ANNUAL REPORT 2017

Contents

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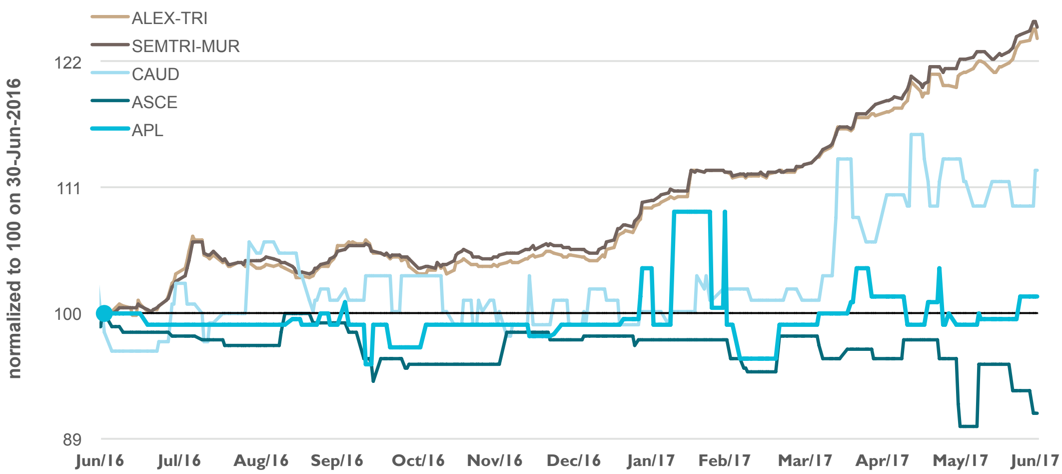
Chairman's Report

Dear Shareholders,

It has been nearly two years that Attitude Property Ltd (APL) has been listed on the Stock Exchange of Mauritius. Following a reduction of the debt prior to the listing, APL successfully implemented its business model as a dividend-oriented stock through the distribution of the rental income received from its hotels twice a year. Consequently, APL met its 6.5% dividend yield target. APL's rental is inflation linked and is forecasted to be revised in Financial Year 2019, in line with prevailing economic conditions, to the benefits of our shareholders.

Our portfolio

APL owns three leasehold seaside properties namely The Ravenala Attitude, Récif Attitude and Tropical Attitude. The said properties are all leased out to Attitude Hospitality Ltd (AHL), the second largest hotel operators in Mauritius (by number of rooms) with 1,080 rooms. The lease between APL and AHL is for a period of 20 years with an option to renew at the end of the lease.



Market Performance

At June 30th 2017, APL's share returned 11.2% to IPO subscribers on a total returned basis since listing in September 2015. During the last financial year, excluding GBL1s, APL's turnover on the market stood at Rs350M making it the 7th most active stock by value traded while APL's listed peers traded for a combined Rs118M, less than half of APL's total value traded. Again, excluding GBL1s, with 21% of its total shareholding changing hands, APL ranks 1st as the most active stock, by Turnover Ratio - ahead of 2nd placed Alteo (15%) and 3rd placed Chemco (13%).

Financial Results

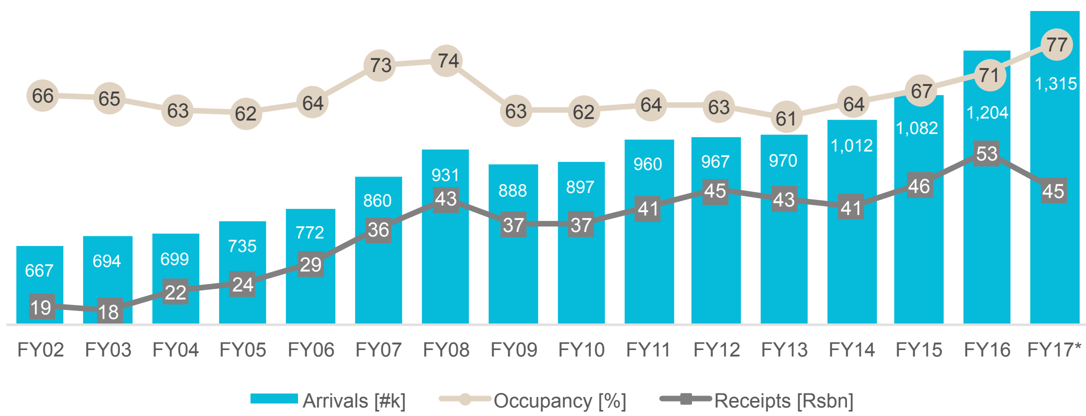
APL's financial statements for the FY ended June-17 is the first year accounting for a 12-month period with FY 16 figures being for a period of 10 months. As a result, rental income grew to Rs186M (+17%) in FY 17, compared to previous Rs158M, which translated to profits of Rs106M, with expenses remaining fairly stable over the years. EPS stood at 66cts and its Net Asset Value at Rs10.42. APL has already declared an interim dividend of 33cts in Feb-17 and has declared a final dividend of 32cts in Sep-17 in order for APL to meet its annualized 6.5% dividend yield target for IPO Subscribers.

RENTAL	Dividend Yield *	NAV	Dividend per Share
Rs 186M	6.3%	Rs 10.42	Rs 0.65

** Dividend yield is based on closing share price as at June 30th 2017*

Outlook

In the last few years, the tourism sector recovered from previous years of stagnation in line with improved air connectivity. Consequently, tourist arrivals increased at annualised rate of 8% between Financial Years 2014 and 2016, compared to 3% in the preceding decade. Occupancy rate increased to 71% in FY 16 from previous 67% in FY 15 - its third highest rate after the industry record year in 2007-2008 – while FY 17 rate for the first 9 months stands at a record 77%. Forward bookings have been promising for the next 12 months, which create optimism for the tourism industry as well as APL business model. We further note that one of our peers has followed a similar model while others indicated their intention to do so.



* Occupancy rate and receipts average are for the first 9 months of FY17 only.

Concluding Remarks

Once more, APL's business model as a dividend-oriented stock proved to be effective, as highlighted through a 6.5% annualized dividend yield. I would like to thank the members of the Board of Directors for their contribution, the employees of the Attitude Group for their hard work and dedication and finally to our shareholders for their continuing trust and support.

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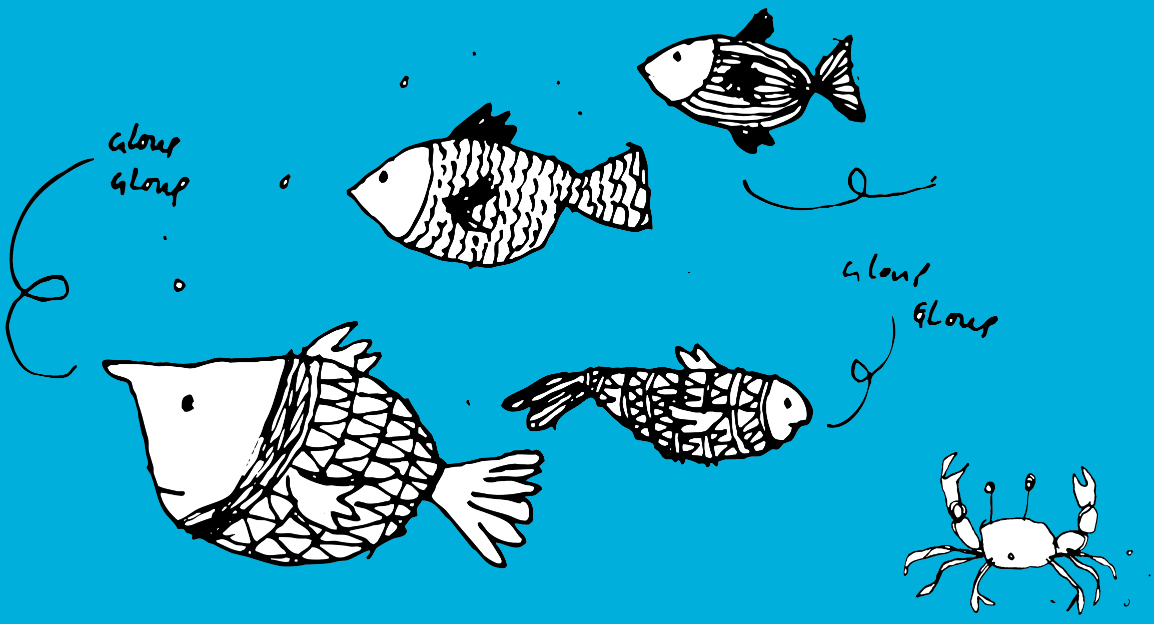
me nou tou inik!



Annual Report

The Directors have the pleasure in submitting their annual report and the audited financial statements of Attitude Property Ltd, respectively, for the year ended June 30th 2017.

Principal activity

The principal activity of the Company is the leasing of investment properties.

Results for the year

The results for the year ended June 30, 2017 is shown on page 35.

Dividends

An interim dividend of Rs 0.33 per share was declared and paid during the year (2016: Rs 0.36)

Board of Directors

Michel Guy Rivalland
- Chairperson
- Non-Executive Director
Appointed on April 3rd 2014

Jean-Michel Pitot
- Executive Director
Appointed on April 3rd 2014

Deenesh Seedoyal
- Executive Director
Appointed April 3rd 2014

Maxime Jean Francois Desvaux De Marigny
- Independent Non-Executive Director
Appointed on September 18th 2015

Marie Joseph Bernard Piat Dalais
- Independent Non-Executive Director
Appointed on December 3rd 2015

Lutchmeeprakash Seepersand
- Non-Executive Director
Appointed on July 4th 2013 and resigned on July 29th 2016

Directors service contracts

There are no service contracts between the Company and the Directors.

Entries in interests register

No entries have been made in the interests register during the financial year (2016: Nil).

Directors remuneration & benefits

The Independent Non-Executive Directors were entitled to fees of Rs 50k each.

Donations

No donations were made during the year (2016: Nil).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APL

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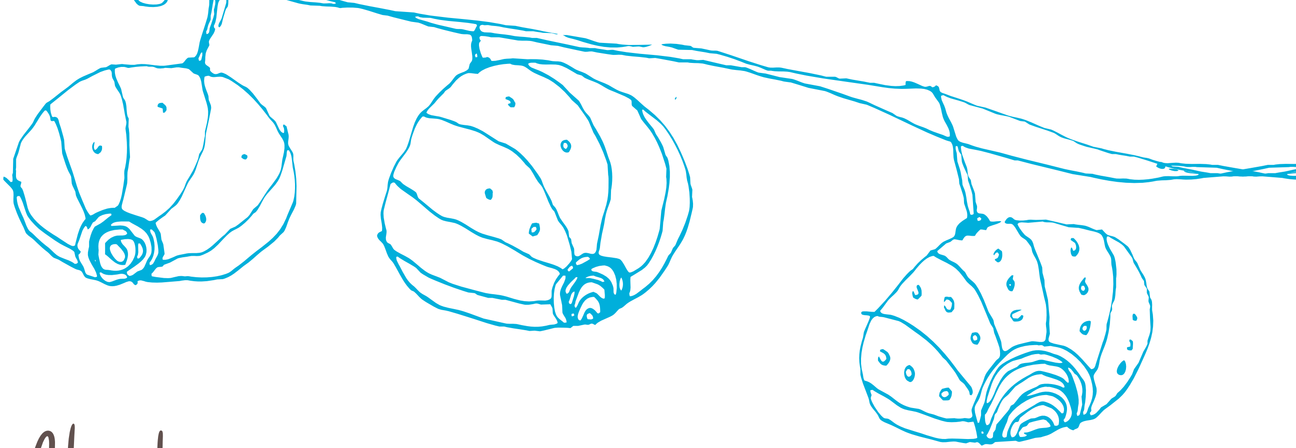
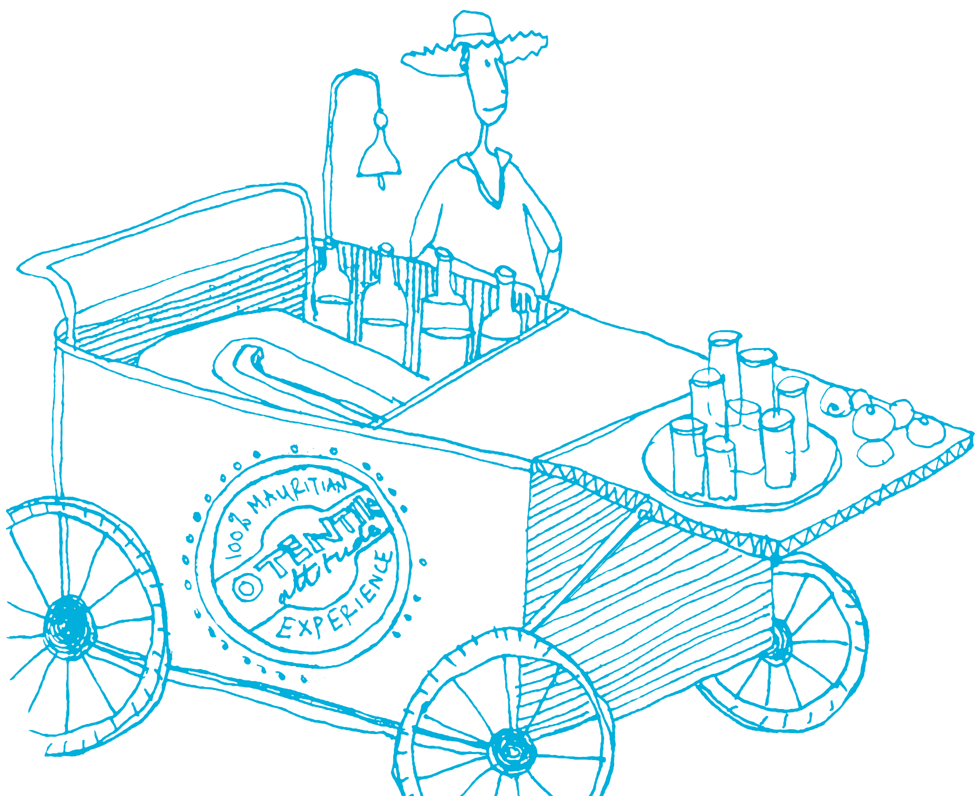


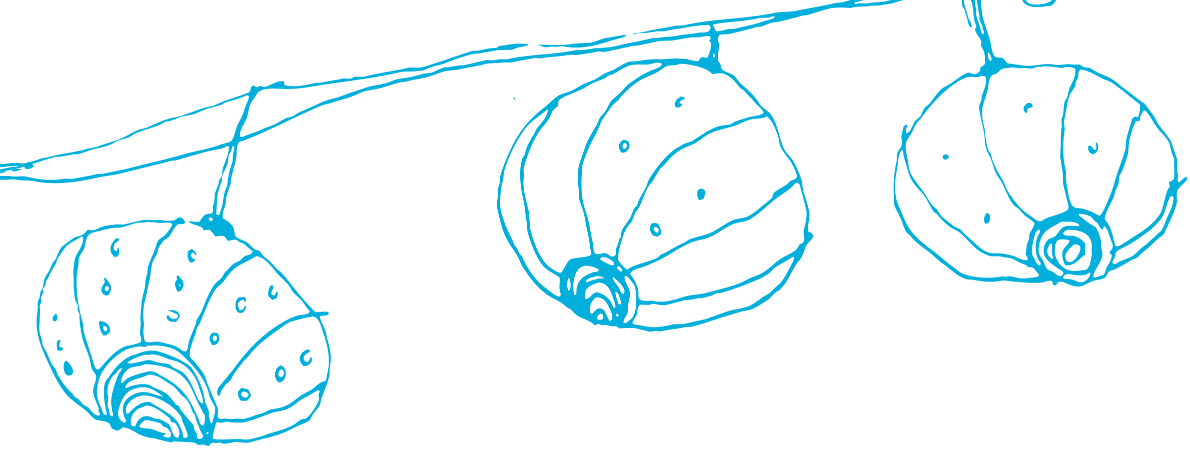
About The company

Attitude Property Ltd (APL) was originally incorporated as a private company in Mauritius according to the Companies Act 2001, under the name of Neymar Ltd on July 4th 2013. APL was converted into a public company limited by shares on May 5th 2014. Though APL was incorporated on July 4th 2013, it remained dormant until the acquisition of the property of The Ravenala Attitude (ex-La Plantation).

