ATTITUDE PROPERTY LTD
ANNUAL REPORT 2018

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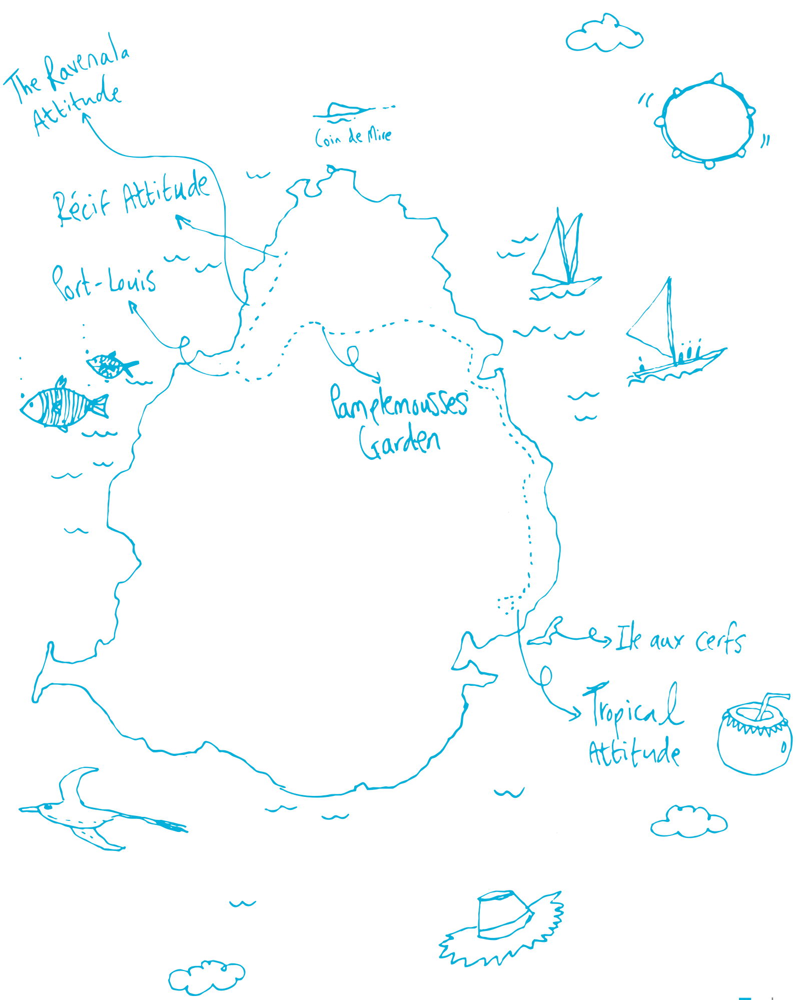
Chairman's report

Dear Shareholders,

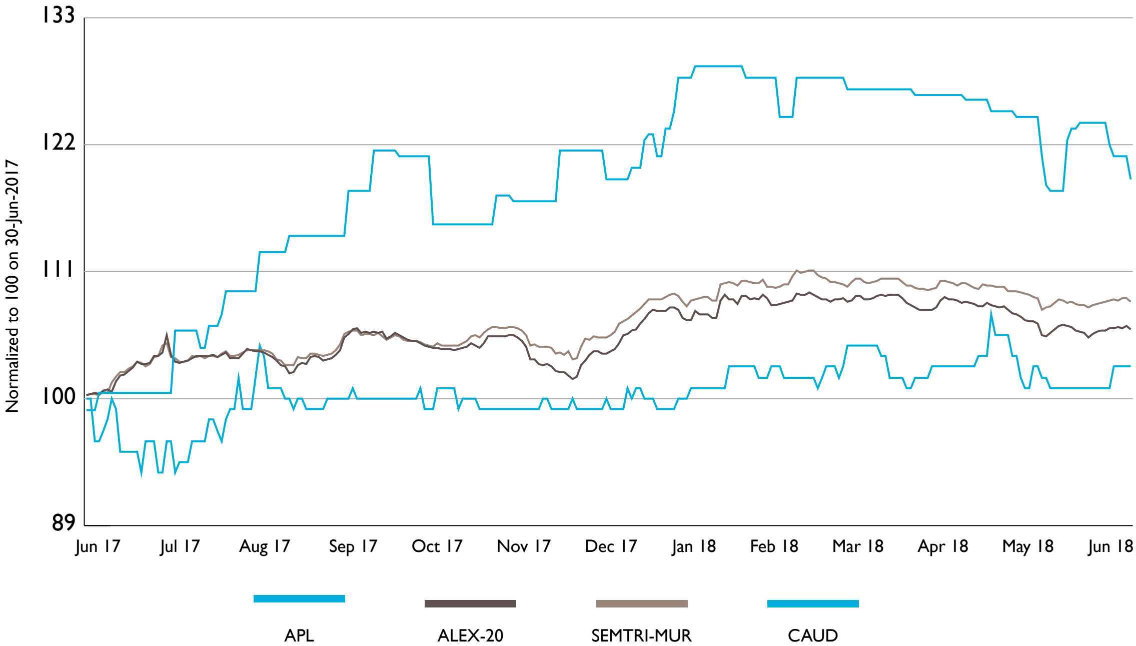
Attitude Property Ltd (APL) has now been listed on the Stock Exchange of Mauritius for three years. APL successfully implemented its business model as a real estate income driven company. Rent net of expenses, taxes and revaluation gain on investment properties are distributed to shareholders in the form of dividends twice a year: first in October following the publication of full-year results; then, in March following the publication of half-year results. Consequently, APL has met its 6.5% dividend yield target with 65 cts having been paid per share with respect to FY-17. 33 cts of interim dividends have also already been paid out in March of this year with respect to FY-18. We have also come up to the triennial rent escalation which will be triggered at the start of FY-19 in line with the cumulative headline inflation to the benefit of our shareholders.

During the financial year ended June 30, 2018, APL recorded a gain on revaluation of investment properties amounting to Rs162.9 M. The investment properties are revalued every three years. It is to be noted that APL will only distribute profits out of ordinary operations and not from revaluation surpluses.



Our Portfolio

APL owns three leasehold properties namely 'The Ravenala Attitude', 'Récif Attitude' and 'Tropical Attitude'. The said properties are all leased out to Attitude Hospitality Ltd (AHL). The lease between APL and AHL has been signed for a period of 20 years expiring in 2035 with an option for AHL to renew/extend the lease for another 20 years at expiry.



Market Performance

As at June 30, 2018, APL has returned 11.8% on an annualised basis, to IPO subscribers since listing on the Stock Exchange of Mauritius (SEM) in Sep-15. This stems from a 24% share price appreciation and Rs 1.52 paid in cumulative dividends till date. During the last financial year, the listed Property (excluding GBL1s sector) soared by 36%. This was driven by corporate actions (takeovers and mergers) on Cie des Villages de île de France (+42%) and BlueLife (+26%) while APL's (+21%) gain pales in comparison. In FY-17, APL was in the 1st Quartile of the SEM's top performer; and it significantly outperformed benchmarks: ALCAPEX 12 (+3.6%), SEMDEX (+5.7%), ALEX 20 (+6.1%), and DEMEX (+12.6%). In terms of liquidity, APL is in the top half on the SEM with an average value traded of Rs 556 K per session. In terms of turnover among peers excluding GBL1s and takeovers, the Rs 58 M exchanged on APL once again is ranked second and interestingly, 23% of exchanges on APL were foreign in nature and recorded a slight net outflow to the tune of Rs 5 M.

Financial Results

Rental income increased from Rs 186 M in FY-17 to Rs 191 M (+2.54%) in FY-18 which is an increase commensurated with the upkeep of APL's rental yield following renovation works carried out at Tropical Attitude. This led to a corresponding increase in operating profits to Rs 112 M (+ 6% Y-O-Y), excluding revaluation gain on investment properties, given reasonably stable expenditure. Net Asset Value at FY-18 end stood at Rs11.48(+10.24% Y-O-Y) and its loan-to-value ratio at 31.3% up from 31.15% in FY-17. EPS stood at Rs1.72 with an interim dividend of 33 cts already declared in Feb-18 and another 32 cts expected to be declared as a final dividend in Sep-18 therein meeting its commitment to target an initial 6.5% dividend yield for original subscribers.

