*	-	-
Repairs and maintenance	148,195	*139,192*	-	-
Land lease	127,928	*58,121*	-	-
Others	552,067	*471,418*	12,467	*19,134*
	1,381,488	*1,190,235*	12,467	*19,134*

28. DEPRECIATION AND AMORTISATION

	THE GROUP		THE COMPANY	
	Year ended 30 June 2015	Year ended 30 June 2014	**Year ended 30 June 2015**	Year ended 30 June 2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Depreciation of property plant and equipment (note 4)	374,123	*311,974*	1,522	*2,140*
Amortisation of intangible asset (note 5)	16,376	*18,697*	-	-
Release of grant (note 19)	(1,802)	*(2,214)*	-	-
	388,697	*328,457*	1,522	*2,140*
Discontinued operation (note 13(a))	(15,884)	*(19,882)*	-	-
	372,813	*308,575*	1,522	*2,140*

29. OPERATING PROFIT

	THE GROUP		THE COMPANY	
	Year ended 30 June 2015	Year ended 30 June 2014	**Year ended 30 June 2015**	Year ended 30 June 2014
The operating profit is arrived at after	**Rs'000**	Rs'000	**Rs'000**	Rs'000
crediting:				
Profit on disposal of property, plant and equipment	2,548	*1,678*	-	-
Gain on exchange on sales of foreign currency and translation of financial assets and liabilities	40,004	*41,418*	22,007	*22,682*
and charging:				
Depreciation on property, plant and equipment	374,123	*311,974*	1,522	*2,140*
Amortisation of intangible assets	16,376	*18,697*	-	-
Loss on disposal of property, plant and equipment	-	*203*	-	-
Operating lease payments recognised as expense	127,928	*58,121*	-	-

30. FINANCE COSTS

	THE GROUP		THE COMPANY	
	Year ended 30 June 2015	Year ended 30 June 2014	**Year ended 30 June 2015**	Year ended 30 June 2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest expense on:				
- Bank overdrafts	27,501	*17,841*	4,062	*2,086*
- Bank loans	166,353	*181,860*	3,444	*4,453*
- Finance leases	2,503	*655*	-	-
- Other loans and payables	38,583	*49,688*	101,850	*115,153*
	234,940	*250,044*	109,356	*121,692*

31. EARNINGS PER SHARE

	THE GROUP	
CONTINUING AND DISCONTINUED OPERATIONS	**Year ended 30 June 2015**	Year ended 30 June 2014
Basic	**Rs'000**	Rs'000
Profit attributable to equity holders of the parent	368,036	*271,262*
Weighted average number of ordinary shares net of treasury shares	125,123,593	*113,747,651*
Earnings per share	2.94	*2.38*

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average number of shares takes into account the treasury shares as at year end.

Fully Diluted		
Adjusted profit attributable to holders of the parent	368,036	*271,262*
Add back interest on convertible bonds	2,211	*45,000*
Adjusted profit attributable to holders of the parent	370,247	*316,262*
Weighted average number of ordinary shares	125,123,593	*113,747,651*
Conversion of bonds	558,409	*18,796,992*
Adjusted weighted average number of ordinary shares	125,682,002	*132,544,643*
Diluted earnings per share	2.95	*2.39*
CONTINUING OPERATIONS		
Basic		
Profit attributable to equity holders of the parent	379,269	*268,138*
Earnings per share	3.03	*2.36*
Fully Diluted		
Adjusted profit attributable to equity holders of the parent	381,480	*313,138*
Earnings per share	3.04	*2.36*

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible bonds) by the weighted average number of average ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares based on discounted share price at start of the financial year.

Due to the anti-dilutive effect of calculation of diluted earnings per share, amount disclosed is same as basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

32. NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Cash and cash equivalents				
Cash and short term deposits	98,176	*108,296*	15,562	*20,859*
Bank overdrafts (note 18)	(360,679)	*(206,073)*	(41,592)	*(3,747)*
	(262,503)	*(97,777)*	(26,030)	*17,112*
(b) Non-cash transactions				
Part of the acquisition of property, plant and equipment was financed by finance leases as follows:				
Total amount acquired (note 4)	535,476	*257,873*	-	-
Financed through finance leases	11,887	*18,837*	-	-
Deposit in prior year	55,301	-	-	-
Financed by cash	468,288	*239,036*	-	-

33. SHARE BASED PAYMENT

Lux Island Resorts Ltd, through its subsidiary, Lux Hospitality Ltd (LHL), has implemented an executive share scheme as described below:

Executive share scheme

The type of share-based payment that LHL has opted is an "equity-settled" share-based payment. A shared understanding of the terms and conditions of the share based payment arrangements has been agreed between LHL and its senior management team. At grant date, LHL will confer to its executives the right to equity instruments in LHL subject to certain vesting conditions.

The executive team will be entitled to shares in LHL after a vesting period. Such vesting period is the period between the grant date and the date the shares are allotted. This period has been fixed by the Board at three years during which the senior management team members have to remain in employment with LHL or other companies forming part of Lux Group of Companies. Therefore, these equity instruments will be fully vested at the end of the financial year June 2016.

Once the shares are issued, they will rank 'pari passu' as to dividend, capital, voting rights and in all other respects with the existing shares of LHL.

The number of shares granted, is calculated in accordance with a performance-based formula approved by the Remuneration Committee. The formula rewards executives to the extent of the Group's and the individual achievement judged against both qualitative and quantitative criteria from the following measures:

(i) improvement in Lux Island Resorts Ltd share price;

(ii) improvement in the Group EBITDA and free cash flow; and

(iii) elevating guest experience.

The total number of shares granted is 4,081,013 and will vest when the executive is still in continuous employment at the end of 30 June 2016.

33. SHARE BASED PAYMENT (CONT'D)

Executive share scheme (Cont'd)

At 30 June 2014, the Board had also awarded 6,707,922 shares to certain key executives which will vest in 3 equal instalments. Vesting of each tranche is conditional on the executive having been in continuous service until 30 June of each relevant year. The number of shares vested at 30 June 2015 under this scheme is 2,235,974.

For the year ended 30 June 2015, a total charge of Rs. 6.4m (2014: Rs. 8.7m) has been recognised as share based payment expense in profit or loss for executive still in employment at year end based on the fair value of LHL shares awarded.