APL is a wholly-owned subsidiary of Attitude Hospitality Ltd (AHL).
AHL's Board opted in favour of a new business model whereby part of the property ownership of its hotels would be segregated from its hotel business. APL was therefore established to hold some of the properties of AHL and to rent these out with the objective to maximize shareholder return from its property portfolio.

APL's only source of revenue is the rental income it receives from its three (3) hotel properties (The Ravenala Attitude, Récif Attitude and Tropical Attitude), which are managed by Attitude.





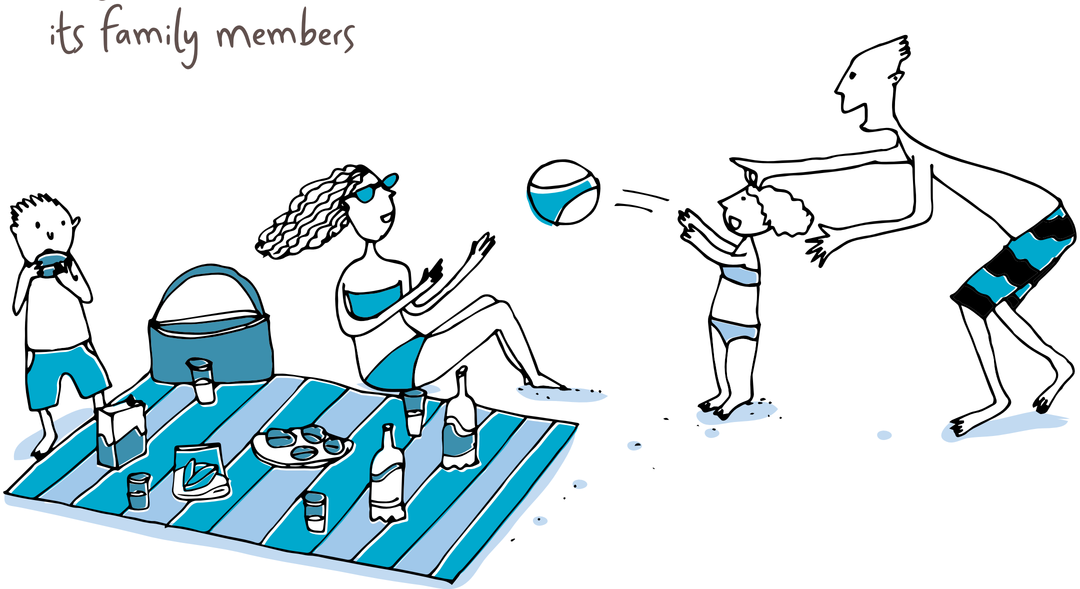
Attitude carries on with its fast-expanding strategy based on its approach to an industry where the guests, their comfort and their pleasure are of uppermost importance. Attitude believes in genuineness. This, together with enthusiasm and commitment, constitute the core values that underpin the Attitude Group's success.

The Attitude brand stands on 3 pillars:

its country

its guests

its family members



Corporate Governance Report

Principal activity

The principal activity of Attitude Property Ltd (hereafter referred to as "APL" or "the Company") is the leasing of investment properties. Its former subsidiaries were involved in hotel operation.

Statement of compliance

The Board of Directors of Attitude Property Ltd is aware of the necessity for the Company to adhere to the Code of Good Corporate Governance and is fully committed to achieving and maintaining the highest standards of corporate governance, with the aim of maximising long-term value creation for the shareholders.

Corporate profile

Board of Directors

The following directors held office during the year ended June 30th 2017:

Michel Guy Rivalland
- Chairperson
- Non-executive Director
Appointed on April 3rd 2014

Jean-Michel Pitot
- Executive Director
Appointed on April 3rd 2014

Deenesh Seedoyal
- Executive Director
Appointed on April 3rd 2014

Maxime Jean Francois Desvaux De Marigny
- Independent Non-Executive Director
Appointed on September 18th 2015

Marie Joseph Bernard Piat Dalais
- Independent Non-Executive Director
Appointed on December 3rd 2015

Lutchmeeprakash Seepersand
- Non-Executive Director
Appointed on July 4th 2013 and resigned on July 29th 2016

Board Committees

Audit and Risk Committee

Maxime Jean Francois Desvaux De Marigny
- Chairperson

Marie Joseph Bernard Piat Dalais

Corporate Governance Committee

The Corporate Governance Committee (which will also act as the Remuneration Committee and Nomination Committee) has not yet been constituted.

Company Secretary

FWM Secretarial Services Limited,
6th & 7th Floor Dias Pier Building,
Le Caudan Waterfront, Caudan,
Port Louis 11307

Registered Office

c/o FWM Secretarial Services Limited,
6th & 7th Floor Dias Pier Building,
Le Caudan Waterfront, Caudan,
Port Louis 11307

Registrar and Transfer Agent

MCB Registry and Securities Ltd,
Sir William Newton Street,
Port Louis

Auditors

Ernst & Young,
9th Floor, NeXTeracom Tower 1, Cybercity,
Ebene

Corporate profile (continued)

Bankers

SBM Bank (Mauritius) Ltd,
SBM Tower, 1 Queen Elizabeth II Avenue,
Port Louis

The Mauritius Commercial Bank Limited,
Sir William Newton Street,
Port Louis

Corporate Governance section

The Board of Directors (the 'Board') is committed to achieving success for the Company and its primary objective is to protect and enhance shareholder value through consistent profitable growth.

This report describes the main corporate governance framework and the compliance of the Company with the disclosures required under the Code of Corporate Governance for Mauritius.

Role of the Board of Directors

The role of the Board is to:

- set down the Company's values and ensure that its obligations to its stakeholders are understood and met;
- provide the entrepreneurial leadership of the Company, within a framework of prudent and effective controls;
- set out the Company's strategy and
- ensure that the required financial resources as well as non-financial resources are in place for the Company to meet its objectives.

Role of the Chairperson

The role of the Chairperson is to:

- provide leadership to the Board, without limiting individual responsibility for Board decisions;
- maintain sound relations with the Company's shareholders and ensure that principles of effective communication and pertinent disclosure are followed;
- ensure that all Directors play a full and constructive role in the functioning and decisions of the Board and
- ensure that all relevant information and facts are communicated to the Board in order to enable the Directors to reach informed decisions.

Role of Executive Directors

The Executive Directors are involved in the day-to-day management of the Company.

Role of the Chief Executive Officer (CEO)

The Company does not have a CEO as it has a management contract with Attitude Hospitality Ltd on a no-fee basis.

Role of the Non-Executive and Independent Directors

The composition of the Board is such that there is an appropriate balance of power and authority between Executive, Non-Executive and Independent Directors.

Non-Executive and Independent Directors play a vital role in providing judgment, independent from that of management, on issues of strategy, performance, resources and evaluation of performance.

Board of Directors

The Company is currently managed by a unitary Board of five members out of whom, two (2) are Executive Directors, one (1) is a Non-Executive Director and two (2) are Independent Non-Executive Directors.

The Directors have been selected to ensure an appropriate mix of competencies, experience, skill and independence. The Directors receive regular information about the Company to enable them to carry out their duties and responsibilities competently and in appropriate circumstances independent professional advice is also available to the Directors, at the Company's expense.

Directors' Resumes

Michel Guy Rivalland

Chairperson & Non-Executive Director

Michel Guy Rivalland is a graduate in Economics, Bsc (Hons), from UK. He joined Axys Group in 1999 and became a shareholder and Director in 2002. Since July 1st 2010, he stepped into the role of CEO of United Investments Ltd, a listed investment company.

Directorship in other listed companies: United Investments Ltd, Les Gaz Industriels Ltd and NOVUS Properties Ltd.

Maxime Jean Francois Desvaux De Marigny

- Independent Non-Executive Director

Maxime Jean Francois Desvaux De Marigny is a Fellow Member of the Institute of Chartered Accountants in England and Wales. He joined MCB in 1986 after several years of experience as an auditor in Europe. He was involved in the launching of the Stock Exchange of Mauritius in 1989. He has participated in the development of MCB's regional network and is a director of a number of MCB Group's subsidiaries and associates.

Directorship in other listed companies: none.

Marie Joseph Bernard Piat Dalais

- Independent Non-executive Director

Bernard Piat Dalais was a Director of Deep River Investment Ltd and Deep River Beau Champ Ltd for several years, until 2011. He retired as Managing Director of Seeff Properties Ltd in Mauritius on December 31st, 2010.

Directorship in other listed companies: none.

Jean-Michel Pitot

- Executive Director

Jean Michel Pitot graduated from the University of Baton Rouge, United States of America, and holds a degree in Marketing. He is a founder member of Attitude since July 2008 and was appointed as Group Chief Executive Officer in July 2010. He has more than 25 years experience in hotel management and was previously the Managing Director of Veranda Resorts.

Directorship in other listed companies: none.

Deenesh Seedoyal

- Executive Director

Deenesh Seedoyal is a Fellow Member of the Association of Chartered Certified Accountants, an Associate Member of The Institute of Hospitality - UK and a member of the Mauritius Institute of Professional Accountants. He has several years of experience in Corporate Finance and Audit Practice. He joined Attitude in July 2008 and is currently the Group Finance Director.

Directorship in other listed companies: none.

Senior Management

Jean-Michel Pitot and Deenesh Seedoyal act as senior managers and their profiles are set out above.

Annual Re-election of Directors

The actual Constitution of the Company provides for annual re-election of Directors at the exception of nominated Directors.

Directors' training, selection and appraisal

Though the Board does not organize or enroll its members on specific training session, it encourages all its Directors to keep on enhancing their knowledge and competencies through development programmes offered by various institutions in Mauritius.

The Board has not been evaluated collectively or individually during the year under review.

Conflict of interest

No contracts of significance or loans existed between the Company and its Directors during the year under review.

Related party transactions

Please refer to note 15 of the financial statements for details on related party transactions.

Board meetings

The Board meetings are convened by giving appropriate timely notice. During the year under review, the Directors met three times.

The minutes of the proceedings of each Board meeting are recorded by the Company Secretary and are entered in the Minutes Book. The minutes of each Board are submitted for confirmation at its next meeting and these are then signed by the Chairperson and the Company Secretary.

Attendance of board meetings and board committee meetings

Directors	Board Meetings	Audit & Risk Committee
Michel Guy Rivalland	4/4	-
Maxime Jean Francois Desvaux De Marigny	4/4	4/4
Marie Joseph Bernard Piat Dalais	4/4	4/4
Jean-Michel Pitot	4/4	-
Deenesh Seedoyal	4/4	-

Common Directors

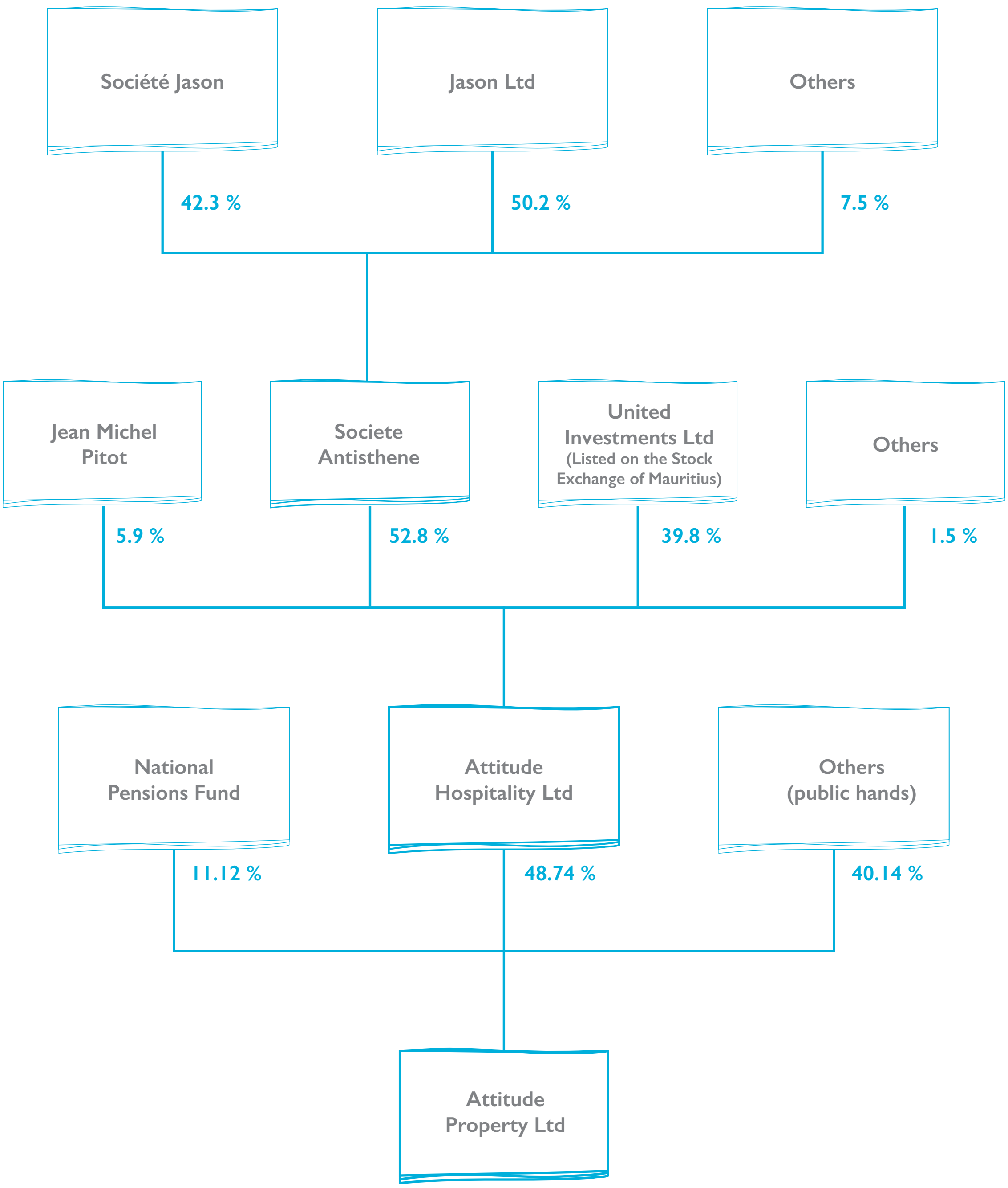
Directors	Attitude Property Ltd	Attitude Hospitality Ltd
Michel Guy Rivalland	✔	✔
Maxime Jean Francois Desvaux De Marigny	✔	✔
Marie Joseph Bernard Piat Dalais	✔	
Jean-Michel Pitot	✔	✔
Deenesh Seedoyal	✔	✔

