

ATTITUDE HOSPITALITY LTD

AND ITS SUBSIDIARIES

ANNUAL REPORT

FOR THE YEAR ENDED

JUNE 30, 2017

ATTITUDE HOSPITALITY LTD AND ITS SUBSIDIARIES
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The Directors have the pleasure in submitting their annual report together with the audited financial statements of Attitude Hospitality Ltd (the 'Company') and its subsidiaries (the 'Group') respectively for the year ended June 30, 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding.

RESULTS FOR THE YEAR

The results for the year ended June 30, 2017 are shown on page 6.

DIVIDENDS

No dividend was declared during the year (2016: NIL).

BOARD OF DIRECTORS

Mr. Marie Adrien Robert Michel Pitot
- Alternate: Mr. Jean Michel Pitot

Mr. Jean Michel Pitot
- Alternate : Mr. Marie Adrien Robert Michel Pitot and Mr Georges Vincent Desvaux de Marigny

Mr. Jean Francois Desvaux De Marigny-Chairman

Mr. Deenesh Seedoyal

Mrs. Armelle Bourgault du Coudray
- Alternate: Mrs. Marina Harel

Mr. Michel Guy Rivalland

Mr. Jean Didier Merven

Mr. Vincent Desvaux de Marigny
- Alternate: Mr. Jean Michel Pitot

Mr. Vincent Grimond

DIRECTORS SERVICE CONTRACTS

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

ENTRIES IN INTERESTS REGISTER

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

DIRECTORS REMUNERATION & BENEFITS

The Directors of the Company have received Rs 24.5 million as remuneration or benefits during the year (2016: Rs 21.9 million).

PRINCIPAL ACTIVITY

Attitude Hospitality Ltd (the 'Company') ('AHL') is an investment vehicle holding shares in various companies in the hotel and tourism industry. The main activities of its subsidiaries (the 'Group') consist of operating and managing hotels that can be viewed on the website www.hotels-attitude.com

STATEMENT OF COMPLIANCE

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

BOARD OF DIRECTORS

The board is committed to achieving success for the Company and the Group and its primary objective is to protect and enhance shareholder value through consistent profitable growth. The board, together with senior management is responsible to shareholders and other stakeholders for the Group's total business performance.

The management of the business is carried out by the Chief Executive Officer to whom the board has delegated powers in that respect.

BOARD OF DIRECTORS - STRUCTURE AND COMPOSITION

The board comprises nine directors out of whom four are Non-executive Directors, three are Executive Directors including the Chief Executive Officer, and two are Independent Director; including the Chairman.

The Directors who served on the board for the financial year under review were:

Directors:

Mr Jean Francois DESVAUX DE MARIGNY- *Independent Chairman, appointed as Director on 26 August 2016 and Chairman on 16 December 2016*

Mr Marie Adrien Robert Michel PITOT- *Non-Executive Director*

Mr Jean-Michel PITOT - *Chief Executive Officer - Executive Director*

Mr Vincent DESVAUX De MARIGNY - *Executive Director*

Mr Deenesh SEEDOYAL - *Executive Director*

Mrs Armelle BOURGAULT Du COUDRAY - *Non-Executive Director*

Mr Michel Guy RIVALLAND - *Non-Executive Director*

Mr Didier MERVEN - *Non-Executive Director*

Mr Vincent GRIMOND - *Independent Director*

Alternate Directors:

Mrs Marina HAREL (*alternate to Mrs Armelle BOURGAULT DU COUDRAY*)

Mr Marie Adrien Robert Michel PITOT (*alternate to Mr Jean Michel PITOT*)

Mr Jean Michel PITOT (*alternate to Mr Marie Adrien Robert Michel PITOT and to Mr Vincent DESVAUX DE MARIGNY*)

Attendance at meeting

During the year under review Directors met twice. The attendance at Board Meetings was as follows:

Directors:	Board of Directors held on 26/08/2016 and 16/12/2016
Mr Jean Francois DESVAUX DE MARIGNY (appointed on 26 August 2016)	2/2
Mr Marie Adrien Robert Michel PITOT	2/2
Mr Jean Michel PITOT	2/2
Mr Michel Guy RIVALLAND	2/2
Mr Didier MERVEN	2/2
Mr Vincent DESVAUX DE MARIGNY	2/2
Mrs Armelle BOURGAULT DU COUDRAY	2/2
Mr Deenesh SEEDOYAL	2/2
Mr Vincent GRIMOND	2/2
Alternate Directors:	
Mrs Marina HAREL (<i>alternate to Mrs Armelle BOURGAULT DU COUDRAY</i>)	
Mr Marie Adrien Robert Michel PITOT (<i>alternate to Mr Jean Michel PITOT</i>)	
Mr Jean Michel PITOT (<i>alternate to Mr Marie Adrien Robert Michel PITOT and to Mr Vincent DESVAUX DE MARIGNY</i>)	

ROLE OF THE BOARD

The Board is collectively responsible for setting up the Company's strategy and policies, overseeing its activities by monitoring performance and supervising management to ensure accountability to its stakeholders.

The Board ensures that relevant laws, regulations and codes of best business practices are adhered by the Company and the Group.

The Board is the focal point of the Corporate Governance System and is ultimately accountable and responsible for the performance and affairs of the Company and the Group.

For board meetings, the majority of appointed directors shall attend the meeting. The board being composed of 9 directors, a quorum of 5 directors is required.

Directors are encouraged to meet with the Company's Executive Directors and Senior officers to benefit from a better insight into the operations of the Company and the Group.

The Company's Constitution does not provide for re-election and/or re-appointment of Directors on an annual basis.

The names of all present directors, their profile and categories as well as their directorships in other listed companies are set out on page 1(e)-1(f).

ROLE AND FUNCTION OF THE CHAIRMAN

Mr Jean Francois DESVAUX DE MARIGNY is an Independent Chairman and has no executive or management responsibilities and acts as Chairman of meetings of the Board. The Chairman's primary function is to:

- Preside over the meetings of directors and ensure the smooth functioning of the Board in the interests of good governance;
- Provide overall leadership and encourage active participation of all directors; and
- Ensure that all the relevant information and facts are placed before the Board to enable the directors to reach informed decisions, and maintain sound relations with the Company's shareholders.

ROLE AND FUNCTION OF THE CHIEF EXECUTIVE OFFICER

Mr Jean Michel PITOT, the Group Chief Executive Officer ('CEO') is responsible for the day-to-day management of the Company and works in close collaboration with the management team. The CEO also reports to the Board of Directors.

ROLE OF EXECUTIVE DIRECTORS

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

ROLE OF THE NON-EXECUTIVE AND INDEPENDENT DIRECTORS

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

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

BOARD COMMITTEES

The Board has two standing committees to assist in the discharge of its duties; namely the Audit and Risk Committee and the Corporate Governance Committee (also Nomination and Remuneration Committee). The Committees, which are set out below, meet regularly under terms of reference set by the Board. The Chairman of each Committee has the responsibility to report to the Board regarding all decisions and matters arising at each Board meeting. The Committees may from time to time seek independent outside professional advice which is then approved by the Board.

The composition of the committees is as follows:

Audit and Risk Committee

Mr Vincent GRIMOND (Independent Director - Chairman)

Mr Didier MERVEN (Non-Executive Director)

Mr William THOMAS (Co-opted - Director on the subsidiary Marina Village Hotel Ltd)

Corporate Governance Committee (also Nomination and Remuneration Committee)

Mr Vincent GRIMOND (Independent Director - Chairman)

Mr Didier MERVEN (Non-Executive Director)

Mrs Armelle BOURGAULT DU COUDRAY (Non-Executive Director)

The objectives of both Committees, among other things, are as follows:

Audit and Risk Committee

The Audit & Risk Committee assists the board in monitoring and overseeing the financial responsibilities and audit process as well as the procedures for the identification, assessment and reporting of risks. During the year the members of the Committee have examined and tabled their views on Financial Reports, the audited consolidated and separate financial statements, as well as reports from the Internal and External Auditors.