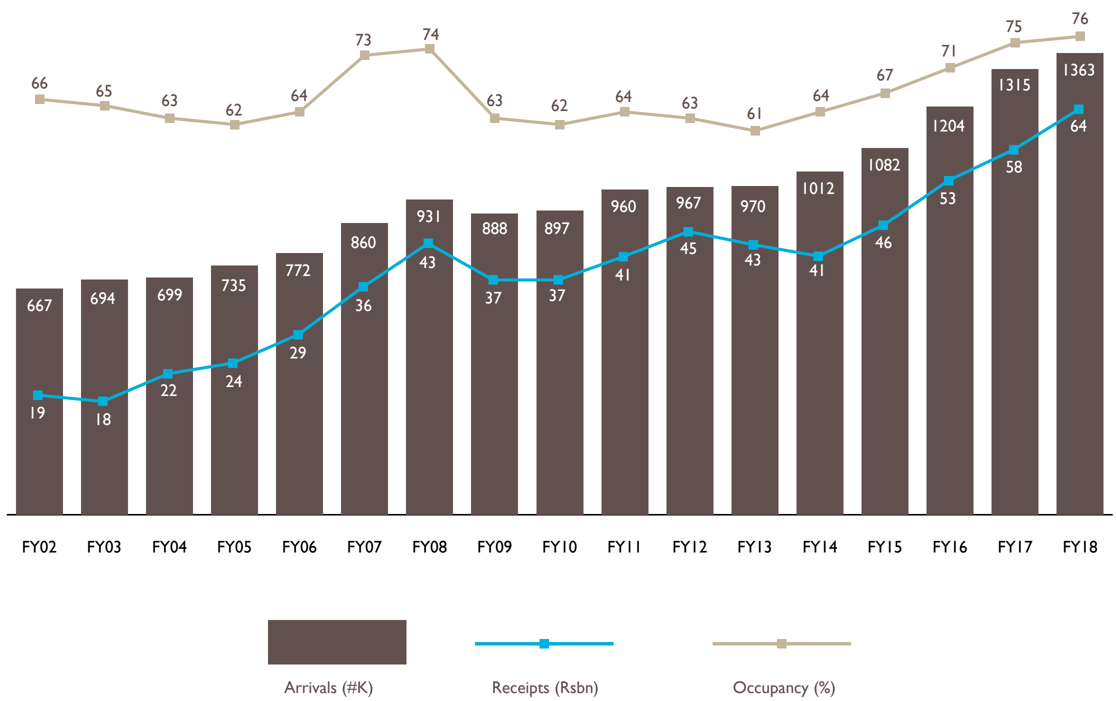
RENTAL	Dividend Yield*	NAV**	Dividend per Share
Rs 191M	5.2%	Rs 11.48	Rs 0.65

*Dividend yield is based on closing share price as at 30 June 2018
**NAV includes Revaluation gain on Investment Properties amounting to Rs163 M

Outlook

The tourism sector continued its recovery in FY-18, with consecutive growth in tourist arrivals (+8% annualised), receipts (+8% annualised) and occupancy for extending into a fifth year. Forward bookings for the next 12 months remain promising which bodes well for both the industry and APL even more as our triennial rent escalation becomes effective as from FY-19.

Lest for a change in tax policy or interest rates, based on our current expenditure base we expect dividends for FY-19 to be 65 cts plus an upside linked to inflation adjustment.



Governance

The directors are still actively looking for a potential candidate to improve women presence on the Board.

Concluding Remarks

Once more, APL's business model as a return-oriented company has proven to be effective as highlighted with an annualised 6.5% dividend yield for IPO subscribers. 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, last but not least to our shareholders for their continuing trust and support.

Directors report

The Directors have the pleasure in submitting their report together with the audited financial statements of Attitude Property Ltd respectively for the year ended June 30, 2018.

Principal activity

The principal activity of the Company is the leasing of investment property to its tenants.

Results for the year

The results for the year ended June 30, 2018 are shown on page 45.

Dividends

An interim dividend of Rs 0.33 per share was declared and paid during the year (2017: Rs 0.33).

Board of directors

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

Mr Maxime Jean François Desvaux De Marigny
- Independent Non-Executive Director
- Appointed on September 18, 2015

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

Mr Jean Michel Pitot
- Executive Director
- Appointed on April 3, 2014

Mr Deenesh Seedoyal
- Executive Director
- Appointed on April 3, 2014

Directors service contracts

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

Entries in interests register

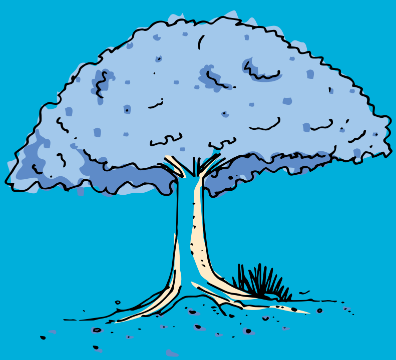
No entries have been made in the interests register during the financial year (2017: Nil).

Directors remuneration & benefits

The Independent Non-Executive Directors were entitled to fees of Rs 50K each (2017: Rs 50K each).

Donations

No donations were made during the year (2017: Nil).



APL

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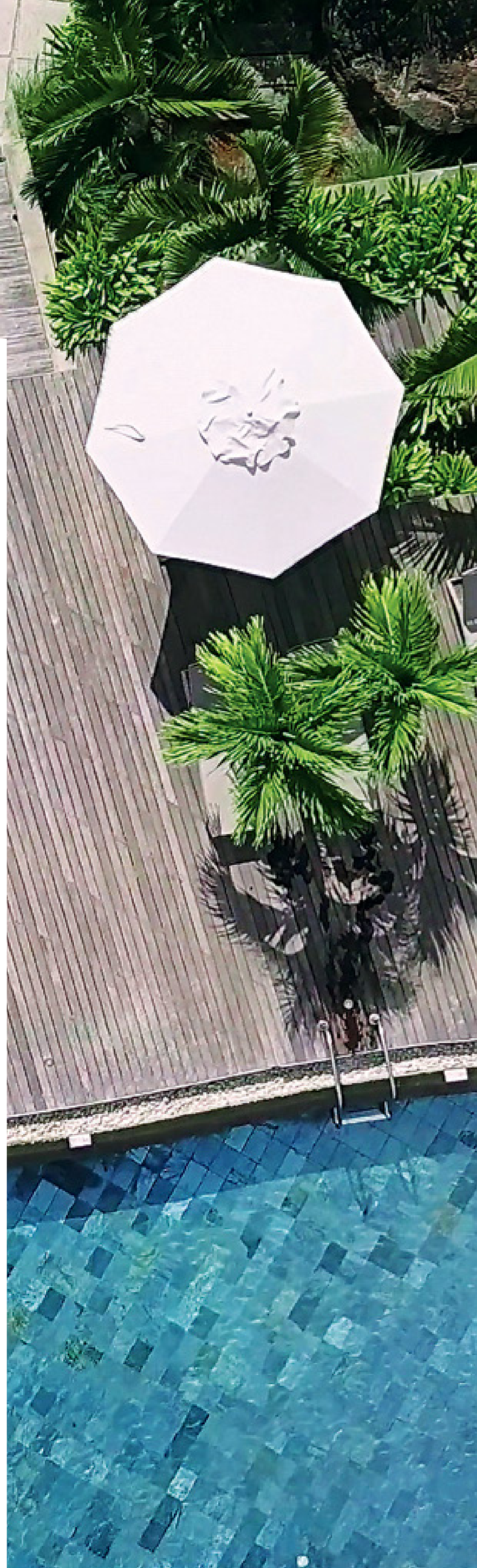


ABOUT The Company

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 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 the property ownership of its hotels would be segregated from its hotel business. APL was therefore established to hold the properties of AHL and to rent these out with the objective to maximize shareholder return from its property portfolio.

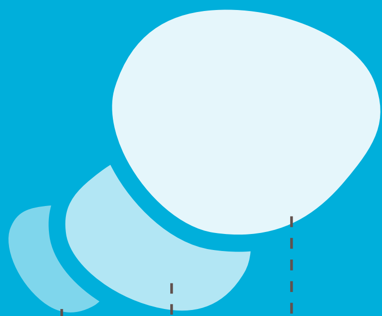
APL's only source of revenue is the rental income the Issuer receives from its three (3) hotel properties (The Ravenala Attitude, Tropical Attitude and Récif Attitude), which are managed by AHL.

Attitude Hospitality Ltd carries on with its fast expanding strategy based on its approach to an industry where the guests, their comfort and their pleasure are of utmost importance.

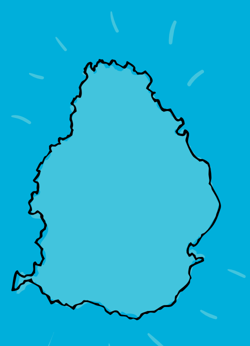
Attitude Hospitality Ltd believes in genuineness, which, together with enthusiasm and commitment, constitute the core values, keys to the Group's success.

ATTITUDE

is built upon 3 major pillars

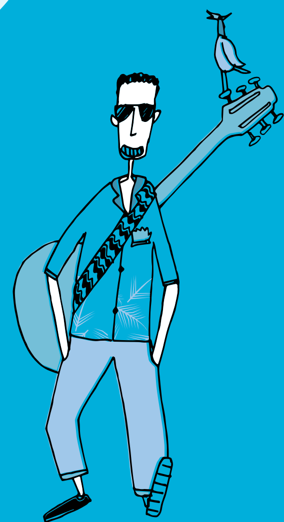


ITS COUNTRY



Mauritius is not only known for its blue sky, turquoise lagoon, green sugarcane fields and mountains but also for its warm welcome, a tradition on the island.

ITS FAMILY MEMBERS



Smiling and caring Family Members are totally dedicated to the guest's well-being.

ITS GUESTS

Attitude invites its guests to discover Mauritius and its numerous facets, to experience genuineness in one of its hotels of contemporary Mauritian charm.

Corporate Governance Report

Introduction

The Board of Attitude Property Ltd (the 'Company'/ 'APL') is committed to achieving high standards of corporate governance and recognises the importance of good governance to ensure continued growth and create sustainable value for all its stakeholders. As a public interest entity, the Board of Directors has made concerted effort to apply the principles as set out in the National Code of Corporate Governance for Mauritius (2016) (the 'Code').

PRINCIPLE 1: Governance Structure

The Board is collectively responsible for the Company's leadership, strategy, values, standards, control, management and the long-term success of the Company. It is also responsible for providing strong leadership and independent judgement for complying with all legal and regulatory requirements.

Management is presently finalising a Code of Ethics which will be approved by the Board before the next financial year end.