Shareholding and Constitution

The following shareholders held 5% or more of the shareholding of the Company as at June 30th 2017:

Main Shareholders	% Holding
Attitude Hospitality Ltd	48.74%
National Pensions Fund	11.12%
Others (public hands)	40.14%

Group Structure



Constitution

The Company is listed on the Development & Enterprise Market (DEM) of the Stock Exchange of Mauritius since September 21st 2015 and its Constitution is in conformity with the provisions of the Companies Act 2001 and the DEM Rules.

The salient features of the Constitution are:

- the Company has wide objects and powers;
- there are no pre-emptive rights attached to the shares;
- fully-paid shares are freely transferable;
- the Board of Directors shall consist of a number of Directors that shall be determined from time to time by the Company, in General meeting;
- the quorum for a meeting of the Board shall be 3 Directors;
- the Board may issue, at any time, a number of ordinary shares and rights or options to acquire such shares, not exceeding ten per cent (10%) of the total number of ordinary shares in issue at the time of such issue of such shares, rights or options, to any person, whether already a shareholder of the Company or not, without any requirement that the said shares be first offered to existing shareholders and without the necessity of being authorised by the shareholders by ordinary resolution; and
- there shall be a quorum for holding a General Meetings where twenty (20) shareholders are present or represented or have cast postal votes.

A copy of the Constitution is available, upon request in writing to the Company Secretary at the registered office of the Company, 7th Floor Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307.

Interest of Directors' and Officers in APL shares

The Directors follow the principles of the model code on securities transactions as detailed in the Mauritius Stock Exchange listing rules and in accordance with the Companies Act 2001. Written records of the interests of the Directors and their closely related parties, in APL's shares, are kept in a Register of Directors' Interests.

As soon as a Director becomes aware that he is interested in a transaction or that his holdings or his associates' holdings have changed, the interest should be reported to the Company in writing. The Register of Interests is updated with every transaction entered into by the Directors and persons closely associated with them.

Moreover, pursuant to the Securities Act 2005, APL registered itself as a reporting issuer with the Financial Services Commission (FSC) and makes every effort to follow the relevant disclosure requirements. The Company keeps a Register of its Insiders and the said register is updated with the notification of interest in securities submitted by the Directors, the officers and the other insiders of APL.

List of Direct and Indirect Interests of Directors in APL as at June 30th 2017

Directors	Direct Shareholding		Indirect Shareholding Percentage (%)
	Number of shares	Percentage (%)	
Michel Guy Rivalland	-	-	1.70
Maxime Jean Francois Desvaux De Marigny	-	-	-
Marie Joseph Bernard Piat Dalais	-	-	-
Jean-Michel Pitot	-	-	2.86
Deenesh Seedoyal	20,000	0.012	0.087

Disclosure of Shares purchased and sold by the Directors

During the year under review the Directors made the following dealing in shares of the Company:

Directors	Number of Shares Purchased/ (Sold) Directly	Number of Shares Purchased/ (Sold) Indirectly
Michel Guy Rivalland	-	(14,698,725)

Company Secretary

All Directors have access to the advice and services of the Company Secretary, FWM Secretarial Services Limited, represented by Mrs V. Oomadevi Chetty, ACIS, who is responsible for providing guidance to the Directors as to their duties, responsibilities and powers.

The Company Secretary ensures that the Board procedures are followed and that applicable rules and regulations as well as principles of good governance are adhered to.

Board Committees

In line with the Code of Corporate Governance for Mauritius, the Board of Directors has delegated specific duties and responsibilities to the Board's committee namely the Audit and Risk Committee which is authorised to obtain, at the Company's expense, professional advice both within and outside the Company in order to perform its duties.

The minutes of the proceedings of the Audit and Risk Committee meetings are recorded by the Company Secretary and are entered in the Minutes Book.

Any member of the Board has access to the minutes of the Audit and Risk Committee meetings, regardless of whether the Director is a member of such Board Committee.

The other committees not yet set up, remuneration and nomination committees, are under the responsibility of the Board of Directors.

Audit And Risk Committee

The Audit and Risk Committee assists the Board, among other things, in overseeing:

- the quality and integrity of financial statements;
- ensuring that International Financial Reporting Standards are constantly being applied;
- the Company's compliance with legal and regulatory requirements;
- the scope and effectiveness of the external audit function as well as the qualifications, experience and independence of the external auditors;
- the effectiveness of the Company's systems of internal control and practices.

Dividend policy

100% of distributable recurrent Profit After Tax (PAT) will be paid as dividends to its shareholders, subject to sufficient levels of reserves, cash flow and the solvency test being met. The expected dividend yield is 6.5% per annum for the initial investor and is non-dilutive.

Statement of remuneration policy

The remuneration policy of APL is focused on optimizing performance within the Company while taking into account the efforts and merits of the personnel. The remuneration of Directors will be dealt by the Board until the Corporate Governance Committee is constituted. No fees were paid to the Executive Directors during the financial year. The Independent Non-Executive Directors were entitled to fees of Rs 50k each.

Board and Board Committee fees

The Board and Board Committee fees have not yet been defined by the Board through a resolution. At 30 June 2017, the Directors did not receive any remuneration and benefits.

Shareholder information

The Board of Directors places great importance on an open and transparent communication with all the stakeholders of the Company. It also endeavours to regularly inform the shareholders on matters affecting the Company by announcements in the press, disclosures in the Annual Report and at the Annual Meeting of shareholders.

Calendar

November 2017	Publication of 1st quarter results
December 2017	Annual Meeting of Shareholders
February 2018	Publication of 2nd quarter results
May 2018	Publication of 3rd quarter results
September 2018	Publication of abridged annual audited financial statements for the year ended June 30th 2018

Employee share option plan

The Company has no employee share option plan.

Corporate Social and Environmental Responsibility

With respect to the Company's obligation towards Corporate Social Responsibility (CSR) contribution, the Green Attitude Foundation, the umbrella body of Attitude Group(the Group) sustainable development program focuses on 3 major axes:

- Coastal Environment
- Social Entrepreneurship & Craftmanship
- Arts & Culture

Green Attitude Foundation

Green Attitude Foundation was officially launched on March 27th 2014. Its creation is a milestone in Attitude Group's commitment towards the protection of environment, aiming at consolidating the Green Attitude program introduced in the hotels of Attitude since 2010 and committing itself further to support the sustainable development of both the hotels and the country.

Coastal environment

Protection of the marine biodiversity:

- Nauticaz, Voluntary Marine Conservation Area;
- Snorkel trail;
- Mangroves plantation;
- 'Un Océan de Vie' program: awareness to marine environment in Attitude hotels and schools.

Attitude Group is contributing actively to the protection of the marine environment, in collaboration with the NGO Reef Conservation. In November 2010, Attitude inaugurated Nauticaz, its educational and interactive center totally dedicated to the richness of the local marine fauna and flora. Nauticaz has welcomed nearly 7000 visitors, mainly school children, teachers and members of social associations.

As part of the project "Marine Conservation Voluntary Zone", an underwater snorkel trail has been created in June 2014, in Anse la Raie lagoon, in front of Sensimar Lagoon Mauritius hotel. Mooring buoys have been placed in order to stop boats anchoring in this zone, as per safety norms.

The underwater snorkel trail has both a recreational and an educational vocation - it not only protects the seabed but also generates awareness about the fragility and the importance of the marine ecosystem.

Attitude has also contributed to the "Climate Change Adaptation Program in the Coastal Zone of Mauritius" under the aegis of the Ministry of Environment, of Sustainable Development, Natural Disaster Management and Beach Authority, namely its mangrove plantation.

Social entrepreneurship & craftsmanship

In line with its strategy to promote local craft works, the Green Attitude Foundation supports local craftsmen.

Otentik Bazar is an authentic Attitude experience. This weekly Made-in-Mauritius market encourages and helps local craftsmen enhancing their work. All the sold items are non-profit sales for the hotel and the benefits go to the craftsmen only.

Art & culture

- Music festivals: Attitude encourages, supports, and sponsors festivals: KAZ'OUT, BLUES DAN JAZZ, DREAMERS, among others.
- Festival of contemporary culture: Attitude supports and sponsors PORLWI by Light (2015, 2016, 2017).
- Photo exhibition: Attitude sponsored the photo exhibition which was held at The Ravenala Attitude, organized by Musée de la photo.
- Otentik Music by local artists: creation of background music by local artists; Otentik Music evening once per week in the Group's hotels; realization of the clip La Métisse by Zulu.

Code of ethics

The Company has not adopted a code of ethic. However, the Company is committed to the highest standards of integrity and ethical conduct in dealing with all stakeholders. This commitment, which is actively endorsed by the Board, is based on the fundamental belief that business should be conducted honestly, fairly and legally.

Donations

The Company made no social or political donations during the year under review (2016: Nil).

Risk factors

The Board bears the ultimate responsibility for the implementation of risk-management and mitigation for the Company and is assisted by Management to monitor, implement and enforce internal controls to minimize risk as well as achieve business objectives.

The following risk areas have been identified:

Financial risks

In a property-rental business, the foremost and greatest financial risk is linked to the tenant's inability to pay its rental fees. Although the Company has signed a long-term rental agreement with Attitude Hospitality Ltd (AHL), there is no guarantee that the tenant will always settle its rental dues in a timely manner. However, in the event that AHL defaults on its rental fees, this will give rise to a material breach of contract as stipulated under Section 19 of the rental agreement resulting in remedial as well as legal action being taken.

The Company also faces the risk arising from leasehold lands - in the event the Government does not renew its lease agreements. APL thus faces the risk of loss of future income as well as loss of properties. The risk APL faces here is no different from the risk faced by private home owners on leasehold 'Pas Geometriques' land, albeit more similar to the risk faced by traditional local hotel groups who both own and operate their properties.

Please refer to note 16 of the financial statements for details of the financial risks of APL and how these are mitigated.

Operational risks

Operational risk are risks of loss and/or opportunity gain foregone resulting from inadequate or failed internal processes, people, systems or external events. These losses may be caused by one or more of the following;

Risk factors (continued)

Operational risks (continued)

A) Risk from fluctuations in tourist arrivals

As the owner of beachfront real estate premises suitable for use as short-term rentals aimed at holiday makers – both local and foreign – APL's risk of non-rental payment is linked to the tenant's financial health which is directly linked to its business model as well as the state and wealth of holiday makers. APL's steady income flow from rental fees is thus directly linked to the soundness of its tenant's hotel operations and more generally, the health of the tourism industry.

B) Economic risk and concentration risk

In terms of risk-mitigation measures with respect to the tourism sector, APL is not in a position to influence country-level nor worldwide macro-economics. As such, APL is subject to risks linked to economic, social, environmental, and political factors in both Mauritius and in countries from where its tenant derives its business revenue. APL's tenant's business risk is not only linked to the multitude of above mentioned factors but also to reputational, foreign exchange fluctuations, and interest rate volatility risks. The ultimate risk for APL is thus related to the general soundness of the tourism industry in Mauritius which is, in turn, linked to the health of AHL's business which is then linked to the rental income to be perceived by APL.

C) Natural disaster and damage risk

Another risk factor lies with the risk of structural damage or other types of damage on APL' s properties as a result of fire, theft, intentional infliction of damage or acts of God. As a preventive measure, APL has subscribed to insurance against damage of property. The risk shifts to the possibility of the insurer refusing or being unable to settle the amount required to make good of damages to APL's property or properties.

Internal Control, Auditing and Accounting

The Board is responsible in monitoring and assessing risks in order to ensure that the viability of the Company is sustained at all times. In addition, the Board ensures that its internal control systems and reporting arrangements are such as to provide for the effective, prudent and efficient administration of the Company's assets and liabilities.

To ensure that the system of internal control is operating to an acceptable standard and that the risk-management policies in place are adequate in managing risks in a manner acceptable to the Board, the Company has outsourced its internal audit function to UHY & Co. who reports to the Audit and Risk Committee. UHY & Co. have unlimited access to the Company's accounting database, administrative systems and documents.