The mandate of the Audit and Risk Committee is to:

- a) review and recommend to the Board, for approval, the audited consolidated financial statements as at June 30 (the end of the financial year);
- b) Review any accounting or auditing concerns identified as a result of the internal and external audits.
- c) Evaluate the work of the internal audit function and of the external auditors.
- d) Assess with management of the Company's major risk exposures and the steps management has taken to monitor and control such exposures.
- e) Review the internal audit plan and ensure that it addresses key areas of risk and that there is appropriate coordination with the external auditor.
- f) Discuss with the external auditor's any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information.
- g) Review the effectiveness of the system for monitoring compliance with laws and regulations.

BOARD COMMITTEES (CONTINUED)

Audit and Risk Committee (continued)

Please refer to pages 1(j) and 1(k) for disclosures in respect of internal control and risk management.

During the year under review Audit and Risk Committee Members met twice. The attendance at that Committee was as follows:

Directors:	Audit and Risk Committee held on 26/08/2016 and 16/12/2016
Mr Vincent GRIMOND	2/2
Mr Didier MERVEN	2/2
Mr William THOMAS (co-opted)	2/2

Corporate Governance Committee (also Nomination and Remuneration Committee):

The Committee works on behalf of the Board; its function is limited to making recommendations to the Board and has the responsibility to:

- a) review the Constitution and structure of the Company in the light of the Code of Corporate Governance;
- b) assist the Board in the implementation of the Code of Corporate Governance;
- c) ensure that the Company's Annual Report complies with the provisions of the Code of Corporate Governance and contains the necessary disclosures and make the necessary recommendations to the Board;
- d) Determine the Company's general policy on Executive and Senior Management remuneration;
- e) Determine specific remuneration packages for executive directors of the Company;
- f) Make recommendation on the composition of the Board and on the balance between executive and non-executive directors and make recommendation to the Board on the appointment of new directors;
- g) Determine and develop the Company's general policy on Corporate Governance in accordance with the Code of Corporate Governance;
- h) Ensure that health and safety procedures are in place and measures taken for a proper follow up.

During the year under review the Corporate Governance (Nomination and Remuneration) Committee met twice. The attendance at that Committee was as follows:

Directors:	Corporate Governance Committee held on 26/08/2016 and 16/12/2016
Mr Vincent GRIMOND	2/2
Mr Didier MERVEN	2/2
Mrs Armelle BOURGAULT DU COUDRAY	2/2

DIRECTORS' PROFILE

Mr Jean Francois DESVAUX DE MARIGNY (Independent Director)

Mr. 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. He retired from MCB in 2015 as Deputy CEO, after nearly 30 years' service and is still currently a Director of a number of the MCB group's subsidiaries and associates.

Directorship in other listed companies: Attitude Property Ltd

DIRECTORS' PROFILE (CONTINUED)

Mr Marie Adrien Robert Michel PITOT (Non-Executive Director)

Mr Marie Adrien Robert Michel PITOT studied Accounting in South Africa in 1950. He is one of the founder members of the Company and he has been the Chairman of the Company since the 15th of March 2011. Mr Michel PITOT is a Pioneer in the Tourism Industry and has contributed significantly in the development of the travel agency industry, inbound ground handling and local tour operating activities in Mauritius since 1956. He was also one of the founder member of New Mauritius Hotels and Veranda Resorts.

Other directorship in listed companies: None

Mr Jean-Michel PITOT (Chief Executive Officer - Executive Director)

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

Other directorship in listed companies: Attitude Property Ltd

Mr Vincent DESVAUX DE MARIGNY (Executive Director)

Mr Vincent DESVAUX DE MARIGNY holds an Executive Master in Marketing from HEC University Paris. He has several years of experience in the hospitality industry and, prior to joining the Group, he worked for Veranda Resorts, managing the French & Southern European Market. He joined the Company in April 2010 and is currently the Sales & Marketing Director of the Group.

Other directorship in listed companies: None

Mr Deenesh SEEDOYAL (Executive Director)

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

Other directorship in listed companies: Attitude Property Ltd

Mrs Armelle BOURGAULT DU COUDRAY (Non-Executive Director)

Mrs Armelle BOURGAULT DU COUDRAY graduated with a "Brevet de Technicien Superieur". She was appointed as director of the Company on July 2008.

Other directorship in listed companies: None

Mr Michel Guy RIVALLAND (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 and was appointed CEO of Axys Group on 1st July 2006. Mr. Rivalland is also a Director of Ireland Blyth Limited (IBL). He was appointed as Director of the Company on the 15th of March 2011.

Directorship in listed companies: United Investments Ltd, Attitude Property Ltd, Novus Properties Ltd and Les Gaz Industries Ltd.

DIRECTORS' PROFILE (CONTINUED)

Mr Didier MERVEN (Non-Executive Director)

Mr Didier MERVEN set up Portfolio Investment Management Ltd in 1992, a professional portfolio management company in Mauritius. Over the following 20 years AXYS Group evolved from these beginnings into a diversified financial services company. He was appointed as director of the Company on the 15th of March 2011.

Directorship in listed companies: United Investments Ltd

Mr Vincent GRIMOND (Independent Director)

Mr Vincent GRIMOND graduated from the ESSEC Business School in France. He is the Co-Founder, Chairman and CEO of Wild Bunch, a major European film entertainment, distribution and production company created in 2003. He also worked for the Club Med Group for 10 years from 1981 to 1991 where he held financial positions, and was their CFO from 1986 to 1991. He was appointed as Director of the Company on August 6, 2014.

Directorship in listed companies: none

CO-OPTED MEMBER OF THE AUDIT AND RISK COMMITTEE

Mr William THOMAS (Independent director on the Subsidiary Marina Village Hotel Ltd and Co-opted member of the Audit and Risk Committee)

Graduated in 'french' accounting (DECF) with an option in business finance and in advance accounting techniques, Mr William THOMAS worked in Reunion Island in various enterprises and in France as Head of Accounting and Finance at 'Groupe la Poste (Paris Sud-Ouest)'. He worked in Mauritius since 2001. During three years he was the Finance and Administrative Director of a group specialised in IT Services then he moved to the banking sector where he was responsible of immovable projects. Since 2007 Mr William THOMAS is a self-employed.

Other directorship in listed companies: None

SENIOR MANAGERS' PROFILE

Mr Henry William (Rony) LAMPORT

Mr Henry William LAMPORT is currently the Project and Operations Manager of the Group. He has several years of experience in the hospitality industry and he was previously the General Manager of Blumarine Hotel and Veranda Grand Baie. He joined the Group in September 2008 and he has a diploma in Advance Management Program S A.

Mr Dominique LEE MO LIN

Mr Dominique LEE MO LIN is a Fellow member of the Chartered Association of Certified Accountants and is currently the Business Development Manager of the Group reckoning more than 30 years of experience in the financing, auditing and accounting field save some 25 years of experience in a senior management position. He was previously the Chief Finance Officer of Veranda Leisure and Hospitality. He joined the Group in April 2013.

Mr Kannan PACKIRY POULLÉ

Mr Kannan PACKIRY POULLÉ holds a Bsc in Computer Science and MBA with specialization in HR and Systems. He was previously the Director of Human Resources of the Starwood Resorts and Hotels from July 2008 to September 2014. He joined the Group in October 2014 and he is currently the Group Human Resource Manager.

Mr Ravin UNTHIAH

Mr Ravin UNTHIAH holds a Diploma in Hotel Management and Masters in Business Administration. He has several years of experience in the hospitality industry and has worked in reputed Mauritian hotels, as well as foreign ones. He joined the Group in May 2010. He is currently the Group Operations Manager and is in charge of all the hotels operations.