Lux Hospitality's equity instruments are not publicly traded, the fair value of the equity instrument granted was determined using the discounted cash flow method by an independent professional valuer.

34. SEGMENTAL REPORTING

Primary segment - Business

Internal reports reviewed by the Chief Operating Decision Makers in order to allocate resources to the segments and to assess their performance, comprise the hotel segment and the non-hotel segment. The non-hotel segment remains insignificant (i.e less than 10%) both in terms of revenue and trading results compared to the Group. The Directors therefore consider that there is no relevance in disclosing segmental information at this level.

Secondary segment - Geographical

The contribution of the hotel units in Réunion Island via Hotel Prestige Réunion and for the unit in Maldives via White Sand Resorts & Spa Pvt Ltd for the year to June 30, 2015 are more than 10% in terms of revenue and the following disclosures are made with respect to segmental reporting.

For the year ended 30 June 2015	Mauritius	Reunion	Maldives	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Segment revenue	*2,578,507*	*567,555*	*1,509,034*	*4,655,096*
Segment finance income	*350*	-	-	*350*
Segment finance expenses	*(189,117)*	*(9,428)*	*(36,395)*	*(234,940)*
Segment depreciation and amortisation	*(191,041)*	*(55,642)*	*(126,130)*	*(372,813)*
Segment result before finance charges	*419,086*	*(13,369)*	*273,859*	*679,576*
Segment assets	*6,985,298*	*1,056,614*	*3,571,097*	*11,613,009*
Capital expenditure	*470,135*	*16,230*	*49,111*	*535,476*
For the year ended 30 June 2014				
Segment revenue	*2,047,549*	*547,050*	*1,376,148*	*3,970,747*
Segment finance income	*12,567*	-	-	*12,567*
Segment finance expenses	*(184,816)*	*(20,811)*	*(44,417)*	*(250,044)*
Segment depreciation and amortisation	*(121,491)*	*(77,796)*	*(109,288)*	*(308,575)*
Segment result before finance charges	*349,249*	*(11,261)*	*246,861*	*584,849*
Segment assets	*5,914,506*	*1,468,349*	*2,959,341*	*10,342,196*
Capital expenditure	*236,541*	*15,847*	*5,485*	*257,873*

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

35. CONTINGENT LIABILITIES

THE GROUP

At 30 June 2015, the Group had the following contingent liabilities:

(a) Bank guarantees of Rs. 0.9 million (2014: Rs. 1.2 million) given on behalf of subsidiaries arising in the ordinary course of business from which it is anticipated that no material losses will arise.

(b) Legal claims of Rs. 59.5 million (2014: Rs. 63.3 million) have been lodged against the Group in the Intermediary Court of Mauritius arising from claims mainly in respect of termination of employment or contracts. The directors have been advised that some claims appear unfounded and that the severance allowance/damages claim in others appear grossly exaggerated. The Company has also entered into counter proceedings for an amount of Rs. 75 million against one of the plaintiffs.

THE COMPANY

Bank guarantees of Rs. 152.2million (2014: Rs. 225.5 million) given on behalf subsidiary with respect to long term debt contracted by the latter arising in the ordinary course of business from which it is anticipated that no material losses will arise.

36. COMMITMENTS

	THE GROUP		THE COMPANY	
Capital commitments	**2015**	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Authorised by directors but not yet contracted for	589,802	*339,982*	-	-
	589,802	*339,982*	-	-

Operating lease commitments

The properties leased by the Group are long term leases with renewal option included in the contracts.

Future minimum rentals payable under these leases are as follows:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Within one year	123,540	*127,869*	-	-
After one year but not more than five years	524,789	*551,603*	-	-
More than five years	6,801,510	*3,844,492*	-	-
	7,449,839	*4,523,964*	-	-

37. EVENTS AFTER REPORTING DATE

There has been no significant events occuring after the reporting date which might either have an impact on the financial statements or require any additional disclosure.

38. ULTIMATE HOLDING COMPANY

The ultimate holding company is GML Investissement Ltée (GMLIL) incorporated in Mauritius. The registered office is situated at 4th Floor, IBL House, Le Caudan Waterfront, Port Louis.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

39. RELATED PARTY DISCLOSURES

		Purchases from related party	Amount due to related party	Sales to related party	Amount due from related party	Interest received from related party	Loan due to related party	Interest paid to related party	Emoluments
The Group		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Fellow subsidiaries (note a)	**2015**	61,663	5,987	-	-	-	4,549	154	-
	2014	*53,422*	*8,779*	-	-	-	-	-	-
Entities over which directors have significant influence (note b)	**2015**	3,904	332	-	-	-	93,013	4,113	-
	2014	*2,012*	*119*	-	-	-	*115,891*	*11,494*	-
Associated company (note c)	**2015**	-	-	-	-	-	-	-	-
	2014	-	-	*18,639*	*168,169*	*10,225*	-	-	-
Key management personnel (note d)	**2015**	1,381	-	-	-	-	-	-	76,869
	2014	-	-	-	*305*	-	-	-	*68,294*
The Holding Company									
Subsidiaries (note e)	**2015**	-	1,475,194	-	1,915,477	45,702	-	32,050	-
	2014	-	*1,543,187*	-	*1,721,241*	*97,700*	-	*60,700*	-
Associated company (note c)	**2015**	-	-	-	-	-	-	-	-
	2014	-	-	-	*123,950*	-	-	*8,100*	-

Note (a) - Fellow subsidiaries are entities over which the ultimate holding company, GMLIL, exercises control.

Note (b) - Entities over which directors have significant influence are associated companies of the ultimate holding, GMLIL. The bank loan from the associated company denominated in EURO carry interest at LIBOR + 4%. The loans are repayable by monthly instalments maturing in June 2020.

39. RELATED PARTY DISCLOSURES (CONT'D)

Note (c) - Amount due from associated company in 2014 denominated in MUR bears interest at PLR. Settlement occurs in cash and there is no fixed repayment terms. There has been no impairment of amount due to and receivable from related parties.

Note (d) - In 2014, the loan to key management personnel was unsecured and was granted for acquiring shares in the Company. It was bearing interest at bank Prime Lending Rate (PLR) less 300 basis points and was repayable by December 2014. One of the director is also a director in a company holding a villa at Lux Belle Mare. The rental payable to that company amounted to Rs. 1.4 million.