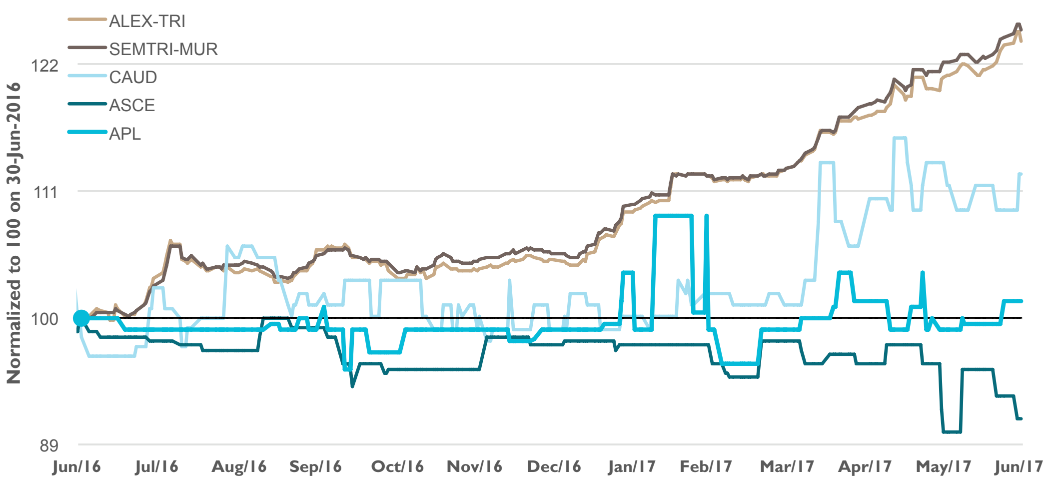
The Directors are also responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for the implementation and operations of the accounting and internal control systems that are designed to prevent and detect fraud and an effective risk-management system.

Auditors' remuneration

The fees paid to the Auditors for audit and other services are as follows:

	The Company	
	2017	**2016**
	Rs'000	Rs'000
Ernst & Young		
Audit services	350	350
Tax services	30	90
Other services	-	130
Total	380	570

Share price information



On June 30th 2017, APL's share price stood at Rs10.25 (+1.5% Year-on-Year), with a Market Cap of Rs1.64bn, having paid 69 cts in dividends during the last financial year 2017. APL's share price stagnated while large caps rallied. Among peers, APL stood in the middle of the pack behind COVIFRA's (+175%) extraordinary surge after Club Med announced its intent to sell its stake, Caudan (+12%) which recovered from multi-year lows boosted by improved office occupancy rates, and a volatile Bluelife (+7.1%); but ahead of illiquid Novus Properties (-3.8%) and Ascencia (-8.8%) who faced set-backs at its latest development in Floreal.

On a total return basis since June 30th 2016, APL's stock ranked 3rd among peers with returns of 8.6% to its shareholders behind COVIFRA (+175.0%) and Caudan (+14.4%); but just ahead of Bluelife (+7.14%), Novus Properties (+1.5%) and Ascencia (-5.0%). With a Total Market Turnover (TMT) of Rs350M during Financial Year 2017, APL was the 7th most active stock on the SEM excluding Global business companies (GBL1) and remained significantly higher than the combined TMT of its non-GBL1 Real Estate peers which stood at Rs118M. Most interesting was the fact that 20% of purchases were foreign in nature for a Net Portfolio Investment to the tune of Rs67M which was the 2nd highest in net terms after Alteo's Rs69M. The significant trading volumes effectively at its introductory price, and more importantly, the foreign purchases suggest that although APL's share price stagnated, it is gaining positive traction.

Statement of Directors' Responsibilities in respect of the Financial Statements at June 30th 2017

The Company's Directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at June 30th 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and statement of cash flows, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes - in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001 and Financial Reporting Act 2004.

The responsibilities of Directors include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting judgments and estimates that have been used consistently.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

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

The Directors confirm that:

i) adequate accounting records and an effective system of internal controls and risk-management have been maintained;

ii) appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;

iii) International Financial Reporting Standards have been complied with.

The Directors confirm that the Code of Corporate Governance has been adhered to, except to those disclosed in the Statement of Compliance on page 23.

Approved by the Board of Directors on September 25th 2017
and signed on its behalf by:

Michel Guy Rivalland
Chairman

Jean Michel Pitot
Executive Director

STATEMENT OF COMPLIANCE
(Section 75 (3) of the Financial Reporting Act)

Name of PIE: Attitude Property Ltd
Reporting Period: 30 June 2017

We, the Directors of Attitude Property Ltd (the 'PIE') confirm that to the best of our knowledge the PIE has not complied with:

1) 2.8.4 – with regards to the remuneration of Executive Directors, not yet defined by the Board through resolution
2) 2.9 – Director Training and Development;
3) 2.10 – Board and Directors appraisal;
4) 3.9.2; 3.9.4 & 3.9.5 – The Corporate Governance, Remuneration and Nomination Committees

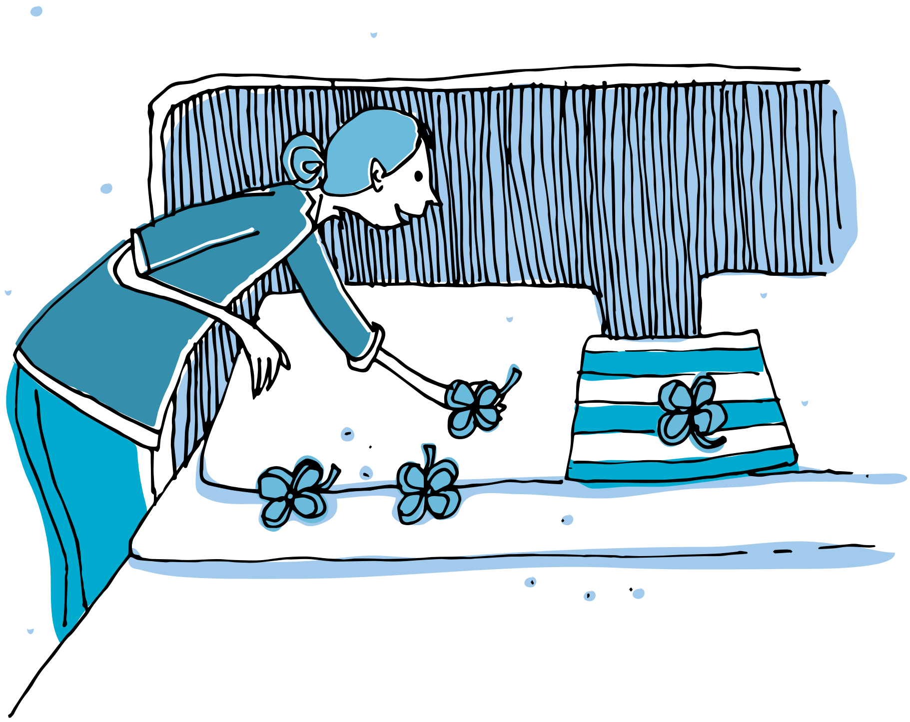
Reasons for non-compliance are contained in the Corporate Governance Report Section

Signed by:

Michel Guy Rivalland
Chairman

Jean Michel Pitot
Executive Director

Date: 25th September 2017



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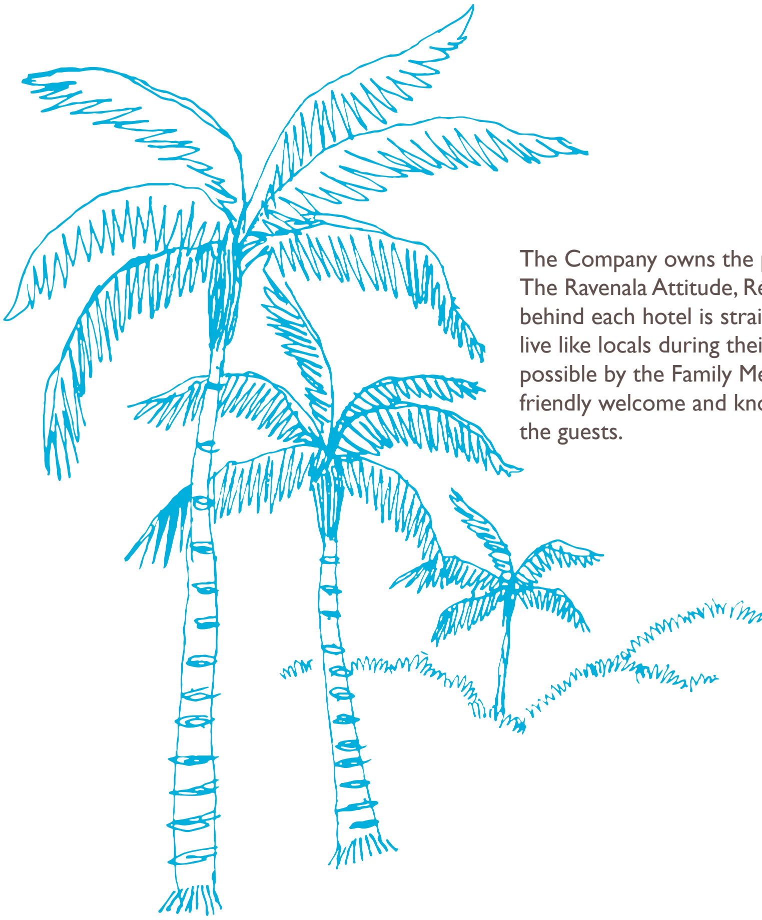


The Company owns the properties of three hotels managed by AHL namely The Ravenala Attitude, Récif Attitude and Tropical Attitude. The concept behind each hotel is straightforward: "Give the guests the opportunity to live like locals during their stay on the island". A genuine experience made possible by the Family Members – Attitude's 100% Mauritian team, whose friendly welcome and know-how is totally dedicated to the well-being of the guests.

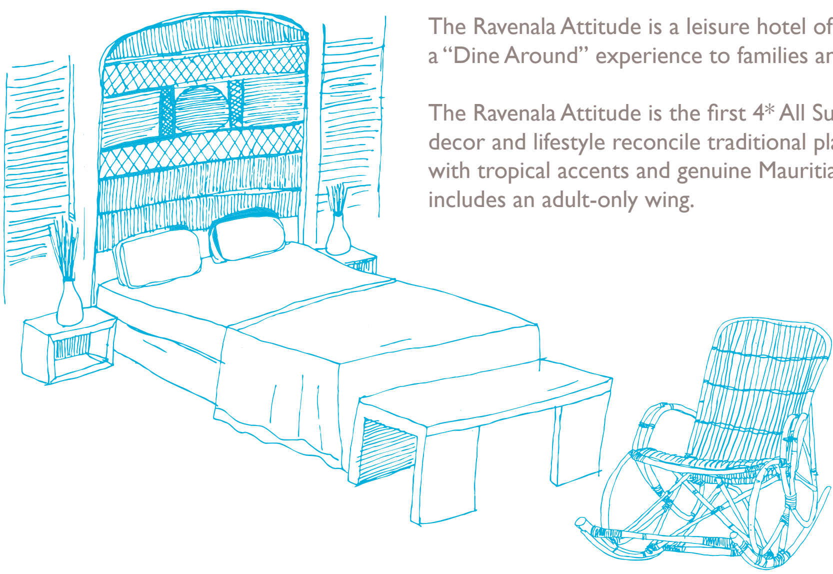
LEISURE

HOTELS & RESORTS

THE RAVENALA *attitude*
All Suite Hotel **Mauritius**

The Ravenala Attitude is a leisure hotel offering numerous activities and a "Dine Around" experience to families and friends; couples and newly-weds.

The Ravenala Attitude is the first 4* All Suite hotel in Mauritius. Its architecture, decor and lifestyle reconcile traditional plantation style, contemporary design with tropical accents and genuine Mauritian art de vivre. The Ravenala Attitude includes an adult-only wing.



ADULT

LIFESTYLE HOTELS

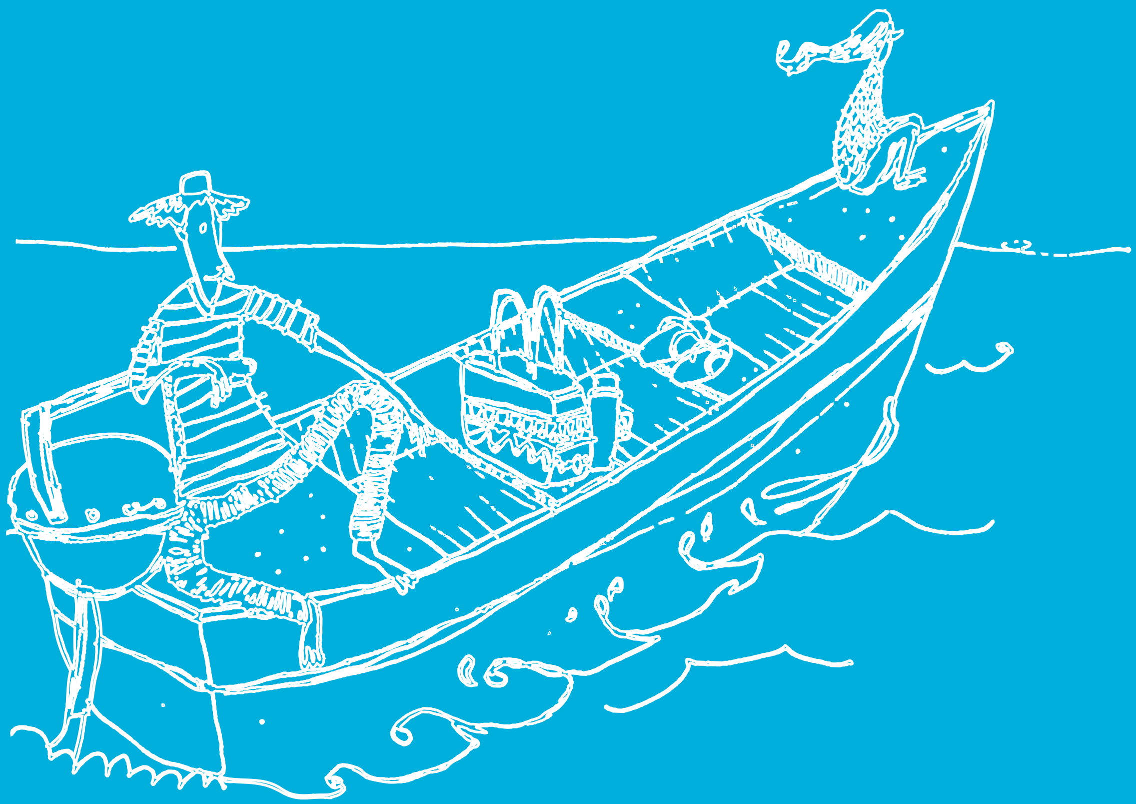
Récif Attitude and Tropical Attitude both convey the boutique-hotel spirit, with a calm atmosphere and friendly ambience. These 2 hotels welcome adults only (from 18 years onwards), hosting couples and newly-weds as well as friends

TROPICAL attitude
MAURITIUS

Tropical Attitude is a Superior 3-star hotel set along the widest lagoon of Mauritius. Its lush garden extending across a coconut grove and Creole architecture, mixed with modern tropical accents, conjure up a tranquil ambience that invites one to reconnect with the sweetness of living and joie de vivre of a laid-back island lifestyle.