ANNUAL RE-ELECTION OF DIRECTORS

The actual constitution does not provide for annual re-election of Directors.

DIRECTORS' TRAINING, SELECTION AND APPRAISAL

The Company is composed of Executive, Non-Executive and Independent Directors - the Non-Executive Directors have been appointed as representative of the shareholders of the Company. The Company does not provide in house Director Training and Development as it does not have the resources for such training. Directors are encouraged to become members of the Mauritius Institute of Directors and attend training offered by this Institution.

Self-Appraisal

A self-appraisal of Directors has been carried during the financial year 2015/2016 and reviewed and discussed during the current financial year.

COMPANY SECRETARY

Box Office Ltd
2nd Floor, Palm Square
90906 La Mivoie
Tamarin
Tel: 4834 309 - Fax: 4838 952

The Company Secretary, Box Office Ltd, is available to provide assistance and information on governance and corporate administration issues to all the Board members.

CONFLICT OF INTEREST

The Board is conscious that transactions between the Company and its managers, directors or shareholders may be a source of conflict of interest and ensures that transactions are disclosed in the interest register. No such transactions have been recorded in the financial year at 30 June 2017.

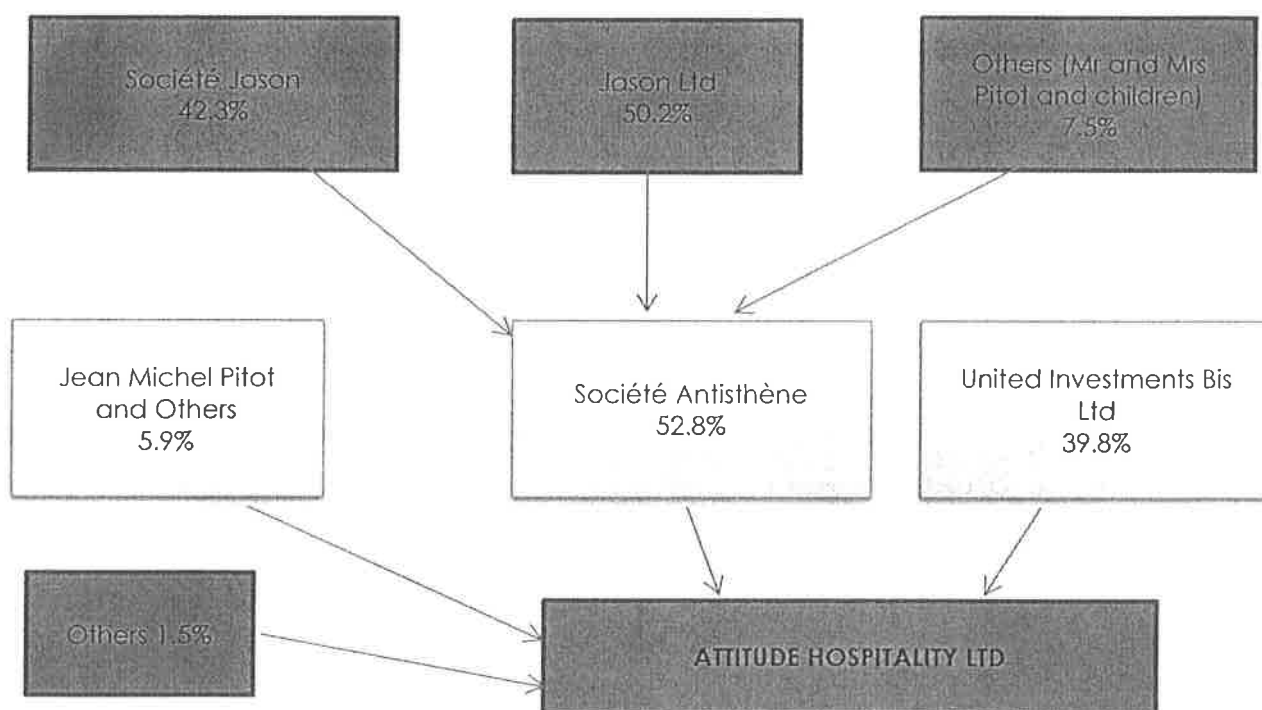
CASCADE SHAREHOLDING STRUCTURE AND SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2017

AHL is a private company. Its shareholding structure is as follows:

The capital structure of AHL is as follows:

- 613,382 redeemable preference shares and
- 157,523,457 ordinary shares.

Cascade shareholding structure - ordinary shares



Common Directors/ alternate*:

	Attitude Hospitality Ltd	Société Antisthène	Jason Ltd
Mr Marie Adrien Robert Michel PITOT	✓		
Mr Jean Michel PITOT	✓	✓ (Gérant)	✓
Mrs Armelle BOURGAULT DU COUDRAY	✓		✓
Mrs Marina HAREL*	✓ *		✓

DIVIDEND POLICY

The Board has not adopted a formal dividend policy and distributes dividends subject to the Company's profitability and investment plan. Dividends are declared subject to the solvency test being satisfied, as required by the Companies Act 2001.

SHAREHOLDERS' AGREEMENT

There is a shareholders' agreement between Société Antisthène and UNITED INVESTMENTS LTD (holding company of UNITED INVESTMENTS BIS LTD) which provides for Directors' appointment and the appointment of the Chairman and the Chief Executive Officer.

MANAGEMENT AGREEMENT

Attitude Hospitality Management Ltd is a subsidiary of AHL and has management contracts with other subsidiaries of the Company whose main activity is to manage hotels.

RELATIONSHIP WITH SHAREHOLDERS

The Company maintains a very close relationship with its shareholders. Shareholders are informed of material events affecting the Company. All shareholders are present or represented on the Board of Directors and take part in all important decisions. Directors receive timely information on the Company's activities and results and board meetings are held regularly. The Secretary is also available to provide any information or advice upon request.

TIME TABLE OF IMPORTANT EVENTS FOR SHAREHOLDERS

December 2017	Approval of consolidated audited financial statements/Approval of interim dividends
April 2018	Review of third quarter results
July /August 2018	Review forecasted results

STATEMENT OF REMUNERATION POLICY

No fees were paid to the directors for the year under review by the Company. A director was entitled to a fee of Rs 30k.

Total remuneration of the Directors who are under employment of the subsidiary Attitude Hospitality Management Ltd for the year ended 30 June 2017 amounted to Rs 24.5 M (2016: Rs 21.9 M). The remuneration of Executive Directors has not been disclosed on an individual basis as the directors consider this information as very sensitive in their working environment.

DIRECTORS' SERVICE CONTRACTS

There are no service contracts between the Company and its directors. The executive directors are employed by the subsidiary Attitude Hospitality Management Ltd.

DIRECTORS' SHARE INTEREST

The table below shows the directors' direct and indirect interests in shares of the Company as at 30 June 2017:

DIRECTOR/ ALTERNATE*	DIRECT SHAREHOLDING Number of shares	PERCENTAGE	INDIRECT SHAREHOLDING
Mr Marie Adrien Robert Michel PITOT	Nil	-	-
Mr Jean Michel PITOT	9,260,661	5.9%	12.65%
Mr Vincent DESVAUX DE MARIGNY	1,736,373	1.1%	-
Mrs Armelle BOURGAULT DU COUDRAY	Nil	-	12.05%
Mr Deenesh SEEDOYAL	289,396	0.2%	-
Mrs Marina HAREL*	Nil	-	12.05%

SHARE OPTION PLAN

The Company has no share option plan.

RELATED PARTY TRANSACTIONS

Related party transactions are set out on note 21.

COMPANY'S CONSTITUTION

The Company adopted its current constitution in November 2010.