Key management personnel includes executive directors and top level management personnel. The emoluments include short-term employee benefits of Rs 70 million (2014: Rs. 59.1 million) as well as benefits under the Employee Share Scheme of Rs 6.4 million (2014: Rs. 8.7 million) as more fully explained in note 33 and contribution to pension scheme for post retirement benefit of Rs 541k 2014: (Rs 523k)

Note (e) - Amount due to and receivable from group companies are unsecured and bears interest at PLR less 300 basis points. Settlement occurs in cash and there is no fixed repayment terms. There has been no impairment of amount due to and receivable from related parties.

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. No changes were made in the objectives, policies or processes during the years ended 30 June 2015 and 2014.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The Group's policy is to keep the gearing ratio below 50% (2014: 60%). The Group includes within net debt, interest bearing loans and borrowings, less cash in hand and at bank. Total capital is calculated as ''equity'' as shown in the statement of financial position less net unrealised reserves. The gearing ratios at 30 June 2015 and 2014 were as follows:

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Debt (i)	4,205,140	*4,606,326*	155,518	*617,554*
Cash in hand and at bank	(98,176)	*(108,296)*	(15,562)	*(20,859)*
Net debt	4,106,964	*4,498,030*	139,956	*596,695*
Equity (ii)	5,765,153	*4,436,734*	3,733,653	*2,603,042*
Total capital plus debt	9,872,117	*8,934,764*	3,873,609	*3,199,737*
Gearing ratio	42%	*50%*	4%	*19%*

(i) Debt is defined as long and short term borrowings, as detailed in note 18.

(ii) Equity includes all capital and reserves of the Group.

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Categories of financial instruments

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets				
Available-for-sale financial assets	5	*5*	-	*-*
Trade and other receivables including cash and cash equivalents and excluding prepayments	793,917	*956,708*	1,931,668	*1,872,639*
	793,922	*956,713*	1,931,668	*1,872,639*
Financial liabilities				
Trade and other payables	948,814	*798,101*	1,542,170	*1,580,420*
Interest bearing loans and borrowings	4,205,139	*4,606,326*	130,947	*617,554*
	5,153,953	*5,404,427*	1,673,117	*2,197,974*

At the reporting date there are no significant concentrations of credit risk for loans and receivables. The carrying amount reflected above represents the Group's maximum exposure to credit risk for the trade and other receivables.

(c) Financial risk management

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on Group's financial performance. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

(i) *Foreign currency risk management*

The Group has transactional currency exposure. It is the practice in the hospitality industry to fix tariffs yearly in advance. In order to achieve stability of tariffs in the overseas markets and as a hedge against a fall in the value of the Mauritian Rupee, contracts with tour operators are denominated in the major international currencies of the markets in which the foreign tour operators belong.

A significant number of contracts are therefore denominated in Euros, Pounds Sterling and US Dollars and invoices are raised in these currencies, with above 90% of Group's sales denominated in Euro and Pound Sterling. While protecting the enterprise against any fall in the parity of the Mauritian Rupee, it exposes it to a fall in revenue should the Rupee appreciate against one or more of the international currencies.

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Financial risk management (Cont'd)

(i) *Foreign currency risk management (Cont'd)*

Management also tries to minimise effects of changes in exchange rates by entering in forward contracts. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operation is managed primarily through borrowings denominated in the relevant foreign currencies.

The currency profile of the financial assets and financial liabilities, excluding equity investments in subsidiaries and associates and retirement benefit obligations, at 30 June 2015 and at 30 June 2014 is as follows:

	THE GROUP		THE COMPANY	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs'000	Rs'000	Rs'000	Rs'000
June 2015				
Euro	281,117	1,639,079	589,371	81,134
Pound Sterling	99,615	533	2,942	-
US Dollar	227,617	1,600,353	544,328	496,479
Other foreign currencies	32	526	-	-
Total foreign currencies	608,381	3,240,491	1,136,641	577,613
Mauritian Rupee	185,541	1,913,462	795,027	1,095,504
Total	793,922	5,153,953	1,931,668	1,673,117
June 2014				
Euro	*188,521*	*1,578,983*	*666,239*	*101,829*
Pound Sterling	*78,041*	*4,734*	*5,438*	-
US Dollar	*234,456*	*1,618,922*	*363,817*	*394,674*
Other foreign currencies	*1,376*	*5,526*	-	-
Total foreign currencies	*502,394*	*3,208,165*	*1,035,494*	*496,503*
Mauritian Rupee	*454,319*	*2,196,262*	*837,145*	*1,701,471*
Total	*956,713*	*5,404,427*	*1,872,639*	*2,197,974*

The following table details the Group's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and equity where the Rupee depreciates 5% against the relevant currency. There would be an equal and opposite impact on the profit and other equity, if the rupee strengthens by 5% against the relevant currency.

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Financial risk management (Cont'd)

(i) *Foreign currency risk management (Cont'd)*

Sensitivity Analysis

EURO IMPACT

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit or loss	6,375	*5,507*	29,468	*545*
Equity	64,094	*(41,423)*	4,056	*(21,995)*

GBP IMPACT

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit or loss	4,980	*3,902*	147	*272*
Equity	-	-	-	-

US DOLLAR IMPACT

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit or loss	6,689	*3,274*	-	*53*
Equity	12,207	*(64,235)*	411	*(1,596)*

The equity impact of a change in rate of Euro vis-à-vis the Mauritian Rupee is attributable mainly to net investment in the subsidiary in Réunion Island and also to the hedge reserve arising on hedge accounting of Euro loan.

The equity impact of a change in rate of US$ vis-à-vis the Mauritian Rupee is attributable mainly to net investment in the subsidiary, Lux Island Resorts Maldives Ltd, and also to the hedge reserve arising on hedge accounting of US$ loan.