RÉCIF attitude
Mauritius

Récif Attitude is an adult-only hotel - a must for those who wish to go back to essentials, recharge their batteries, spend time together as a couple or among friends. Dressed in white and wood, Récif Attitude is alive with the vibrant Mauritian soul; ensures optimal comfort and extends attentive boutique-type service.



Certificate from the Company Secretary

I certify that, to the best of my knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required under Section 166(d) of the Companies Act 2001 during the year ended June 30, 2017.

FWM Secretarial Service Limited
Company Secretary

Date: 25th September 2017

100% MAURITIAN

OTENTIK

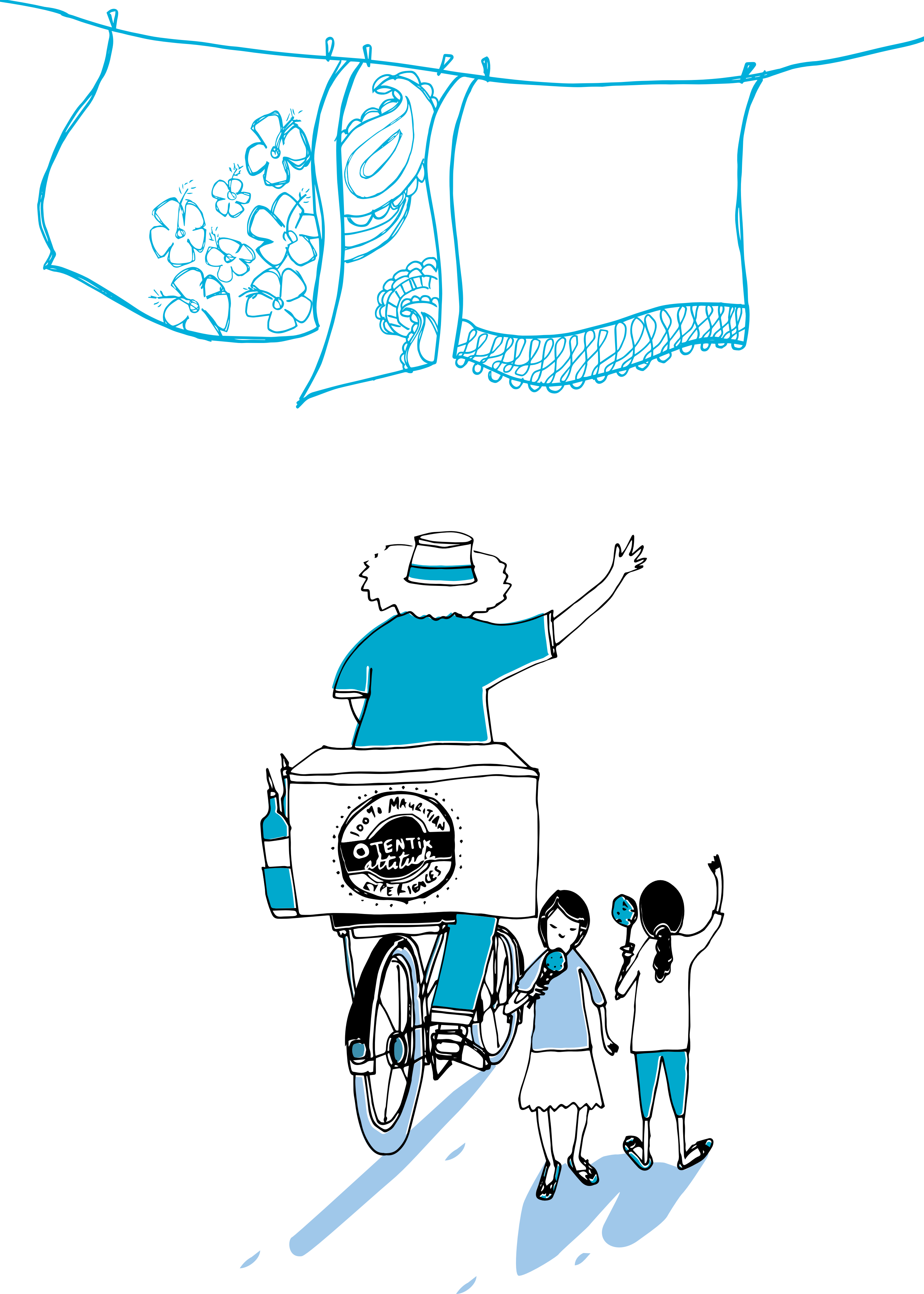
attitude

EXPERIENCES

otentik experiences

True to its promise, Attitude embarks all its guests, through its innovative concept - Otentik Experiences - on a discovery of the authentic Mauritius, across its multiple facets.
Attitude's Otentik Experiences are upheld by its Family Members who pride themselves in their Mauritian identity, their historical and cultural heritage. Otentik Experiences are designed to invite guests to a genuine encounter with the Mauritian people and share in typical, friendly and memorable moments.

OTENTIK DINNER	- Mauritian hospitality at its best, enjoying a genuine home-cooked dinner at a local home: once a week, upon reservation, at extra cost.
OTENTIK BAZAR	- The Made-in-Mauritius market brought to guests at the hotel: wicker baskets, home-made jams, upcycled bags, from sails… And many more local souvenirs to choose from, and take back home. The benefits go exclusively to the craftsmen: once a week.
OTENTIK CUISINE	- Cooking classes around a local specialty; the recipe is offered! At the buffet in the main restaurant, Mauritian specialities to enjoy. The day's special to taste from the Otentik cart.
OTENTIK MUSIC	- A holiday to the beat of local music: discovering traditional instruments and Mauritian artists; connecting with the local Sega dance through colourful shows.
OTENTIK DISCOVERY	- Attitude's new self-guided tours mobile app: off the beaten track, discovery of exceptional sites, encounters with the local people…


100% MAURITIAN
OTENTIK
attitude
EXPERIENCES

Independent Auditors’ Report to the members of Attitude Property Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Attitude Property Ltd (the “Company” or “APL”) set out on pages 33 to 63 which comprise the statements of financial position as at June 30, 2017, 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 notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at June 30, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditors’ responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Fair value of investment properties

Key Audit Matter	How the matter was addressed in the audit
The Company carries its investment properties at fair value. As pointed out in note 3 of the financial statements, at June 30, 2017, investment properties stood at Rs 2,456m. These properties represent more than 95% of the Company's total assets as at that date. IAS 40 requires any change in fair value to be recognized in profit and loss. The investment properties were last valued by an independent valuation specialist on June 30, 2016. The Directors have reassessed the fair value of the investment properties as at June 30, 2017. As described in note 3, the Directors: 1. took into consideration current market conditions; 2. made comparisons of the carrying amount to recent observable transactions; 3. rolled forward the depreciated replacement cost computation provided last year by the independent valuation specialist; 4. corroborated the value of the investment properties based on an income approach computation. Based on the above considerations, the Directors believe that the value of the investment properties did not change significantly and therefore believe that the carrying amount approximates the fair value. The determination of fair value requires significant judgement by both the independent valuation specialists and the Directors who reassess the valuations periodically. The recent transaction method requires availability of relevant information and judgment as to the comparability of transactions observed. The use of the income approach requires Directors to make assumptions in respect of the appropriate notional rent, the discount factor and a growth rate.	Our audit procedures included the following: We have obtained, read and understood the 2016 valuation report from the independent valuation specialist. We have inquired with management on the rationale for not changing the fair values. We have held discussions with the independent valuation specialist to confirm whether the rationale behind the valuation methodology used last year and the key assumptions made were still valid and whether there were events and/or market condition changes which could have significantly impacted the fair values of the investment properties in the current period. We have challenged and evaluated the assumptions used and judgements made by the Directors in the fair valuation assessment as at 30 June 2017. We obtained market data of recent sales transactions relating to sales of land in the hospitality industry and compared these to those used in the reassessment made by the Directors. We recomputed the fair values using the market data available and compared the result to the Company's valuation for reasonability. Where the income approach was used for corroborative purposes, we compared the notional rent and the growth rate used in the model to the actual rental agreements, and corroborated the discount factor with yields available in the market. We tested the sensitivity of the key assumptions used by management to assess the impact of the said assumptions on the fair values determined. We have reviewed and ensured that all disclosures relating to the significant estimates and critical judgements by management have been fully disclosed in the financial statements and that appropriate sensitivity analyses have been shown with respect to the effect on fair value to changes in these assumptions.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Message, Corporate Governance Report and the Company Secretary's Certificate as required by the Companies Act 2001, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001and the Financial Reporting Act 2004, 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

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

Other matter

This report is made 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 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 whether the disclosure is consistent with the requirement of the Code.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

Ernst & Young

ERNST & YOUNG
Ebène, Mauritius

DARYL CSIZMADIA, C.A. (S.A)
Licensed by FRC

Date: 25th September 2017

Statement of financial position
as at 30 June 2017

	Notes	THE COMPANY 2017	2016
		Rs.	Rs.
ASSETS			
Non-current assets			
Investment properties	3	2,456,960,920	2,436,358,269
Investment in subsidiaries	4	-	-
		2,456,960,920	2,436,358,269
Current assets			
Trade and other receivables	5	80,718,947	197,596,599
Cash and short-term deposits	6	449,885	493,563
		81,168,832	198,090,162
TOTAL ASSETS		2,538,129,752	2,634,448,431
EQUITY AND LIABILITIES			
Issued capital	7	1,600,170,920	1,600,170,920
Retained earnings		66,684,182	71,806,941
TOTAL EQUITY		1,666,855,102	1,671,977,861
Non-current liabilities			
Interest-bearing loans and borrowings	8	765,362,000	755,000,000
Deferred tax liabilities	9	46,006,437	23,434,200
		811,368,437	778,434,200
Current liabilities			
Trade and other payables	10	49,074,992	183,063,856
Interest-bearing loans and borrowings	8	10,831,221	972,514
		59,906,213	184,036,370
TOTAL LIABILITIES		871,274,650	962,470,570
TOTAL EQUITY AND LIABILITIES		2,538,129,752	2,634,448,431

These financial statements have been approved for issue by the Board of Directors on 25th September 2017

Michel Guy Rivalland
Chairman

Jean Michel Pitot
Executive Director

The notes set out on pages 41 to 63 form an integral part of these financial statements.
Independent Auditors' Report on pages 27 to 31.

Statement of profit or loss and other comprehensive income

for the year ended 30 June 2017

		THE COMPANY		THE GROUP
	Notes	2017	2016	2016
		Rs.	Rs.	Rs.
Revenue	11	185,955,248	158,602,684	250,294,188
Operating expenses	13	(12,495,762)	(10,726,544)	(41,897,891)
Gross profit		173,459,486	147,876,140	208,396,297
Other income	12	12,495,762	617,215,711	87,202,068
Impairment of investment in subsidiaries	4.1	-	(603,656,269)	-
Administrative expenses	13	(2,847,538)	(3,533,265)	(64,144,986)
Operating profit		183,107,710	157,902,317	231,453,379
Finance costs	14	(55,246,439)	(52,459,627)	(56,116,688)
Profit before taxation		127,861,271	105,442,690	175,336,691
Income tax expense	9	(22,572,237)	(20,958,961)	(20,512,109)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		105,289,034	84,483,729	154,824,582
BASIC EARNINGS PER SHARE (RS).	22	0.66	0.53	0.97

Attitude Property Ltd disposed of its subsidiaries back to Attitude Hospitality Ltd and control ceased on January 31st, 2016. The comparative statement of profit or loss and other comprehensive income for the Group was prepared on a 12-months basis for the Company and 7-month basis for the subsidiaries held.

The notes set out on pages 41 to 63 form an integral part of these financial statements.
Independent Auditors' Report on pages 27 to 31.

Statement of changes in equity
for the year ended 30 June 2017

THE COMPANY			
	Issued Capital	Retained Earnings	Total
	Rs.	Rs.	Rs.
At July 1, 2015	100	16,126,289	16,126,389
Issue of shares	1,600,170,820	-	1,600,170,820
Total comprehensive income for the year	-	84,483,729	84,483,729
Dividends	-	(28,803,077)	(28,803,077)
At June 30, 2016	**1,600,170,920**	**71,806,941**	**1,671,977,861**
At July 1, 2016	1,600,170,920	71,806,941	1,671,977,861
Total comprehensive income for the year	-	105,289,034	105,289,034
Dividends (Note 20)	-	(110,411,793)	(110,411,793)
At June 30, 2017	**1,600,170,920**	**66,684,182**	**1,666,855,102**

The notes set out on pages 41 to 63 form an integral part of these financial statements.
Independent Auditors' Report on pages 27 to 31.


OTENTIK

Statement of cash flows
for the year ended 30 June 2017

	Notes	THE COMPANY	
		2017	2016
		Rs.	Rs.
Cash flows from operating activities			
Profit before taxation		127,861,271	105,442,691
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Interest expense	14	55,246,439	52,459,626
Revaluation gain	12	-	(2,326,368)
Impairment of subsidiaries	4.1	-	603,656,269
Working capital adjustments			
Decrease in trade and other receivables		116,877,652	54,507,288
(Decrease) in trade and other payables		(133,988,864)	(781,508,494)
Net cash flows generated from operating activities		**165,996,498**	**32,231,012**
Cash flows from investing activities			
Purchase of investment properties	3	(20,602,651)	(372,051,879)
Disposal of investment in subsidiaries	4	-	2,000
Net cash flows used in investing activities		**(20,602,651)**	**(372,049,879)**
Cash flows from financing activities			
Proceeds from borrowings	8	765,362,000	205,000,000
Repayment of borrowings	8	(755,000,000)	(592,977,000)
Issue of shares	7	-	820,170,820
Dividends paid	20	(110,411,793)	(28,803,077)
Interest paid	14	(55,246,439)	(52,459,626)
Net cash flows(used in)/ generated from financing activities		**(155,296,232)**	**350,931,117**
Net increase in cash and cash equivalents		**(9,902,385)**	**11,112,250**
Cash and cash equivalents as at July 1,		(478,951)	(11,591,201)
Cash and cash equivalents as at June 30,	6	**(10,381,336)**	**(478,951)**

The notes set out on pages 41 to 63 form an integral part of these financial statements.
Independent Auditors' Report on pages 27 to 31.