Special clauses are:

- Subject to the Company's Act 2001 or to terms of issue of any existing shares, the Board may issue shares provided the issue has been approved by ordinary resolution.
- The Company may purchase or acquire its own shares.
- The Board may refuse or delay the registration of transfer of shares to any person
- Pre-emptive provisions apply for transfer of shares - save for family transactions
- Quorum for General Meetings shall be two members present in person or by proxy and entitled to vote and holding at least 51% of the issued share capital of the company carrying the right to vote.
- At meeting of shareholders, in case of equality of votes whether on a show of hands or on a poll, the Chairman shall be entitled to a casting vote.

RISK MANAGEMENT

The Board has the overall responsibility for the Group's risk management and internal control. The management of the Company and the Audit and Risk Committee assists the Board in implementing, operating and monitoring the internal control system to achieve business objectives set for the Group.

INTERNAL CONTROL

Internal Audit

The Internal Audit function is outsourced to UHY & CO and reports to the Audit Committee and administratively to the Finance Director and Chief Executive Officer.

The internal audit team has unrestricted access to the records, management and employees of the Group. The Internal Auditor has the responsibility of ensuring that internal controls are implemented at Group level.

INTERNAL CONTROL (CONTINUED)

Internal Control and Risk Management

The board acknowledges that it has overall responsibility for the Company's systems of risk management and internal control and for ensuring their effectiveness.

Some of the most significant risks facing the Company pertain to the economic, social, environmental and political factors affecting the countries from where the Company derives business. Reputational, foreign exchange and interest rates risks also have a direct impact on the Company's and the Group's business.

For the financial risk factors, refer to note 23 of the financial statements.

CODE OF ETHICS

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

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

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

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

Green Attitude Foundation

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

Coastal environment

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

As part of the project "Marine Conservation Voluntary Zone", an underwater snorkel trail has been created in June 2014, in the Anse la Raie lagoon, in front of Marina Village Hotel Ltd. Mooring buoys have been placed in order to stop boats anchoring in this zone, subject to safety norms.

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

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

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY (CONTINUED)

Social Entrepreneurship & Craftsmanship

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

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

Art & Culture

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

HEALTH AND SAFETY

In line with its policy to provide a safe environment for its employees, guests and other stakeholders, the AHL Group has set up a Risk and Compliance Department which oversees Safety & Health, Food Safety, Fire Safety, and Security matters in compliance with local and international legislations and guidelines. In order to guarantee the standards of quality of produces, suppliers' visits are conducted on a regular basis. Safety & Health assessments are regularly conducted, fire training and fire drills are performed on a yearly basis, Asset Protection Plans are reviewed every 6 months and corporate audits are conducted twice yearly in each hotel.

OTHER STATUTORY DISCLOSURES

CONTRACT OF SIGNIFICANCE

There was no contract of significance to which Attitude Hospitality Ltd was a party and in which a Director of the Company was materially interested either directly or indirectly.

DIRECTORS SERVICE CONTRACT

None of the Directors have a service contract that needs to be disclosed under Section 221 of the Companies Act 2001.

INDEMNITY INSURANCE

There is no indemnity insurance for the Non- Executive and Independent directors.

DIRECTORS SHARE INTEREST

The interests of the Directors are disclosed on page 1(j) of this report.

DONATIONS

The Group has a policy of channelling all requests for donations (excluding political donations, which are dealt with directly by the Board) and other forms of social assistance through its Corporate Social Responsibility function, duly incorporated under Green Attitude Foundation since 2013.

Donations made during the year were as follows:

	June 30,2017		June 30,2016	
	Political Rs'000	Others Rs'000	Political Rs'000	Others Rs'000
The Company	-	-	350	-
The Subsidiaries				
Marina Village Hotel Limited	-	168	-	393
Pointe Aux Piments Hotel Limited	-	-	-	197
Tropical Hotel Ltd	-	-	-	76
Attitude Hospitality Training Limited	-	9	-	11
Attitude Hospitality Management Ltd	100	418	-	95

AUDITORS' REMUNERATION

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

	June 30, 2017	June 30, 2016
	Rs'000	Rs'000
Ernst & Young		
Audit services	2,200	2,300
Other services	260	439
Total	2,460	2,739

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

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

The director's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting 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.

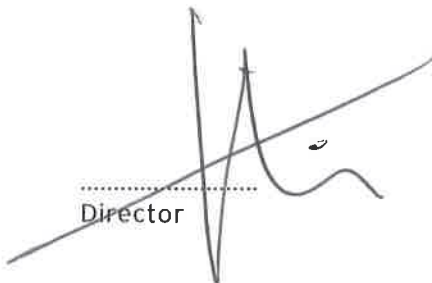
The directors confirm that

- (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 adhered to. Any departure in the interest in fair presentation has been disclosed, explained and quantified;

The directors confirm that the Code of Corporate Governance has been adhered to, except to those disclosed in the Statement of Compliance on page 1(o)

20 DEC 2017

Approved by the board of directors on
and signed on its behalf by:


.....
Director


.....
Director

STATEMENT OF COMPLIANCE

(Section 75 (3) of the Financial Reporting Act)

Name of public interest entity (PIE): Attitude Hospitality Ltd and its subsidiaries

Reporting Period: 30 June 2017

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

- 1) 2.2.6 - annual reelection of Directors;
- 2) 2.8.2 - as regards details of remuneration paid to each director on an individual basis;
- 3) 2.9 - Director Training and Development

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

SIGNED BY:

Chairperson and one Director

Names:


CHAIRPERSON


DIRECTOR

20 DEC 2017

DATE:

20 DEC 2017

DATE:

ATTITUDE HOSPITALITY LTD AND ITS SUBSIDIARIES
CERTIFICATE FROM THE COMPANY SECRETARY
FOR THE YEAR ENDED JUNE 30, 2017

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



.....
BOX OFFICE LTD
Company Secretary

20 DEC 2017

Date:



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ATTITUDE HOSPITALITY LTD AND ITS SUBSIDIARIES

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Attitude Hospitality Ltd (the "Company") and its subsidiaries (the "Group") on pages 6 to 62 which comprise the statement of financial position as at June 30, 2017, 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 significant accounting policies.

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

Basis for Opinion

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

Other Information

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001, and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ATTITUDE HOSPITALITY LTD AND ITS SUBSIDIARIES (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the Group and Company financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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



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5.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ATTITUDE HOSPITALITY LTD AND ITS SUBSIDIARIES (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Other matter

This report is made solely for the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

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

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

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and whether the disclosure is consistent with the requirement of the Code.

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



ERNST & YOUNG
Ebène, Mauritius



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

Date: 20 DEC 2017

ATTITUDE HOSPITALITY LTD AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2017

6.