(ii) *Interest rate risk management*

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group analyses its interest rate exposure on a dynamic basis. The Group considers various scenarios in assessing its interest rate exposure, including refinancing, renewal of existing facilities, alternative financing and hedging. Based on these scenarios, the Group calculates the sensitivity of the Group's profit before tax to a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Financial risk management (Cont'd)

(ii) *Interest rate risk management (Cont'd)*

The interest rate profile of the Group at 30 June 2015 was:

Financial assets

	2015		2014	
	Balances with banks Interest rate	Trade receivables Interest rate	Balances with banks Interest rate	Trade receivables Interest rate
	%	%	%	%
GBP	LIBOR-1%	Nil	*LIBOR-1%*	*Nil*
EURO	EURIBOR-1%	Nil	*EURIBOR-1%*	*Nil*
USD	LIBOR-1%	Nil	*LIBOR-1%*	*Nil*
MUR	PLR - 3%	Nil	*PLR - 3%*	*Nil*

Financial liabilities

	2015			2014		
	Bank overdrafts Floating interest rate	Fixed interest rate	Loans Floating interest rate	Bank overdrafts Floating interest rate	Fixed interest rate	Loans Floating interest rate
	%	%	%	%	%	%
GBP	N/A	Nil	N/A	*N/A*	*Nil*	*N/A*
EURO	N/A	3.78% & 5.68%	EURIBOR + 1.3% - 4.5%	*N/A*	*3.78% & 5.68%*	*EURIBOR + 1.3% - 4.5%*
USD	N/A	5%	LIBOR +2.25% - 5%	*N/A*	*5%*	*LIBOR +2.25% - 5%*
MUR	PLR & PLR + 2%	9%	PLR & PLR + 2%	*PLR & PLR + 2%*	*9%*	*PLR & PLR + 2%*

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates on the financial instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate.

If interest rates had been 50 basis points higher for MUR borrowings and 0.25 basis points for EURO borrowings impact will be as follows:

EURO IMPACT

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit or loss	(3,715)	*(2,752)*	(203)	*(255)*
Equity	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Financial risk management (Cont'd)

(ii) *Interest rate risk management (Cont'd)*

Interest rate sensitivity analysis (Cont'd)

MAURITIAN RUPEE IMPACT

	THE GROUP		THE COMPANY	
	2015	2014	**2015**	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit or loss	(5,937)	*(4,082)*	(2,030)	*(1,798)*
Equity	-	-	-	-

A decrease in interest rate by 50 basis points of MUR borrowings and by 25 basis points for EURO borrowings will have an equal and opposite impact of an increase in the interest rate as shown above.

(iii) *Other price risks*

The Group is exposed to equity price risks arising from equity investments. The investment made in equity are held for strategic rather than trading purposes. The Group does not actively trade these investments. The investments held are not material for the Group and as such no sensitivity analysis has been prepared.

(iv) *Credit risk management*

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for credit losses, estimated by the Group's management based on prior experience and the current economic environment.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The Group has subscribed to a credit protection scheme for the client portfolio of Mauritius operations with a Global Service Provider, with a view to minimise its credit risk exposure.

With respect to credit risk arising from other financial assets of the Group which are neither past due nor impaired, comprising cash and cash equivalents and other receivables, 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.

(v) *Liquidity risk management*

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping reliable credit lines available.

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

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Financial risk management (Cont'd)

(v) *Liquidity risk management (Cont'd)*

Liquidity and interest risk tables - financial liabilities - undiscounted

	THE GROUP						
	Weighted average effective interest rate	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
	%	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 2015							
Non-interest bearing		948,814					948,814
Variable interest rate instruments	3.2%	360,679	182,789	475,574	2,476,328	1,181,862	4,677,232
Fixed interest rate instruments	5%,5.68%,9%	-	12,234	36,385	140,610		189,229
		1,309,493	195,023	511,959	2,616,938	1,181,862	5,815,275
June 2014							
Non-interest bearing		760,703	22,500	14,900	-	-	798,103
Variable interest rate instruments	4.29%	206,073	180,378	505,169	2,661,922	776,922	4,330,464
Fixed interest rate instruments	5%,5.68%,9%	-	40,986	110,693	890,362	55,608	1,097,649
		966,776	243,864	630,762	3,552,284	832,530	6,226,216

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Financial risk management (Cont'd)

(v) *Liquidity risk management (Cont'd)*

Liquidity and interest risk tables - financial liabilities - undiscounted

	THE COMPANY						
	Weighted average effective interest rate	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
	%	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 2015							
Non-interest bearing		*42,405*	-	-	-	-	*42,405*
Variable interest rate instruments	*4.13%*	*41,592*	*8,035*	*1,492,723*	*70,697*	-	*1,613,047*
Fixed interest rate instrument	*9.00%*	-	*1,106*	*1,106*	*27,887*	-	*30,099*
		83,997	*9,141*	*1,493,829*	*98,584*	-	*1,685,551*
June 2014							
Non-interest bearing		*37,233*	-	-	-	-	*37,233*
Variable interest rate instruments	*5.00%*	*3,747*	*6,116*	*1,561,533*	*83,422*	*17,390*	*1,672,208*
Fixed interest rate instrument	*9.00%*	-	*22,500*	*22,500*	*623,750*	-	*668,750*
		40,980	*28,616*	*1,584,033*	*707,172*	*17,390*	*2,378,191*

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2015

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Financial risk management (Cont'd)

(v) *Liquidity risk management (Cont'd)*

The following table details the Group's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

Liquidity and interest risk tables - financial assets - undiscounted

	THE GROUP						
	Weighted average effective interest rate	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
	%	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 2015							
Non-interest bearing		*695,741*	-	-	-	-	*695,741*
Variable interest rate instruments	*1%*	*98,176*	-	-	*5*	-	*98,181*
		793,917	-	-	*5*	-	*793,922*
June 2014							
Non-interest bearing		*788,539*	-	-	*5*	-	*788,544*
Variable interest rate instruments	*7.12%*	-	-	*168,169*	-	-	*168,169*
		788,539	-	*168,169*	*5*	-	*956,713*

	THE COMPANY						
	Weighted average effective interest rate	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
	%	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 2015							
Non-interest bearing		*629*	-	-	-	-	*629*
Variable interest rate instruments	*2.40%*	*15,562*	-	*1,915,447*	-	-	*1,931,009*
		16,191	-	*1,915,447*	-	-	*1,931,638*
June 2014							
Non-interest bearing		*27,449*	-	-	-	-	*27,449*
Variable interest rate instruments	*4.00%*	-	-	*1,845,190*	-	-	*1,845,190*
		27,449	-	*1,845,190*	-	-	*1,872,639*

40. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Fair value of financial instruments

Except where stated elsewhere, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved. The interest-bearing loans and borrowings' carrying amounts approximate fair value. They are allocated as level 2 items in the fair value hierarchy, with the significant input in determining fair value being the applicable interest rates. The technique used to determine the fair value is the discounted cash flow method."

