ATTITUDE PROPERTY LTD

Annual Report 2023

attitude

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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 limited company by shares on May 5th 2014.

APL is a subsidiary of Attitude Hospitality Ltd (AHL).

AHL's Board opted in favour of a business model whereby the property ownership of its hotels are segregated from its hotel business. APL was therefore established to hold the properties of AHL and to rent these out with the objective to maximise shareholder return from its property portfolio.

APL's only source of revenue is the rental income it receives from its three hotel properties: The Ravenala Attitude, Tropical Attitude and Récif Attitude. This is a 20-year binding lease agreement with AHL.

AHL is an investment entity, holding shares in various companies in the hotel and tourism industry. Since its creation in 2008, Attitude promoted and supported the local economy and community through its initiatives. The Group's focus on sustainable tourism has grown over the years to become central to its purpose. Far more than a results-oriented company, Attitude is now a company with a purpose managing nine hotels locally and one hotel in development in the Island of Zanzibar – collectively known as 'Attitude Hotels' – and employing 1700 people known as Family Members. Through continuous expansion and innovation, 'Attitude' has become a leading brand, as well as a reference for the mid-market segment.

chairman’s report

Dear shareholders,

Our portfolio

Attitude Property Ltd (APL or “Company”) owns three hotel properties which are currently leased to Attitude Hospitality Ltd (AHL) until August 2035. APL receives rental income from these properties which constitute its main source of revenue.

Financial performance

After being severely affected for 2 consecutive financial years by the Covid-19 pandemic, your company, Attitude Property Ltd, breathed a sigh of relief in witnessing the tourism sector’s rapid, almost unexpected recovery. A resumption in Air Connectivity boosted tourism arrivals, to almost pre-pandemic level and this was also accompanied by an increase in tourism spending. The impact of this growth on Attitude Hotels, namely The Ravenala Attitude, Recif Attitude and Tropical Attitude allowed us to recover rent, whilst being assured of the bright future of the industry.

Unfortunately, this year has not been without any challenges and has been most notably characterised by rapidly rising inflation and central banks across the world, including the Bank of Mauritius, have tightened their monetary policy by raising interest rates to combat inflation. However, our rental agreement stipulates that the rental amount shall be revised upwards every three 3 years by an amount linked to the cumulative increase in headline inflation and capped at 15% over the course of the three-year period. The next rental increase shall be on the 1st of July 2024.

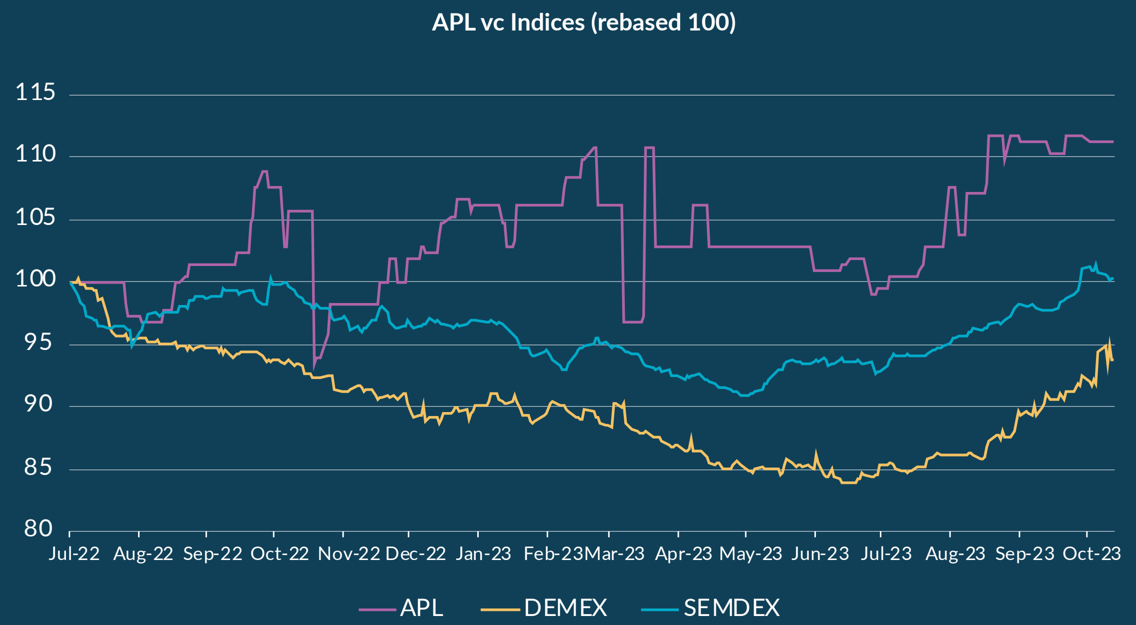
As such, our Revenue has remained in line with last year at Rs 211M. However, due to inflationary pressures, administrative expenses have increased by 9% during the period and finance costs also rose by Rs 17M (+31%) in FY-2023. Against such backdrop, we have nevertheless ended the FY-2023 with a PAT of Rs 126M (FY-2022: Rs 163M). It is to be noted that we recognised a fair value gain of Rs 26.5M in FY-2022. Our Net Asset Value per share stood at Rs 13 as of 30 June 2023 compared to Rs 13.08 by the end of FY-2022.

Dividends

During the financial year ended 30 June 2023, your company has paid an interim dividend of Rs 0.49 per share and declared a final dividend of Rs 0.50 per share. As declared in last year’s report, the final dividend of Rs 0.50 per share includes a top up of Rs 0.12 over the normal dividend of Rs 0.38 per share to compensate shareholders for the rent deferment period. As such, total dividend for the year stands at Rs 0.99 per share, with a dividend yield of 9.30% as of 30 June 2023.

As declared in last year’s report, the final dividend of Rs 0.50 per share includes a top up of Rs 0.12 over the normal dividend of Rs 0.38 per share to compensate shareholders for the rent deferment period. As such, total dividend for the year stands at Rs 0.99 per share, with a dividend yield of 9.30% as of 30 June 2023.

chairman's report



Market performance during FY -2023

Our share price registered a 0.5% drop for the 12M ending 30 June 2023, closing at Rs 10.65. Our 0.5% drop compares favourably with DEMEX's and SEMDEX's respective declines of 14.6% and 7.2%. However, post June-2023, the market has since picked up with DEMEX and SEMDEX rising by 8.2% and 8.9% respectively during the quarter between July and September 2023. Our share price movement has also been favourable, rising by 12.2%. The rise in general market prices has been mostly driven by a rally in Hotel stocks, reflecting their record profitability in FY-2023.

Industry Outlook

According to revised estimates from Statistics Mauritius, the Mauritian economy is expected to record a real GVA growth of 6.7% in 2023, after growing by 9.9% in 2022. GDP at market prices is poised to grow by 6.8% instead of 5.3% as previously forecasted. The tourism sector is likely to remain the main driver with an expected tourist arrival of 1,300,000 in 2023 compared to 997,290 in 2022. The construction sector is also poised to grow by around 29% on the back of both public and private construction projects.

The Central bank also looks to stabilize our currency and tackle imported inflation. The BoM has been undergoing weekly FX intervention since the start of September 2023 selling a total of USD 150M at an average rate of Rs 44.60/USD.

Attitude Hospitality Ltd, the Lessor of Récif Attitude, announced that it will cease operation of the hotel as from 15th December 2023 and as from this date and until the hotel can be operated normally again, rent payments to APL will be waived.

Arrivals	2019	2023	% Difference
January	122,273	107,684	-11.9%
February	115,613	91,850	-20.6%
March	114,419	105,663	-7.7%
April	108,565	109,031	0.4%
May	96,814	100,030	3.3%
June	92,398	82,208	-11.0%
July	115,448	107,832	-6.6%
August	107,275	98,990	-7.7%
September	100,837	97,838	-3.0%
Total	**973,642**	**901,126**	**-7.4%**

Tourism Spending (Rs M)	2019	2023	% Difference
January	6,178	8,441	36.6%
February	5,140	6,452	25.5%
March	5,200	7,388	42.1%
April	5,450	6,632	21.7%
May	4,915	6,900	40.4%
June	4,169	5,888	41.2%
July	4,937	6,440	30.4%
Total	35,989	48,141	33.8%

Arrivals remain almost at par compared to 2019 and the minor difference can be explained by the reduced air connectivity with MK operating with 2 less planes and no resumption of direct flights to China. On the other hand, tourism spending remains much higher (+34%) driven by a combination of currency appreciation of the hard currencies to the Mauritian Rupee as well as tourists' willingness to spend more. Forward booking continues to remain encouraging, and we can expect a total tourism arrival to the tune of 1.3M by the end of 2023.

Operations Update & Outlook

In July 2023, engineers highlighted that the Récif Attitude has suffered significant structural degradation and have advised for further investigations. As such, Attitude Hospitality Ltd, the Lessor of Récif Attitude, announced that it will cease operation of the hotel as from 15th December 2023 and as from this date and until the hotel can be operated normally again, rent payments to APL will be waived. The rental income from Récif Attitude represents 14% of APL's total revenue.

However, this temporary closure should not affect dividend payments in the foreseeable future.

Moreover, a capex of Rs 60M has also been approved on The Ravenala Attitude which shall be incurred during the Financial Year ending 30th June 2024.

Concluding remarks

I would like to thank my fellow Directors and the Executive team for their hard work during the year, especially as they rose to the challenge of finding their post-COVID dynamic. I extend my thanks to the whole organization which has shown tremendous dedication to the group and our values.

Dividend yield
as of 30 June 2023

board of directors

Top from left to right:

Armelle Bourgault Du Coudray (Non - Executive Director) • Charles Derblay (Independent Non - Executive Director) • Jean Francois Desvaux de Marigny (Non-executive Director) • Vincent Desvaux De Marigny (Alternate Director to Jean Michel Pitot) • Deenesh Seedoyal (Executive Director)

Bottom from left to right:

Natacha Emilien (Independent Non - Executive Director) • Michel Guy Rivalland (Chairperson and Non- executive Director) • Rakesh Ramlagan (Alternate Director to Deenesh Seedoyal) • Jean Michel Pitot (Executive Director)

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Hotels

All hotels certified Travelife Gold since

2017

5 %

of the sales of Otentik Bazar & POZ spa retails products to the Green Attitude Foundation

made in moris™

Certified

75 %

of Sunrise furniture and decoration items were made locally

0

single-use plastic in the guest experience

Great Place To Work®

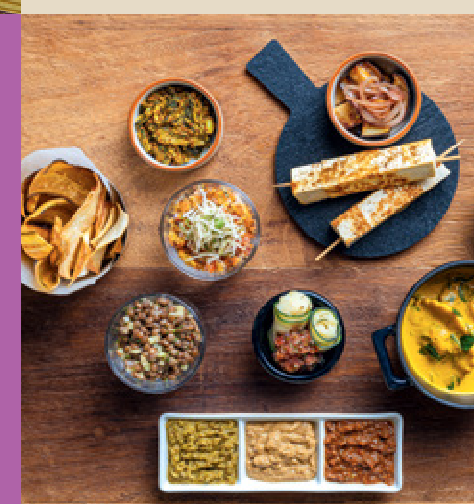
Certified

MAY 2023-MAY 2024

MU

100 %

Made in Mauritius shops in our hotels



30 %

of dishes in 4* hotels are vegetarian and/or vegan in their restaurants

corporate governance

The Board of ATTITUDE PROPERTY LTD (the 'Company' / 'APL') is committed to achieving high standards of corporate governance and recognizes 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 ("the Board'') 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

Conduct of affairs

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.