	Notes	THE GROUP			THE COMPANY	
		2017	2016	2015	2017	2016
		Rs.	(Restated) Rs.	(Restated) Rs.	Rs.	Rs.
ASSETS						
Non-current assets						
Property, plant and equipment	3	2,738,077,346	2,627,971,815	2,255,118,530	-	-
Intangible assets	4	1,215,232,987	1,229,035,086	1,234,154,712	-	-
Investment in subsidiary companies	5	-	-	-	1,811,353,939	1,811,343,939
Investment in associated companies	6	512,968,081	491,231,362	264,795,236	234,382,330	239,182,330
Long term deposits	7	9,084,440	9,084,440	15,125,685	-	-
Deferred tax asset	15	22,214,332	-	-	-	-
		<u>4,497,577,186</u>	<u>4,357,322,703</u>	<u>3,769,194,163</u>	<u>2,045,736,269</u>	<u>2,050,526,269</u>
Current assets						
Inventories	8	14,624,888	12,876,380	9,009,674	-	-
Trade and other receivables	9	148,036,678	144,505,090	302,091,297	203,964,702	237,029,470
Other financial assets	10	1,095,112	1,936,922	594,719	1,095,112	-
Current tax asset	15	785,566	50,484	251,672	-	-
Cash and short-term deposits	11	45,506,467	54,211,170	7,038,407	107,016	1,306,123
		<u>210,048,711</u>	<u>213,580,046</u>	<u>318,985,769</u>	<u>205,166,830</u>	<u>238,335,593</u>
TOTAL ASSETS		<u>4,707,625,897</u>	<u>4,570,902,749</u>	<u>4,088,179,932</u>	<u>2,250,903,099</u>	<u>2,288,861,862</u>
EQUITY AND LIABILITIES						
Equity attributable to equity owners of the parent						
Issued capital	12	1,256,193,765	1,256,193,765	1,256,193,765	1,256,193,765	1,256,193,765
Cash flow hedge reserve	13	(17,122,947)	(1,858,243)	(2,148,160)	-	-
Foreign currency translation reserve		101,959	(352,785)	-	-	-
(Accumulated losses)/retained earnings		(18,842,666)	(116,829,923)	(78,252,357)	135,622,469	137,401,554
Equity attributable to owners of the parent		<u>1,220,330,111</u>	<u>1,137,152,814</u>	<u>1,175,793,248</u>	<u>1,391,816,234</u>	<u>1,393,595,319</u>
Non-controlling interests		844,213,722	875,274,278	50,888,845	-	-
TOTAL EQUITY		<u>2,064,543,833</u>	<u>2,012,427,092</u>	<u>1,226,682,093</u>	<u>1,391,816,234</u>	<u>1,393,595,319</u>
Non-current liabilities						
Interest-bearing loans and borrowings	14	1,752,112,231	1,713,948,519	1,186,345,615	512,484,857	620,272,900
Other financial liabilities	10	-	61,338,200	61,338,200	-	61,338,200
Deferred tax liabilities	15	231,901,987	205,834,066	183,220,998	-	-
		<u>1,984,014,218</u>	<u>1,981,120,785</u>	<u>1,430,904,813</u>	<u>512,484,857</u>	<u>681,611,100</u>
Current liabilities						
Trade and other payables	16	257,893,660	272,212,656	246,256,062	172,322,220	141,087,449
Interest-bearing loans and borrowings	14	329,469,165	293,649,614	1,182,163,234	112,613,494	72,239,900
Other financial liabilities	10	63,367,037	1,531,744	118,360	61,338,200	-
Current tax liabilities	15	8,337,984	9,960,858	2,055,370	328,094	328,094
		<u>659,067,846</u>	<u>577,354,872</u>	<u>1,430,593,026</u>	<u>346,602,008</u>	<u>213,655,443</u>
TOTAL LIABILITIES		<u>2,643,082,064</u>	<u>2,558,475,657</u>	<u>2,861,497,839</u>	<u>859,086,865</u>	<u>895,266,543</u>
TOTAL EQUITY AND LIABILITIES		<u>4,707,625,897</u>	<u>4,570,902,749</u>	<u>4,088,179,932</u>	<u>2,250,903,099</u>	<u>2,288,861,862</u>

* Certain amounts shown here do not correspond to the 2016 and 2015 financial statements and reflect adjustments made, refer to Note 15 & 30.

20 DEC 2017

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

Name of directors

(1)

(2)

The notes set out on pages 11 to 62 form an integral part of these financial statements.
Auditors' report on pages 3 to 5.

ATTITUDE HOSPITALITY LTD AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

7.

	Notes	THE GROUP		THE COMPANY	
		2017	2016	2017	2016
		Rs.	Rs. (Restated)	Rs.	Rs.
Revenue	2.5 (s)	1,365,643,503	998,652,555	63,485,000	23,840,000
Cost of sales	17	(791,663,762)	(598,310,988)	-	-
Gross profit		573,979,741	400,341,567	63,485,000	23,840,000
Other income	18	24,728,632	14,893,467	8,164,417	-
Administrative expenses	17	(378,381,212)	(357,853,305)	(24,042,343)	(22,345,963)
Operating profit/(loss)		220,327,161	57,381,729	47,607,074	1,494,037
Finance income		371,840	369,361	371,840	369,361
Finance costs	19	(148,230,088)	(152,830,813)	(49,757,999)	(64,320,706)
Share of profit of associates	6	61,865,687	45,285,361	-	-
		134,334,600	(49,794,362)	(1,779,085)	(62,457,308)
Profit on sale of subsidiary	31, 20(a)	-	3,584,779	-	148,934
Bargain purchase on acquisition of group of subsidiaries	32, 20(b)	-	7,867,491	-	-
Profit/(loss) before taxation		134,334,600	(38,342,092)	(1,779,085)	(62,308,374)
Income tax expense	15	(11,425,253)	(29,167,020)	-	-
Profit/(loss) for the year		122,909,347	(67,509,112)	(1,779,085)	(62,308,374)
Other comprehensive income/(loss) for the year					
<i>Other comprehensive loss to be reclassified to profit or loss in subsequent periods:</i>					
- Cash flow hedge movement		(14,471,555)	(2,206,980)	-	-
- Net movement in FX reserve		1,434,709	(522,568)	-	-
- Share of reserve of associates	6	(1,163,968)	2,390,553	-	-
Total other comprehensive income/(loss) for the year		(14,200,814)	(338,995)	-	-
Total comprehensive income/(loss) for the year		108,708,533	(67,848,107)	(1,779,085)	(62,308,374)
Profit/(loss) attributable to :					
- Equity holders of the parent		97,987,257	(69,265,866)		
- Non-controlling interests		24,922,090	1,756,754		
		122,909,347	(67,509,112)		
Total comprehensive income/(loss) attributable to:					
- Equity holders of the parent		83,177,297	(69,328,734)		
- Non controlling interests		25,531,236	1,480,627		
		108,708,533	(67,848,107)		

* Certain amounts shown here do not correspond to the 2016 financial statements and reflect adjustments made, refer to Note 15 & 30.

The notes set out on pages 11 to 62 form an integral part of these financial statements,
Auditors' report on pages 3 to 5.

ATTITUDE HOSPITALITY LTD AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

8.

Attributable to the equity holders of the parent

THE GROUP	Issued capital	Accumulated losses	Cash flow hedge reserve	Translation reserve	Total	Non-controlling interests	Total equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	(Note 12)						
At July 1, 2015	1,256,193,765	(64,304,557)	(2,148,160)	-	1,189,741,048	52,198,391	1,241,939,439
Effect of restatement		(13,947,800)			(13,947,800)	(1,309,546)	(15,257,346)
At July 1, 2015, restated	1,256,193,765	(78,252,357)	(2,148,160)	-	1,175,793,248	50,888,845	1,226,682,093
(Loss)/profit for the year	-	(69,265,866)	-		(69,265,866)	1,756,754	(67,509,112)
Other comprehensive income/(loss) for the year	-	289,917	289,917	(352,785)	(62,868)	(276,127)	(338,995)
Total comprehensive (loss)/income for the year	-	(69,265,866)	289,917	(352,785)	(69,328,734)	1,480,627	(67,848,107)
Change in non-controlling interest without loss of control	-	30,688,300	-	-	30,688,300	789,482,620	820,170,920
Acquisition of group of subsidiaries	-	-	-	-	-	48,185,263	48,185,263
Dividends	-	-	-	-	-	(14,763,077)	(14,763,077)
At June 30, 2016	1,256,193,765	(116,829,923)	(1,858,243)	(352,785)	1,137,152,814	875,274,278	2,012,427,092
At July 1, 2016	1,256,193,765	(116,829,923)	(1,858,243)	(352,785)	1,137,152,814	875,274,278	2,012,427,092
Profit/(loss) for the year	-	97,987,257	-		97,987,257	24,922,090	122,909,347
Other comprehensive income/(loss) for the year	-	(15,264,704)	(15,264,704)	454,744	(14,809,960)	609,146	(14,200,814)
Total comprehensive income/(loss) for the year	-	97,987,257	(15,264,704)	454,744	83,177,297	25,531,236	108,708,533
Dividends	-	-	-	-	-	(56,591,792)	(56,591,792)
At June 30, 2017	1,256,193,765	(18,842,666)	(17,122,947)	101,959	1,220,330,111	844,213,722	2,064,543,833

The notes set out on pages 11 to 62 form an integral part of these financial statements.
Auditors' report on pages 3 to 5.