Notes to the Financial Statements

1. Corporate information

The financial statements of Attitude Property Ltd ("the Company" or "APL") for the year ended June 30, 2017 were authorised for issue in accordance with a board meeting of the Directors on September 25, 2017. The Company is a public company incorporated on July 04, 2013 and domiciled in Mauritius. Its registered office is situated at The Junction Business Hub, Block C, Calebasses Branch Road, Calebasses. Its holding company is Attitude Hospitality Limited, a company incorporated in Mauritius.

The ordinary shares of Attitude Property Ltd were listed on the Stock Exchange of Mauritius, under the Development and Enterprise Market in September 2015.

1.1 Principal activities

The Company's main activity is the rental of investment properties. Its tenants are involved in hotel operations.

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis, except for investment properties that have been measured at fair value. The financial statements are presented in Mauritian Rupees ("Rs").

Statement of compliance

The financial statements of Attitude Property Ltd have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

The Directors have made an assessment of its ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.2 Changes in accounting policies

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year. There were a number of new standards and interpretations which were effective for this financial year, none of which have an impact on the Company.

2.3 Accounting standards and interpretations in issue but not yet effective

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

2. Accounting policies (continued)

2.3 Accounting standards and interpretations in issue but not yet effective (continued)

	Effective for accounting period beginning on or after
New or revised standards	
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019
IFRS 17 Insurance Contracts	1 January 2021
New or revised interpretations	
IFRIC 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments	
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely
Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)	1 January 2017
Disclosure Initiative (Amendment to IAS 7)	1 January 2017
Annual Improvements 2014 – 2016 Cycle	1 January 2017
Transfers of Investment Property (Amendments to IAS 40)	1 January 2018
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	1 January 2018
Clarifications to IFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)	1 January 2018

IFRS 9 Financial Instruments - Classification and measurement of financial assets, Accounting for financial liabilities and derecognition - January 01, 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, amortized 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 amortized 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 recognize either 12-month 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 recognized.

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 Company is still evaluating the impact of this standard.

IFRS 16 Leases - effective 1 January 2019

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the lease liability). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.
The Company is still assessing the impact of this new standard.

Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28) – Deferred indefinitely

The 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 recognized 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 Company is still evaluating the impact of this standard and shall adopt this standard when it becomes effective.

2. Accounting policies (continued)

2.3 Accounting standards and interpretations in issue but not yet effective (continued)

Recognition of deferred tax assets for unrealized losses (Amendments to IAS 12)

Amends IAS 12 Income Taxes to clarify the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The Company is still assessing the impact of this new standard, but it is not expected to have a significant effect on the financial position of the Company.

IFRS 15 Revenue from contracts with customers - effective January 01, 2018

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
- recognize revenue when (or as) the entity satisfies a performance obligation.

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

The Company 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.

Annual improvements 2014 – 2016 cycle - 1 January 2017

The following amendments were made to these standards:

- IFRS 1 - Deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose
- IFRS 12 - Clarifies the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IAS 28 - Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition

Management is still assessing the impact from the adoption of these new or amended standards and interpretations on the Company's financial statements.

No early adoption is intended by the Board of directors.

Disclosure initiative (Amendments to IAS 7)

Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The Company is still evaluating the effect of these new or revised standards and interpretations on the presentation of its financial statements.

No early adoption is intended by the Board of directors.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have significant effect on the amounts recognized in the financial statements:

Operating lease commitments - the Company as lessor

The Company has entered into property lease on its investment properties portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Refer to Note 19 for further details.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the shareholders. The Directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows:

Fair value of investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognized in the statement of profit or loss. The Company engaged an independent valuation specialist to assess fair value as at 30 June 2016 for investment properties. For investment properties, a valuation methodology based on sales comparison and depreciated replacement cost approach was used. Refer to note 3 for more details.

2.5 Summary of significant accounting policies

(a) Foreign currency translation

The financial statements are presented in Mauritian Rupees ("Rs"), which is also the functional and presentation currency of the parent company, Attitude Hospitality Ltd. The items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

Transactions and balances

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 at the functional currency at the rate of exchange ruling at the reporting date.

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 is determined.

The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

2. Accounting policies (continued)

2.5 Summary of significant accounting policies (continued)

(b) Investment property

Investment property comprises furnished buildings on leasehold land rented as hotel complex that is held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in profit or loss in the year in which they arise, including the corresponding tax effect.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investment property is derecognized when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses at the retirement or disposal of investment property. Any gains or losses are recognized in profit or loss in the year of retirement or disposal.

(c) Investment in subsidiaries

A subsidiary is an entity that is controlled by another entity. Control is determined when the entity is exposed or has the rights to variable returns from its investment with the investee and has the power to affect those returns through its power over the investee.

Investments in subsidiaries in the separate financial statements of the Company are carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognized in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognized in profit or loss.

(d) Financial assets

(i) Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e. the date at which the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits and loans and receivables.

(ii) Subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR) method, less impairment. Amortized 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 amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss and other comprehensive income in other operating expenses.

Cash and cash equivalents

Bank balances are subsequently measured at amortized cost less any allowance for impairment and gains and losses are recognized through profit or loss when any bank balance is derecognized or impaired, as well as through the amortization process.

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

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Trade and other receivables

Trade and other receivables are initially recognized at fair value and are subsequently carried at amortized cost using the effective interest method less any allowance for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognized in profit or loss.

(e) Financial liabilities

(i) Initial recognition and measurement

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

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

The Company's financial liabilities include trade and other payables, bank overdraft and loans and borrowings.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included in finance costs in profit or loss.

(f) 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 derecognized where:

- the right to receive cash flows from the asset has expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without delay to a third party under a 'pass-through' arrangement; or
- the Company 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. Accounting policies (continued)

2.5 Summary of significant accounting policies (continued)

(f) Derecognition of financial assets and liabilities (continued)

Financial assets

Where the Company 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 recognized to the extent of the Company'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 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 Company's continuing involvement is the amount of the transferred asset that the Company 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 Company'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 derecognized 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 recognized in profit or loss.

(g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a current enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(h) Leases

Company as a 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 Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized 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 ar 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 recognized as a finance cost.

Capitalized 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 Company will obtain ownership by the end of the lease term.

Operating lease payments are recognized 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 recognized as a liability or asset in the statement of financial position.

Company as a lessor

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs are incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income.

Contingent rents are recognized as revenue in the period in which they are earned.

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

(i) 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 recognized as an expense when incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax are calculated using tax rates that have been enacted or substantively enacted at year end.

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.

The Company has recognized the deferred tax on the investment properties on the basis that the carrying amount of the investment property will be recovered through sale.

Deferred tax liabilities are recognized 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.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- Where the income tax asset relating to the deductible temporary difference 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 deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures. Deferred income tax assets are recognized 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 utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized 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 revaluations of certain non-current assets and tax losses carried forward.

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

2. Accounting policies (continued)

2.5 Summary of significant accounting policies (continued)

(j) Taxation (continued)

Deferred tax (continued)

Income tax relating to items recognized directly in other comprehensive income is recognized in other comprehensive income and not in 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.

Value Added Tax

Revenues, expenses and assets are recognized 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 recognized 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.

Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax expense shown within the statement of profit or loss and other comprehensive income and the current tax liabilities on the statement of financial position.

The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted at year end.

(k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duty.

The following specific criteria must also be met: rental income arising from operating lease on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss and other comprehensive income due to its operating nature.

(l) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. Investment properties

	THE COMPANY	
	2017	2016
	Rs.	Rs.
At July 1	**2,436,358,269**	1,458,321,753
Additions	**20,602,651**	372,051,879
Acquisition from fellow subsidiaries*	**-**	603,658,269
Revaluation gain	**-**	2,326,368
At June 30	**2,456,960,920**	**2,436,358,269**

	THE COMPANY	
	2017	2016
	Rs.	Rs.
Rental income derived from investment properties	**185,955,248**	158,602,684
Direct operating expenses (including repairs and maintenance) generating rental income (included in cost of sales)	**-**	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	**-**	-
Profit arising from investment properties carried at fair value	**185,955,248**	**158,602,684**

* The Company acquired investment properties from Tropical Hotel Ltd and Pointe Aux Piments Hotel Ltd, at the fair value of the property, for Rs 603m, in financial year June 30, 2016.

(i) Investment properties consist of furnished buildings on leasehold land rented as hotel complex. Additions during the year relates mainly to refurbishment of property rented to Tropical Hotel Ltd.

The fair value has been determined on the basis of valuations performed by independent certified practising valuer, BROLL INDIAN OCEAN LIMITED, chartered valuer, at June 30, 2016, which has recent experience in the valuation of investment properties of same nature and location. The fair value represents the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

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

The Directors have reassessed the fair value of the investment properties as at June 30, 2017 as follows:
- took into consideration current market conditions;
- made comparisons of the carrying amount to recent observable transactions;
- rolled forward the depreciated replacement cost computation provided last year by the independent valuation specialist;
- corroborated the value of the investment properties based on an income approach computation.

3. Investment properties (continued)

Based on the above considerations, the Directors believe that the value of the investment properties did not change significantly and therefore believe that the carrying amount approximates the fair value.

The determination of fair value requires significant judgement by both the independent valuation specialists and the Directors who reassess the valuations periodically. The recent transaction method requires availability of relevant information and judgment as to the comparability of transactions observed. The use of the income approach requires Directors to make assumptions in respect of the appropriate notional rent, the discount factor and a growth rate.

(ii) In determining the valuation of investment properties, the following main techniques have been used: for the valuation of the investment properties - the Sales Comparison Approach for the land element and the Depreciated Replacement Cost Approach for the buildings and structures.

(iii) The following table gives a summary of how the fair value of the investment property is determined:

Valuation technique and key input	Fair Value Hierarchy	Significant observable input
Sales Comparison Approach	level 2	The Property has been valued using the comparable approach, that is comparing the subject property with registered sales of other properties within similar sub-markets, with appropriate adjustments to reflect any difference which might exist. As the property is on leasehold lands, the terms of the lease agreements were also taken into consideration.
Depreciated Replacement Cost Approach	level 3	The furnished building has been valued using the depreciated replacement cost approach whose value is estimated by computing the current cost of replacing a property and subtracting any depreciation resulting from one or more of the following factors: physical deterioration, functional obsolescence and external (or economic) obsolescence.

(iv) Rental income from investment properties amounted to Rs185.9mn (2016: Rs158.6mn). Direct expenses arising on the investment properties during the year amounted to Rs nil (2016: nil).

(v) Borrowing costs amounting to Rs 35k have been capitalized (2016: Rs14.8mn). The average capitalization rate is 6.75%.

(vi) The borrowings are secured on the hotel properties and all assets of the Company.

4. Investment in subsidiaries

	THE COMPANY	
	2017	2016
	Rs.	Rs.
At July 1	-	603,658,269
Additions	-	-
Impairment of subsidiaries	-	(603,656,269)
Disposal	-	(2,000)
At June 30	**-**	**-**

4.1 Impairment of subsidiaries

The investments in Tropical Hotel Ltd and Pointe Aux Piments Hotel Ltd were written down to their recoverable amounts following the acquisition of their property, plant and equipment by the Company in financial year ended June 30, 2016. The recoverable amount was considered to be the value recovered through the sale of the investments of Rs 2,000.

4.2 The Company has disposed of 100% shareholding in Pointe Aux Piments Hotel Ltd (PAP) and Tropical Hotel Ltd (THL) to Attitude Hospitality Ltd (AHL) the holding company, on January 31, 2016, for a consideration of Rs 1,000 each.

The furnished buildings on leasehold land held by PAP and THL were transferred to investment properties on September 01, 2015.

4.3 Attitude Property Ltd disposed of its subsidiaries back to Attitude Hospitality Ltd and control ceased on January 31, 2016. The related assets (including goodwill), liabilities, non-controlling interest and other components of equity were derecognized and the resultant gain or loss has been recognized at the Group level.

	THE GROUP		
	2016		
	On disposal of PAP	On disposal of THL	Total
	Rs.	Rs.	Rs.
Sale consideration	1,000	1,000	2,000
Carrying value of disposal group	(75,205,663)	2,685,123	(72,520,540)
Gain/(loss) on disposal of subsidiaries	**75,206,663**	**(2,684,123)**	**72,522,540**

5. Trade and other receivables

	THE COMPANY	
	2017	2016
	Rs.	Rs.
Trade receivables	**71,281,462**	174,462,952
Amount due from related parties	**-**	14,695,263
Other receivables and prepayments	**9,437,485**	8,438,384
	80,718,947	**197,596,599**

Other receivables and prepayments consist mainly of Tax Deducted at Source (TDS) receivable on rental income.

Trade receivables are not secured, non-interest bearing and are generally on 180 days terms. Impairment of receivables have been assessed on a collective basis only as there were no indications of impairment on an individual basis. The trade receivables are due from the related parties as disclosed in Note 15.
For terms and conditions relating to related party receivables, refer to Note 15.
As at June 30, 2017 and 2016, the ageing analysis of trade receivables were as follows:

THE COMPANY	Total	Neither past due nor impaired	Past due but not impaired	
			< 30 days	30 - 60 days
	Rs.	Rs.	Rs.	Rs.
2017	**71,281,462**	**71,281,462**	**-**	**-**
2016	174,462,952	174,462,952	-	-

Other receivables are neither past due nor impaired. No collaterals are held in respect of these receivables.

6. Cash and short-term deposits

	THE COMPANY	
	2017	2016
	Rs.	Rs.
Cash at bank	**449,885**	493,563
	449,885	**493,563**

For the purpose of statements of cash flows, cash and cash equivalents comprise of:

	THE COMPANY	
	2017	2016
	Rs.	Rs.
Cash and short-term deposits	**449,885**	493,563
Bank overdrafts (Note 8)	**(10,831,221)**	(972,514)
	(10,381,336)	**(478,951)**

Cash and short-term deposits are interest-free and kept with State Bank of Mauritius Ltd.

7. Issued capital

		THE COMPANY	
	Number of shares	2017	2016
		Rs.	Rs.
Authorised shares	**178,000,000**		
Ordinary shares at no par value, issued and fully paid			
As at July 1	10	**1,600,170,920**	100
Issued during the year	160,017,082	-	1,600,170,820
As at June 30	**160,017,092**	**1,600,170,920**	**1,600,170,920**

Issue of shares:

	Rs.
- In cash	820,170,820
- Contribution by AHL via transfer of properties of PAP and THL; and balance due to Holding Company.	780,000,000
	1,600,170,820

The ordinary shares of Attitude Property Ltd are listed on the Stock Exchange of Mauritius, under the Development and Enterprise Market.