Board Charter

The Board has adopted a Charter which sets out the objectives, roles and responsibilities and composition of the Board. The Board has the responsibility to review and reassess the adequacy of its charter every five years or as and when required. The Board Charter is available for consultation on the Company's website.

Code of Ethics

The Company is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. The Board is responsible to monitor and evaluate the compliance with the Code of Ethics which will be reviewed in the next financial year. APL has adopted a Code of Ethics which includes a whistle-blowing process and it is available for consultation on its website. There were no whistle blowing instances identified during the year.

Key Governance Positions approved by the board

<u>Chairman of the Board</u>

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
- To chair annual and special meetings of shareholders; and
- To maintain a close working relationship with the Group Chief Executive.

Mr Michel Guy Rivalland is Chairman of the Board and a brief profile is found on page 13.

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONT'D)

<u>Chairman of the Audit and Risk Committee</u>

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;

Mr Charles Derblay is Chairman of the ARC and a brief profile is found on page 15.

APL does not have any employees at senior governance position. Messrs Jean Michel Pitot and Deenesh Seedoyal who are employed by Attitude Hospitality Management Ltd ('AHML') as Group Chief Executive Officer and Group Chief Financial Officer respectively sit on the Board of APL as Executive Directors in line with the Service Agreement between APL and AHML.

The Board has approved the organisation chart and statement of accountabilities and same is available on website.

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, gender, skill and independence to efficiently manage the affairs of the Company.

The Company is currently managed by a unitary Board of seven members, residents of Mauritius, out of whom two (2) are Executive Directors, three (3) are Non-Executive and two (2) are Independent Non-Executive Director.

Members of the Board at June 30, 2023 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.

Directorship in listed companies: United Investments Ltd as Executive Director and Les Gaz Industriel Ltd as alternate Director.

Jean Michel Pitot

(Executive director)

Jean Michel Pitot graduated from the Louisiana State University, Baton Rouge, in the United States of America and holds a degree in Marketing. He is the co- founder of Attitude Hospitality Ltd created in July 2008. He was appointed as Group Chief Executive Officer in 2010. He was leading successfully various key projects for the development of the group over the last decade with the aim to manage more than 1000 rooms in Mauritius. Prior joining Attitude, he was the Managing Director of Veranda Resorts renamed into VLH Ltd for the period 1990 to 2008.

corporate governance

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Board (cont'd)

Jean Michel Pitot (cont'd)

(Executive director)

Jean Michel Pitot was the President of Association des Hôteliers et Restaurateurs de l'île Maurice [AHRIM]. He was nominated for a period of two years with effective from June 2018 till June 2021.

Directorship in listed companies: None

Deenesh Seedoyal

(Executive Director)

Deenesh Seedoyal is a Fellow member of the Association of Chartered Certified Accountants and holds a membership of The Institute of Hospitality UK. He is also a registered member of the Mauritius Institute of Professional Accountants and the Mauritius Institute of Directors.

He has more than 15 years' experience at senior management level in corporate finance and the hotel industry. He joined Attitude Hospitality Management Ltd in July 2008 and is currently the Group Chief Financial Officer. Prior to joining Attitude, he was the Financial Controller at Sands Resorts.

Deenesh has been an Executive Director of Attitude Hospitality Ltd (AHL) since 2010. Consequently, he sits on several boards of AHL's subsidiaries, including ATTITUDE PROPERTY LTD which was listed on the Stock Exchange of Mauritius since 2015. Furthermore, Deenesh is the Vice Chairperson of the Board of Trustees of the Attitude Pension Fund which was established in 2014 to provide retirement benefits to the Group's employees.

Directorship in listed companies: None

Maxime Jean Francois Desvaux De Marigny (Jean Francois Desvaux De Marigny)

(Non-Executive Director)

Jean Francois 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 currently the Chairperson of the Mauritius Commercial Bank Ltd and a Director of a number of the MCB Group's subsidiaries.

Directorship in listed companies: The Mauritius Commercial Bank Ltd as Non Executive Director

Armelle Bourgault du Coudray

(Non-Executive Director)

Armelle Bourgault du Coudray graduated with a "Brevet de Technicien Superieur." She was appointed as director of the Company on February 04, 2020.

Directorship in listed companies: None

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Board (cont'd)

Charles Bernard Derblay (Charles Derblay)

(Independent Non-Executive Director)

Charles Derblay is a member of the Association of Chartered Certified Accountants and holds a Bachelor's Degree in Aeronautical Engineering from the University of Glasgow, United Kingdom. He is also a registered member of the Mauritius Institute of Professional Accountants and the Mauritius Institute of Directors.

Charles worked for a local building and civil engineering firm for over 15 years. During this time he led the development of a gas to energy project, which was the first project, in Mauritius, to be registered under the Clean Development Mechanism of the United Nations Framework Convention for Climate Change (UNFCCC). He was also involved in the negotiation of several key Joint Ventures with large international construction firms.

He more recently worked at PwC, where he was involved in project finance, corporate valuation, buy and sell side assistance and due diligence exercises.

Charles now heads Gradient Advisory Ltd and has been involved in the development of several large real estate projects, the most notable being the Victoria Urban Terminal, a Public-Private Partnership (PPP) infrastructure project.

Directorship in listed companies: None

Natacha Amy Emilien (Natacha Emilien)

(Independent Non-Executive Director)

Microelectronics and automation engineer by training and MBA holder, Natacha Emilien is an impact entrepreneur and intrapreneur, with more than 17 years of experience in building businesses from the ground up, in various fields such as engineering, global finance and innovation consulting.

Natacha recently joined the team of the CSI Energy Group, a global organisation in the energy sector operating in 12 countries of Africa, as Chief Strategy and Transformation Officer. Natacha is also a Business Strategy Facilitator, a Startup Investor, and the founder of the Board of Good, a community of 400 women leaders candidates to Board positions in Mauritius.

Directorship in listed companies: None

Rakesh Ramlagan

(Alternate Director to Mr Deenesh Seedoyal)

Rakesh Ramlagan is the Finance Manager of the Group. He joined Attitude in September 2008 and has a range of experience in Auditing, Financial Reporting, Corporate finance and Business Planning.

Prior to joining the group, he was the Strategic Planning Specialist at Chevron (Mauritius) Limited, Multinational where he was overseeing both Mauritius and Reunion island. Rakesh is a fellow member of the Association of Chartered Certified Accountants (UK) (FCCA)and a CFA Charter holder.

Directorship in listed companies: None

Vincent Desvaux De Marigny

(Alternate Director to Jean Michel Pitot)

Vincent holds an Executive Master in Marketing from HEC University Paris. He has 17 years of experience in the hospitality industry and, prior to joining Attitude, he worked for Veranda Resorts, developing the French & Southern European Market.

After 18 years spent working overseas, in New York and Paris, Vincent was back in Mauritius since September 2015.He joined the Group in April 2010 as Sales & Marketing Director and was appointed as Executive Director in March 2011.

He contributed significantly in the expansion of the Group and successfully positioning Attitude brand in the mid and upper market segment. He was appointed as the Chief Operating Officer of the Group as from January 2019.

Other directorship in listed companies: None

corporate governance

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

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. All corporate governance matters are addressed at Board level and should the need arise, the Board would set up a corporate governance committee.

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 four directors as follows:

Members	Category
Charles Derblay (Chairman)	Independent
Jean Francois Desvaux De Marigny	Non-Executive
Deenesh Seedoyal	Executive
Natacha Emilien	Independent

The composition of the ARC will be reassessed in the next financial year in line with the requirements of the Code which requires that the majority of the ARC members be independent.

The Committee shall review, if necessary, and reassess the adequacy of its Terms of Reference every five (5) years 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.

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Board Committees (cont'd)

Board and Committee Meetings Attendance

Members	Board meetings	ARC meetings
No of meetings held	4	4
Michel Guy Rivalland (Chairman)	4	-
Jean Michel Pitot	3	-
Deenesh Seedoyal	4	4
Jean Francois Desvaux De Marigny	3	3
Armelle Bourgault du Coudray	2	-
Charles Derblay	4	4
Natacha Emilien	4	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 (Lavineea) 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 Company's 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.

Lavineea graduated in Economics and Finance from the University of Natal, South Africa. She is a Chartered Secretary and Chartered Governance Professional from The Chartered Governance Institute, UK. She previously worked as Underwriter in the Motor and General Insurance Department at Swan Insurance for ten years and as Company Secretary at Executive Services Ltd for 8 years. Lavineea joined NWT (Mauritius) Ltd as Company Secretary since 2015 and through NWT Secretarial Services Ltd provides company secretarial services to various companies within the AXYS Group.

All boards should have a Chairperson who may be independent. However, APL's Chairperson is not independent but necessary safeguards are in place to ensure that the Chairperson does not act biased towards Non-Executive Director's contribution towards the Board.

corporate governance

PRINCIPLE 3: DIRECTOR'S APPOINTMENT PROCEDURES

The Board is responsible in appointing Directors and 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.

As long as Attitude Hospitality Ltd holds at least twenty percent of the share capital of the Company, it will have the right to appoint half the number of directors ('Nominated Directors'). The Nominated Directors on the Board are Messrs Jean Michel Pitot and Deenesh Seedoyal. At each Annual Meeting of Shareholders two directors, other than the Nominated Directors, who have been longest in office since their last election are required to retire and offer themselves for re-election.

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. The Directors allocate sufficient time to the Company's operation.

Though the Board does not organize or enrol 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.

PRINCIPLE 4: DIRECTOR'S DUTIES, REMUNERATION AND PERFORMANCE

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, 2023

Directors	Direct Shareholding		Indirect Shareholding
	Number of shares	Percentage (%)	Percentage (%)
Michel Guy Rivalland	-	-	1.67
Jean Francois Desvaux De Marigny	-	-	-
Jean Michel Pitot	-	-	9.30
Deenesh Seedoyal	20,000	0.012	0.14
Armelle Bourgault du Coudray	-	-	5.81
Charles Derblay	-	-	-
Natacha Emilien	-	-	-

PRINCIPLE 4: DIRECTOR'S DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

Directors' and officers' interests in APL shares (cont'd)

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

Related party transactions are disclosed on pages 68 and 69 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 Non-Executive Directors have not received remuneration in the form of share options or bonuses associated with organisational performance. A gross total fee of **Rs 400,000** were paid during the financial year as shown in the below table:

Members	Total fees per Director (Rs)
Jean Francois Desvaux De Marigny	75,000
Beatrice Maigrot	50,000
Charles Derblay	175,000
Natacha Emilien	100,000

The remuneration of the Non Executive Directors and Independent Non Executive Directors are approved by the Board of Directors on a yearly basis.

Board information is sent to the Directors at least one week before each Board meeting. Information is sent by Management who remain 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 Technology and IT security

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 exist which 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.

PRINCIPLE 4: DIRECTOR'S DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

Information Technology and IT security (cont'd)

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 Company is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. APL has adopted a Code of Ethics and this is available for consultation on its website.

The Board is responsible to identify and manage potential conflict of interest. The board noted no conflict of interest during the year.

The Directors are responsible for maintaining an effective system of risk management and internal control which is reviewed on an annual basis. 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, monitored, and evaluated by the ARC:

Financial risks

In a property rental business, the first, foremost and greatest financial risk is linked to the tenant's inability to pay its rent. 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. Moreover, Attitude Hospitality Ltd (AHL) acts as a guarantor and in the event that AHL defaults on its rent, 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 Board is responsible for the governance of this key risk.

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

Operational Risks

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

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.

corporate governance

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

b) Economic risk and Concentration risk (cont'd)

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.