ATTITUDE HOSPITALITY LTD AND ITS SUBSIDIARIES
 STATEMENTS OF CHANGES IN EQUITY
 FOR THE YEAR ENDED JUNE 30, 2017

9.

THE COMPANY	Note	Issued capital	Retained earnings	Total
		Rs.	Rs.	Rs.
		(Note 12)		
At July 1, 2015		1,256,193,765	199,709,928	1,455,903,693
Profit for the year		-	(62,308,374)	(62,308,374)
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	(62,308,374)	(62,308,374)
At June 30, 2016		1,256,193,765	137,401,554	1,393,595,319
At July 1, 2016		1,256,193,765	137,401,554	1,393,595,319
Profit for the year		-	(1,779,085)	(1,779,085)
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	(1,779,085)	(1,779,085)
At June 30, 2017		1,256,193,765	135,622,469	1,391,816,234

The notes set out on pages 11 to 62 form an integral part of these financial statements.
 Auditors' report on pages 3 to 5.

ATTITUDE HOSPITALITY LTD AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

10.

	Notes	THE GROUP		THE COMPANY	
		2017	2016	2017	2016
		Rs.	Rs.	Rs.	Rs.
Operating activities					
(Loss)/profit before taxation		134,334,600	(38,342,092)	(1,779,085)	(62,308,374)
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>					
- Depreciation of property, plant and	3	120,604,466	104,046,547	-	-
- Amortisation of intangible assets	4	15,012,043	14,896,412	-	-
- Profit/ (loss) on disposal of property, plant and equipment		-	-	-	-
- Gain on sale of subsidiary	20	-	(3,584,779)	-	(148,934)
- Interest income		-	(369,361)	-	(369,361)
- Interest expense	19	148,230,088	152,830,813	49,757,999	64,320,706
-Share of profit from associates		(61,865,687)	(45,285,361)	-	-
- Net foreign exchange difference		(7,951,462)	7,447,195	(128,315)	7,042,771
- Dividends received		-	-	(63,485,000)	(23,840,000)
-Other financial assets		841,810	(1,342,203)	-	-
- Financial liabilities designated as at fair value through profit or loss		497,093	1,413,384	(1,095,112)	-
<i>Working capital adjustments</i>					
- Trade and other receivables		1,955,962	11,028,094	33,064,771	28,089,387
- Inventories		(1,748,506)	(3,866,706)	-	-
- Trade and other payables		(12,896,103)	14,819,692	31,224,768	(52,746,186)
Interest received		-	369,361	-	369,361
Income tax refund		-	-	-	-
Tax paid	15	(9,917,798)	(6,089,940)	-	-
Net cash flows generated from/(used in) operating activities		327,096,506	207,971,056	47,560,026	(39,590,630)
Investing activities					
Long term deposits			6,041,245	-	-
Acquisition of subsidiaries net of cash acquired			9,092,306	-	-
Purchase of property, plant and equipment	3	(230,873,815)	(481,418,104)	-	-
Purchase of intangible assets	4	(1,209,936)	(10,062,225)	-	-
Proceeds from sale of property, plant and equipment		163,809	-	-	-
Dividends received		21,915,000	19,800,000	63,485,000	23,840,000
Disposal of investment in associate		4,800,000	-	4,800,000	-
Disposal of investment in subsidiary		-	6,008,159	-	10,712,470
Net cash flows used in investing activities		(205,204,942)	(450,538,619)	68,285,000	34,552,470
Financing activities					
Proceeds from borrowings		1,301,967,312	789,547,557	348,455,358	472,968,000
Repayments of borrowings		(1,215,025,997)	(849,428,498)	(415,880,060)	(47,394,100)
Repayment of obligation under finance leases		(592,613)	(1,233,814)	-	-
Interest paid	19	(148,230,088)	(152,830,813)	(49,757,999)	(64,320,706)
Issue of shares		-	820,170,820	-	-
Dividends paid to equity holders of the parent		-	-	-	-
Dividends paid to non controlling interest		(56,591,793)	(14,763,077)	-	-
Net cash flows (used in)/from financing activities		(118,473,179)	591,462,175	(117,182,701)	361,253,194
Net increase/(decrease) in cash and cash equivalents		3,418,385	348,894,612	(1,337,675)	356,215,034
Net foreign exchange difference		14,713,912	(522,568)	128,315	(7,042,770)
Cash and cash equivalents as at July 1,		(112,914,788)	(461,286,832)	1,306,123	(347,866,141)
Cash and cash equivalents as at June 30,	11	(94,782,491)	(112,914,788)	96,763	1,306,123

The notes set out on pages 11 to 62 form an integral part of these financial statements.
Auditors' report on pages 3 to 4.

1. CORPORATE INFORMATION

Attitude Hospitality Ltd and its subsidiaries is a private company incorporated on May 7, 2008 and domiciled in Mauritius. Its registered office is situated at The Junction Business Hub, Block C, Calebasses Branch Road, Calebasses.

The financial statements of Attitude Hospitality Ltd (the 'Company') and its subsidiaries (the 'Group') for the year ended June 30, 2017 were authorised for issue in accordance with a board meeting of the Directors on
.....~~20 DEC 2017~~

1.1 PRINCIPAL ACTIVITIES

The principal activity of Attitude Hospitality Ltd is investment holding and it invests mainly in companies within the hospitality industry. The Group derives its income solely from dividends received from its investments. The main activity of the Group is the operation and management of hotels.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated and separate financial statements of Attitude Hospitality Ltd and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

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

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

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at June 30, 2017 and June 30, 2016.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- i. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- ii. Exposure, or rights, to variable returns from its involvement with the investee, and
- iii. The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ▶ The contractual arrangement with the other vote holders of the investee;
- ▶ Rights arising from other contractual arrangements; and
- ▶ The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

2. ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies, except for land and buildings that have been measured at fair value in the financial statements of the subsidiaries.

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

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

2.2 CHANGES IN ACCOUNTING POLICIES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year. There were no new standards and interpretations which were effective for this financial year.

2.3 ACCOUNTING STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

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

<u>New or revised Standards</u>	Effective for accounting period beginning on or after
IFRS 9 Financial Instruments	January 01, 2018
IFRS 14 Regulatory Deferral Accounts	January 01, 2016
IFRS 15 Revenue from Contracts with Customers	January 01, 2018
IFRS 16 Leases	January 01, 2019
 <u>Amendments</u>	
Accounting for Acquisitions of interests in Joint Operations (Amendments to IFRS 11)	January 01, 2016
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	January 01, 2016
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	January 01, 2016
Equity Method in Separate Financial Statements (Amendments to IAS 27)	January 01, 2016
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred indefinitely
Annual Improvements 2012-2014 Cycle	January 01, 2016
Disclosure initiative (Amendments to IAS 1)	January 01, 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.3 ACCOUNTING STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE (CONTINUED)

	Effective for accounting period beginning on or after
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	January 01, 2017
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	January 01, 2016
Clarifications to IFRS 15 Revenue from Contracts with Customers	January 01, 2018
Disclosure initiative (Amendments to IAS 7)	January 01, 2017
Clarifications and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	January 01, 2018

IFRS 9 Financial Instruments - Classification and measurement of financial assets, Accounting for financial liabilities and derecognition - January 01, 2018

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

Classification and measurement of financial assets

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

Classification and measurement of financial liabilities

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

Impairment

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

Hedge accounting

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

2. ACCOUNTING POLICIES (CONTINUED)

2.3 ACCOUNTING STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE (CONTINUED)

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

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

IFRS 16 Leases - effective 1 January 2019

The IASB has redrafted this new leasing standard that would require lessees to recognise assets and liabilities for most leases. Lessees applying IFRS would have a single recognition and measurement model for all leases (with certain exemptions). Lessors applying IFRS would classify leases using the principle in IAS 17; in essence, lessor accounting would not change. The IASB and the FASB have made different decisions about lease classification and the recognition, measurement and presentation of leases for lessees and lessors. The Group is still assessing the impact of this new standard.