Key Governance Positions

Chairman of the Board

The key responsibilities of the Chairman of the Board are as follows:

- To provide leadership to the Board in order to ensure it functions effectively;
- To plan the Board's annual schedule of meetings and agendas, in consultation with Company Secretary and other Directors as appropriate;
- To maintain sound relations with the Company's shareholders and ensure that principles of effective communication and pertinent disclosure are followed;
- To ensure that all Directors play a full and constructive role in the functioning and decision-making process of the Board;
- To ensure that all relevant information and facts are communicated to the Board in order to enable the Directors to make informed decisions;
- To ensure all Directors exercise their skills, knowledge and expertise on key Board matters and assist the Board in achieving a consensus;
- To develop teamwork and a cohesive Board culture and facilitate formal and informal communication with and among Directors;
- To help ensure that action items established by the Board are tracked with the assistance of the Company Secretary and appropriate follow-up action is taken as necessary;
- To work with Committees' chairs to ensure that each Committee functions effectively and keeps the Board apprised of actions taken;
- To chair annual and special meetings of shareholders; and
- To maintain a close working relationship with the Group Chief Executive.

Michel Guy Rivalland is Chairman of the Board and a brief profile is found on page 14.

Chairman of the Audit and Risk Committee

The Chairman of the Audit and Risk Committee ('ARC') works in close collaboration with the Chairman of the Board. He has the following responsibilities:

- To provide audit and risk expertise to the ARC;
- To ensure compliance with legal and regulatory requirements;
- To guide and advise the Board in the approval of an appropriate risk framework; and
- To ensure that an update report of each ARC meeting is presented to the Board.

The Chairman of the ARC is Mr Maxime Jean François Desvaux De Marigny and a brief profile is found on page 14.

APL does not have any employees at senior governance position since it has a management contract with Attitude Hospitality Ltd ('AHL') on a no fee basis. Messrs Jean Michel Pitot and Deenesh Seedoyal who are employed by AHL as Group Chief Executive Officer and Group Chief Financial Officer, respectively, sit on the Board of APL as Executive Directors.

The Company has already implemented action plans to create and design a website. The Company website will be ready by end of the next financial year.

PRINCIPLE 2: The Structure of the Board and its Committees

Board

The Board of APL has aimed to create the right balance and composition in such a way as to best serve the Company. Given the size and the sector of activities of the Company, the Directors consider that the current Board is of reasonable size and possesses the appropriate mix of competencies, experience, skill and independence to efficiently manage the affairs of the Company. However, the Board took cognisance of the requirement of the Code with regards to gender balance and is actively looking for a suitable candidate with required knowledge, skills and experience to add value to the Board.

The Board shall review, if necessary, and reassess the adequacy of its Terms of reference on a regular basis in a timely manner.

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

Members of the Board at June 30, 2018 are as follows:

Michel Guy Rivalland
(Chairman & 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 1st July 2010 he stepped into the role of CEO of United Investments Ltd, a listed investment company on the Stock Exchange of Mauritius.

Maxime Jean François Desvaux De Marigny
(Independent Non-Executive Director)

Maxime Jean François Desvaux De Marigny is a Fellow 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 the MCB Group's subsidiaries and associates.

Marie Joseph Bernard Piat Dalais
(Independent Non-Executive Director)

Bernard 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 31, 2010.

The Structure of the Board and its Committees (continued)

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 Hospitality Ltd and was appointed as Chief Executive officer of the Attitude Hospitality Group in July 2010. He has more than 25 years of experience in hotel management and he is currently the Chief Executive Officer of the Attitude Hospitality Group.

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 also a member of the Mauritius Institute of Professional Accountants. He has several years of experience in Corporate Finance and Audit Practice. He joined the Attitude Hospitality Group in July 2008 and is currently the Group Finance Director.

Directors' and officers' interests 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 by the Company Secretary. The register is available to shareholders upon request to the Company Secretary.

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. When it appears to be a conflict of interest, any Director who could have such a conflict of interest will abstain from discussions at Board or Committee meetings when the relevant matter is tabled.

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 Directors' Direct and Indirect Interest in APL as at June 30, 2018

Directors	Direct Shareholding		Indirect Shareholding
	Number of shares	Percentage (%)	Percentage (%)
Michel Guy Rivalland	-	-	1.68
Maxime Jean François Desvaux De Marigny	-	-	-
Marie Joseph Bernard Piat Dalais	-	-	-
Jean Michel Pitot	-	-	9.31
Deenesh Seedoyal	20,000	0.012	0.14

Board Committees

In line with the Code, the Board has delegated specific duties and responsibilities to the Board Committee namely the ARC 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 ARC assists the Board, among other things, in overseeing:

- The quality and integrity of financial statements;
- Ensuring that International Financial Reporting Standards are consistently 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.

The ARC comprises of three directors as follows:

Members	Category
Maxime Jean François Desvaux De Marigny (Chairman)	Independent
Marie Joseph Bernard Piat Dalais	Independent
Deenesh Seedoyal*	Executive

* Deenesh Seedoyal was appointed member of the ARC on 29 June 2018.

The Committee shall review, if necessary, and reassess the adequacy of its Terms of Reference on a regular basis in a timely manner and discuss any required changes with the Board.

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.

Board and Committee Meetings Attendance

Members	Board meetings	ARC meetings
No of meetings held	4	4
Michel Guy Rivalland (Chairman)	4	-
Maxime Jean Francois Desvaux De Marigny	4	4
Marie Joseph Bernard Piat Dalais	4	-
Jean Michel Pitot	4	4
Deenesh Seedoyal	4	-

Company Secretary

All Directors have access to the advice and services of the Company Secretary, NWT Secretarial Services Ltd, through its representative V. Oomadevi Chetty, who is responsible for providing guidance to the Board as to their duties, responsibilities and powers. The Company Secretary is appointed by the Board in accordance with the Constitution.

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.

PRINCIPLE 3: Director's Appointment Procedures

The Board is responsible in appointing Directors. Major factors that are considered in the appointment procedures are:

- Skills, knowledge and expertise required on the Board;
- Skills, knowledge and expertise of the proposed Director;
- Balance on the Board such as gender and age;
- Fees requested by prospective Director; and
- Potential conflict of interest.

The appointment of new directors is subject to confirmation by shareholders at the next Annual Meeting of Shareholders following their appointment.

The Board is aware that the retirement of Directors by rotation as provided in the Company's Constitution is a departure from the Code, which provides that each Director should be elected or re-elected as the case may be, every year at the Annual Meeting of Shareholders. While remaining committed to sustaining the highest standards of corporate governance, the Board is of opinion that the standard provision of the Code is inappropriate for the Company.

The Board is also responsible for the succession planning and induction of new Directors. Newly appointed Directors receive a complete induction pack which includes his or her duties and responsibilities under the respective legislations.

Though the Board does not organise 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 next Board evaluation is scheduled in 2019. It is an important exercise to evaluate the Directors' performance and their contribution to the success of the Company.

PRINCIPLE 4: Director's Duties, Remuneration and Performance

All the Directors on the Board are fully apprised of their fiduciary and legal duties as laid out in the Companies Act 2001.

The Company is committed to the highest standards of integrity and ethical conduct in dealing with all its 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.

Related party transactions are disclosed on page 75 to the Financial Statements. During the year under review, there were no material transactions between APL or any of its fellow subsidiaries and a Director, Chief Executive, controlling shareholder or companies owned or controlled by a Director, Chief Executive or controlling shareholder.

No fees were paid to the Executive Directors during the financial year. The Independent Non-Executive Directors were remunerated a gross total fixed fee of Rs 100,000 during the financial year as shown in the below table:

Members	Total fees per Director (Rs)
Maxime Jean François Desvaux De Marigny	50,000
Marie Joseph Bernard Piat Dalais	50,000

Board information is sent to the Directors in a timely manner before each Board meeting. Information is sent by Management who remains at the disposal of the Board members should they wish to obtain further clarification. The Company Secretary acts as a liaison between the Management and the Board.

Information, Information Technology and Information Security Governance

Information management is an essential part of good IT governance, which in turn is a cornerstone in corporate governance. An integral part of the IT governance is information security, in particular pertaining to personal information.

An Information Technology (IT) Security Policy identifies the rules and procedures for all individuals accessing and using an organisation's IT assets and resources. Effective IT Security Policy is a model of the organisation's culture, in which rules and procedures are driven from its approach to information and work. Thus, an effective IT security policy is a unique document for each company, cultivated from its perspectives on risk tolerance, how the company sees and values their information, and the resulting availability that it maintains of that information.

The security policy document combines legal requirements and current best practice for an information security management policy for the Company. It provides a policy with information security objectives, strategy and defines roles and responsibilities.

Core principles for information security management, as defined in ISO/IEC 27002, are adapted to the local situation for the following areas:

- Risk assessment
- Organising information security
- Asset management
- Human resources security
- Physical security
- Communications and operations management.
- Access control
- System development and maintenance
- Information security incident management
- Business continuity management
- Compliance

PRINCIPLE 5: Risk Governance and Internal Control

The Directors are responsible for maintaining an effective system of risk management and internal control. The governance of risk, the nature and risk appetite of the Company remain the ultimate responsibility of the Board which is assisted by Management to monitor, implement and enforce internal controls to minimise risk as well as achieve strategic objectives.

While it is not possible to identify or anticipate every risk due to the changing business environment, the Company has an established risk management process to manage and mitigate those key risks which could impact on its activities. The process for identifying and managing risks are set by the Board and delegated to the ARC.

The following key risks have been identified:

Financial risks

In a property rental business, the first, 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 its tenants, there is no guarantee that the tenants will always settle its rental dues in a timely manner. However, Attitude Hospitality Ltd (AHL) acts as a guarantor and 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 agreement. 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 Géométriques" land, albeit more similar to the risk faced by traditional local hotel groups who both own and operate their properties.