To counter this risk during the Covid-19 and post-covid 19 period, APL is in constant liaison with its tenants with respect to the timing of rental receipts.

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 which is available on the Company's website.

Corporate Social and Environmental Responsibility

Attitude Hotels has always put the environment, Mauritian economy and the local community at the heart of everything it does. A stay at one of the hotels can be a chilled-out beach holiday – but also lead to a cleaner ocean, support families and empower local people to develop their talents.

For over 10 years, Attitude has been working on both environmental and community projects. The search for ethical and responsible eco practices have led to action and change already. The group has prioritised buying and investing in local businesses; found ways to reduce it negative impact on the environment; and developed ways Attitude Hotels benefits the local community.

Attitude Hotels has launched 'Positive Impact', a movement intended to bring together customers, tourism partners, and more generally all the inhabitants of the island around a model of sustainable and reasoned development.

The Mauritian hotel group has always had a strong commitment to sustainability and this new movement will go even further to offer holidays that support the island's economy, protect the environment and care for the local community.

The movement launched on 6th July 2020. It sets out a sustainable development strategy for all eight Attitude Hotels and Paradise Cove Boutique Hotel in Mauritius.

PRINCIPLE 6: REPORTING WITH INTEGRITY (CONT'D)

The movement encourages a collective approach, inviting both guests and business partners to help make a difference and create the sustainable holiday experience of the future. It goes beyond the holiday experience, too, ensuring Attitude Hotels has a positive impact on society and inspires other companies to make a difference and ensure tourism benefits all.

The group's hotels include the eco-committed Lagoon Attitude, which has acted as a prototype for the future vision of the company. The hotel has eliminated all single-use plastic from the guest experience, offering a help-yourself Bulk Shop where customers can stock up on tea, coffee, sugar and water for their rooms. A zero single-use plastic policy was rolled out to the remaining eight hotels by 1st November 2020.

The Positive Impact movement also includes initiatives such as funding small Mauritian companies, supporting local craftsmanship and giving the island's musicians, artists and photographers the chance to showcase their talents within the hotels. Attitude Group also strives to source local food, fund university scholarships and encourage guests to experience an authentic slice of Mauritius with its Otentik Experiences, which include having dinner with a local family.

Jean-Michel Pitot, CEO of Attitude, says: "Tourism should benefit the whole island and do good, even after the holiday is over. It isn't easy and we don't have all the answers, but we do have the drive to innovate and lead the change. As well as our desire to preserve the island's cultural and environmental heritage, we want to bring about a change in behaviour and raise awareness. The movement intends to unite guests, our partners and the wider tourism industry to follow a model for sustainable development."

Attitude focuses on three key goals:

Protecting the environment

- Funding the Marine Discovery Centre at Lagoon Attitude, employing two full-time scientist program coordinators to study and preserve the lagoon's mangroves, fishes, seagrass beds and corals, with the mission to protect the fragile biodiversity. The centre educates also the community and hotel guests to ensure good practices.
- Encouraging suppliers to consider a better environmental footprint by reducing packaging, banning single use plastic, and also by studying product lifecycle.
- Inviting guests to sign a Positive Impact charter on arrival. This asks guests to educate themselves about the island's culture, customs and local traditions; keep the island clean; and buy local souvenirs for a fair price, rather than imported goods. This charter was rolled out to all hotels in 2020.
- A zero single-use plastic commitment in the guest experience was rolled out to all hotels by 1 November 2020.
- Reducing chemical use with 95% natural products in room and biodegradable cleaning products, reducing energy consumption thanks to solar energy devices but also natural ventilation, flow restrictors and also reducing waste through efficient waste management thanks to recycling, upcycling and composting.

corporate governance

PRINCIPLE 6: REPORTING WITH INTEGRITY (CONT'D)

Supporting the local economy

- Funding small local businesses if they align with Attitude's sustainable values. The first company to benefit is Kokodezil, offering handmade organic beauty products using only natural ingredients found locally.
- Sourcing food locally unless it cannot be grown or produced on the island. For example, farmers Mr and Mrs Mayaven grow the hotels' salad and vegetables, supporting jobs for 20 people in a small Mauritian village; and Mr and Mrs Chetty prepare all of the traditional dholl puris offered in the hotels' street food vans, giving guests an authentic taste of Mauritian home cooking.
- Employing local people, using local suppliers, and promoting local products that have been created in Mauritius. This commitment made Attitude the first and only service company in the hospitality industry to be awarded the 'Made in Moris' label.

Caring for the local community

- Attitude has been awarded a 'Great Place to Work' and will continue to help Family Members (staff) develop professionally and personally. Company initiatives include a university scholarship grant for a child of one of the Attitude Family Members per year.
- Guests are encouraged to experience an authentic slice of Mauritius through its Otentik experiences. These include having dinner with a local family, where 100% of the cost goes directly to the hosting family, but also handcraft markets with 100% local artisans' products in the hotels with no profit for the group.
- Attitude supports local talent. Mauritian craftspeople are commissioned to make the furniture, despite it costing more than imports from China or Bali. The hotels are decorated using creations from local artists and photographers; and Attitude Hotels holds an annual music competition, giving Mauritian musicians the platform to grow and win the production of an album and music video. Many of the musicians perform at Attitude Hotels, giving guests the chance to hear up-and-coming talent.

The Positive Impact movement builds on the success of the group's Green Attitude programme (launched in 2010) and the Otentik Experiences (launched in 2012). This is the 'year of acceleration' for Attitude Hotels and the new Positive Impact movement sets the company's future goal to help guests discover the authentic Mauritius and, in the future, other countries and cultures, with the same harmonious development that is respectful of the environment and economic development. To take the company forward, the group's new core value is: Attitude, committed to tourism with a positive impact.

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 Advisory Ltd ('UHY') who reports to the Audit and Risk Committee. UHY have unlimited access to the Company's accounting database, administrative systems and documents.

Internal Audit reports prepared by Messrs UHY are circulated to management and members of the ARC following which necessary recommendations are made to the Board and during the year under review two internal audit exercises were carried out due.

PRINCIPLE 7: AUDIT (CONT'D)

The internal audit function maintains its independence and objectivity by carrying out internal audits, whose scope has been set by the Audit and Risk Committee.

Remedial actions to address findings are identified with the relevant management teams, who assign responsibility and a deadline to each action to enforce accountability to remediate these gaps. The internal auditor also performs desktop follow-up reviews on the audit exercises conducted to ensure that the necessary remedial actions have been duly and effectively implemented.

Internal Audit (cont'd)

UHY has a specialist team of internal auditors in Mauritius who are part of a larger multi-disciplinary consulting team. It leverages this team to ensure that the internal audits conducted at ATTITUDE PROPERTY LTD are resourced with the appropriate mix of experience, knowledge and skills. Members of this team are university graduates who hold recognised international qualifications in their respective fields (e.g. ACCA, Institute of Chartered Accountants of England & Wales, Certified Internal Auditors (CIA). This team can advise APL on improvements needed, and share leading practices based on first-hand experience of working across many geographies for UHY clients. Members of this specialist team are continuously trained in leading internal audit.

UHY maintains the independence and objectivity of its staff who are part of the internal audit team through strict UHY independence related policies that apply to all staff, regular training and awareness on these subjects, as well as regular verification of the compliance of partners and executives with UHY independence-related policies.

The following audit reviews were carried out and tabled at the ARC meetings during the year under review:

- Review of rental deferment
- Review of supplier listing - Follow Up on 18 September 2023

External Audit

The current auditors are BDO & Co Ltd and have been appointed on 09 November 2020 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. The ARC meets with the external auditor without management presence when required and for the year under review no such meeting was held.

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	
	2023	2022
	Rs'000	Rs'000
Audit services - BDO & CO	**540**	440

No non-audit services were provided by the external auditors during the year under review.

The Audit Committee has discussed critical policies, judgements and estimates with the external auditor.

corporate governance

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

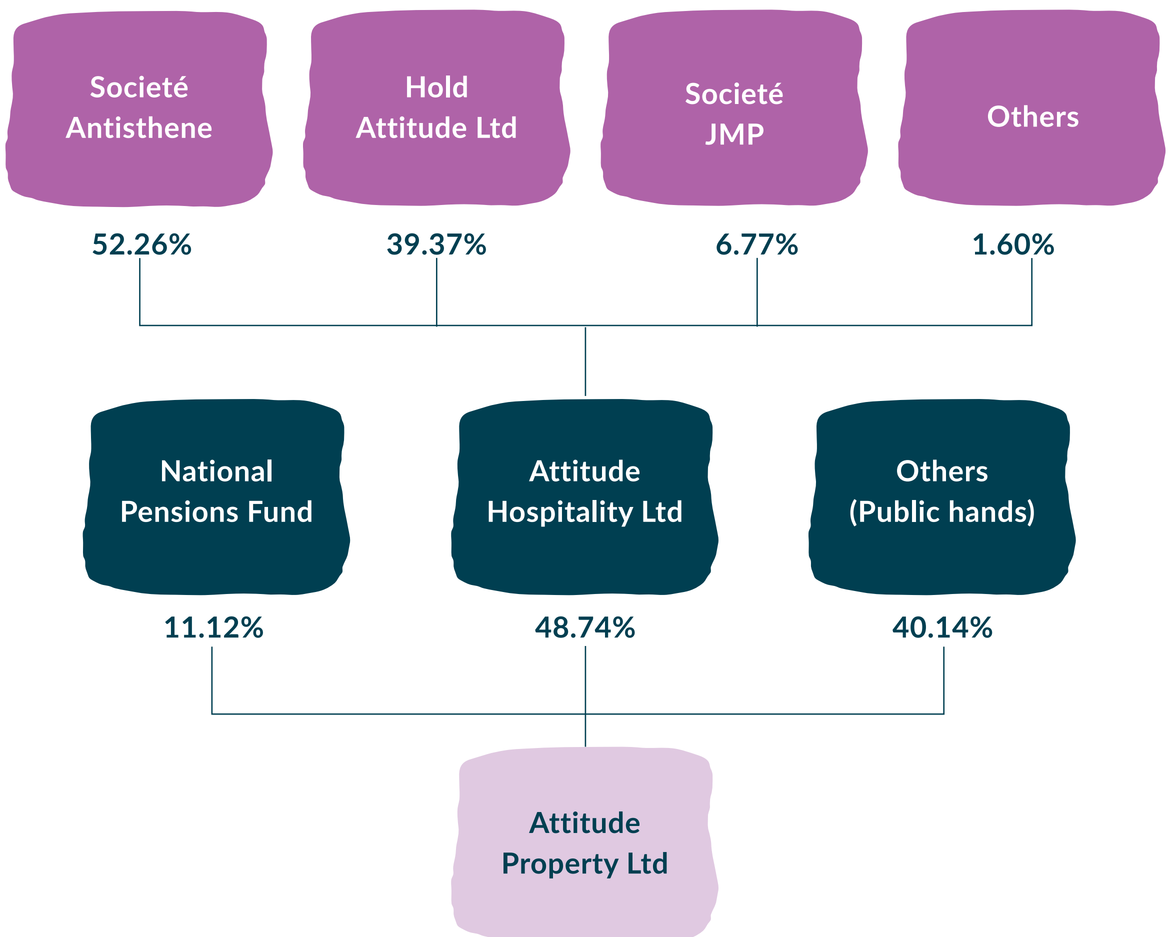
Shareholder Information

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

Relevant stakeholders have been involved in a dialogue on the organizational position, performance and outlook.