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

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

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

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

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

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) - effective January 01, 2016

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.3 ACCOUNTING STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE (CONTINUED)

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

Amends IAS 12 Income Taxes to clarify the following aspects:

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

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

IFRS 14 Regulatory Deferral Accounts - effective January 01, 2016

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

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

IFRS 15 Revenue from Contracts with Customers - effective January 01, 2018

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

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

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

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

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) - effective January 01, 2016

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

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.3 ACCOUNTING STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE (CONTINUED)

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) - effective January 01, 2016

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

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

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

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) - effective January 01, 2016

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

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

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

Amendments to IAS 27: Equity Method in Separate Financial Statements - effective January 01, 2016

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

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

Annual improvements 2012 - 2014 Cycle - effective July 01, 2016

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.3 ACCOUNTING STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE (CONTINUED)

Disclosure Initiative (Amendments to IAS 1) - effective January 01, 2016

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

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

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

Disclosure Initiative (Amendments to IAS 7)

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

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

No early adoption is intended by the Board of directors.

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's and Group'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.

Estimates and assumptions

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

(i) *Estimated useful lives and residual values of property, plant and equipment*

Determining the carrying amounts of property, plant and equipment requires the estimation of the useful lives and residual values of these assets. Certain property, plant and equipment of the Group are separated into their significant parts and estimates of the useful lives and residual values thereof are made for the purposes of calculating depreciation. The estimates of useful lives and residual values carry a degree of uncertainty. The directors have used historical information relating to the Group and the relevant industries in which the latter operate in order to best determine the useful lives and the residual values of property, plant and equipment are based on the reports of the independent values.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(ii) Impairment of goodwill

In determining the carrying amount of goodwill, the Group carries out the test on impairment of goodwill on an annual basis. This exercise requires an estimation of the "value in use" of the cash generating units to which goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and to choose a suitable discount rate in order to compute the present value of future cash flows. The carrying amount of goodwill as at June 30, 2017 amounted to Rs 531 million (2016: Rs 531 million). Further details are given in note 4.

(iii) Fair value of financial liabilities at fair value through profit or loss

The fair value of the financial liabilities at fair value through profit or loss recorded in the statement of financial position cannot be derived from active markets and therefore its fair value is determined using the valuation techniques including the discounted cash flow model. The inputs to the model are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required. The judgements include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(iv) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies

(v) Consolidation of entities in which the Group holds less than a majority of voting right (de facto control)

The Group considers that it controls Attitude Property Ltd and SAS Voloc even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of Attitude Property Ltd and SAS Voloc with a 49% and 31.7% equity interest respectively. The remaining 51% of the equity shares in Attitude Property Ltd are widely held by many other shareholders, none of which individually hold more than 1% of the equity shares (as recorded in the company's shareholders' register from date of incorporation to 30 June 2016). Since date of incorporation of Attitude Property Ltd, there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency translation

The financial statements are presented in Mauritian Rupees ("Rs"), which is also the functional and presentation currency of the parent company, Jason Limited. The functional currency of each entity is the same as the presentation currency of the group.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency at the rate of exchange ruling at the reporting date. All differences are taken to profit or loss with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation and for foreign currency borrowings designated as hedging instruments in a cash flow hedge. These are recognised in other comprehensive income until the disposal of the net investment or when the forecast transactions in the cash flow hedge take place at which time they are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Foreign currency translation (Continued)

Transactions and balances (Continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them, accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

The annual rates of depreciation are as follows:

	Rate (%)
Buildings on leasehold land	4% - 11%
Furniture and equipment	10% - 15%
Electronic equipment	50%
Boat equipment	14%
Motor vehicles	20%

The construction in progress relates mainly to costs incurred in the construction of hotel and is not depreciated.

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

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

(c) Investment in subsidiaries and associates

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

2. ACCOUNTING POLICIES (CONTINUED)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Investment in subsidiaries and associates (Continued)

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

(d) Investment in associates

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associates is initially recognised at cost. The amount recognised in profit or loss reflects the Group's share of the results of operations of associated companies.

The investment in associate is carried in the Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associate, less any impairment loss. The Group's investment in its associate includes goodwill on acquisition, which is treated in accordance with the accounting policy for goodwill stated further below.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of profit of an associate is shown on the face of the statement of profit or loss and other comprehensive income. This is the profit attributable to equity holders of the associate and, therefore, is profit after tax and non-controlling interests in the subsidiaries of the associate.

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

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on its investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and their carrying value and recognises the amount in the 'share of profit of an associate' in the statement of profit or loss and other comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial assets

(i) *Initial recognition and measurement*

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

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

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

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

(ii) *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Trade and other receivables

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

Bank balances

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial liabilities

(i) *Initial recognition and measurement*

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

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

The Group's financial liabilities include trade and other payables, financial liabilities at fair value through profit or loss, bank overdraft and loans and borrowings.

(ii) *Subsequent measurement*

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

Loans and borrowings

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

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

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

(g) Derecognition of financial assets and liabilities

Financial assets

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

- the right to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Derecognition of financial assets and liabilities (Continued)

Financial liabilities

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

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

(h) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of profit or loss and other comprehensive income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss and other comprehensive income.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Offsetting of financial instruments

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

Hedge Accounting

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

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

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

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

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

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

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

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

(j) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the statement of profit or loss in those expense categories consistent with the function of the impaired asset.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Offsetting of financial instruments (Continued)

Hedge Accounting (Continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss and other comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(l) Inventories

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

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

(m) Intangible assets

Goodwill

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

2. ACCOUNTING POLICIES (CONTINUED)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Intangible assets (Continued)

Goodwill (Continued)

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or group of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

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

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

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

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

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit or loss and other comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of profit or loss and other comprehensive income in the expense category consistent with the function of the intangible asset.

Computer software has been assessed as having a finite useful life which has been estimated at 4 years.

Leasehold rights have been assessed as having a finite useful life of 60 years in line with the underlying contractual agreement with the Local Authorities.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Intangible assets (Continued)

Other intangible assets (Continued)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Goodwill has been assessed as having indefinite useful life.

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.

(o) Leases

Group as lessee

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Leased assets are pledged as security for the related finance lease.

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

Operating lease payments are recognised as an expense in the statement of profit or loss on a straight-line basis over the lease term.

(p) 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.

(q) Employee benefit liability

The Group operates a defined contribution retirement plan for all of its employees. The assets of the plan are administered separately by an independent fund administrator. Payments by the Group to the plan are charged as expense as they fall due.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) 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 because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's and the Company's liability for current tax are calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is provided using the liability method on taxable temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

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.

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

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

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

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

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

Value Added Tax

Revenues, expenses and assets are 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.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Taxation (Continued)

Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax expense shown within the statement of profit or loss and 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 by the reporting date.

(s) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duty. The following specific criteria must also be met:

(i) *Sale of goods and services*

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

(ii) *Other revenues*

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

- Interest income - For all financial instruments measured at amortised cost, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in profit or loss.
- Dividend income - when the shareholders' right to receive payment is established.
- Rental income - as it accrues unless collectability is in doubt.

(t) Fair value measurement

The Group measures financial instruments, such as, financial derivatives, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 28.

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 (CONTINUED)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Fair value measurement (Continued)

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

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 Group 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 Group 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 Group 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.