8. Interest-bearing loans and borrowings

	THE COMPANY	
	2017	2016
	Rs.	Rs.
Bank overdrafts(Note (b)(Note 6)	**10,831,221**	972,514
	10,831,221	**972,514**
Non-current		
Bank loans (Note (a)	**765,362,000**	755,000,000
Total borrowings	**776,193,221**	**755,972,514**

(a) Bank loans can be analysed as follows:

		THE COMPANY	
		2017	2016
		Rs.	Rs.
Within one year		-	-
After one year and before five years		**765,362,000**	323,571,429
After five years		-	431,428,571
		765,362,000	**755,000,000**

					THE COMPANY	
	Loan amount		**Maturity**	**Loan period**	2017	2016
					Rs.	Rs.
MUR	550,000,000	PLR+1%	Jan-25	10 years and 9 months	-	550,000,000
MUR	50,000,000	PLR+1%	Jan-25	7 years and 6 months	-	50,000,000
MUR	155,000,000	PLR+1%	Jan-25	7 years and 6 months	-	155,000,000
MUR	755,000,000	PLR+0.5%	Apr-22	5 years	**755,000,000**	-
MUR	60,000,000	PLR+0.5%	Apr-22	5 years	**10,362,000**	-
					765,362,000	**755,000,000**

(i) The original loans (Rs 155mn, Rs 50mn and Rs 550mn) have been paid and a new consolidated loan of Rs 755mn has been raised with a lower interest rate from PLR+1% to PLR+0.5% in April 2017. An additional Rs 60mn loan was raised out of which Rs 10mn was disbursed in June 2017.

During the financial year ended June 30, 2017, the PLR was on average 6.29% and at year end, the PLR was 6.25%.

(ii) Bank borrowings are secured by fixed and floating charges over the investment properties and other assets of the Company.

(ii) The Company had an undrawn loan facility of Rs 50 mn at year end (2016: Rs nil).

(b) Bank overdraft
The bank overdrafts are secured by floating charges on the investment properties of the Company and are used for working capital management purposes. The bank overdrafts are at floating interest rates and the average interest rate as at June 30, 2017 was PLR+0.5%.

(c) 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. For fair value hierarchy see Note 21.

9. Taxation

(a) Deferred tax liabilities at June 30, relates to the following:

	Statement of financial position		Statement of profit or loss and other comprehensive income	
	THE COMPANY		THE COMPANY	
	2017	2016	**2017**	2016
	Rs.	Rs.	**Rs.**	Rs.
Deferred tax liability				
Accelerated depreciation for tax purposes	**134,770,622**	104,553,333	**30,217,289**	39,719,832
Deferred tax asset				
Tax loss	**(88,764,185)**	(81,119,133)	**(7,645,052)**	(18,760,871)
Deferred tax expense			**22,572,237**	**20,958,961**
Net deferred tax liability	**46,006,437**	**23,434,200**		

(b) Reconciliation of net deferred tax liabilities:

	THE COMPANY	
	2017	2016
	Rs.	Rs.
At July 1	**23,434,200**	2,475,239
Tax expense recognized in statement of profit or loss and other comprehensive income	**22,572,237**	20,958,961
At June 30	**46,006,437**	**23,434,200**

(c) Deferred tax liabilities at June 30 relates to the following:

	THE COMPANY	
	2017	2016
	Rs.	Rs.
Disclosed as:		
Deferred tax asset	**(88,764,185)**	(81,119,133)
Deferred tax liabilities	**134,770,622**	104,553,333
	46,006,437	**23,434,200**

9. Taxation (continued)

(d) Income tax - Statement of profit or loss and other comprehensive income

	THE COMPANY	
	2017	2016
	Rs.	Rs.
Income tax expense reported in the statement of profit or loss and other comprehensive income	**22,572,237**	**20,958,961**

(e) Reconciliation between tax expense and accounting profit is as follows:

	THE COMPANY	
	2017	2016
	Rs.	Rs.
Accounting profit before taxation	127,861,271	105,442,691
Tax calculated at a rate of 15%	19,179,191	15,816,404
Income not subject to tax	-	(348,955)
Underprovision of deferred tax	778,678	3,392,052
Non deductible expenses	57,143	32,765
Corporate social responsibility at a rate of 2%	2,557,225	2,066,695
At the effective income tax rate of 17% (2016: 17%)	**22,572,237**	**20,958,961**

10. Trade and other payables

	THE COMPANY	
	2017	2016
	Rs.	Rs.
Trade payables	7,971,771	28,301,580
Amount due to related parties	28,029,546	110,083,835
Value Added Tax payables	10,263,910	40,070,098
Other payables and accruals	2,809,765	4,608,342
	49,074,992	**183,063,855**

- Trade and other payables are non-interest bearing and are normally settled on 30-60 days terms.
- Other payables are non-interest bearing. It consists mainly of interest due on loans and tax deducted at source (TDS) payable.
- For terms and conditions relating to related party payables, refer to Note 15.
- For explanations on the Company's liquidity risk-management processes, refer to Note 16(iii).

11. Revenue

	THE COMPANY		THE GROUP
	2017	2016	2016
	Rs.	Rs.	Rs.
Rental income	185,955,248	158,602,684	139,009,014
Hotel revenue	-	-	111,285,174
	185,955,248	**158,602,684**	**250,294,188**

12. Other income

	THE COMPANY		THE GROUP
	2017	2016	2016
	Rs.	Rs.	Rs.
Recharged rental and insurance	12,495,762	11,233,074	11,233,074
Revaluation gain on Investment property	-	2,326,368	2,326,368
Waiver of liability from related parties	-	603,656,269	-
Gain/Loss on disposal of subsidiaries	-	-	72,522,541
Miscellaneous income	-	-	1,120,085
	12,495,762	617,215,711	87,202,068

Recharged rental and insurance relates to amount paid on behalf of and subsequently recharged to the tenants.
The amounts owing to Pointe Aux Piments Ltd and Tropical Hotel Ltd in respect of the acquisition of property, plant and equipment, were waived by the respective companies during financial year June 30, 2016.

13. Expenses

	THE COMPANY		THE GROUP
	2017	2016	2016
	Rs.	Rs.	Rs.
Legal and professional fees	455,000	884,254	1,467,119
Hotel expenses and administrative costs	-	-	47,078,466
Depreciation and amortization	-	-	4,360,664
Cost of inventories recognized as expense	-	-	39,284,743
Other expenses	4,374,743	4,821,606	11,867,604
Rental expenses	10,513,557	8,553,949	1,984,281
	15,343,300	14,259,809	106,042,877
Administrative expenses	2,847,538	3,533,265	64,144,986
Operating expenses	12,495,762	10,726,544	41,897,891
	15,343,300	14,259,809	106,042,877

Other expenses of the Company relate mainly to insurance and consultancy fees.

14. Finance costs

	THE COMPANY		THE GROUP
	2017	2016	2016
	Rs.	Rs.	Rs.
Interest expense on:			
- Bank overdrafts	683,917	1,383,743	2,302,448
- Bank loans	54,562,522	51,075,884	53,785,024
- Finance lease	-	-	29,217
	55,246,439	52,459,627	56,116,689

15. Related party transactions

The following tables provide the total amount of transactions that have been entered into with related parties for the respective financial years.

	THE COMPANY		
2017	**Rental income from**	**Amount owed to related parties**	**Amount owed by related parties**
	Rs.	**Rs.**	**Rs.**
Holding company - Attitude Hospitality Ltd	-	**28,029,547**	-
Fellow subsidiaries:			
Attitude Hospitality Management Ltd	-	-	-
Rivière Citron Ltée	**138,844,680**	-	**51,827,431**
Tropical Hotel Ltd	**19,587,290**	-	**6,432,302**
Pointe Aux Piments Hotel Ltd	**27,523,278**	-	**13,021,729**
	185,955,248	**28,029,547**	**71,281,462**

	THE GROUP AND THE COMPANY		
2016	Rental income from	Amount owed to related parties	Amount owed by related parties
	Rs.	Rs.	Rs.
Holding company - Attitude Hospitality Ltd	-	-	14,695,263
Fellow subsidiaries:			
Attitude Hospitality Management Ltd	-	2,258,748	-
Rivière Citron Ltée	117,080,354	-	86,735,152
Tropical Hotel Ltd	17,267,646	-	15,066,665
Pointe Aux Piments Hotel Ltd	24,254,683	-	19,655,283
	158,602,683	**2,258,748**	**136,152,363**

Terms and conditions of transactions with related parties:
Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash, upon demand. The balances are neither past due nor impaired. The amount due from the hotels are guaranteed by the holding company, Attitude Hospitality Ltd. For the year ended June 30, 2017, the Company has not made any provision for impairment of receivables relating to amounts owned by related parties (2016: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. The trade receivables from the fellow subsidiaries is inclusive of VAT.

Nature of transactions with related parties:

- amount owed from related parties relates to rental of the hotel properties;
- amount owed to Attitude Hospitality Ltd relates to advances received for the renovation of Tropical Hotel Ltd.

Key management personnel
Key management personnel are persons having the authority and responsibility for planning, directing and controlling the activities of the Company, including Directors.

The Company has a management contract with Attitude Hospitality Ltd on a no-fee basis. The Board Committee fees have not yet been defined by the Board. At 30 June 2017, the Directors did not receive any remuneration and benefits. The Independent Non-Executive Directors were entitled to fees of Rs 50k each.

16. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations.

The Company has various financial assets, such as trade and other receivables and cash in hand and at bank which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans and borrowings with floating interest rates.

Interest rate risk table

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax and equity (through the impact on floating rate borrowings).

		THE COMPANY	
Effect on profit before tax/equity	Decrease in basis points	2017	2016
		Rs.	Rs.
Mauritian Rupees	-50	3,880,966	3,779,863
Effect on profit before tax/equity	Increase in basis points	2017	2016
		Rs.	Rs.
Mauritian Rupees	+50	(3,880,966)	(3,779,863)

(ii) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's credit risk is primarily attributable to its trade receivables, which relates solely to its fellow subsidiaries.

The amounts presented at reporting date are net of allowances for credit losses, estimated by the Company's management based on prior experience and the current economic environment. Credit risk on bank balances and other financial assets are minimal since these are maintained with reputable financial institutions. The Company's maximum exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Assessment of impairment is based on management's prior experience and the current economic environment.

The Company has entered into a sublease arrangement with the tenants and the holding company, Attitude Hospitality Ltd, acts as the guarantor in case the tenants are not able to repay their debts.

(iii) Liquidity risk

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

The Company's objective is to maintain a flexibility between continuity of funding and flexibility through the use of bank overdrafts and bank loans

16. Financial risk management objectives and policies (continued)

(iii) Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities at reporting date, based on contractual undiscounted payments.

THE COMPANY At June 30, 2017	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest-bearing loans and borrowings	10,831,222	13,021,636	39,064,907	970,450,851	-	1,033,368,615
Trade and other payables	21,108,481	12,083,072	2,809,765	-	-	36,001,317
	31,939,703	25,104,708	41,874,672	970,450,851	-	1,069,369,932

THE GROUP AND THE COMPANY At June 30, 2016	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest-bearing loans and borrowings	972,514	-	-	560,077,855	496,188,747	1,057,239,115
Trade and other payables	79,295,338	9,648,170	49,441,907	-	-	138,385,416
	80,267,852	9,648,170	49,441,907	560,077,855	496,188,747	1,195,624,531

(iv) Capital risk management

The primary objective of the Company in respect of capital management is to maintain a strong credit rating and healthy capital ratios in order to support the business and maximise shareholders' value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain and adjust the capital structure, the Company may adjust the dividend payment to shareholders.

The Company includes, within net debt, interest-bearing loans and borrowings, less cash and short-term deposit. Total capital is calculated as "equity" as shown in the statements of financial position less net unrealized gains reserves. The gearing ratios at June 30, 2017 and 2016 were as follows:

	THE COMPANY	
	2017	2016
	Rs.	Rs.
Interest-bearing loans and borrowings	776,193,221	755,972,514
Cash and short term deposits	(449,885)	(493,563)
Net debt	775,743,336	755,478,951
Equity	1,666,855,102	1,671,977,861
Equity and net debt	2,442,598,438	2,427,456,812
Gearing ratio	32%	31%

17. Ultimate holding company

The Directors regard Jason Limited as the ultimate holding company and Attitude Hospitality Ltd as the intermediate holding company. Both companies are incorporated in Mauritius and the registered office is situated at The Junction Business Hub, Block C, Calebasses Branch Road, Calebasses, Mauritius.

18. Commitments

Capital commitments		
Capital commitments towards investment	THE COMPANY	
	2017	2016
	Rs.	Rs.
Approved by Directors but not yet contracted for capital expenditure:	**74,638,000**	-

19. Operating lease - the Company as lessor

The Company has entered into lease arrangement for its hotel properties. The properties are leased for a period of 20 years and the lease includes clauses to enable periodic upward revision of the rental charge, based on the Consumer Price Index (CPI), but shall not exceed 15% of the rent payable.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	THE COMPANY	
	2017	2016
	Rs.	Rs.
Within one year	**190,683,728**	185,955,248
After one year but before five years	**800,871,658**	771,201,339
After five years	**2,894,351,422**	3,015,825,869
	3,885,906,808	**3,972,982,456**

Operating lease - the company as lessee

The Company has the following commitments under non-cancellable operating lease.
Future minimum lease payments under non-cancellable operating leases are as follows:

	THE COMPANY	
	Rs.	Rs.
Within one year	**11,088,721**	5,045,300
After one year but before five years	**44,354,886**	22,143,261
After five years	**576,613,517**	297,112,117
	632,057,124	**324,300,678**

20. Dividends

The Company had declared and paid an interim dividend of Rs 0.33 per share in March 2017.
The Company had declared and paid a final dividend of Rs 0.36 per share in October 2016.

21. Fair value measurement

(a) The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

			Fair value measurement using		
THE COMPANY	**Date of valuation**	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
		Rs.	Rs.	Rs.	Rs.
Assets measured at fair value:					
Investment properties	June 30, 2017	**2,456,960,920**	-	**658,500,000**	**1,798,460,920**
	June 30, 2016	2,436,358,269	-	658,500,000	1,777,858,269
Interest bearing loans and borrowings	June 30, 2017	**776,193,221**	-	**776,193,221**	-
	June 30, 2016	755,972,514	-	755,972,514	-

There have been no transfers between Level 2 and Level 3 during the year. The inputs used in the prior year were observable and no significant adjustments were made.