The shareholding structure of the Company as at June 30, 2023 was as follows:

Group Structure



PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

The following shareholders held 5% or more of the shareholding of the Company as at June 30, 2023.

Shareholders	% Holding
Attitude Hospitality Ltd	48.74%
National Pensions Fund	11.12%
Multiconsult Trustees Ltd - Trustee (A/C MCB Yield Fund)	5.13%

Shareholders' information and Calendar of Events

Publication of 1st quarter results	November 2023
Annual Meeting of Shareholders	December 2023
Publication of 2nd quarter results	February 2024
Publication of 3rd quarter results	May 2024
Publication of audited financial statements for the year ended 30 June 2023	September 2023

Key stakeholders have been identified by ATTITUDE PROPERTY LTD and has reasonable measures have been taken to respond to their expectations and interests.

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.

Donations

The Company made no social or political donations during the year under review (2022: Nil).

Statement of Directors' Responsibilities in Respect of the Financial Statements at June 30, 2023

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at June 30, 2023 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 Mauritian Companies Act 2001.

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 judgments 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 28.

statement of compliance

Name of PIE: ATTITUDE PROPERTY LTD

Reporting Period: June 30, 2023

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 National Code of Corporate Governance for Mauritius (2016) (the 'Code') except for the following:

Principles	Reasons for non-compliance
Principle 2: Composition of the Audit and Risk Committee	The Board will reassess the composition of the Audit and Risk Committee in the next financial year.
Principle 4: Board evaluation process and development plan	No evaluation regarding the effectiveness of the Board, its committees and its individual directors have been conducted for the year under review.

SIGNED BY:

Michel Guy Rivalland

Chairperson Non-Executive Director

Date: 18 September 2023

Jean Michel Pitot

Executive Director

certificate from the company secretary

For the year ended June 30, 2023

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, 2023.

NWT Secretarial Services Ltd

Company Secretary

Date: 18 September 2023

directors' report

Year ended June 30, 2023

The Directors have the pleasure in submitting their report together with the audited financial statements of Attitude Property Ltd for the year ended June 30, 2023.

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, 2023 is shown on page 39.

DIVIDENDS

Dividends amounting to **Rs 0.87** per share, including a top up of **Rs 0.12** per share over and above the normal dividend of **Rs 0.75** per share were declared and paid during the year, to compensate the Shareholders during the rental deferment period (2022: Rs 0.37).

BOARD OF DIRECTORS

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

Mr. Maxime Jean Francois Desvaux De Marigny - Non-Executive Director *- Appointed on September 18, 2015*

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

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

Mr. Georges Vincent Desvaux De Marigny - Executive Director *- Appointed on April 4, 2019*

Mr. Charles Bernard Derblay - Independent Non -Executive Director *- Appointed on December 1, 2021*

Mrs. Natacha Emilien - Independent Non -Executive Director *- Appointed on April 18, 2022*

Mrs. Armelle Bourgault du Coudray- Independent Non -Executive Director *- Appointed on February 4, 2020*

Mrs. Jeanne Marie Solange Beatrice Maigrot - Independent Non -Executive Director *- Appointed on October 5, 2021 Resigned on April 04, 2022*

Mr. Rakesh Ramlagan - Alternate Director to Mr. Deenesh Seedoyal *- Appointed on April 15, 2022*

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 (2022: Nil).

DIRECTORS REMUNERATION & BENEFITS

The Independent Non-Executive Directors were entitled to fees of **Rs400k** in total (2022: Rs 69.5k).

DONATIONS

No donations were made during the year (2022: Nil).

auditor's remuneration

Year ended June 30, 2023

Fees paid to the auditors, BDO & Co, for audit and other services were as follows:

		2023	2022
		Rs.	Rs.
Audit fees	Rs.	540,000	440,000

Approved by the Board of Directors on

and signed on its behalf by:

Jean Michel Pitot
Director
Date: 18 September 2023

Michel Guy Rivalland
Director

independent auditor's report

To the Shareholders 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''), on pages 38 to 76 which comprise the statement of financial position at June 30, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 38 to 76 give a true and fair view of the financial position of the Company as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001.

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 Auditors' 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"). 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.

Key Audit Matters (cont'd)

Valuation of investment properties

Refer to the significant accounting judgements, estimates and assumptions (note 2.5), significant accounting policies (note 2.6(b)) and Investment properties (note 3(a)) to the financial statements.

KEY AUDIT MATTER	AUDIT RESPONSE
Investment Properties amounted to **Rs2,809m** on the Company's Statement of Financial Position at June 30, 2023 (2022: Rs 2,808m). Investment properties are fair valued every 3 years by external independent valuer, unless there is evidence that the fair value of an asset differs materially from the carrying amount. The last valuation was carried at June 13, 2022. The fair value of Investment Properties at June 30, 2023 has been determined by management on the same basis as at June 13, 2022, using the income approach. This matter was considered to be one of most significance in the audit of the Company financial statements due to the material balance of investment properties on the Company's financial statements and significant judgements and estimates involved in arriving at the fair value.	Our audit procedures in respect of this key audit matter included, amongst other: - Assessing the design and implementation of the key controls relating to the valuation of investment properties. - Obtaining the valuation working prepared by management and assess that key assumptions used are reasonable and in line with industry benchmark. - Testing the mathematical accuracy of numerical inputs used in the valuation models. - With the support of our Corporate Finance Team, we challenged the appropriateness of the valuation method and assumptions used such as growth rate and discount rate determined, in deriving the discounted cash flow by comparing these assumptions to our internally derived expectations based on historical performance of the businesses as well as industry benchmark. - Ensuring that the measurement basis for the valuation and valuation methods used were in accordance with International Financial Reporting Standards. - Satisfying ourselves that the techniques used in the income based approach value models by management are appropriate in the circumstances and have been applied consistently. - Making enquiries with management with regards to the inputs to the valuation and requested management representation. - Reviewing the completeness and adequacy of the disclosure in the financial statements for compliance with International Financial Reporting Standards, including disclosure on significant inputs and sensitivity analysis.

independent auditor's report

To the Shareholders of Attitude Property Ltd

Other Information

The Directors are responsible for the other information. The other information comprises mainly of information contained in the Annual Report, including the Corporate Governance Report, Statement of Compliance, Statement of Directors' Responsibilities and Statutory Disclosures, but does not include the financial statements and our auditor's report thereon. All other information in the Annual Report, except those disclosed above, will be made available to us after that date. If we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 that we 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 Directors and Those Charged with Governance 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 in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the Directors determine is necessary to enable the preparation of the 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

independent auditor's report

To the Shareholders of Attitude Property Ltd

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, 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.

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company, other than in our capacity as auditor and dealings in the ordinary course of business.
- We have obtained all 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.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the public interest entity has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

Other Matter

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders, as a body, those matters that 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 shareholders, as a body, for our audit work, for this report, or for the opinion we have formed.

BDO & CO

Chartered Accountants

Ameenah Ramdin, FCCA, FCA

Licensed by FRC

Port Louis

Mauritius.

18 September 2023

statement of financial position

As at June 30, 2023

	Notes	2023 Rs.	2022 Rs.
ASSETS			
Non-current assets			
Investment properties	3(a)	2,808,640,600	2,808,000,000
Intangible assets	3(b)	128,750	128,750
Net investment in lease receivables	3(c)(ii)	241,845,983	219,477,718
Trade and other receivables	4	57,324,004	95,540,007
		3,107,939,337	3,123,146,475
Current assets			
Trade and other receivables	4	169,775,684	296,329,979
Financial assets at amortised cost	5	118,972,954	-
Cash and cash equivalents	6	76,337,434	10,504,476
		365,086,072	306,834,455
TOTAL ASSETS		3,473,025,409	3,429,980,930
EQUITY AND LIABILITIES			
Issued share capital	7	1,600,170,920	1,600,170,920
Retained earnings		479,382,933	492,448,834
TOTAL EQUITY		2,079,553,853	2,092,619,754
Non-current liabilities			
Interest-bearing loans and borrowings	8	910,000,000	910,000,000
Lease liabilities	3(c)(i)	231,853,611	208,481,751
Deferred tax liabilities	9(a)	203,134,053	177,990,864
		1,344,987,664	1,296,472,615
Current liabilities			
Lease liabilities	3(c)(i)	11,717,509	11,717,509
Trade and other payables	10	36,766,383	29,171,052
		48,483,892	40,888,561
TOTAL LIABILITIES		1,393,471,556	1,337,361,176
TOTAL EQUITY AND LIABILITIES		3,473,025,409	3,429,980,930

These financial statements have been approved for issue by the board of directors on 18 September 2023

Jean Michel Pitot

Michel Guy Rivalland

The notes set out on pages 42 to 76 form an integral part of these financial statements.

Independent auditors' report on pages 32 to 37.

statement of profit or loss and other comprehensive income

Year ended June 30, 2023

	Notes	2023 Rs.	2022 Rs.
Revenue			
Rental income	3(a)/11	211,024,729	211,024,729
Recoveries	3(a)/12	1,967,991	1,700,393
Gross rental income		212,992,720	212,725,122
Direct operating expenses arising from investment properties	3(a)/13	(1,967,991)	(1,700,393)
Profit arising on rental of investment properties		211,024,729	211,024,729
Interest income on treasury bills		1,810,353	-
Interest income on lease receivables	3(c)(ii)	12,525,148	11,611,026
Interest income on group loan to related parties	15	2,769,945	3,189,012
Other expenses	13	(4,477,239)	(4,105,465)
Profit from operations		223,652,936	221,719,302
Changes in fair value of investment properties	3(a)	-	26,536,043
Profit before interest and taxation		223,652,936	248,255,345
Finance costs	14	(72,360,778)	(55,023,015)
Profit before taxation		151,292,158	193,232,330
Income tax expense	9(a)	(25,143,189)	(29,982,244)
Total comprehensive income for the year		126,148,969	163,250,086
Earnings per share:			
Basic and diluted earning per share (Rs).	22	0.79	1.02

The notes set out on pages 42 to 76 form an integral part of these financial statements.

Independent auditors' report on pages 32 to 37.

statement of changes in equity

Year ended June 30, 2023

	Issued share capital	Retained earnings	Total
	Rs.	Rs.	Rs.
At July 1, 2021	1,600,170,920	388,405,072	1,988,575,992
Total comprehensive income for the year	-	163,250,086	163,250,086
Dividends (Note 20)	-	(59,206,324)	(59,206,324)
At June 30, 2022	1,600,170,920	492,448,834	2,092,619,754
At July 1, 2022	1,600,170,920	492,448,834	2,092,619,754
Total comprehensive income for the year	-	126,148,969	126,148,969
Dividends (Note 20)	-	(139,214,870)	(139,214,870)
At June 30, 2023	1,600,170,920	479,382,933	2,079,553,853

The notes set out on pages 42 to 76 form an integral part of these financial statements.