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

41. FINANCIAL SUMMARY

(a) THE GROUP

	Year ended 30 June 2015	Year ended 30 June 2014	Year ended 30 June 2013	Year ended 30 June 2012
	Rs'000	Rs'000	Rs'000	Rs'000
Non-current assets	10,639,156	*9,253,438*	*8,801,104*	*9,012,678*
Current assets	973,853	*1,088,758*	*1,046,485*	*1,065,918*
Issued capital	1,367,865	*1,140,346*	*1,140,346*	*1,140,346*
Share premium account	1,308,453	*391,819*	*391,819*	*391,819*
Treasury Shares	(18,081)	*(18,081)*	*(18,081)*	*(18,081)*
Revaluation and other reserves	1,919,566	*1,831,456*	*1,337,603*	*1,330,011*
Current liabilities	2,044,669	*1,662,417*	*1,398,298*	*1,365,408*
Non-current liabilities	3,803,187	*4,243,045*	*4,741,847*	*5,116,934*
Retained earnings	1,185,583	*967,722*	*754,119*	*650,146*
Revenue	4,655,096	*3,970,747*	*3,771,263*	*3,714,030*
Profit before taxation	449,962	*335,068*	*145,407*	*14,256*
Profit attributable to equity holders of the parent	368,036	*271,262*	*103,324*	*26,896*
Dividends	136,787	*56,874*	-	-

41. FINANCIAL SUMMARY (CONT'D)

(b) THE COMPANY

	Year ended 30 June 2015	Year ended 30 June 2014	Year ended 30 June 2013	Year ended 30 June 2012
	Rs'000	Rs'000	Rs'000	Rs'000
Non-current assets	3,616,780	*2,934,101*	*1,524,079*	*1,552,917*
Current assets	1,932,629	*1,872,994*	*3,756,724*	*3,681,619*
Issued capital	1,367,865	*1,140,346*	*1,140,346*	*1,140,346*
Share premium account	1,308,453	*391,819*	*391,819*	*391,819*
Treasury shares	(18,081)	*(18,081)*	*(18,081)*	*(18,081)*
Revaluation and other reserves	39,934	*48,271*	*31,174*	*34,633*
Retained earnings	1,035,482	*1,040,687*	*1,053,180*	*1,008,320*
Current liabilities	1,717,762	*1,604,844*	*2,061,205*	*1,348,872*
Non-current liabilities	97,994	*599,209*	*621,160*	*1,328,687*
Revenue	254,699	*185,017*	*270,236*	*832,137*
Profit before taxation	131,354	*42,051*	*44,368*	*654,483*
Profit after taxation	131,582	*44,381*	*44,860*	*668,795*
Dividends	136,787	*56,874*	-	-

42. ACQUISITION OF ADDITIONAL INTEREST IN LUX ISLAND RESORTS MALDIVES LIMITED

On 31 December 2014, the Group acquired an additional 8% interest in the voting shares of Lux Island Resorts Maldives Ltd increasing its ownership interest from 92% to 100%. A share exchange for a total consideration of Rs. 229,324,201 was made, whereby the non-controlling shareholders were given shares in Lux Island Resorts Ltd. The carrying value of the net assets of Lux Island Resorts Maldives Ltd (excluding goodwill on the original acquisition) was Rs. 1,690,822,032. Below is a schedule of additional interest acquired in Lux Island Resorts Maldives Ltd:

	Rs'000
Fair value of the shares issued to non-controlling shareholders	*222,634*
Cash consideration	*6,690*
Total consideration	*229,324*
Carrying value of the additional interest in Lux Island Resorts Maldives Ltd	*136,011*
Difference recognised in retained earnings	*93,313*

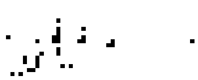
NOTICE TO SHAREHOLDERS

Notice is hereby given that the Annual Meeting of Shareholders of the Company will be held at its Registered Office, Pierre Simonet Street, Floreal, on Monday 7th December 2015 at 9h30 with the following agenda:

RESOLUTIONS

1. To consider and approve the audited financial statements for the year ended 30th June 2015
2. To receive the auditors report
3. To consider the annual report
4. To ratify the dividend declared by the Board of Directors on 23rd June 2015 for the financial year ended 30th June 2015
5. To re-elect Mr Alexis Harel as Director of the Company
6. To re-elect Mr Stéphane Lagesse as Director of the Company
7. To re-elect Mr J. Cyril Lagesse as Director of the Company under Section 138(6) of the Act
8. To re-appoint the auditors under Section 200 of the Companies Act 2001 and to authorise the Board to fix their remuneration
9. To ratify the remuneration paid to the auditors for the year ended 30th June 2015

By Order of the Board



Désiré Elliah
LUX Hospitality Ltd
Secretary

20th November 2015

A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy (in the case of an individual shareholder) or a representative (in the case of a shareholder company, by way of a written board resolution), whether a member or not, to attend and vote on his behalf.

The instrument appointing a proxy, any general power of attorney or the written resolution appointing a representative should reach the Company Secretary, Pierre Simonet Street, Floreal, Mauritius, not less than twenty four hours before the time appointed for the holding of the meeting or adjourned meeting. In default, the instrument of proxy shall not be treated as valid.

A proxy form is included in this annual report and is also available at the registered office of the Company.

For the purpose of this Annual Meeting, the Directors have resolved in compliance with Section 120 (3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 6th November 2015.

This notice is issued pursuant to Listing Rule 11.16.

The Board of Lux Island Resorts Ltd accepts full responsibility for the accuracy of the information contained in this notice.