Management has assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts, largely due to the short-term maturities of these instruments.

(b) Fair value measurement using significant observable and unobservable inputs:

	Investment Properties
THE COMPANY	Rs
Balance as at July 01, 2016	2,436,358,269
Additions	20,602,651
Balance as at June 30, 2017	**2,456,960,920**

The entity's policies is to recognize transfers out of Level 3, as of the date of the event or change, in circumstances that cause the transfer.

(c) The following table shows the valuation techniques used in the determination of fair values within Level 3 of the hierarchy as well as the key unobservable inputs used in the valuation model.

Type	**Fair value at June 30, 2017**	**Valuation approach**	**Key unobservable inputs**	**Range of unobservable inputs (probability – weighted average)**	**Sensitivity of the input to fair value**
	Rs				Rs
Investment properties	1,798,460,920	Depreciated Replacement Cost	Depreciated rate and estimated remaining useful life	+5%	89,923,046
				-5%	(89,923,046)

22. Basic earnings per share

	THE COMPANY		THE GROUP
	2017	2016	2016
	Rs.	Rs.	Rs.
Profit attributable to owners	**105,289,034**	84,483,729	154,824,579
Number of equity shares in issue	**160,017,092**	160,017,092	160,017,092
Earnings per share	**0.66**	0.53	0.97

Basic earnings per share are calculated by dividing the Profit for the year attributable to the owners by the number of ordinary shares in issue during the period. There were no instruments that would have a dilutive effect on the earnings per share.

23. Segmental reporting

The Company is engaged in one main operating segment which is the rental of investment properties in Mauritius. Accordingly, all significant operating decisions are based upon analysis of the rental of investment properties as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

24. Contingent liabilities

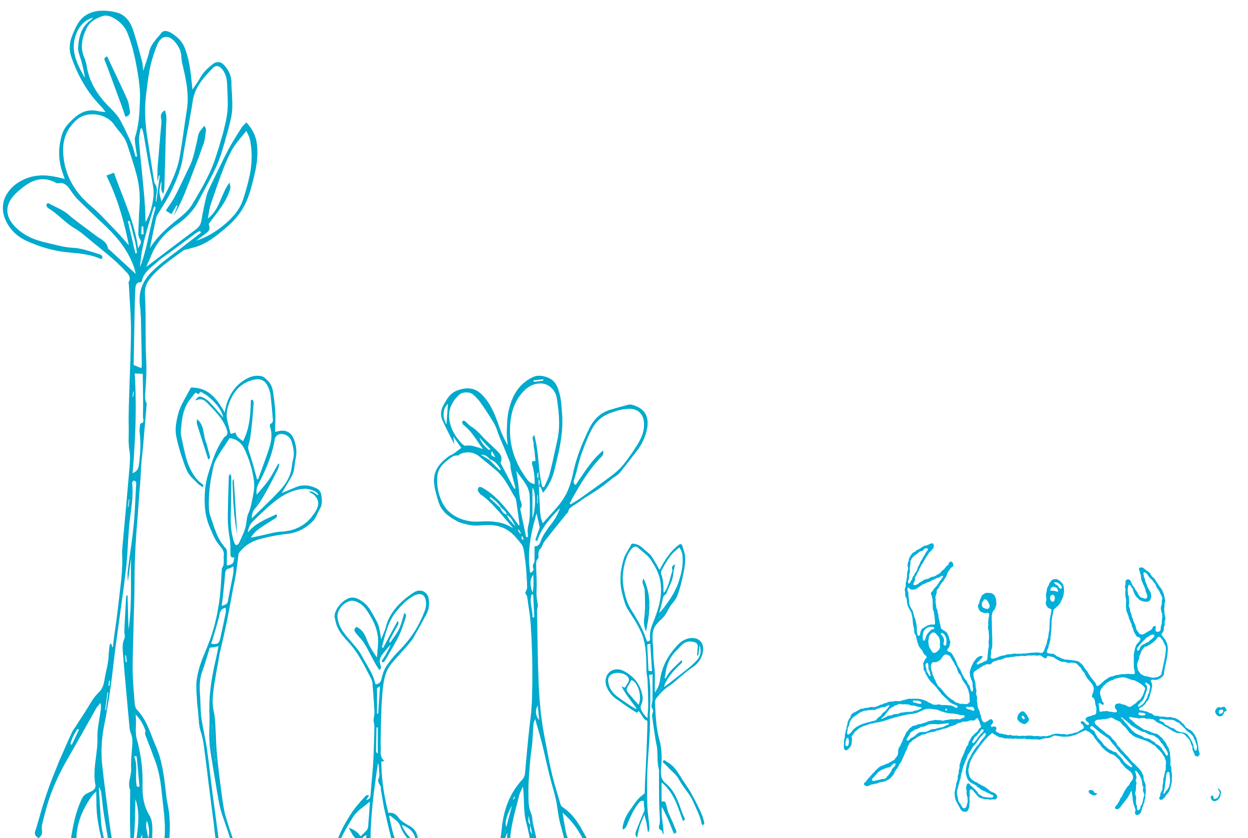
The property has been re-assessed by Registrar General as fair value amounting to Rs1.8bn. Hence, the Registrar is claiming additional registration duty amounting to Rs 52.5m to Attitude Property Ltd. The Company has made an objection to the ARC and the case is still ongoing.

25. Events after reporting date

There have been no material events after reporting date which would require disclosure or adjustments in the financial statements for the year ended June 30, 2017.

green attitude

FOUNDATION

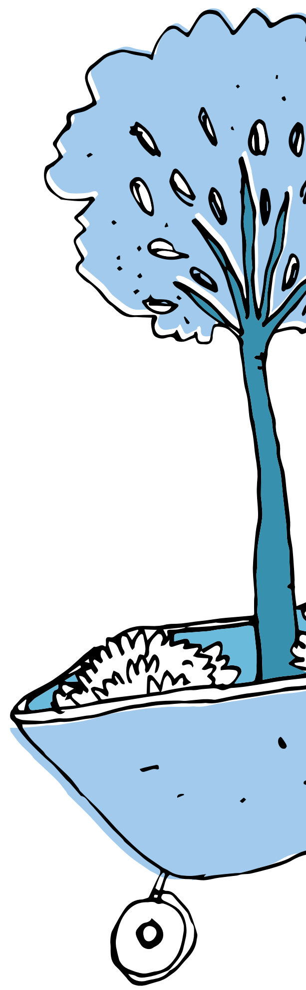


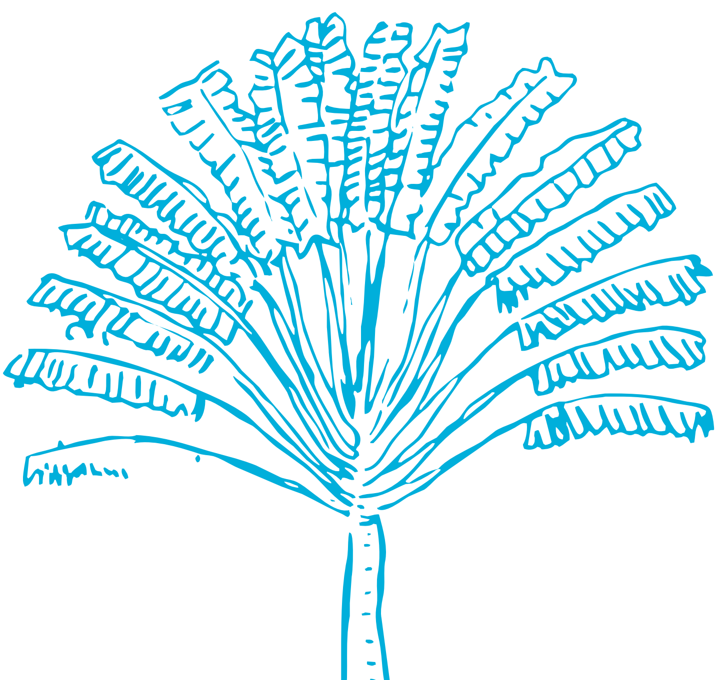
Through its Green Attitude program, the Group sustains its will to be a responsible partner in the sustainable development of Mauritius while offering a unique island holiday experience to all its guests. The program is being successfully implemented thanks to the precious contribution of Attitude's Family Members.

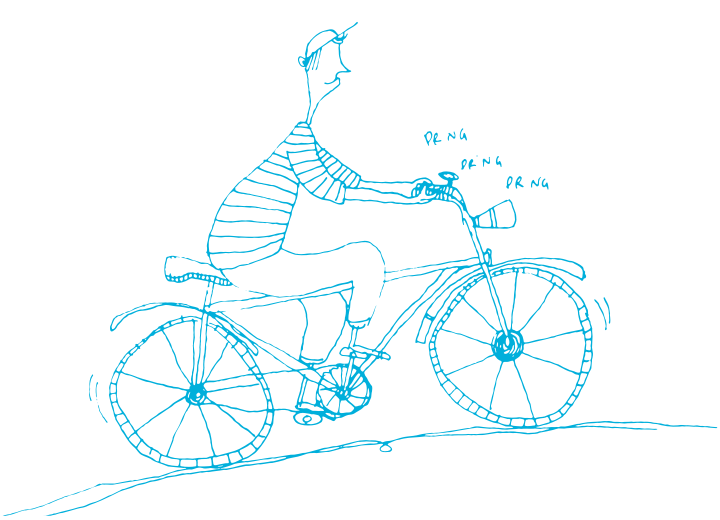
Through its Green Attitude Foundation (GAF) and in line with its brand promise - to take its guests the closest to the true Mauritian soul - Attitude positions itself as a key local contributor to sustainable, ecological, cultural, economic and social development. This is concretely expressed through recycling, composting and sensitizing guests and Family Members to the necessary protection of the environment.

In collaboration with the NGO Reef Conservation, Attitude launched its Nauticaz, an educational and interactive center whose purpose is to show and protect the treasures of the island's lagoons as well as support the Anse la Raie lagoon restoration project.

Green Attitude initiatives also include support to numerous community projects and to local craftsmen.



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Notice of Annual Meeting

Notice is hereby given that the Annual Meeting of Shareholders of Attitude Property Limited (the "Company") will be held at The Junction Business Hub, Block C, Calebasses Branch Road, Calebasses on Wednesday 20th December 2017 at 09:30 hours, to transact the following business:

1. To consider the Annual Report 2017 of the Company
2. To receive the report of Messrs Ernst & Young, the Auditors of the Company
3. To consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2017.

Ordinary Resolution I
"Resolved that the Audited Financial Statements of the Company for the year ended 30 June 2017 be hereby adopted."

4. To re-elect as Directors of the Company and by way of separate resolutions Messrs Marie Joseph Bernard Piat Dalais and Michel Guy Rivalland.

Ordinary Resolution II and III
"Resolved that Mr [ ] be hereby re-elected as Director of the Company".
II Marie Joseph Bernard Piat Dalais
III Michel Guy Rivalland

5. To approve the re-appointment of Messrs Ernst & Young as Auditors of the Company to hold office until the next Annual Meeting of Shareholders and to authorise the Board to fix their remuneration for the financial year 2017/2018.

Ordinary Resolution IV
"Resolved that Messrs Ernst & Young be re-appointed as Auditors of the Company to hold office until the next Annual Meeting of Shareholders and that the Board be hereby authorised to fix the Auditors's remuneration for the financial year 2017/2018.

By Order of the Board

FWM Secretarial Services Limited
Corporate Secretary
Per V. Oomadevi Chetty
Dated this 10th day of October 2017

Notes:

1. *A member of the Company entitled to attend and vote at this meeting, may appoint a proxy (in the case of individual shareholder) or a representative (in the case of a company) whether a shareholder of the Company or not, to attend and vote in his/its behalf.*
2. *The instrument appointing the proxy or representative should reach MCB Registry and Securities Ltd, Sir William Newton Street, Port Louis not less than twenty-four (24) hours before the meeting.*
3. *The notice for casting a postal vote must be made in writing on the enclosed form. MCB Registry and Securities Ltd has been duly authorised by the Board to receive and count postal votes for the annual meeting of the Company. The Completed postal votes should be delivered to MCB Registry and Securities Ltd, Sir William Newton Street, Port Louis, not less than forty-eight (48) hours before the meeting, and in default, the notice of postal vote shall not be treated as valid.*
4. *For the purpose of this Annual Meeting of Shareholder, 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 Annual Meeting and attend such meting shall be those shareholders whose names are registered in the share register of the Company as at 25 November 2017.*
5. *The minutes of proceedings of the Annual Meeting of Shareholders held on 20 December 2016 are available free of charge on request. Kindly contact the Company Secretary, FWM Secretarial Services Limited, 6/7th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307.*

Proxy Form/Postal Vote Form

1.Appointment Of Proxy

I/We ____

of ____

being a shareholder of the above named company, hereby appoint ______________________________

of ____

or failing him/her, ____

of ______________________________, or the Chairperson as my/our proxy to vote for me/us at the Annual Meeting of the Company to be held at The Junction Business Hub, Block C, Calebasses Branch Road, Calebasses on Wednesday 20th December 2017 commencing at 09:30 hours and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner:

2. Casting postal votes

I/We direct my/our vote in the following manner:

Vote with a Tick

Resolutions	For	Against	Abstain
I. Resolved that the Audited Financial Statements of the Company for the year ended 30 June 2017 be hereby adopted			
II. Resolved that Mr Marie Joseph Bernard Piat Dalais be hereby re-elected as Director of the Company			
III. Resolved that Mr Michel Guy Rivalland be hereby re-elected as Director of the Company			
IV. Resolved that Messrs Ernst & Young be re-appointed as Auditors of the Company to hold office until the next Annual Meeting of Shareholders and that the Board be hereby authorised to fix the Auditor's remuneration for the financial year 2017/2018.			

Signed: ______________________________ Date: ______________________________

NOTES:

1. *If this form is signed and returned without any indication as to how the proxy shall vote, he/she will exercise his/her discretion both as to how he/she votes and whether or not he/she abstains from voting.*
2. *To be effective, this form of proxy should reach MCB Registry and Securities Ltd, Sir William Newton Street, Port Louis not less than twenty-four (24) hours before the time of holding the meeting.*
3. *To be effective, this notice of postal vote should be sent to MCB Registry and Securities Ltd, Sir William Newton Street, Port Louis, not less than forty-eight (48) hours before the meeting .*