Please refer to note 15 of the financial statements for details of the financial risks of APL and how these are mitigated.

PRINCIPLE 5: Risk Governance and Internal Control (continued)

Operational Risks

Operational risks 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:

a) Risk from fluctuations in tourist arrivals

As the owner of beach-front 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 other 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.

PRINCIPLE 6: Reporting with Integrity

The Board is responsible for the preparation of the financial statements in accordance to the International Financial Reporting Standards which fairly present the state of affairs of the Company. The financial and operational performance of the Company is detailed in the Annual Report.

Corporate Social and Environmental Responsibility

The Company is committed to sustainability and protecting the environment for future generations. With respect to its obligation towards the 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 & Craftsmanship
- Arts & Culture

Green Attitude Foundation

Green Attitude Foundation was officially launched on the 27th March 2014. Its creation is a milestone in the AHL (Attitude Hospitality Ltd) Group's commitment towards the protection of environment, aiming at consolidating the Green Attitude program introduced in the hotels of the AHL Group since 2010 and committing itself further to support the sustainable development both of 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. Its main objective is to promote the protection of the coastal and marine environment to the wider Mauritian community and hotel guests. Since its opening

Nauticaz has reached approximately 7000 visitors, mainly school children, teachers and community members of social associations.

As part of the project 'Marine Conservation Voluntary Zone', an underwater snorkel trail has been created in June 2014, in the 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, subject to safety norms.

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

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's experience. This 'Made in Mauritius' market encourages and helps the local craftsmen enhancing their work. All the sold items are non-profit sales for the hotel and the benefit goes to the craftsmen only.

Art & Culture

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

PRINCIPLE 7: Audit

Internal Audit

The Board ensures that its internal control systems and reporting arrangements are such so 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 Messrs 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.

Internal Audit reports prepared by Messrs UHY & CO are circulated to Management and members of the ARC following which necessary recommendations are made to the Board. During the year under review the scope of work of the internal audit covered the following areas:

- Revenue process
- Procurement-to-payment process

External Audit

The current auditors are Messrs Ernst & Young and have been appointed on 6th August 2018 and the tenure of office will be reviewed in due course in line with good governance.

The ARC is responsible for reviewing with the external auditors the letter of engagement, terms and nature of the audit scope and approach and ensure that no restrictions or limitations have been placed on the scope. The external auditors report directly to the ARC which is also responsible for monitoring the external auditors' independence, objectivity and compliance with ethical, professional and regulatory requirements.

PRINCIPLE 7: Audit (Continued)

Auditors are expected to observe the highest standards of business and professional ethics and, in particular, that their independence is not impaired in any manner. Audit fees are set in a manner that enables an effective external audit and are as follows for the year under review:

	The Company	
	2018	2017
	Rs'000	Rs'000
Ernst & Young		
Audit services	**371**	350
Tax services	**30**	30
Other services *	**275**	-
Total	**676**	380

*This relates to ad hoc taxation assignment fees for previous years.

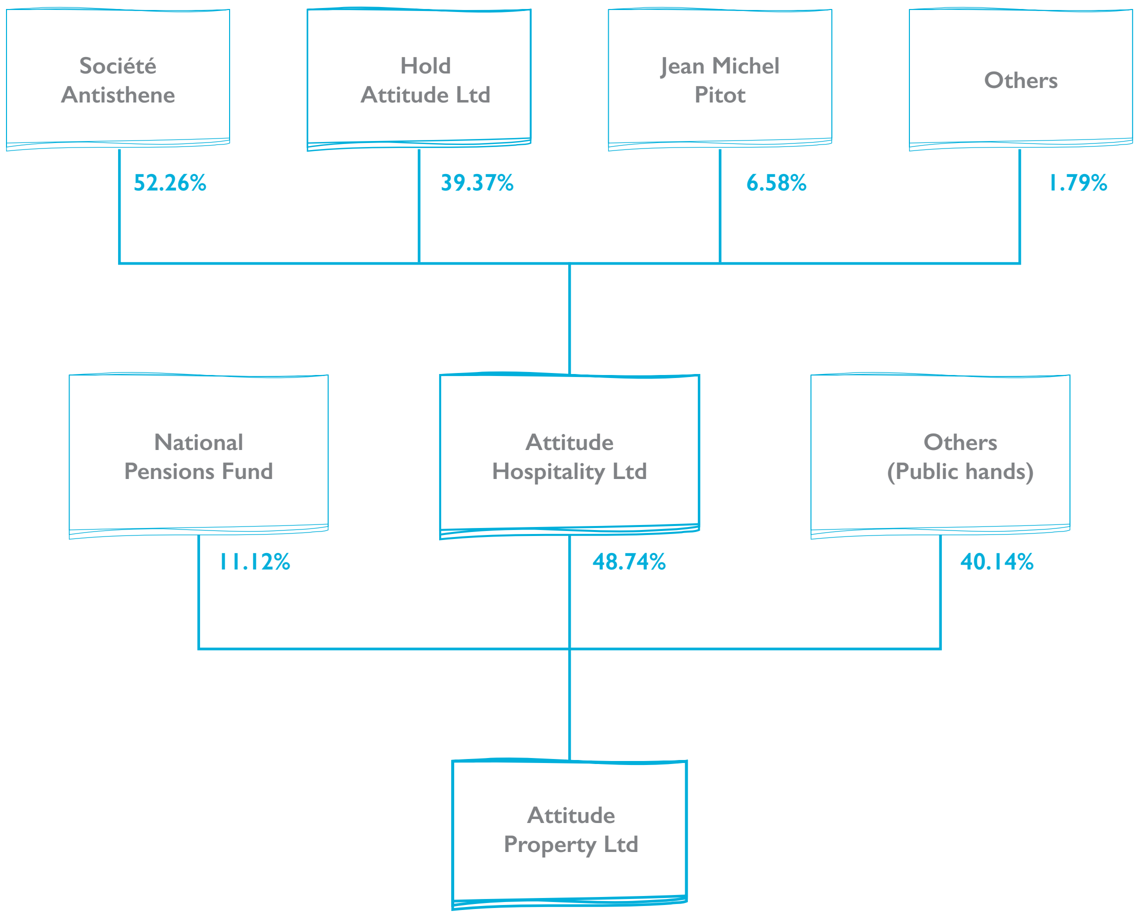
Shareholder Information

PRINCIPLE 8: Relations with shareholders and other key stakeholders

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.

The shareholding structure of the Company as at June 30, 2018 was as follows:

Group Structure



The following shareholders held 5% or more of the shareholding of the Company as at June 30, 2018:

Shareholders	% Holding
Attitude Hospitality Ltd	48.74%
National Pensions Fund	11.12%

Shareholders' information and Calendar of Events	
Payment of dividend:	
• Final dividend for Financial Year ended June 2018	October 2018
• Interim dividend for Financial year ending June 2019	March 2019
Publication of 1st quarter results	November 2018
Annual Meeting of Shareholders	December 2018
Publication of 2nd quarter results	February 2019
Publication of 3rd quarter results	May 2019
Publication of audited financial statements for the year ended 30 June 2019	September 2019

Dividend Policy

100% of distributable re-current Profit After Tax 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.

Donations

The Company made no social or political donations during the year under review (2017: Nil).

Statement of Directors' Responsibilities in Respect of the Financial Statements at 30 June 2018

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at 30 June 2018, 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 director's responsibility includes: 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 judgements and estimates that have been used consistently.

The directors have made an assessment of 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 judgements 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 24.

STATEMENT OF COMPLIANCE

Name of PIE: Attitude Property Ltd

Reporting Period: 30 June 2018

We, the Directors of Attitude Property Ltd confirm that to the best of our knowledge Attitude Property Ltd has complied with all its obligations and requirements under the Code except for the following:

Principles	Reasons for non-compliance
Code of Ethics	
Principle 1: Approval of Code of Ethics Principle 4: Review and monitor compliance with the Code of Ethics Principles 1 & 6: Company website to include the Code of Ethics	In line with the recommendations of the Code, the Board approves the Code of Ethics, before the end of the next financial year. The Code of Ethics will be regularly reviewed and monitored by the Board. Necessary action plans have been drawn to design a website, which will be ready by end of the next financial year. The Code of Ethics will be published on the website.
Board Charter	
Principle 1: Approval of Board Charter Principles 1 & 6: Company website to include the Board Charter and Job descriptions of key governance positions Principle 2: Frequent reassessment of the Board Charter by the Board	The Board will approve the Board Charter and job descriptions of the key governance positions before the end of the next financial year. The Board Charter will be reviewed on a regular basis in a timely manner by the Board. Necessary action plans have been drawn to design a website, which will be ready by end of the next financial year. The Board Charter will be published on the website.
Whistle-Blowing Procedures	
Principle 5: Documentation on internal whistle-blowing rules and procedures	Whistle-blowing procedures will be elaborated within the Code of Ethics and will be published on the website.
Gender Balance of the Board	
Principle 2: Ensuring Board diversity and Gender balance of the Board	The Board is actively looking for a suitable candidate to improve women presence in the governing body.