PROXY FORM

I / We ______________________________ of ______________________________

being a shareholder of Lux Island Resorts Ltd hereby appoint ______________________________

of ______________________________ or failing him/her, ______________________________

of ______________________________ as my / our proxy to vote for me / us on my / our behalf at the Annual Meeting of Shareholders of the Company to be held at the Registered Office, Pierre Simonet Street, Floreal on Monday 7th December 2015 commencing at 9h30 and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner:

Vote with a tick

RESOLUTIONS		FOR	AGAINST
1	To consider and approve the audited financial statements for the year ended 30th June 2015		
2	To receive the auditors report		
3	To consider the annual report		
4	To ratify the dividend declared by the Board of Directors on 23rd June 2015 for the financial year ended 30th June 2015		
5	To re-elect Mr Alexis Harel as Director of the Company		
6	To re-elect Mr Stéphane Lagesse as Director of the Company		
7	To re-elect Mr J. Cyril Lagesse as Director of the Company under Section 138(6) of the Act		
8	To re-appoint the auditors under Section 200 of the Companies Act 2001 and to authorise the Board to fix their remuneration		
9	To ratify the remuneration paid to the auditors for the year ended 30th June 2015		

Signed this ______________________________ Signature ______________________________

Registered Office – Pierre Simonet Street – Floreal

ANNEX 1 - REPORT BOUNDARY AND CONTENT

The sustainability activities of LUX* Resorts and Hotels covering three destinations (Maldives, Mauritius, and La Réunion), and eight resorts and hotels are reported. In addition to GRI's Sustainability Reporting Guidelines (GRI G4), this Integrated Report also follows the mandatory International Financial Reporting Standards (IFRS) for financial reporting, and the Code of Corporate Governance of Mauritius 2004. The boundaries for non-financial data collection are commensurable with those of our financial reporting, thus allowing the integration of the economic, environmental and social dimensions of our operations. The views and expectations of stakeholders are considered in determining the content and scope of reporting. The impacts of our activities that have been found to be material have been quantified. Actions to either enhance our positive impacts or to mitigate any negative impacts within the scope of our Sustainability Strategy are also highlighted.

DETERMINING REPORT CONTENT

Guided by the G4 reporting guidelines and principles, and technical protocols, the following criteria have been observed in preparing this report:

SUSTAINABILITY CONTEXT

The sustainability context informs our Sustainability Strategy (page 68). The Integrated Sustainability Report of LUX* Resorts and Hotels is aligned with the recently adopted Sustainability Index for publicly listed companies on the Stock Exchange of Mauritius (SEM). LUX* Resorts and Hotels is one of the first companies that participated in the trial phase of the SEM Sustainability Index. Similarly, this integrated report fully reflects our efforts to support the implementation of the Maldives National Strategy for Sustainable Development (NSSD) through harmonized tourism development. The NSSD defines the vision for sustainable development as "development achieved through progress in the three pillars of sustainable development - economic growth, environmental conservation and social integration - and good governance." The policy for sustainable development in Reunion Island rests on the 'Green Energy Revolution – Reunion Island' or GERRI[1] which comprises the implementation of several sectoral strategies including Energy Production, Energy Storage, Transportation, Urbanism, Tourism as well as urban development. One key objective is for the island to become completely autonomous in energy production by 2030. The vision of LUX* Resorts and Hotels to invest in energy efficiency and renewable energies directly supports the GERRI initiative. In a more global context, our adoption of corporate sustainability reporting is squarely aligned with Paragraph 47 of the Rio+20 Outcome Document – The Future We Want.[2] Since our island destinations are Small Island Developing States (SIDS), our sustainable development initiatives fully support the implementation of the SAMOA Pathway[3] by 'taking into account the importance of transparency, accountability and corporate social responsibility'.

COMPLETENESS

We have ensured that all the material topics and indicators covered in this report reflect the significant economic, environmental, and social impacts of our activities and enable our stakeholders to assess our performance for the FY 2014-15.

1. http://www.regionreunion.com/fr/spip/-Highlights-of-the-Climate-Energy-.html – accessed 5 September 2014.
2. http://www.uncsd2012.org/content/documents/727The%20Future%20We%20Want%2019%20June%201230pm.pdf – accessed 4 September 2014.
3. United Nations (2015). SAMOA Pathway. A/CONF.223/3. (http://www.sids2014.org/content/documents/336SAMOA%20Pathway.pdf – accessed 22 September 2015)

G4-18, G4-19, G4-20, G4-21, G4-24, G4-25, G4-26, G4-27

BALANCE

We have attempted to present an unbiased picture of our performance by avoiding selections, omissions, or presentation formats that are reasonably likely to unduly or inappropriately influence the reader's decision or judgment. Both favourable and unfavourable results are reported, including those that can influence the decisions of stakeholders in proportion to their materiality. This is a commitment to our transparency.

COMPARABILITY

Comparative performance analysis is provided relative to baseline data for the FY 2013-2014.

ACCURACY

Both qualitative and quantitative data are reported. The DMA and Aspect-specific DMA have ensured openness in measurement methodologies, and data have been collected in a verifiable way. The report has received external assurance through an independent third party audit

TIMELINESS

This report integrates the substantive economic and financial, social, and environmental performances of LUX* Resorts and Hotels for the FY 2014-2015, which will enable our stakeholders to assess our performance on all the sustainability dimensions. Besides providing us with relevant feedback for future reporting, developing this integrated report has strengthened the institutionalization of GRI G4.

CLARITY

This report is presented using graphics and data tables in a manner that is understandable, accessible and usable by our stakeholders.

RELIABILITY

Information and processes used in the preparation of this report have been gathered, recorded, compiled, analyzed, and disclosed in a way that has been subject to constant examination by a competent internal team. An external consultancy firm having experience with GRI G4 has supported the elaboration of this report.

STAKEHOLDER INCLUSIVENESS

The identification of stakeholders was carried out in two stages. First, the senior leadership team of our hotels drew a list of all our stakeholders (i.e. guests, team members, shareholders & senior managers, local communities, suppliers and the local media). Based on the expert judgement of our senior leadership team, coupled with constraints of time and human resources, it was decided to involve only three groups of stakeholders in consultations, namely: team members (Team Member and Executive Committee), guests, and shareholders (Directors including CEO). A sample of stakeholder from these three groups were then tasked with rating (or giving a weight to) the importance of relationships between each stakeholder group and LUX* Resorts and Hotels. Details of the stakeholder engagement process are found in our Integrated Report 2014.[4] The stakeholder engagement has served to identify the indicators that would be retained for each material Aspect.

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4. http://www.luxresorts.com/media/2911202/GRIAnnualReport2015_25May2015.pdf - accessed 22 September 2015.

MATERIALITY

A materiality assessment has been carried out where all potential issues that could result from our activities were identified and then assessed based on how significant they are to our business and to our stakeholders. We have engaged with our stakeholders (see stakeholder inclusiveness above), both internal and external, to know more about their concerns and their perceptions on sustainability issues that are relevant to the operations of LUX* Resorts and Hotels. The process that was used to carry out materiality assessment is found in our Integrated Report 2014.