Independent auditors' report on pages 32 to 37.

statement of cash flows

Year ended June 30, 2023

	Notes	2023	2022
		Rs.	Rs.
Cash flows from operating activities			
Profit before taxation		151,292,158	193,232,330
Adjustments for:			
- Interest income on net investment in lease	3(c)(ii)	(12,525,148)	(11,611,026)
- Interest income on group loan to related parties	15	(2,769,945)	(3,189,012)
- Interest income on treasury bills	5	(1,805,354)	-
- Finance costs	14	72,360,778	55,023,015
- Fair value gains on investment properties	3	-	(26,536,043)
Working capital adjustments			
Decrease/(increase) in trade and other receivables		25,573,894	(10,630,977)
Increase in trade and other payables		7,595,330	10,337,975
Net cash flows generated from operating activities		239,721,713	206,626,262
Cash flows from investing activities			
Repayment from/(advance) to related parties	15	140,200,000	(140,200,000)
Additions to investment properties	3(a)	(640,600)	(2,287,584)
Receipts on net Investment in lease receivables	3(c)(ii)	12,634,503	12,460,901
Purchase of treasury bills	5	(217,167,600)	-
Receipt on settlement of treasury bills	5	100,000,000	-
Interest received on loan to related parties	15	2,769,945	3,189,012
Interest received on net investment in lease receivables	3(c)(ii)	12,525,148	11,611,026
Net cash flows used in investing activities		50,321,396	(115,226,645)
Cash flows from financing activities			
Proceeds from borrowings/bonds	8(a)	-	910,000,000
Repayment of borrowings	8(b)	-	(910,000,000)
Dividends paid	20	(139,214,870)	(59,206,324)
Payment of lease liabilities	3(c)(i)	(12,634,503)	(12,460,904)
Interest paid	14	(72,360,778)	(55,023,015)
Net cash flows used in financing activities		(224,210,151)	(126,690,243)
Net (decrease)/increase in cash and cash equivalents		65,832,958	(35,290,626)
Cash and cash equivalents as at July 1,		10,504,476	45,795,102
Cash and cash equivalents as at June 30,	6	76,337,434	10,504,476

The notes set out on pages 42 to 76 form an integral part of these financial statements.

Independent auditors' report on pages 32 to 37.

notes to the financial statements

Year ended June 30, 2023

1. CORPORATE INFORMATION

The financial statements of Attitude Property Ltd (the "Company" or "APL") for the year ended June 30, 2023 were authorised for issue in accordance with a board meeting of the Directors on **18 September 2023** The Company is a public company incorporated on July 04, 2013 and domiciled in Mauritius. Its registered office is situated at NWT Secretarial Services Limited, 7th floor, Dias Pier Building, Le Caudan Waterfront, 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") and all values are rounded to the nearest rupees, except when otherwise indicated.

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"), and comply with the Mauritian Companies Act 2001.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

As part of this assessment the Board of Directors of the Company considered:

- The operational resilience of the Company's critical functions to maintain risk management and compliance, including IT, Finance, Treasury and Operations;
- The regulatory and legal environment and any potential conduct risks which could arise;
- Fair value of investments properties as determined by the Company's valuation techniques described in note 3, as well as the projected short-term impact on the ability to generate earnings and cash flows and also the longer-term view of their ability to recover.

The Directors have concluded based on the above assessment that the preparation of the financial statements on a going concern basis continues to be appropriate.

2. ACCOUNTING POLICIES (CONT'D)

2.2 Changes in accounting policies

Standards, Amendments to published Standards and Interpretations effective in the reporting period

The following relevant revised standards have been applied in these financial statements. Their applications have not had any material impact on the amounts reported for current and prior years but may affect the accounting for future transactions or arrangements.

IFRS 1 First-time Adoption of International Financial Reporting Standards

Annual Improvements to IFRS Standards 2018– 2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture.

IFRS 3 Business Combinations

Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments have no impact on the Company's financial statements.

IFRS 9 Financial Instruments

Annual Improvements to IFRS Standards 2018– 2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. The amendments have no impact on the Company's financial statements.

IAS 16 Property, Plant and Equipment

Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments have no impact on the Company's financial statements.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making. The amendments have no impact on the Company's financial statements.

IAS 41 Agriculture

Annual Improvements to IFRS Standards 2018– 2020: The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. The amendments have no impact on the Company's financial statements.

notes to the financial statements

Year ended June 30, 2023

2. ACCOUNTING POLICIES (CONT'D)

2.3 Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2023 or later periods, but which the Company has not early adopted.

Effective date January 1, 2023

IFRS 17 Insurance contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4 – Insurance Contracts

IAS 1 Presentation of Financial Statements

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

International Tax Reform — Pillar Two Model Rules: The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

2. ACCOUNTING POLICIES (CONT'D)

2.3 Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

Effective date January 1, 2024

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Noncurrent: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

IFRS 16 Leases

Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures

Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

2.4 Amendment for which effective date has been deferred indefinitely until further notice

IFRS 10 Consolidated Financial Statements:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 Investments in Associates and Joint Ventures:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

Where relevant, the Company is still evaluating the effect of these standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

2. ACCOUNTING POLICIES (CONT'D)

2.4 Amendment for which effective date has been deferred indefinitely until further notice (cont'd)

The preparation of financial statements in conformity with IFRS requires the use of certain critical accouting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The assets involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.5.

2.5 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 (Building and property; excluding leasehold land)- company as lessor

The Company has entered into property lease on its investment properties (defined as building and furniture fittings) portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Refer to Note 19 for further details.

Going concern

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

Estimates and assumptions

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

Investment properties

In arriving at the fair value of the Investment properties, which was determined on an income approach basis, the Directors had to make assumptions and estimates that were mainly based on market conditions existing at June 30, 2023. Should these assumptions and estimates change, or not be met, the valuation as adopted in the financial statements will be affected.

2. ACCOUNTING POLICIES (CONT'D)

2.5 Significant accounting judgements, estimates and assumptions (cont'd)

Deferred tax assets

In relation to Note 8(a) of the financial statements, deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The Directors have made an assessment and believe that the deferred tax assets are recoverable.

Deferred taxation on investment property

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment property that is measured using the fair value model, the directors have reviewed the Company's investment property and concluded that the Company's investment property is held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, hence rebutting the sale presumption. As a result, the Company has recognised deferred taxes on changes in fair value of investment property.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company`s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The details are provided in note 4.

2.6 Summary of significant accounting policies

(a) Foreign currency translation

Functional and presentation currency

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 property comprises completed property and property under development or re-development that is held, or to be 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 comprises hotel property that are occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

2. ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (cont'd)

(b) Investment properties (cont'd)

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and (only in case of investment property held under a lease) initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect. For the purposes of these financial statements, in order to avoid double counting, the fair value reported in the financial statements is:

- Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments
- Adjusted accordingly, if a valuation obtained for a property is net of all payments expected to be made. Any recognised lease liability is added back.

Transfers are made to (or from) investment property only when there is evidence of a change in use (such as commencement of development or inception of an operating lease to another party).

Investment property is derecognised either when it has been disposed of (i.e., at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15) or when it is 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 is recognised in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Company considers the effects of variable consideration, the existence of a significant financing component, noncash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15.

(c) Financial assets

(i) Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

(a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or

(b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or

(c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

(ii) Initial recognition and measurement

At initial recognition, financial assets are measured at fair value.

2. ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (cont'd)

(c) Financial assets (cont'd)

(ii) Initial recognition and measurement (cont'd)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which Company has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

(iii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as financial assets at amortised cost using the effective interest rate, adjusted for any loss allowance.

(iv) Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.
- When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. 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.

notes to the financial statements

Year ended June 30, 2023

2. ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (cont'd)

(d) Impairment of financial assets

The Company recognises an allowance for ECLs for trade receivables with its related parties that are not covered or partly covered by an insurance policy. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Company expects to receive.

For trade receivables, the Company applies a simplified approach in calculating ECLs. The Company makes use of the roll rate methodology. It predicts the probability of default based on delinquency and calculates the percentage of debtors' balance in each bucket that deteriorate to the next bucket in the following month.

Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company considers a financial asset in default when contractual payments are 90 days past due.

However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. When the trade receivables are referred to attorneys and there is no reasonable expectation of recovery the debtors are written off. The information about the ECLs on the Company's trade receivables is disclosed in note 4.

The net investment in lease receivable is subsequently measured at amortised cost using the effective interest method, reduced by future lease receipts net of interest earned. The net investment in lease receivable is assessed for impairment in line with impairment principals applied for financial assets. Interest income and any applicable impairment costs are recorded in the statement of comprehensive income.

(e) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as appropriate. All financial liabilities are recognised initially at fair value net of directly attributable transaction costs.

The Company's financial liabilities include lease liabilities, trade and other payables, interest-bearing loans and borrowings.

(ii) Subsequent measurement

The measurement of financial liabilities is described below:

Financial liabilities at amortised cost

After initial recognition, trade and other payables, interest-bearing loans and borrowings, are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

2. ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (cont'd)

(e) Financial liabilities (cont'd)

(ii) Subsequent measurement (cont'd)

Financial liabilities at amortised cost (cont'd)

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 as finance costs in the statement of profit or loss.

(iii) Derecognition

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

When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(f) Leases

The Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(i) Lease of land under finance lease - sub lease arrangement

Land is leased from the Government of the Republic of Mauritius and then sub-leased to tenants. The period of the head lease and that of the sub-lease are the same.

The rights of use related to the headlease of the land was derecognised and recognised as a net investment in the sub-leases, with any difference between the rights of use and the net investment in the sub-leases recognised in profit or loss.

The lease liability relating to the head lease is retained in the statement of financial position.

(ii) Lease of building under operating lease - Company's owned building

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except for contingent rental income which is recognised when it arises.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

notes to the financial statements

Year ended June 30, 2023

2. ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (cont'd)

(f) Leases (cont'd)

(ii) Lease of building under operating lease - Company's owned building (cont'd)

The Company as lessee - Headlease (Land leased from the Government of Mauritius)

The Company recognises a net investment in lease as explained under point (f)(i) above.

The Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

The Company remeasures the lease liability (and makes a corresponding adjustment to the net investment in lease receivables) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change due to a change in floating interest rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification."

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(g) 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.

(h) 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 is 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.

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.

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.

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 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.

notes to the financial statements

Year ended June 30, 2023

2. ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (cont'd)

(h) Taxation (cont'd)

Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

In accounting for the deferred tax relating to the lease, the Company considers both the lease asset and liability separately. The Company separately accounts for the deferred taxation on the taxable temporary difference and the deductible temporary difference, which upon initial recognition, are equal and offset to zero. Deferred tax is recognised on subsequent changes to the taxable and temporary differences.

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.

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.

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.

2. ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (cont'd)

(i) Revenue recognition

(a) Rental income

The Company earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. In addition, the Company subleases investment property acquired under head leases with lease terms exceeding 12 months at commencement. Subleases are classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying investment property.

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. For rental income arising on finance lease, a lessor shall recognise finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

(b) Recoveries

For investment properties held primarily to earn rental income, the Company enters as a lessor into lease agreements that fall within the scope of IFRS 16. These agreements include certain services offered to tenant such as insurance. The consideration charged to tenants for these services includes fees charged based on reimbursement of expenses incurred. The insurance agreement is between the Company and the insurer therefore the Company remains the principal in satisfying the performance obligation. The Company has determined that no changes are needed on transition to IFRS 15.

(j) Intangible assets

Intangible assets which comprise website development cost are initially recorded at cost. Intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses. Website development cost is amortised using the straight-line method over its estimated useful life of five years. The amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(k) 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.

2. ACCOUNTING POLICIES (CONT'D)

2.6 Summary of significant accounting policies (cont'd)

(k) Fair value measurement (cont'd)

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, 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.

Please refer to Note 21.

(l) Contingent liabilities

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

3(a). INVESTMENT PROPERTIES

	2023	2022
	Rs.	Rs.
At July 1,	2,808,000,000	2,779,176,372
Additions *	640,600	2,287,584
Increase in fair value	-	26,536,044
At June 30,	2,808,640,600	2,808,000,000

* Additions during the financial year 2023 relate to restoration works at Riviere Citron Ltee for an amount of MUR 631,500 and MUR 9,100 at Tropical Hotel Ltd.