Principles	Reasons for non-compliance
Evaluation and development plan	
Principle 4: Evaluation and development plan of Board, Board Committees and Directors	No Board evaluation and development plan have been conducted for the year under review. The Board is, however, considering the implementation of a formal Board Evaluation and Development plan in line with the Code.
Company website	
Principle 1: Company website to include the constitution, board charter and Code of Ethics Principle 3: Company website to include details of: (a) Nomination and appointment process, (b) Biographies of Directors and Company Secretary Principle 6: Recommends that Company website includes: (a) Annual report & quarterly accounts (b) Board and Committee Charters (c) Code of Ethics (d) Conflicts of interest and related party transactions policies (e) The information, information technology and information security policies (f) Details of the Board/Governance structure (g) Dividend policy and declarations (h) Announcements made to the market (i) Financial highlights (j) AGM Q&A (k) Share price information (l) Notice of Annual General Meeting (m) Investor presentations (n) Newsworthy items (o) Webcasts	Necessary action plans have been drawn to design a website, which will be ready by end of the next financial year. The website will provide all information as recommended by the Code.

SIGNED BY:

Michel Guy Rivalland

Chairman

Date: 21 September 2018

Jean Michel Pitot

Executive Director

bann lotel*

The Company owns the property for 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 knowhow is totally dedicated to the well-being of the guests.

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

*the hotels

THE RAVENALA attitude
All Suite Hotel Mauritius

LEISURE
HOTELS & RESORTS

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, décor and lifestyle are a mix of colonial heritage, contemporary design with tropical accents and genuine Mauritian art de vivre. Here, no boundaries between inside and outside, cosy spaces flow into each other harmoniously. The Ravenala Attitude includes an adult-only wing.

TROPICAL attitude
MAURITIUS

ADULT
LIFESTYLE HOTELS

Tropical Attitude is an adult-only 3-star sup boutique-hotel with 58 seafront rooms set in a coconut grove along Trou d'Eau Douce lagoon. Stepping in, the open spaces and bar-lounge area, as well as the Creole architecture, immediately convey the atmosphere of a relaxed and peaceful holiday home by the beach.

RÉCIF attitude
Mauritius

Récif Attitude is an adult-only 3-star sup boutique-hotel. Ideal for those wanting some Zen moments to recharge their batteries and spend time together as a couple or among friends. New shades in the common areas, rattan, wood, black and white in the 70 rooms.

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, 2018.

NWT Secretarial Services Ltd

Company Secretary

Date: 21 September 2018

Tropical Attitude

Independent auditor's 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 43 to 83 which comprise the statements of financial position as at June 30, 2018, 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, 2018, 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 Auditor's responsibilities for the audit of the financial statements section of our report, 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.

Independent auditor's report

to the members of Attitude Property Ltd

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, 2018, investment properties stood at Rs 2,684 m. 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 recognised in profit and loss. The investment properties were valued by an independent valuation specialist on June 30, 2018 using an income approach. The Directors have also assessed the reasonableness of the fair value of the investment properties as at June 30, 2018.	Our audit procedures included the following: We have obtained, read and understood the 2018 valuation report from the independent valuation specialist by considering: • the completeness, adequacy and relevance of the information presented to us; • the appropriateness of the valuation methods and assumptions used in the analysis; We have evaluated the competence, capabilities, objectivity of management's expert and further confirmed the independence of the valuation specialist. We obtained and confirmed our understanding of the valuation process through discussions with management and their experts.
As described in note 3, the Directors: • took into consideration current market conditions; • made comparisons of the carrying amount to recent observable transactions; • compared the inputs used in the income approach model of the independent valuers to the inputs they themselves used. The Directors then compared their results with those of the independent valuers. Based on the above considerations, the Directors believe that the fair value of the investment properties, as proposed by the independent valuers, is reasonable. Due to the involvement of significant estimates and level of judgement applied by both the independent valuation specialists and the Directors who reassess the valuations periodically, and also due to the fact that investors were promised a guaranteed yield of 6.5%, we considered the fair valuation of investment properties to be a key audit matter.	We compared the rent receivable 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.

Independent auditor's report

to the members of Attitude Property Ltd

Report on the Audit of the Financial Statements (Continued)

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Message 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 2001 and the Financial Reporting Act 2004, and for such internal control, as the directors determine, it 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.

Independent auditor's report

to the members of Attitude Property Ltd

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.
- Conclude on the appropriateness of the Director's 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 auditor's 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.

Independent auditor's report

to the members of Attitude Property Ltd

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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.

Use of Our Report

This report is made solely to 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Independent auditor's report

to the members of Attitude Property Ltd

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
Ebène, Mauritius

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

Date: 21 September 2018

green attitude

FOUNDATION

we care

We nurture for the future

Attitude positions itself as a key local contributor to sustainable, ecological, cultural, economic and social development.

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

In collaboration with the NGO Reef Conservation, Attitude launched Nauticaz in 2010, an educational and interactive centre 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.

Since December 2017, all Attitude Hotels have received the Travelife Gold Award, a program honoring their ongoing efforts in environmental and social responsibility as well as Green Attitude Foundation's initiatives: water conservation, the Group's commitment to local communities and the Otentik Attitude experiences that value local traditions and craftsmanship.

langazman green

COASTAL ENVIRONMENT

Planting Mangrooves • Marine life awareness • Educational programs with René Heuzey • Nauticaz - Educational Centre

SOCIAL ENTREPRENEURSHIP & CRAFTSMANSHIP

Otentik Bazar - helping local craftsmen

ART & CULTURE

Promoting local artists • Otentik Music - Promoting local music in Attitude Hotels

Statement of financial position

as at June 30, 2018

	Notes	THE COMPANY 2018	2017
		Rs	Rs
ASSETS			
Non-current assets			
Investment properties	3	2,683,914,178	2,456,960,920
Deferred tax asset	8	89,723,827	88,764,185
		2,773,638,005	2,545,725,105
Current assets			
Trade and other receivables	4	120,593,087	80,718,947
Cash and short-term deposits	5	619,477	449,885
		121,212,564	81,168,832
TOTAL ASSETS		2,894,850,569	2,626,893,937
EQUITY AND LIABILITIES			
Issued capital	6	1,600,170,920	1,600,170,920
Retained earnings		237,302,325	66,684,182
TOTAL EQUITY		1,837,473,245	1,666,855,102
Non-current liabilities			
Interest-bearing loans and borrowings	7	840,000,000	765,362,000
Deferred tax liabilities	8	158,586,925	134,770,622
		998,586,925	900,132,622
Current liabilities			
Trade and other payables	9	58,790,399	49,074,992
Interest-bearing loans and borrowings	7	-	10,831,221
		58,790,399	59,906,213
TOTAL LIABILITIES		1,057,377,324	960,038,835
TOTAL EQUITY AND LIABILITIES		2,894,850,569	2,626,893,937

These financial statements have been approved for issue by the Board of Directors on 21 September 2018.

Michel Guy Rivalland
Chairman

Jean Michel Pitot
Executive Director

The notes set out on pages 55 to 83 form an integral part of these financial statements.

Independent auditors' report on pages 33 to 38.

Statement of profit or loss and other comprehensive income

for the year ended June 30, 2018

	Notes	THE COMPANY 2018	2017
		Rs	Rs
Revenue	10	**190,683,728**	185,955,248
Other income	11	**11,834,250**	12,495,762
Operating expenses	12	**(11,834,250)**	(12,495,762)
Profit arising on rental of investment properties		**190,683,728**	185,955,248
Fair value gains on investment properties	3	**162,956,253**	-
Administrative expenses	12	**(2,747,544)**	(2,847,538)
Operating profit		**350,892,437**	183,107,710
Finance costs	13	**(53,406,523)**	(55,246,439)
Profit before taxation		**297,485,914**	127,861,271
Income tax expense	8	**(22,856,661)**	(22,572,237)
Total comprehensive income for the year		**274,629,253**	105,289,034
Basic and diluted earning per share (Rs)	21	**1.72**	0.66

The notes set out on pages 55 to 83 form an integral part of these financial statements.

Independent auditors' report on pages 33 to 38.

Récif Attitude

Statement of changes in equity

for the year ended June 30, 2018

THE COMPANY	Issued capital	Retained earnings	Total
	Rs	Rs	Rs
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 19)	-	(110,411,793)	(110,411,793)
At June 30, 2017	1,600,170,920	66,684,182	1,666,855,102
At July 1, 2017	1,600,170,920	66,684,182	1,666,855,102
Total comprehensive income for the year	-	274,629,253	274,629,253
Dividends (Note 19)	-	(104,011,110)	(104,011,110)
At June 30, 2018	**1,600,170,920**	**237,302,325**	**1,837,473,245**

The notes set out on pages 55 to 83 form an integral part of these financial statements.

Independent auditors' report on pages 33 to 38.


Tropical Attitude

Statement of cash flows

for the year ended June 30, 2018

	Notes	THE COMPANY 2018	2017
		Rs	Rs
Cash flows from operating activities			
Profit before taxation		**297,485,914**	127,861,271
Non-cash adjustments to reconcile profit before tax to net cash flows:			
- Interest expense	13	**53,406,523**	55,246,439
- Fair value gain on investment properties	3	**(162,956,253)**	-
Working capital adjustments			
(Increase)/decrease in trade and other receivables		**(39,874,140)**	116,877,652
Increase/(decrease) in trade and other payables		**9,715,407**	(133,988,864)
Net cash flows generated from operating activities		**157,777,451**	165,996,498
Cash flows from investing activities			
Additions to investment properties	3	**(63,495,532)**	(20,602,651)
Net cash flows used in investing activities		**(63,495,532)**	(20,602,651)
Cash flows from financing activities			
Proceeds from borrowings	7	**74,638,001**	765,362,000
Repayment of borrowings	7	**-**	(755,000,000)
Dividends paid	19	**(104,011,110)**	(110,411,793)
Interest paid		**(53,907,997)**	(55,246,439)
Net cash flows used in financing activities		**(83,281,106)**	(155,296,232)
Net increase/(decrease) in cash and cash equivalents		**11,000,813**	(9,902,385)
Cash and cash equivalents as at July 1		**(10,381,336)**	(478,951)
Cash and cash equivalents as at June 30	5	**619,477**	(10,381,336)

The notes set out on pages 55 to 83 form an integral part of these financial statements.