The procedure that LUX* Resorts and Hotels adopted to determine materiality is the intersection of material Aspects that reflect our organization's significant economic, social and environmental impact AND those that substantively influence the assessments and decisions of the stakeholders who were surveyed. The threshold for ascribing materiality is when impacts are relevant or significant both internally (views from within) and externally (views of external stakeholders). Since the nature of operations has not changed, the list of material Aspects has also remained unchanged. The material Aspects covered in this integrated report are shown below.

While our materiality framework is still evolving, we are confident that the results presented here are sufficiently robust to instill confidence in the quality of the report.

Validation is an internally orientated process, with authorization by the CEO and Executive Secretary and approval of the integrated report by the Board of Directors. The company stakeholders are given the opportunity to seek clarifications about the scope and content of the report and validate it at the Annual General Meeting.

Performance indicators related to material Aspects have been chosen for reporting purposes based on two main factors, namely (1) our ability or maturity to respond; and (2) the opportunity for LUX* Resorts and Hotels to grow and gain advantage from its impacts. The measurement and calculation of indicators has followed the GRI G4 Implementation Manual.[5]

The no restatements of information in this integrated sustainability report.

5. https://www.globalreporting.org/resourcelibrary/GRIG4-Part2-Implementation-Manual.pdf - accessed 8 September 2014.

ANNEX 2: GRI G4 CONTENT INDEX

Material Aspects	GRI Indicator	Disclosure	Remarks & References	External Assurance
1. GENERAL STANDARD DISCLOSURES ("Core" in accordance option)				
Strategy and Analysis:	G4.1	Statement from most senior decision-maker about the relevance of suatainability and organisation's strategy	at the beginning of Chairman's report page 17	
	G4.3	Name of the organization	Cover page	
	G4.4	Primary brands, products, and services.	page 32;37-53	
	G4-5	Location of the organization's headquarters.	page 7	
	G4-6	Number of countries where the organization operates	page 2,7	
	G4-7	Nature of ownership and legal form	page 2-3	
	G4-8	Markets served, and types of customers and beneficiaries	page21-23	
	G4-9	Scale of the organisation	CEO Review page 21-23	
	G4-10	Total number of employees by employment contract, gender and region	page 73	
Organizational Profile	G4-11	Percentage of total employees covered by collective bargaining agreements	page 73	
	G4-12	Description of supply chain	page 21-23	
	G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	page 17	
	G4-14	Whether and how the precautionary approach or principle is addressed by the organisation	Tread Lightly - emissions 72	
	G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	page 71	
	G4-16	Memberships in associations and national/ international advocacy organisations	page 59	

Material Aspects	GRI Indicator	Disclosure	Remarks & References	External Assurance
	G4-17	All entities included in the organisation's consolidated financial statements or equivalent documents	page 2	
	G4-18	Process for defining the report content and the Aspect Boundaries; and how the organisation has implemented the Reporting Principles for Defining Report Content	Integrated GRl Report period 2013-2014 (May 2015) : pages 64-68	
	G4-19	All the material aspects identified in the process for defining report content.	Integrated GRl Report period 2013-2014 (May 2015) : page 67	
Identified Material Aspects and Boundaries	G4-20	The aspect boundary for each material aspect within the organisation and whether the aspect is material for all entities within the organisation	Integrated GRl Report period 2013-2014 (May 2015) : page 45	
	G4-21	Whether the aspect boundary for each material aspect outside the organisation	Integrated GRl Report period 2013-2014 (May 2015) : page 45	
	G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	Scope 1& scope 2 emissions : reviewed definition of private surface areas	
	G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	No change	
Stakeholder Engagement	G4-24	List of stakeholder groups engaged by the organisation	Integrated GRl Report period 2013-2014 (May 2015) : pages 65-66	
	G4-25	Basis for identification and selection of stakeholders with whom to engage	Integrated GRl Report period 2013-2014 (May 2015) : pages 65-66	
	G4-26	Organisation's approach to stakeholder engagement	Integrated GRl Report period 2013-2014 (May 2015) : pages 65-66	
	G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns	Integrated GRl Report period 2013-2014 (May 2015) : pages 65-66	
Report Profile	G4-28	Reporting period for information provided	page 17	
	G4-29	Date of most recent previous report	second sustainability report (last one was for period 2013-2014)	
	G4-30	Reporting cycle	page 17	
	G4-31	Contact point for questions regarding the report or its contents	Sustainability & CSR Manager vishnee.payen@luxresorts.com	
	G4-32	GRI Index with "in accordance" option chosen and references to External Assurance Reports	Core option chosen	
	G4-33	Organisation's policy and current practice with regard to seeking external assurance for the report	page 167	
Governance	G4-34	Governance structure of the organisation, including committees of the highest governance body and those responsible for decision-making on economic, environmental and social impacts.	page 54	YES
Ethics and Integrity	G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	page 54	YES

SPECIFIC STANDARD DISCLOSURES

Material Aspects	GRI Indicator	Disclosure	Remarks & References	External Assurance
ENVIRONMENT				
	G4EN3	Energy consumption within the organization	page 70	YES
	G4EN4	Energy consumption outside of the organization	None (no available resources for same)	
Energy	G4EN5	Energy intensity	page 70	YES
	G4EN6	Reduction of energy consumption	page 70	YES
	G4EN7	Reductions in energy requirements of products and services	page 70	YES
	G4EN8	Total water withdrawal by source	page 70	YES
Water	G4EN9	Water sources significantly affected by withdrawal of water	page 70	YES
	G4EN10	Percentage and total volume of water recycled and reused	page 70	YES
	G4EN15	Direct greenhouse gas (GHG) emissions (Scope 1)in metric tons of CO2 equivalent	page 72	YES
	G4EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2):	page 72	YES
Emission	G4EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	page 72	YES
	G4EN18	Greenhouse gas (GHG) emissions intensity intensity ratio: direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3).	page 72	YES
	G4EN19	Reduction of greenhouse gas (GHG) emissions	page 72	YES
Effluent & Waste	G4EN22	Total water discharge by quality and destination	page 72	YES
	G4EN23	Total weight of waste by type and disposal method	page 71	YES
SOCIAL				
HUMAN RIGHTS				
Investment	G4HR2	Total hours of employee training on human rights policies or procedures	page 74	YES
Non-discrimination	G4HR3	Total number of incidents of discrimination and corrective actions taken	page 73	YES
LABOR PRACTICES & DECENT WORK				
Employment	G4LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	page 73	YES
Occupational Health and Safety	G4LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	page 73	YES