	2023	2022
	Rs.	Rs.
Rental income derived from investment properties	211,024,729	211,024,729
Recoveries	1,967,991	1,700,393
Direct operating expenses from investment properties that generate rental income (Refer to Note 13)	(1,967,991)	(1,700,393)
Profit arising from investment properties carried at fair value	211,024,729	211,024,729

(i) Investment properties consist of furnished buildings on leasehold land rented as hotel complex. Additions during the year relate mainly to restoration works at RIVIERE CITRON LTEE and Tropical Hotel Ltd.

(ii) The Company's policy is to fair value its investment property every year with a qualified independent valuer appointed every three years.

The fair value has been determined on the basis of valuations performed by Prime Pillars Valuation Services Ltd, chartered valuer, an independent certified practising valuer, at June 13, 2022, which has the appropriate recognised professional qualification (Royal Institution of Chartered Surveyors- RICS Registered) and recent experience in the valuation of investment properties of same nature and location. The valuation was performed in accordance with the International Valuation Standards Committee requirements, and the valuation model is consistent with the principles of IFRS 13. The fair value is determined using the discounted cash flow (DCF) method by discounting the rental income based on expected net cash flows of the underlying hotels. The DCF is the approach by which investors analyse property for investment purposes to estimate the market value. This methodology also takes into account the time value of money between the valuation date and the date when the income stream theoretically reverts to market levels.

The Directors have reassessed the fair value of the investment properties as at June 30, 2023 as follows:

- took into consideration current market conditions;
- made comparisons of the carrying amount to recent observable transactions;
- rolled forward the DCF approach computation provided last year by the independent valuation specialist;
- corroborated the value of the investment properties based on recent transactions.

Based on the above considerations, the Directors believe that the fair value of the investment properties is reasonable.

notes to the financial statements

Year ended June 30, 2023

3(a). INVESTMENT PROPERTIES (CONT'D)

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

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 DCF approach requires Directors to make assumptions in respect of the rental receivable, the discount factor and a growth rate.

(iv) Valuation process

The Company's valuation policies and procedures for the investment property valuations are determined by the management team at Head office. Every three year, management recommends the appointment of an independent external valuer, subject to the approval of the Audit and Risk Committee, who is responsible for the external valuations of the Company's investment properties for the annual financial statements. Selection criteria include market knowledge, reputation, independence, objectivity and whether professional standards are maintained.

As at each year end, all valuations of investment properties are performed by management team inhouse. At each reporting date, management analyses the movements in each property's value and major inputs applied in the latest valuations are verified.

For each property, the latest valuation, is compared with the valuations of the preceding annual periods. If fair value changes (positive or negative) are more than a certain specified threshold, the changes are further considered by discussion with the external valuer on the 3 -year period. The last external valuation performed was in year 2021. The next valuation by an independent valuer will be 2024.

(v) Fair value hierarchy

The fair value measurement hierarchy for investment property as at 30 June 2023 was Level 3 – Significant unobservable inputs (2022: Level 3). There were no transfers between Levels 1, 2 or 3 during the year.

Valuation technique	Significant unobservable input	Range
DCF method	- Rent growth p.a.	7-11%
	- Discount rate	12%
	- Terminal yield	6.5%

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 property. Significant increases/(decreases) in the long-term discount rate (and terminal yield) in isolation would result in a significantly lower (higher) fair value.

(iv) The borrowings of MUR 910 mn are secured on the hotel properties and all assets of the Company (Note 7).

3(b). INTANGIBLE ASSETS

	Website development cost	
	2023	2022
	Rs.	Rs.
At July 1,	128,750	128,750
Transfer *	-	-
At July 01, and June 30,	128,750	128,750

The intangibles relate to costs for website development at an amount of MUR 128,750.

3(c). LEASE LIABILITIES AND NET INVESTMENT IN LEASE RECEIVABLES

(i) Lease liabilities	2023	2022
	Rs.	Rs.
Non-current		
Lease liabilities	231,853,611	208,481,751
Current		
Lease liabilities	11,717,509	11,717,509
Total lease liabilities	243,571,120	220,199,260

The Company has a lease contract with the Government of Mauritius for leasehold land, with a lease term of sixty years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company has further sublet the leasehold land to the three operating hotels namely Ravenala Attitude, Recif Attitude and Tropical Attitude. Being an intermediate finance lessor, The Company has recognised a Net investment in lease towards the hotel and an obligation on finance lease towards the Government.

The rate of interest on the lease was the incremental borrowing rate of 5.59%. The lease of the leasehold land for the hotel Ravenala Attitude will mature in June 2074 and that of Recif Attitude and Tropical Attitude will mature in June 2069.

Interest income on the Net investment in lease was reported at **MUR 12,525,148** for the financial year ended June 30, 2023 (2022: MUR 11,611,025), matched with an interest expense on the lease liabilities for the said amount.

	Minimum lease payments	
	2023	2022
	Rs.	Rs.
Within one year	13,852,902	12,475,657
After one year and before five years	55,411,610	49,902,628
More than five years	614,814,330	576,629,600
	684,078,842	639,007,885
Future finance charges on lease liabilities	(440,507,722)	(418,808,625)
Present value of lease liabilities	243,571,120	220,199,260

notes to the financial statements

Year ended June 30, 2023

3(c). LEASE LIABILITIES AND NET INVESTMENT IN LEASE RECEIVABLES (CONT'D)

(i) Lease liabilities (cont'd)

The present value of lease liabilities is analysed as follows:	2023 Rs.	2022 Rs.
Within one year	1,003,596	456,936
After one year and before five years	4,608,038	2,168,457
More than five years	237,959,486	217,573,867
	243,571,120	220,199,260

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023 Rs.	2022 Rs.
At July 1,	220,199,260	207,580,415
Interest expense	12,525,148	11,611,026
Reassessment of lease liabilities	23,481,216	13,468,723
Payments	(12,634,504)	(12,460,904)
At June 30,	243,571,120	220,199,260
Current	11,717,509	11,717,509
Non-current	231,853,611	208,481,751
	243,571,120	220,199,260

The following table sets out a maturity analysis of lease liabilities, showing the undiscounted lease payments after the reporting date:

	2023 Rs.	2022 Rs.
Less than one year	13,852,902	12,475,657
One to two years	13,852,902	12,475,657
Two to three years	13,852,902	12,475,657
Three to four years	13,852,902	12,475,657
Four to five years	13,852,902	12,475,657
More than five years	614,814,332	576,629,600
Total undiscounted lease payments	684,078,842	639,007,885
Unearned finance costs	(440,507,722)	(418,808,625)
Present value of lease liabilities	243,571,120	220,199,260

The following are the amounts recognised in profit or loss:	2023 Rs.	2022 Rs.
Interest expense on lease liabilities	12,525,148	11,611,026
Amount recognised in profit or loss	12,525,148	11,611,026

Cash outflows for leases for year ended June 30, 2023 amounted to **Rs. 12.6mn** (2022: Rs12.5mn).

3(c). LEASE LIABILITIES AND NET INVESTMENT IN LEASE RECEIVABLES (CONT'D)

(ii) Net Investment in lease receivables

Set out below are the carrying amounts of net investment in lease receivables recognised and the movements during the period:

	2023 Rs.	2022 Rs.
At July 1,	219,477,718	206,858,870
Interest income	12,525,148	11,611,026
Reassessment of lease receipts	23,481,216	13,468,723
Payments	(12,634,503)	(12,460,901)
At June 30,	242,849,579	219,477,718

The present value of net Investment in lease receivables is analysed as follows:

	2023 Rs.	2022 Rs.
Within one year*	1,003,596	456,936
After one year and before five years	4,608,038	2,168,457
More than five years	237,237,945	216,852,325
	242,849,579	219,477,718

*Included in trade and other receivables in Note 4.

The following table sets out a maturity analysis if lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	2023 Rs.	2022 Rs.
Less than one year	13,852,902	12,475,657
One to two years	13,852,902	12,475,657
Two to three years	13,852,902	12,475,657
Three to four years	13,852,902	12,475,657
Four to five years	13,852,902	12,475,657
More than five years	614,814,333	576,629,600
Total undiscounted lease payments receivable	684,078,843	639,007,885
Unearned finance income	(440,507,722)	(418,808,625)
Cummulative impairment losses on lease receivables	(721,542)	(721,542)
Net investment in lease receivable	242,849,579	219,477,718

Directors have made an assessment on the impairment of net investment in lease receivables for the year under review and the amount of lifetime ECL is immaterial (2022: Nil) and has not been accounted for.

notes to the financial statements

Year ended June 30, 2023

4. TRADE AND OTHER RECEIVABLES

	2023 Rs.	2022 Rs.
Amount owed by related parties (Note 15)		
- Trade receivables (Note (a))	208,965,799	225,614,842
- Owed by holding Company (Note (c))	-	140,200,000
- Owed by fellow subsidiaries (Note (c))	1,223,248	15,423,387
	210,189,047	381,238,229
Net Investment in lease receivables	1,003,596	-
Other receivables and prepayments (Note (d))	15,907,045	10,631,757
	227,099,688	391,869,986
Analysed as follows:		
Current	169,775,684	296,329,979
Non current	57,324,004	95,540,007
	227,099,688	391,869,986

(a) Trade receivables due from tenants are secured and are non-interest bearing which generally have a 30 days terms. The amount due from hotels are guaranteed by the holding Company, Attitude Hospitality Ltd (AHL). Impairment of receivables have been assessed on a collective basis only as there were no indications of impairment on an individual basis. The trade receivables are due from the related parties as disclosed in Note 15.

As per the Independent report from KPMG, the Board has agreed the deferral of the rental due during period January to June 2021 amounting to Rs 114.6million. The outstanding balance will be repaid over 3 years as from January 01, 2023 to December 31, 2025 with a 6 equal half yearly repayments, payable as from March 2023. The first instalment amounting to Rs 19.1million was repaid during the year and remaining outstanding amount is Rs 95.5million.

In terms of rental recoverability, given the fact that AHL acts as guarantor, AHL shall make good for any rental payment.

As such, the ECL has been estimated as close to zero.

As at June 30, 2023 and 2022, the ageing analysis of trade receivables were as follows:

	Days past due		
	< 30 days	30-90 days	>90 days
2023			
Expected credit loss rate	0%	0%	0%
Estimated total gross carrying amount at default (Rs)	113,425,792	-	95,540,007

	Days past due		
	< 30 days	30-90 days	>90 days
2022			
Expected credit loss rate	0%	0%	0%
Estimated total gross carrying amount at default (Rs)	110,966,834	-	114,648,008

4. TRADE AND OTHER RECEIVABLES (CONT'D)

There is no expected credit loss recognised given that amounts due from tenants are guaranteed by the Holding Company (Note 16(ii)).

AHL has secured financing from MCB (MUR 475 mn) and MIC (MUR 500 mn) and shall have enough liquidity to support the three tenants.

(b) Impairment of trade receivables

The Company is applying the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

(c) For terms and conditions relating to related party receivables, refer to Note 15.

The amount due from the fellow subsidiaries is interest free and repayable on demand.

(d) Other receivables and prepayments consist mainly of Tax Deducted at Source (TDS) receivable on rental income which are neither past due nor impaired. No collaterals are held in respect of these receivables.