Independent auditors' report on pages 33 to 38.

KOT NOU

Kot Nou, "just like home", is the Attitude Hotel's Mauritian signature restaurant. It is a true reflection of the island's culinary traditions. The Chef, always around, proposes blends of spicy and exquisite tastes, subtle new flavours and fresh local produce: octopus carpaccio, wild pig and jackfruit curry and cassava samosas for dessert. The atmosphere is friendly and cool, no fuss, all smiles.


bazar
cuisine
music
100% MAURITIAN
OTENTIK
attitude
EXPERIENCES
dinner
discovery

a real encounter with mauritius...

True to its promise, Attitude embarks all its guests, through its innovative concept - Otentik Experiences - on a discovery of the authentic Mauritius, across and its multiple facets.

Otentik Experiences are designed to invite guests to a genuine encounter with the Mauritian people and share in typical, friendly and memorable moments.

OTENTIK EXPERIENCES:

Otentik Music • Otentik Cuisine • Otentik Dinner • Otentik Discovery • Otentik Bazar

otentik dinner

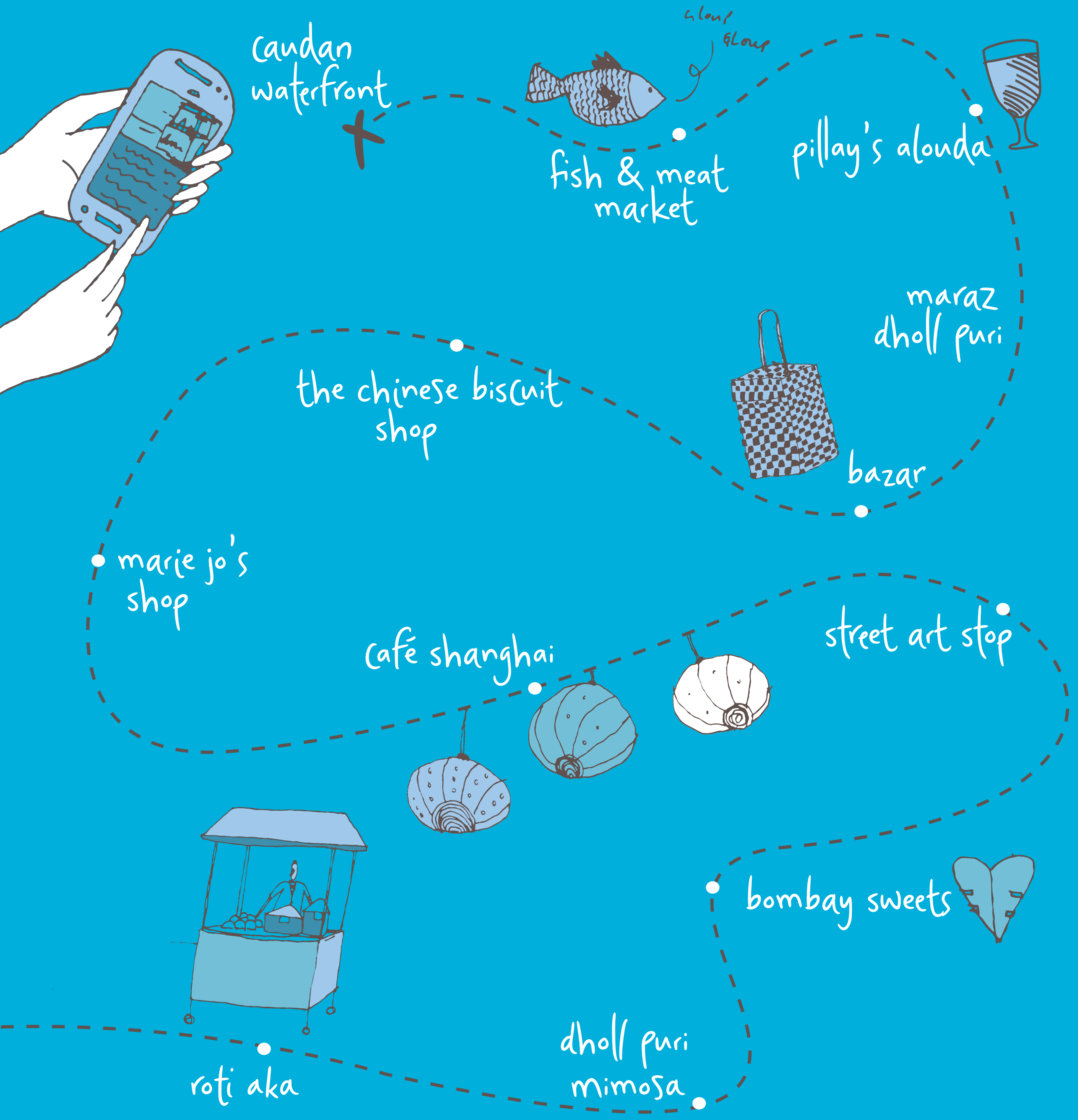
otentik cuisine

otentik discovery

street food
dan porlwi

Otentik Discovery is a new self-guided tours app with 11 off beaten tracks to exceptional sites and encounters with the local people.

Here is the 12 stops of the Street Food track of Port-Louis;



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, 2018 were authorised for issue in accordance with a board meeting of the Directors on September 21, 2018. The Company is a public company incorporated on July 04, 2013 and domiciled in Mauritius. Its registered office is situated at NWT Secretarial Services Ltd, 7th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis. Its holding company is Attitude Hospitality Ltd, 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 is 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

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. ACCOUNTING POLICIES (CONTINUED)

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.

	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
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	
Transfers of Investment Property (Amendments to IAS 40)	1 January 2018
Clarifications to IFRS 15 'Revenue from Contracts with Customers'	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, amortised cost or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL.

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.

Notes to the financial statements

2. ACCOUNTING POLICIES (CONTINUED)

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

Impairment

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

The Company plans to adopt the new standard on the required effective date using the modified retrospective approach implying not restating comparative information. During the financial year ended 30 June 2018, the Company has performed a detailed impact assessment of all three aspects of IFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company in the year of adoption of IFRS 9.

The Company expects no impact on the classification and measurement requirements and no significant impact on its opening balance of retained earnings as at 1 July 2018. The Company is not involved in hedging activities and will not be impacted with the new hedge accounting.

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

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

The rental of investment properties falls under IFRS 16 'Leases' and therefore is not in scope for IFRS 15.

The Company opts for no IFRS 15 disclosure notes as the standard is not in scope for the entity.

Notes to the financial statements

2. ACCOUNTING POLICIES (CONTINUED)

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

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 recognise 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 right-of-use asset). Lessees will be required to separately recognise 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.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, 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 recognised in the financial statements.

Operating lease commitments-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 18 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 below:

Notes to the financial statements

2. ACCOUNTING POLICIES (CONTINUED)

Fair value of investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. The Company engaged an independent valuation specialist to assess fair value as at 30 June 2018 for investment properties. For the investment properties, a valuation methodology based on the income 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').

(b) Investment properties

Investment properties comprise of 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 derecognised 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 recognised in profit or loss in the year of retirement or disposal.

Notes to the financial statements

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (CONTINUED)

(c) 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 recognised 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 recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits, loans, trade and other 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 amortised cost using the effective interest rate method (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss and other comprehensive income in other operating expenses.

Cash and cash equivalents

Bank balances are subsequently measured at amortised cost less any allowance for impairment and gains and losses are recognised through profit or loss when any bank balance is derecognised or impaired, as well as through the amortisation 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 recognised at fair value and are subsequently carried at amortised 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 recognised in profit or loss.

Notes to the financial statements

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (CONTINUED)

(d) 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 recognised 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 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 amortised cost using the effective interest rate (EIR) method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Trade and other payables

Trade and other payables are stated at their nominal value which approximates their fair value and are subsequently measured at amortised cost.

(e) Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the 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)

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

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

(f) 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 recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(g) 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 capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The interest balance should be recognised as a finance cost.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (CONTINUED)

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

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 recognised over the lease term on the same bases as rental income.

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

Operating lease receipts are recognised 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 recognised as a liability or asset in the statement of financial position.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense when incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(i) 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 recognised 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 recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (CONTINUED)

(i) Taxation (Continued)

Deferred tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be 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 recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be 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. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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 realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

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 recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of accounts receivables or payables in the statement of financial position.

Notes to the financial statements

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (CONTINUED)

(i) Taxation (Continued)

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.

(j) Revenue recognition

Revenue is recognised 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.

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.

(k) Other income

Income arising from expenses recharged to tenants is recognised in the period in which it becomes receivable. Insurance and rent are included in other income gross of the related costs.

(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.

Notes to the financial statements

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (CONTINUED)

(I) Fair value measurement (Continued)

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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

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.

Notes to the financial statements

3. INVESTMENT PROPERTIES

	THE COMPANY	
	2018	2017
	Rs	Rs
At July 1,	2,456,960,920	2,436,358,269
Additions *	63,997,005	20,602,651
Fair value gain	162,956,253	-
At June 30,	**2,683,914,178**	2,456,960,920

* Additions include borrowing costs of Rs 501,475 capitalised (2017: Rs 34,579). The average capitalisation rate is 6.35% (2017: 6.75%).