Material Aspects	GRI Indicator	Disclosure	Remarks & References	External Assurance
Training & Education	G4LA9	Average hours of training per year per employee by gender, and by employee category	page 73	YES
	G4LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	page 73	YES
Diversity & Equal Opportunity	G4LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group	page 73	YES
Equal Remuneration for Men & Woemen	G4LA13	Ratio of basic salary and remuneration of women to men by employee category	page 73	YES
SOCIETY				
Local Community	G4SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	page 74	YES
PRODUCT RESPONSIBILITY				
Product and Service Labelling	G4PR5	Results of surveys measuring customer satisfaction	page 74	YES
ECONOMIC				
Economic Performance	G4 EC1	Direct economic value generated and distributed	page 13	
	G4 EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	page 17	

ANNEX 3
INDEPENDENT ASSURANCE PROVIDER'S LIMITED ASSURANCE REPORT ON SELECTED KEY PERFORMANCE INDICATORS

TO THE DIRECTORS OF LUX ISLAND RESORTS LIMITED

REPORT ON SELECTED KEY PERFORMANCE INDICATORS

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the 2015 Integrated Annual Report of LUX* Island Resorts Limited (LUX*) for the year ended 30 June 2015 (the Report). This engagement was conducted by a multidisciplinary team relevant experience in sustainability reporting.

SUBJECT MATTER

We are required to provide limited assurance on the following selected KPIs, marked with a ' 'on the relevant pages in the Report. The selected KPIs described below have been prepared in accordance with LUX's reporting criteria that accompany the performance information on the relevant pages of the Report as described on page 170 (the accompanying LUX reporting criteria) [N2]

Category	Selected KPIs	Scope of Coverage
Corporate Governance	• Ethics and Integrity (pg 54)	LUX Island Resorts Limited
Environment	• Energy Consumption (Scope 1 and 2) (pg 70) • Greenhouse Gas Emissions arising from Scope 1 and 2 (pg 72)	LUX Island Resorts Limited
Human Rights	• Total hours of employee training on human rights policies or procedures (pg 74) • Total number of incidents of discrimination and corrective actions taken (pg 73)	LUX Island Resorts Limited
Labour Practices and Decent Work	• Total number and rates of new employee hires and employee turnover by age group, gender and region (pg 73)	LUX Island Resorts Limited
Society	• Percentage of operations with implemented local community engagement, impact assessments, and development programs (pg 74)	LUX Island Resorts Limited
Customer Satisfaction	• Results of surveys measuring customer satisfaction (pg 74)	LUX Island Resorts Limited

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with the accompanying LUX* reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have applied the International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

OUR RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than the Audits or Reviews of Historical Financial Information and in respect of greenhouse gas emissions, in accordance with ISAE 3410, Assurance Engagements on Greenhouse Gas Statements issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of LUX*'s use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the directors in the preparation of the selected KPIs; and
- Evaluated whether the selected KPIs presented in the Report is consistent with our overall knowledge and experience of sustainability management and performance at LUX*.

The procedures performed in a limited assurance engagement vary in nature and form, and are less in extent than for a reasonable assurance engagement. As a result the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether LUX*'s selected KPIs have been prepared, in all material respects, in accordance with the accompanying LUX* reporting criteria.

LIMITED ASSURANCE CONCLUSION

Based on the procedures we have performed and the evidence we have obtained nothing has come to our attention that causes us to believe that the selected KPIs as set out in the subject matter paragraph for the year ended 30 June 2015 are not prepared, in all material respects, in accordance with the accompanying LUX* reporting criteria.

OTHER MATTERS

The maintenance and integrity of the LUX*'s Website is the responsibility of LUX* management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on LUX* website.

RESTRICTION OF LIABILITY

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of LUX* in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than LUX*, for our work, for this report, or for the conclusion we have reached.

Ernst & Young Inc.

ERNST & YOUNG
Ebène, Mauritius

ANDRE LAI WAN LOONG, A.C.A
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Date: 28 September 2015

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Building a better working world

LUX reporting criteria

Category	Selected KPIs	Reporting criteria
Corporate Governanc	• Ethics and Integrity (pg 54)	Based on Corporate Governance & Audit Committee activities (minutes) and system in place for Ethics Policy & Management and Feedback mechanisms.
Environment	• Energy Consumption (Scope 1 and 2) (pg 70) • Greenhouse Gas Emissions arising from Scope 1 and 2 (pg 72)	Based on energy consumption for Mobile Combustion, Stationary Combustion, Fugitive emission & Purchased electricity.
Human Rights	• Total hours of employee training on human rights policies or procedures (pg 74) • Total number of incidents of discrimination and corrective actions taken (pg 73)	Based on number of hours of training given. Based on number complaints received on discrimination .
Labour Practices and Decent Work	• Total number and rates of new employee hires and employee turnover by age group, gender and region (pg 73)	Based on number of employees hired and number of employees who left the company.
Society	• Percentage of operations with implemented local community engagement, impact assessments, and development programs (pg 74)	Based on activity engaged in by resorts pertaining to same.
Customer Satisfaction	• Results of surveys measuring customer satisfaction (pg 74)	Survey is based on the level of satisfaction from different outlets of the hotel.

NOTES

NOTES

GML

Think Green

As part of its ongoing programme to help protect the environment and within the context of the GML "Think Green" initiative, GML companies have chosen to use Lenza Green paper for their Annual Reports.

Lenza Green paper is made from 100% recycled pulp, certified FSC (Forest Stewardship Council).

FSC is an international, non-governmental, non-profit making organisation created in 1993. It encourages socially, ecologically and economically responsible forestry management initiatives.

Detailed Environmental Profile

Fibre source:	40 / 40
Fossil CO2 emissions from manufacturing:	18 / 20
Waste to landfill:	10 / 10
Water pollution from bleaching:	10 / 10
Organic water pollution:	9 / 10
Environmental management systems:	10 / 10

* LIGHTER. BRIGHTER.