5. FINANCIAL ASSETS AT AMORTISED COST

	2023 Rs.	2022 Rs.
At July 1,	-	-
Purchase of treasury bills during the year	217,167,600	-
Receipt on maturity	(100,000,000)	-
Interest income	1,805,354	-
At June 30,	118,972,954	-

During the year, the Company invested in treasury bills issued by the Bank of Mauritius ("BoM") and the Government of Mauritius ("GoM"). The treasury bills are rated Baa2 to Baa3 based on ratings of Moody's. As at June 30, 2023, the Company holds a treasury bill amounting to Rs. 117,729,600 which was acquired on March 30, 2023 (settlement date), having a maturity date of September 14, 2023 and a yield rate of 4.19%. Interest receivable on the above treasury bill as at June 30, 2023 amounted to Rs. 1,243,354.

6. CASH AND CASH EQUIVALENTS

	2023 Rs.	2022 Rs.
Cash at bank	76,337,434	10,504,476

Cash and cash equivalents are interest-free and held with State Bank of Mauritius Ltd and Mauritius Commercial Bank Ltd which are rated Baa2 to Baa3 based on ratings of Moody's. While cash and cash equivalents are also subject to impairment requirements of IFRS 9, the identified impairment loss was immaterial.

notes to the financial statements

Year ended June 30, 2023

7. ISSUED SHARE CAPITAL

	Number of shares	2023 Rs.	2022 Rs.
Authorised shares	178,000,000		
Ordinary shares at no par value, issued and fully paid			
Ordinary shares of Rs.10 each	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.

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meeting of the Company.

8. INTEREST-BEARING LOANS AND BORROWINGS

	2023 Rs.	2022 Rs.
Non-current		
Bonds (note (a))	910,000,000	910,000,000
Total interest bearing loans and borrowings	910,000,000	910,000,000

(a) The Company contracted a bond amounting to MUR 910,000,000 on 17 March 2022 with SBM Capital Markets Ltd. This bond was used to repay the bank loans of MUR 910,000,000 with State Bank of Mauritius (SBM).

	Bond amount	Coupon rate	Maturity	Bond period
MUR	910,000,000	SBM PLR+0.42%	Mar-27	5 years

(i) During the financial year ended June 30, 2023, the SBM PLR was **7.05%** (2022: 4.65%).

8. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

(ii) The terms and conditions of the bonds are reflected as follows:

The covenants attached to the bonds are as follows:

- Security cover of 1.5 times to be always maintained during the tenor of the Bonds. Security cover means the value of The Ravenala Attitude and Tropical Attitude properties and the floating charge on all movable and immovable assets of the Company to the value of the outstanding bonds at any point in time during the tenor of the bonds.

There were no breach of above covenants during the year.

(iii) Borrowings are secured by fixed charges over certain investment properties (Ravenala Attitude and Tropical Attitude) and floating charges on all movable and immovable assets of the Company.

(c) The interest-bearing loans and borrowings' carrying amounts approximate fair value. They are allocated as level 2 items in the fair value hierarchy, with the significant input in determining fair value being the applicable interest rates. The technique used to determine the fair value is the discounted cash flow method. For fair value hierarchy see Note 21.

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

	2023 Rs.	2022 Rs.
At July 1,	910,000,000	910,000,000
Repayment of bank loans	-	(910,000,000)
Proceeds from bond	-	910,000,000
At June 30,	910,000,000	910,000,000

9. TAXATION

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

	Statement of financial position		Statement of profit or loss and other comprehensive income	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Deferred tax liabilities				
Net investment in lease receivables	41,407,090	37,433,874	3,973,216	-
Accelerated depreciation for tax purposes	217,732,514	211,555,019	6,177,495	8,630,511
	259,139,604	248,988,893	10,150,711	8,630,511
Deferred tax assets				
Lease liabilities	(41,407,090)	(37,433,874)	(3,973,216)	-
Tax loss	(14,598,461)	(33,564,155)	18,965,694	21,351,733
	(56,005,551)	(70,998,029)	14,992,478	21,351,733
Deferred tax expense			25,143,189	29,982,244
Net deferred tax liabilities	203,134,053	177,990,864		

9. TAXATION (CONT'D)

(b) Reconciliation of net deferred tax liabilities:

	2023 Rs.	2022 Rs.
At July 1,	177,990,864	148,008,620
Tax expense recognised in statement of profit or loss and other comprehensive income	25,143,189	29,982,244
At June 30,	203,134,053	177,990,864

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

	2023 Rs.	2022 Rs.
Disclosed as:		
Deferred tax asset	(14,598,461)	(33,564,155)
Deferred tax liabilities	217,732,514	211,555,019
	203,134,053	177,990,864

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

	2023 Rs.	2022 Rs.
Income tax expense reported in the statement of profit or loss and other comprehensive income	25,143,189	29,982,244

10. TRADE AND OTHER PAYABLES

	2023 Rs.	2022 Rs.
Trade payables	245,264	547,537
Value added tax payables	15,613,082	14,617,093
Other payables and accruals	20,908,037	14,006,422
	36,766,383	29,171,052

- 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 accrued interests on interest-bearing loans and borrowings on and accruals for professional fees.
- For explanations on the Company's liquidity risk management processes, refer to Note 16(iii).

11. RENTAL INCOME

	2023 Rs.	2022 Rs.
Rental income (Refer to Note 15)	211,024,729	211,024,729

The Company's main activity is the rental of investment properties. APL has rented out its properties to its three tenants which are involved in hotel operations.

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

11. RENTAL INCOME (CONT'D)

The Company has a lease contract with the Government of Mauritius for the leasehold land and has entered into a sub lease arrangement to rent the leasehold land with the tenants. Rental is paid to the Government and subsequently recharged to the tenants.

As per initial prospectus offering:-

- the tenants shall be obliged to maintain in good order and repair the premises.
- the annual rental shall be escalated every 3 years based on the Consumer Price Index (CPI) but shall not exceed 15% of the rent payable.
- The tenants of APL shall make a provision into their accounts which will be considered as Capital reserve representing 3% of its annual audited turnover as for the reinstatement of the furniture, fixtures and equipment on or before the end of the present lease. The purpose of the capital reserve is to ensure that the tenant keeps the property well maintained at all times during the lease period.
- The tenant shall not under any circumstances be entitled to cancel this agreement or have any claim or right of action whatsoever against the Landlord for any damage or loss, nor be entitled to withhold or defer payment of rental by reason of the premises or any appliances, air conditioning or other installation , fittings, fixtures and appurtenances in the said premises or the building being in a defective condition or falling into disrepair or any particular repairs not being effected by the Landlord of for any other reason whatsoever.

12. RECOVERIES

	2023 Rs.	2022 Rs.
Recharged insurance	1,967,991	1,700,393

Insurance is paid to Willis Towers Watson [Mauritius] Ltd and subsequently recharged to the tenants.

13. OTHER EXPENSES

	2023 Rs.	2022 Rs.
Legal and professional fees	631,992	599,031
Insurance	1,967,991	1,700,393
Consultancy fees	3,408,918	3,112,940
Other expenses	436,329	393,494
	6,445,230	5,805,858
Operating expenses (Refer to Note 3(a))	1,967,991	1,700,393
Other expenses	4,477,239	4,105,465
	6,445,230	5,805,858

14. FINANCE COSTS

	2023 Rs.	2022 Rs.
Interest expense on:		
- Bank overdrafts	-	60,706
- Bank loans	59,835,630	43,351,283
- GOM leasehold land	12,525,148	11,611,026
	72,360,778	55,023,015

notes to the financial statements

Year ended June 30, 2023

15. 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.

2023	Interest income from related parties	Recoveries of insurance from related parties	Rental income from	Amount owed by related parties
	Rs.	Rs.	Rs.	Rs.
Holding Company -				
Attitude Hospitality Ltd	2,769,945	-	-	-
Fellow subsidiaries:				
- Riviere Citron Ltée	-	1,210,731	155,764,195	152,039,636
- Tropical Hotel Ltd	-	388,108	33,637,884	32,998,654
- Pointe Aux Piments Hotel Ltd	-	369,152	21,622,650	25,150,757
	2,769,945	1,967,991	211,024,729	210,189,047

2022	Interest income from related parties	Recoveries of insurance from related parties	Rental income from	Amount owed by related parties
	Rs.	Rs.	Rs.	Rs.
Holding Company -				
Attitude Hospitality Ltd	3,189,012	-	-	140,200,000
Fellow subsidiaries:				
- Riviere Citron Ltée	-	1,028,173	155,764,195	176,871,014
- Tropical Hotel Ltd	-	345,588	33,637,884	39,429,022
- Pointe Aux Piments Hotel Ltd	-	326,632	21,622,650	24,738,193
	3,189,012	1,700,393	211,024,729	381,238,229

Terms and conditions of transactions with related parties:

- The advance to Attitude Hospitality Ltd amounting to Rs 140.2 million arose from a financial restructuration due to Covid -19 in 2022. The advance was repaid fully in the financial year ended June 30, 2023.
- Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash, upon demand.
- The balances are past due but not impaired based on our ECL assessment. The amount due from the hotels are guaranteed by the holding company, Attitude Hospitality Ltd.
- For the year ended June 30, 2023, the Company has not made any provision for impairment of receivables relating to amounts owned by related parties (2022: 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.

In terms of rental recoverability, given the fact that AHL acts as guarantor, AHL shall make good for any rental payment.

AHL has secured financing from MCB (MUR 475 mn) and MIC (MUR 500 mn) and shall have enough liquidity to support the three tenants.

As such, the ECL has been estimated as close to zero.

15. RELATED PARTY TRANSACTIONS (CONT'D)

Nature of transactions with related parties:

-Amount owed from related parties relates to rental of the hotel properties.

-Amount owed from Attitude Hospitality Ltd relates to funding to holding Company.

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 June 30, 2023, the Executive Directors did not receive any remuneration and benefits. The Independent Non-Executive Directors were entitled to fees of **MUR 400,000** (2022: MUR 69,500) in total.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise lease liabilities, nterest-bearing 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 net investment in lease receivables, trade and other receivables (excluding other receivables and prepayments), financial assets at amortised cost and cash and cash equivalents 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. The Company analyses the interest rate exposure on a quarterly basis. A sensitivity analysis is performed by applying the simulation technique to the liabilities that represent major interest bearing positions.

Interest rate risk table

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

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Interest rate risk (cont'd)

Interest rate risk table (cont'd)

Effect on profit before tax	Decrease in basis points	2023 Rs.	2022 Rs.
Interest-bearing loans and borrowings	-50	5,587,902	5,587,902

Effect on profit before tax	Increase in basis points	2023 Rs.	2022 Rs.
Interest-bearing loans and borrowings	+50	(5,587,902)	(5,587,902)

(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. 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. Loss given default on the trade and other receivables from tenants is considered as close to zero.

The Company measures credit risk and expected credit losses ("ECL") using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any ECL. Management considers the loss given default to be close to zero as the counterparties (tenants) are supported and guaranteed by AHL, which has a strong capacity to meet the contractual obligations in the near term. AHL has secured financing from MCB (MUR 475 mn) and MIC (MUR 500 mn) and shall have enough liquidity to support the three tenants.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Counterparty credit limits are reviewed on an annual basis, and may be updated throughout the year subject to approval of the Management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(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 borrowings.