	THE COMPANY	
	2018	2017
	Rs	Rs
Rental income derived from investment properties	190,683,728	185,955,248
Direct operating expenses (including repairs and maintenance) generating rental income	(11,834,250)	(12,495,762)
Recharge of direct operating expenses generating rental income (note 11)	11,834,250	12,495,762
Profit arising from investment properties carried at fair value	**190,683,728**	185,955,248

(i) Investment properties consist of furnished buildings on leasehold land rented as hotel complex.

Additions during the year relate 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, 2018, 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, 2018 as follows:

- took into consideration current market conditions;
- made comparisons of the carrying amount to recent observable transactions;
- compared the inputs used in the income approach model of the independent valuers to the inputs they themselves used. The Directors then compared their results with those of the independent valuers.

Based on the above considerations, the Directors believe that the fair value of the investment properties, as proposed by the independent valuers, is reasonable.

3. INVESTMENT PROPERTIES (CONTINUED)

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 rental receivable, the discount factor and a growth rate.

(ii) In determining the valuation of investment properties, the following main techniques have been used:

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

Valuation technique and key input	Fair value hierarchy	Significant unobservable input
Income approach	Level 3	Estimated rental value per sqm per month Rent growth p.a. Long-term vacancy rate Discount rate

Under the Income approach, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset as disclosed in note 20.

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

4. TRADE AND OTHER RECEIVABLES

	THE COMPANY	
	2018	2017
	Rs	Rs
Trade receivables	**110,921,774**	71,281,462
Other receivables and prepayments	**9,671,313**	9,437,485
	120,593,087	80,718,947

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

Trade receivables are secured, non-interest bearing and are generally on 180 days terms. The amount due from hotels are guaranteed by the holding Company, Attitude Hospitality Ltd. 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 14.

Notes to the financial statements

4. TRADE AND OTHER RECEIVABLES (CONTINUED)

For terms and conditions relating to related party receivables, refer to Note 14.

As at June 30, 2018 and 2017, 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
2018	**110,921,774**	**110,921,774**	**-**	**-**
2017	71,281,462	71,281,462	-	-

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

5. CASH AND SHORT-TERM DEPOSITS

	THE COMPANY	
	2018	2017
	Rs	Rs
Cash at bank	**619,477**	449,885
	619,477	449,885

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

	THE COMPANY	
	2018	2017
	Rs	Rs
Cash and short-term deposits	**619,477**	449,885
Bank overdrafts (Note 7)	**-**	(10,831,221)
	619,477	(10,381,336)

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

Notes to the financial statements

6. ISSUED CAPITAL

		THE COMPANY	
	Number of shares	2018	2017
		Rs	Rs
Authorised shares	178,000,000		
Ordinary shares at no par value, issued and fully paid			
As at 1 July	160,017,092	**1,600,170,920**	1,600,170,920
Issued during the year	-	**-**	-
As at 30 June	160,017,092	**1,600,170,920**	1,600,170,920

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

7. INTEREST-BEARING LOANS AND BORROWINGS

	THE COMPANY	
	2018	2017
	Rs	Rs
Current		
Bank overdrafts *(note (b)) (note 5)*	**-**	10,831,221
	-	10,831,221
Non-current		
Bank loans *(note (a))*	**840,000,000**	765,362,000
Total interest bearing loans and borrowings	**840,000,000**	776,193,221

(a) Bank loans can be analysed as follows:

	THE COMPANY	
	2018	2017
	Rs	Rs
Within one year	**-**	-
After one year and before five years	**840,000,000**	765,362,000
After five years	**-**	-
	840,000,000	765,362,000

Notes to the financial statements

7. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(a) Bank loans can be analysed as follows: (Continued)

					THE COMPANY	
	Loan amount		**Maturity**	**Loan period**	**2018**	**2017**
					Rs	Rs
MUR	25,000,000	PLR+0.5%	Oct-22	5 years	**25,000,000**	-
MUR	755,000,000	PLR+0.5%	Apr-22	5 years	**755,000,000**	755,000,000
MUR	60,000,000	PLR+0.5%	May-22	5 years	**60,000,000**	10,362,000
					840,000,000	765,362,000

(i) During the financial year ended June 30, 2018, an additional Rs 49.6 m was disbursed on the Rs 60 m loan. The Company entered in a new loan of Rs 25 m loan which was raised out to finance the renovation of The Tropical Attitude Hotel.

During the financial year ended June 30, 2018, the PLR was on average 5.93% (2017: 6.29%) and at year end, the PLR was 5.85% (2017: 6.25%).

The financial covenants attached to the loan are as follows:

- The debt to equity ratio of not exceeding 1.5:1 to be maintained over the whole tenor of the banking facilities.

-The Company should produce to the Bank within a period of six months after the year end, its duly audited financial statements and the Bank may at its discretion appoint any auditor of its choice to carry out an audit of the Company's accounts should the Bank so think fit.

- Future capital expenditure of Rs 50 m and above should be mutually agreed.

- Declaration and payment of dividend by the Company or any other payments to the shareholders or their related parties should be made with the prior consent of the Bank.

- All payments under the banking facilities would be made free and clear of all present and future taxes, deduction, charges, withholding taxes, stamp duty, liability or impost of whatever nature.

- Regarding insolvency procedure, no assurance, security, or payments which may be avoided under any enactments relating to bankruptcy or winding up shall prejudice or affect the Bank's right to recover from the Company the full extent of its banking facilities.

- If the effect of any change in law or regulation is to impose, modify or deem applicable any capital adequacy, liquidity or reserve requirement, the Bank reserves the right to require payment on demand of such amounts as they consider necessary to compensate the Bank before.

(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 nil at year end (2017: Rs 50 m).

(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, 2018 was PLR + 0.5%.

Notes to the financial statements

7. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(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 20.

(d) Reconciliation of opening and closing balance for liabilities from financing activities

	THE COMPANY	
	2018	2017
	Rs	Rs
Opening balance (excluding bank overdraft)	**765,362,000**	755,000,000
Proceeds from borrowings	**74,638,000**	765,362,000
Repayment of borrowings	**-**	(755,000,000)
	840,000,000	765,362,000

8. TAXATION

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

	Statement of financial position		Statement of profit or loss and other comprehensive income	
	THE COMPANY		THE COMPANY	
	2018	2017	**2018**	2017
	Rs	Rs	**Rs**	Rs
Deferred tax liability				
Accelerated depreciation for tax purposes	**158,586,925**	134,770,622	**23,816,303**	30,217,289
Deferred tax asset				
Tax loss	**(89,723,827)**	(88,764,185)	**(959,642)**	(7,645,052)
Deferred tax expense			**22,856,661**	22,572,237
Net deferred tax liability	**68,863,098**	46,006,437		

(b) Reconciliation of net deferred tax liabilities:

	THE COMPANY	
	2018	2017
	Rs	Rs
At July 1,	**46,006,437**	23,434,200
Tax expense recognised in statement of profit or loss and other comprehensive income	**22,856,661**	22,572,237
At June 30,	**68,863,098**	46,006,437

Notes to the financial statements

8. TAXATION (CONTINUED)

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

	THE COMPANY	
	2018	2017
	Rs	Rs
Disclosed as:		
Deferred tax asset	(89,723,827)	(88,764,185)
Deferred tax liabilities	158,586,925	134,770,622
	68,863,098	46,006,437

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

	THE COMPANY	
	2018	2017
	Rs	Rs
Income tax expense reported in the statement of profit or loss and other comprehensive income	22,856,661	22,572,237

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

	THE COMPANY	
	2018	2017
	Rs	Rs
Accounting profit before taxation	297,485,914	127,861,271
Tax calculated at a rate of 15%	44,622,887	19,179,191
Income not subject to tax	(27,702,563)	-
(Over)/Underprovision of deferred tax	(164,289)	778,678
Non-deductible expenses	150,908	57,143
Corporate social responsibility at a rate of 2%	5,949,718	2,557,225
At the effective income tax rate of 17% (2017: 17%)	22,856,661	22,572,237

9. TRADE AND OTHER PAYABLES

	THE COMPANY	
	2018	2017
	Rs	Rs
Trade payables	1,104,439	7,971,771
Amount due to related parties (Note 14)	41,529,546	28,029,546
Value added tax payables	13,424,567	10,263,910
Other payables and accruals	2,731,848	2,809,765
	58,790,399	49,074,992

Notes to the financial statements

9. TRADE AND OTHER PAYABLES (CONTINUED)

- 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 14.

- For explanations on the Company's liquidity risk management processes,refer to note 15(iii).

10. REVENUE

	THE COMPANY	
	2018	2017
	Rs	Rs
Rental income	190,683,728	185,955,248

Rental income is received from the three hotels held namely, Rivière Citron Ltée, Pointe aux Piments Hotel and Tropical Hotel Ltd.

11. OTHER INCOME

	THE COMPANY	
	2018	2017
	Rs	Rs
Recharged rental and insurance	11,834,250	12,495,762

The Company has an operating lease contract with the Government of Mauritius for the leasehold land and has entered into a sublease arrangement to rent the leasehold land with the tenants. Rental and insurance are paid to the Government and Gras Savoye Brokers respectively and subsequently recharged to the tenants.