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

	Less than 3 months	**3 to 12 months**	**1 to 5 years**	**More than 5 years**	**Total**
At June 30, 2023	Rs.	Rs.	Rs.	Rs.	Rs.
Interest-bearing loans and borrowings	-	-	910,000,000	-	910,000,000
Lease liabilities	-	13,852,902	55,411,610	614,814,330	684,078,842
Trade and other payables	245,264	19,741,266	-	-	19,986,530
	245,264	33,594,168	965,411,610	614,814,330	1,614,065,372

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
At June 30, 2022	Rs.	Rs.	Rs.	Rs.	Rs.
Interest-bearing loans and borrowings	-	-	910,000,000	-	910,000,000
Lease liabilities	-	12,475,657	49,902,628	576,629,600	639,007,885
Trade and other payables	547,537	12,802,827	-	-	13,350,364
	547,537	25,278,484	959,902,628	576,629,600	1,562,358,249

Interest-bearing loans and borrowings include all future interest cost and trade and other payables exclude value added tax payables, TDS payable and accruals of **MUR 16,779,851** (2022: MUR 15,820,688).

notes to the financial statements

Year ended June 30, 2023

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Principal financial instruments

The principal financial instruments used by the Company, from which financial instruments risk arises, are as follows:

- Net investment in lease receivable
- Trade and other receivables
- Financial assets at amortised cost
- Cash and cash equivalents
- Interest bearing loans and borrowings
- Lease liabilities
- Trade and other payables

Financial instruments by category

Financial assets

	Amortised cost	
	2023	2022
	Rs.	Rs.
Net investment in lease receivable	242,849,579	219,477,718
Trade and other receivables	210,189,047	381,238,229
Financial assets at amortised cost	118,972,954	-
Cash and cash equivalents	76,337,434	10,504,476
Total financial assets	648,349,014	611,220,423

Financial liabilities

	Amortised cost	
	2023	2022
	Rs.	Rs.
Interest bearing loans and borrowings	910,000,000	910,000,000
Lease liabilities	243,571,120	220,199,260
Trade and other payables	19,986,530	13,350,364
Total financial liabilities	1,173,557,650	1,143,549,624

(v) 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, lease liabilities 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 Company considers the gearing ratio computed below to be reasonable and in line with its repayment capacity. The gearing ratios at June 30, 2023 and 2022 were as follows:

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(v) Capital risk management (cont'd)	2023	2022
	Rs.	Rs.
Interest-bearing loans and borrowings	910,000,000	910,000,000
Lease liabilities	243,571,120	220,199,260
Cash and short term deposits	(76,337,434)	(10,504,476)
Net debt	1,077,233,686	1,119,694,784
Equity	2,079,553,853	2,092,619,754
Equity and net debt	3,156,787,539	3,212,314,538
Gearing ratio	34%	35%

17. ULTIMATE HOLDING COMPANY

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

18. COMMITMENTS

There are no capital commitments for financial year 2023 and 2022.

19. OPERATING LEASE - COMPANY AS LESSOR

The Company has entered into a lease arrangement for its hotel buildings and furniture, fittings and equipments, accounted under Investment properties. The investment 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 periodic upward revision of the rental charge was effective as from 1st July 2018.

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

	2023	2022
	Rs.	Rs.
Within one year	221,510,539	221,510,539
One to two years	235,488,449	221,510,539
Two to three years	235,488,449	235,488,449
Three to four years	235,488,449	235,488,449
Four to five years	246,439,270	235,488,449
After five years	1,872,172,889	2,162,521,340
	3,046,588,046	3,312,007,767

notes to the financial statements

Year ended June 30, 2023

19. OPERATING LEASE - COMPANY AS LESSOR (CONT'D)

INTERMEDIATE FINANCE LEASE - Company as lessee and lessor

The Company has entered into a lease arrangement for its leasehold land with the Government of Mauritius. The land 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.

The leasehold land has been further sublet to the three operating hotels, whereby APL acts as intermediate lessor.

Future minimum lease payments under finance leases are as follows:

	2023	2022
	Rs.	Rs.
Within one year	13,852,902	12,475,657
After one year but before five years	55,411,610	49,902,628
After five years	614,814,330	576,629,600
	684,078,842	639,007,885

The below table details out the nature and amounts in relation to the Net investment in lease receivable:

	2023	2022
	Rs.	Rs.
Finance income on Net investment in lease receivable	12,525,148	11,611,026

Below table provides a reconciliation of the net investment in lease and the undiscounted lease payment:

	2023	2022
	Rs.	Rs.
Undiscounted lease payments	684,078,843	639,007,885
Unearned finance income	(440,507,722)	(418,808,625)
Impairment loss on Net investment in lease receivable	(721,542)	(721,542)
Net investment in lease receivable	242,849,579	219,477,718

20. DIVIDENDS

	2023	2022
	Rs.	Rs.
Dividends	139,214,870	59,206,324

Dividends amounting to **Rs 0.87** per share, including a top up of **Rs 0.12** per share over and above the normal dividend of **Rs 0.75** per share were declared and paid during the year, to compensate the Shareholders during the rental deferment period (2022: Rs 0.37).

21. 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 which operate in the hotel industry 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.

22. FAIR VALUE MEASUREMENT

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

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Rs.	Rs.	Rs.	Rs.
Assets measured at fair value:					
Investment properties (Note 3)					
	June 30, 2023	2,808,640,600	-	-	2,808,640,600
	June 30, 2022	2,808,000,000	-	-	2,808,000,000
Liabilities not measured at fair value:					
Interest bearing loans and borrowings (Note 8)					
	June 30, 2023	910,000,000	-	910,000,000	-
	June 30, 2022	910,000,000	-	910,000,000	-

Management has assessed that fair value of cash and cash equivalents, financial assets at amortised cost, trade and other receivables (excluding other receivables and prepayments), trade and other payables (excluding value added tax payables, TDS payable and accruals), interest-bearing loans and borrowings approximate their carrying amounts.

23. BASIC AND DILUTED EARNING PER SHARE

	2023	2022
	Rs.	Rs.
Profit attributable to owners	126,148,969	163,250,086
Number of equity shares in issue	160,017,092	160,017,092
Earnings per share	0.79	1.02

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

Year ended June 30, 2023

24. 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 52.5m 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, there is no certainty on payment and no reliable estimate can be made. Hence, no provision has been made in the accounts.

25. EVENTS AFTER REPORTING DATE

Récif Attitude has suffered significant structural degradation and has indicated to the Company that it will cease operation of the Hotel as from the 15th December 2023 for a period of 6 months. The rental income from Recif Attitude, which represents 14% of Attitude Property Ltd's total annual revenue, for period January 2024 to June 2024 will not be paid to the latter.

The temporary closure of Recif Attitude should not affect the dividend payments by the Company in the foreseeable future.

Apart from the event disclosed above, 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, 2023.

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 Monday 11 December 2023 at 10:00 hours to transact the following business:

1. To consider the Annual Report 2023 of the Company .
2. To receive the report of Messrs BDO & Co Ltd, the Auditors of the Company.
3. To consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2023.

Ordinary Resolution I
"Resolved that the Audited Financial Statements of the Company for the year ended 30 June 2023. be hereby adopted."

4. Pursuant to clause 24.3 of the Constitution, to re-elect by way of separate resolutions Messrs Michel Guy Rivalland and Maxime Jean Francois Desvaux De Marigny as Directors of the Company.

Ordinary Resolution II and II
"Resolved that Mr [ ] be hereby re-elected as Director of the Company".

II Michel Guy Rivalland

III Mr Maxime Jean Francois Desvaux De Marigny

5. To re-appoint Messrs BDO & Co Ltd as auditors of the Company to hold office until the next Annual Meeting of Shareholders and to authorise the Board of Directors of the Company to fix their remuneration for the financial year 2023/2024.

Ordinary Resolution IV

6. "Resolved that Messrs BDO & Co Ltd be reappointed as auditors of the Company to hold office until the next Annual Meeting of Shareholders and that the Board of Directors of the Company be authorised to fix their remuneration for the financial year 2023/2024".

By Order of the Board

NWT Secretarial Services Ltd
Corporate Secretary
Per V.Oomadevi Chetty

13 October 2023

NOTES:

1. *A shareholder of the Company entitled to attend and vote at this meeting may:*
   (i) *Either appoint a proxy (in the case of an individual shareholder) or a representative (in the case of a corporate shareholder and by way of a corporate resolution), whether a shareholder or not, to attend and vote on his/her behalf. The appointment must be made in writing on the attached form, and the document deposited at the Share Registry and Transfer Office of the Company, MCB Registry and Securities Ltd, Sir William Newton Street, Port Louis,Mauritius not less than twenty-four (24) hours before the meeting.*
   (ii) *Or cast its vote by post. The notice for casting a postal vote must be made in writing on the attached form, and the document deposited at the Share Registry and Transfer Office of the Company, MCB Registry and Securities Ltd, Sir William Newton Street, Port Louis, Mauritius, not less than forty-eight (48) hours before the meeting.*
2. *For the purpose of this Annual Meeting of Shareholder, the Directors have resolved in compliance with Section 120 (3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the Annual Meeting and attend such meting shall be those shareholders whose names are registered in the share register of the Company as at 13 November 2023.*
3. *The minutes of proceedings of the Annual Meeting of Shareholders held on 16 December 2022 are available free of charge on request. Kindly contact the Company Secretary, NWT Secretarial Services Limited, 6/7th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis 11307.*
4. *The Annual Report 2023 is available on the Company's website:* ***aplcorporate.hotels-attitude.com/***
5. *This Notice is issued pursuant to Rule 14 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. The Board of Directors of Attitude Property Ltd accepts full responsibility for the accuracy of the information contained in this notice*

proxy form

I/We ____

of ____

being a shareholder of Attitude Property Ltd, hereby appoint ______________________________ of

____ or

failing him/her, ____

of ____

or failing him/her, the Chairperson as my/our proxy to represent me/us and vote for me/us and act on my/our behalf at the Annual Meeting of the Company to be held at The Junction Business Hub, Block C, Calebasses Branch Road, Calebasses on Monday 11 December 2023 at 10:00 hours and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner (please vote with a tick):

RESOLUTIONS		FOR	AGAINST	ABSTAIN
I.	I.Resolved that the Audited Financial Statements of the Company forthe year ended 30 June 2023 be hereby adopted.			
II.	Resolved that Michel Guy Rivalland be hereby re-elected as Director of the Company pursuant to clause 24.3 of the Constitution			
III.	Resolved that Mr Maxime Jean Francois Desvaux De Marigny be hereby re-elected as Director of the Company pursuant to clause 24.3 of the Constitution			
IV.	Resolved that Messrs BDO & Co Ltd be reappointed as auditors of the Company to hold office until the next Annual Meeting of Shareholders and that the Board of Directors of the Company be authorised to fix their remuneration for the financial year 2023/2024.			

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 proxy form 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.*

postal vote

I/We____

of____

being a shareholder of Attitude Property Ltd, hereby cast my/our vote by post, by virtue of Clause 22.10 of the Constitution of the Company for the Annual Meeting of the Company to be held at The Junction Business Hub, Block C, Calebasses Branch Road, Calebasses on Monday 11 December 2023 at 10:00 hours and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner (please vote with a tick):

RESOLUTIONS		FOR	AGAINST	ABSTAIN
I.	Resolved that the Audited Financial Statements of the Company for the year ended 30 June 2023 be hereby adopted.			
II.	Resolved that Michel Guy Rivalland be hereby re-elected as Director of the Company pursuant to clause 24.3 of the Constitution.			
III.	Resolved that Mr Maxime Jean Francois Desvaux De Marigny be hereby re-elected as Director of the Company pursuant to clause 24.3 of the Constitution.			
IV.	Resolved that Messrs BDO & Co Ltd be reappointed as auditors of the Company to hold office until the next Annual Meeting of Shareholders and that the Board of Directors of the Company be authorised to fix their remuneration for the financial year 2023/2024.			

Signed:_______________________________ Date:_______________________________

NOTES:

1. *The signed postal vote shall reach the 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 postal vote shall not be treated as valid.*

Otentik experiences • Mauritian hotels

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