12. EXPENSES

	THE COMPANY	
	2018	2017
	Rs	Rs
Legal and professional fees	387,275	455,000
Annual insurance of Property, Plant & Equipment	2,022,548	1,982,205
Consultancy fees	1,620,319	754,640
State land annual lease rental	9,811,702	10,513,557
Other expenses	739,950	1,637,898
	14,581,794	15,343,300
Operating expenses	11,834,250	12,495,762
Administrative expenses	2,747,544	2,847,538
	14,581,794	15,343,300

Rental expenses relate to the leasehold land used for running of the hotels complex rented from the government.

Notes to the financial statements

13. FINANCE COSTS

	THE COMPANY	
	2018	2017
	Rs	Rs
Interest expense on:		
- Bank overdrafts	632,813	683,917
- Bank loans	52,773,710	54,562,522
	53,406,523	55,246,439

14. RELATED PARTY TRANSACTIONS

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

	THE COMPANY		
2018	Rental income from	Amount owed to related parties	Amount owed by related parties
	Rs	Rs	Rs
Holding company-Attitude Hospitality Ltd	-	41,529,546	-
Fellow subsidiaries:			
Rivière Citron Ltée	138,752,393	-	62,449,101
Tropical Hotel Ltd	24,426,351	-	20,056,828
Pointe Aux Piments Hotel Ltd	27,504,984	-	28,415,845
	190,683,728	41,529,546	110,921,774

	THE COMPANY		
2017	Rental income from	Amount owed to related parties	Amount owed by related parties
	Rs	Rs	Rs
Holding company-Attitude Hospitality Ltd	-	28,029,546	-
Fellow subsidiaries:			
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

Notes to the financial statements

14. RELATED PARTY TRANSACTIONS (CONTINUED)

- 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, 2018, the Company has not made any provision for impairment of receivables relating to amounts owned by related parties (2017: 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 funding from holding Company for renovation of hotels.

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 2018, the Executive Directors did not receive any remuneration and benefits. The Independent Non-Executive Directors were entitled to a fees of Rs 50K each.

15. 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. The Company mitigates this risk by having a loan portfolio which carries both fixed and floating rates.

Notes to the financial statements

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) Interest rate risk (continued)

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 and equity (through the impact on floating rate borrowings).

		THE COMPANY	
Effect on profit/equity	**Decrease in basis points**	**2018**	2017
		Rs	Rs
Mauritian rupees	-50	**4,200,000**	3,880,966

Effect on profit/equity	**Increase in basis points**	**2018**	2017
		Rs	Rs
Mauritian rupees	+50	**(4,200,000)**	(3,880,966)

(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 and the credit quality of the tenant is assessed at the time of entering into a lease agreement.

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 an operating lease contract with the Government of Mauritius for the leasehold land and has entered into a sublease arrangement to rent the leasehold land with the tenants. 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.

Notes to the financial statements

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Liquidity risk (continued)

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

THE COMPANY	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
At June 30, 2018	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**	**Rs**
Interest-bearing loans and borrowings	-	13,444,603	39,895,397	992,229,507	-	1,045,569,507
Trade and other payables	41,529,546	1,104,439	-	-	-	42,633,985
	41,529,546	14,549,042	39,895,397	992,229,507	-	1,088,203,492

THE COMPANY	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
At June 30, 2017	Rs	Rs	Rs	Rs	Rs	Rs
Interest-bearing loans and borrowings	10,831,222	13,021,636	39,064,907	970,450,851	-	1,033,368,616
Trade and other payables	21,108,481	12,083,072	2,809,765	-	-	36,001,318
	31,939,703	25,104,708	41,874,672	970,450,851	-	1,069,369,934

Notes to the financial statements

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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 unrealised gains reserves. The gearing ratios at June 30, 2018 and 2017 were as follows:

	THE COMPANY	
	2018	2017
	Rs	Rs
Interest-bearing loans and borrowings	840,000,000	776,193,221
Cash and short term deposits	(619,477)	(449,885)
Net debt	839,380,523	775,743,336
Equity	1,837,473,245	1,666,855,102
Equity and net debt	2,676,853,768	2,442,598,438
Gearing ratio	31%	32%

16. 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.

17. COMMITMENTS

Capital commitments

Capital commitments towards investment	THE COMPANY	
	2018	2017
	Rs	Rs
Approved by directors but not yet contracted for capital expenditure	-	74,638,000

The capital commitments were fully deployed during the financial year to finance the renovation of The Tropical Attitude Hotel.

Notes to the financial statements

18. OPERATING LEASE

Company as lessor

The Company has entered into a sublease arrangement for its hotel properties. The properties are leased for a period of 20 years and includes clauses to enable periodic upward revision of the rental charge every 3 years based on the Consumer Price Index (CPI) but shall not exceed 15% of the rent payable. The first revision was effective as from 1st July 2018.

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

	THE COMPANY	
	2018	2017
	Rs	Rs
Within one year	**202,300,898**	190,683,728
After one year but before five years	**829,433,680**	800,871,658
After five years	**2,838,171,719**	2,894,351,422
	3,869,906,297	3,885,906,808

Company as lessee

The Company has entered into a lease arrangement for its hotel properties with the Government of Mauritius. The properties are leased for a period of 60 years and 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 lease payments under operating leases are as follows:

	THE COMPANY	
	2018	2017
	Rs	Rs
Within one year	**11,576,407**	11,088,721
After one year but before five years	**46,305,628**	44,354,886
After five years	**590,396,760**	576,613,517
	648,278,795	632,057,124

19. DIVIDENDS

The Company had declared and paid an interim dividend of Rs 0.33 per share in March 2018.

The Company had declared and paid a final dividend of Rs 0.32 per share in October 2017.

Notes to the financial statements

20. FAIR VALUE MEASUREMENT

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

THE COMPANY	Date of valuation	Total	Fair value measurement using 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 (Note 3)	June 30, 2018	**2,683,914,178**	**-**	**-**	**2,683,914,178**
	June 30, 2017	2,456,960,920	-	658,500,000	1,798,460,920
Interest bearing loans and borrowings	June 30, 2018	**840,000,000**	**-**	**840,000,000**	**-**
	June 30, 2017	**776,193,221**	**-**	**776,193,221**	**-**

The fair value of the investment properties was previously determined based on the depreciated replacement cost (DRC) method. The Company believes that the income approach provides better transparency and has, therefore, decided to change the valuation method. This change in valuation method is applied prospectively as it is a change in estimate. There were no other changes in valuation techniques during the year.

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 unobservable inputs (Level 3)

	Investment properties 2018	2017
	Rs	Rs
As at July 01	**1,798,460,920**	1,777,858,269
Additions	**63,997,005**	20,602,651
Transfer from Level 2	**658,500,000**	-
Fair value gain	**162,956,253**	-
As at June 30, 2018	**2,683,914,178**	1,798,460,920

Notes to the financial statements

20. FAIR VALUE MEASUREMENT (CONTINUED)

(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, 2018	Valuation approach	Key unobservable inputs	Range of unobservable inputs (weighted average)
	Rs			
Investment properties	2,683,914,178	Income approach	- Estimated rental value per room per month	- Rs 403,000 – Rs 518,000
			- Growth rate per annum	- 3.5%
			- Discount rate	- 10%

Significant increases/(decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the investment properties. Significant increases/(decreases) in the long term vacancy rate and discount rate in isolation would result in a significantly lower/(higher) fair value.

21. BASIC AND DILUTED EARNING PER SHARE

	THE COMPANY	
	2018	2017
	Rs.	Rs.
Profit attributable to owners	274,629,253	105,289,034
Number of equity shares in issue	160,017,092	160,017,092
Earnings per share	1.72	0.66

Basic and diluted earning 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 year. There were no instruments that would have a dilutive effect on the earnings per share.

Notes to the financial statements

22. SEGMENTAL REPORTING

The Company is engaged in one main operating segment which is the rental of investment properties in Mauritius. The three tenants are its fellow subsidiaries and there are no external customers. 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.

23. CONTINGENT LIABILITIES

One of the property's value has been re-assessed by the Registrar General, following this re-assessment, the Registrar has made a claim of Rs 52.5 m for additional registration duty. Under the advice of its legal counsel, the Company has made a formal objection to the Assessment Review Committee ('ARC'). Given that this case is still ongoing, no provision has been made in the accounts.

24. 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, 2018.

Notice of Annual Meeting

Notice is hereby given that the Annual Meeting of Shareholders of Attitude Property Ltd (the 'Company') will be held at The Junction Business Hub, Block C, Calebasses Branch Road, Calebasses on Tuesday 18th December 2018 at 09:00 hours to transact the following business:

1. To consider the Annual Report 2018 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 2018.

Ordinary Resolution I

'Resolved that the Audited Financial Statements of the Company for the year ended 30 June 2018 be hereby adopted.'

4. To re-elect as Directors of the Company and by way of separate resolutions Messrs Maxime Jean François Desvaux De Marigny and Michel Guy Rivalland.

Ordinary Resolution II and III

'Resolved that Mr [ ] be hereby re-elected as Director of the Company'.

II Maxime Jean François Desvaux De Marigny

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 2018/2019.

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 2018/2019,

By Order of the Board

NWT Secretarial Services Ltd
Corporate Secretary
Per V.Oomadevi Chetty
Dated this 1st day of October 2018

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 meeting shall be those shareholders whose names are registered in the share register of the Company as at 22 November 2018.*

5. *The minutes of proceedings of the Annual Meeting of Shareholders held on 20 December 2017 are available free of charge on request. Kindly contact the Company Secretary, NWT Secretarial Services Ltd, 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 Tuesday 18th December 2018 commencing at 09:00 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 2018 be hereby adopted			
II. Resolved that Mr Maxime Jean François Desvaux De Marigny 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 2018/2019.			

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 .*

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