ATTITUDE HOSPITALITY LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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3. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	2017						Total
	Buildings on leasehold land	Furniture and equipment	Electronic equipment	Boat equipment	Motor vehicles	Work in progress	
COST	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At July 1, 2016	2,614,030,208	392,199,256	59,913,777	4,527,584	4,646,921	28,656,711	3,103,974,457
Transfer from construction in progress (Note b)	22,648,190	6,107,393	175,007	-	-	(28,930,590)	-
Additions	163,445,634	52,420,957	12,427,650	322,303	85,000	2,172,272	230,873,816
Disposal	-	(5,387,943)	-	-	-	-	(5,387,943)
At June 30, 2017	2,800,124,032	445,339,663	72,516,434	4,849,887	4,731,921	1,898,393	3,329,460,330
DEPRECIATION							
At July 1, 2016	232,566,618	214,604,822	23,242,923	3,439,838	2,148,441	-	476,002,642
Charge for the year	64,405,579	39,666,909	15,592,235	396,180	543,563	-	120,604,466
Disposal	-	(5,224,124)	-	-	-	-	(5,224,124)
At June 30, 2017	296,972,197	249,047,607	38,835,158	3,836,018	2,692,004	-	591,382,984
NET CARRYING AMOUNT							
At June 30, 2017	2,503,151,835	196,292,056	33,681,276	1,013,869	2,039,917	1,898,393	2,738,077,346
At June 30, 2016	2,381,463,590	177,594,434	36,670,854	1,087,746	2,498,480	28,656,711	2,627,971,815

(a) Assets held under finance lease

Motor Vehicles and furniture and equipment of the Group include leased assets as follows:

	2017		2016	
	Motor Vehicles	Furniture and equipment	Total	Total
	Rs.	Rs.	Rs.	Rs.
Cost	1,204,347	186,589	1,390,936	1,204,347
Accumulated depreciation	(240,870)	(91,966)	(332,836)	(20,072)
Net book value	963,477	94,623	1,058,100	1,184,275
Work in progress				

(b) Included in Property, Plant and Equipment at June 30, 2017 was work in progress relating to renovation works performed at Marina Village Hotel Limited. At 30 June 2017, the amount of work in progress relates to minor renovation being performed at Pointe aux Piment Hotel Ltd.

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

(d) Borrowing costs amounting to Rs 1.6 m have been capitalised during the year (2016: Rs 14.8 m).

ATTITUDE HOSPITALITY LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

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3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) Non-cash transactions

Part of the acquisition of property, plant and equipment was financed by the following finance leases:

		THE GROUP	
		2017	2016
		Rs.	Rs.
Total acquisition cost		230,873,816	478,177,933
Financed by cash		(230,873,816)	(476,973,485)
Financed by finance leases		-	1,204,448

THE GROUP COST	Buildings on leasehold land	Furniture and equipment	Electronic equipment	Boat equipment	Motor vehicles	Construction in progress	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At July 1, 2015	2,290,229,560	310,367,555	22,861,289	4,211,584	2,681,308	1,047,843	2,631,399,139
Transfer from construction in progress	-	1,047,843	-	-	-	(1,047,843)	-
Acquisition of group of subsidiaries	-	4,444,619	-	-	-	-	4,444,619
Disposal of subsidiary	(3,718,874)	(4,872,256)	(1,456,104)	-	-	-	(10,047,234)
Additions	327,519,522	81,211,495	38,508,592	316,000	1,965,613	28,656,711	478,177,933
At June 30, 2016	2,614,030,208	392,199,256	59,913,777	4,527,584	4,646,921	28,656,711	3,103,974,457
DEPRECIATION							
At July 1, 2015	173,892,996	183,188,630	14,088,011	3,136,697	1,974,275	-	376,280,609
Acquisition of group of subsidiaries	-	1,724,648	-	-	-	-	1,724,648
Disposal of subsidiary	(1,679,020)	(1,497,754)	(1,147,740)	-	-	-	(4,324,514)
Charge for the year	60,352,642	31,189,298	10,302,652	303,141	174,166	-	102,321,899
At June 30, 2016	232,566,618	214,604,822	23,242,923	3,439,838	2,148,441	-	476,002,642
NET CARRYING AMOUNT							
At June 30, 2016	2,381,463,590	177,594,434	36,670,854	1,087,746	2,498,480	28,656,711	2,627,971,815
At June 30, 2015	2,116,336,564	127,178,925	8,773,278	1,074,887	707,033	1,047,843	2,255,118,530

4. INTANGIBLE ASSETS

THE GROUP	Leasehold Rights	Computer software	Goodwill	Total
	Rs.	Rs.	Rs.	Rs.
COST				
At July 1, 2015	729,293,669	8,896,809	531,077,801	1,269,268,279
Additions	-	8,129,305	-	8,129,305
Acquisition of group of subsidiaries	-	1,932,920	-	1,932,920
Disposal of subsidiary	-	(692,434)	-	(692,434)
At June 30, 2016	729,293,669	18,266,600	531,077,801	1,278,638,070
At July 1, 2016	729,293,669	18,266,600	531,077,801	1,278,638,070
Additions	-	1,209,944	-	1,209,944
At June 30, 2017	729,293,669	19,476,544	531,077,801	1,279,848,014
AMORTISATION				
At July 1, 2015	28,096,647	7,016,920	-	35,113,567
Charge for the year	11,706,387	2,296,633	-	14,003,020
Acquisition of group of subsidiaries	-	893,392	-	893,392
Disposal of subsidiary	-	(406,995)	-	(406,995)
At June 30, 2016	39,803,034	9,799,950	-	49,602,984
At July 1, 2016	39,803,034	9,799,950	-	49,602,984
Charge for the year	11,703,585	3,308,458	-	15,012,043
At June 30, 2017	51,506,619	13,108,408	-	64,615,027
NET CARRYING AMOUNT				
At June 30, 2017	677,787,050	6,368,136	531,077,801	1,215,232,987
At June 30, 2016	689,490,635	8,466,650	531,077,801	1,229,035,086

(a) Impairment test on goodwill

Subsidiary companies	The Group	
	2017	2016
	Rs.	Rs.
Marina Village Hotel Limited	412,904,296	412,904,296
Pointe aux Piments Hotel Limited	42,798,760	42,798,760
Attitude Resorts Management Co. Ltd	75,374,745	75,374,745
	531,077,801	531,077,801

Goodwill acquired is measured as the sum of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts fair values of the identifiable assets and liabilities assumed. Goodwill has been assessed as having an indefinite life, in accordance with IFRS 3. As per IAS 36, goodwill has been assessed for impairment based on each cash generating unit.

4. INTANGIBLE ASSETS (CONTINUED)

(a) Impairment test on goodwill (Continued)

The recoverable amount of each cash generating unit has been determined based on value-in-use calculation. The calculation used pre-tax cash flow projection based on financial budgets approved by management covering a five-year period. The pre-tax discount rate applied represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. The discount rate used is 10% to 15% (2016: 12% to 15%).

A yearly growth rate of 3% to 10% (2016: 3% to 10%) has been assumed on the different cash generating units.

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

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

(b) Non-cash transactions

Part of the acquisitions of intangible asset was financed by the following finance leases:

	2017	2016
	Rs.	Rs.
Total acquisition cost	1,209,944	10,062,225
Financed by cash	(1,209,944)	(8,848,235)
Financed by finance lease	-	1,213,990

5. INVESTMENT IN SUBSIDIARY COMPANIES

	THE COMPANY	
	2017	2016
	Rs.	Rs.
At July 1,	1,811,343,939	978,852,039
Additions	10,000	832,501,900
Disposals	-	(10,000)
At June 30,	1,811,353,939	1,811,343,939

Additions in subsidiary companies includes the transfer of the shareholding of Belle Mare Venture Limited from Compagnie Marmites Des Iles Ltee to the Company.

In 2016 the additions pertained to the additional capital contribution of Rs 779.9m in Attitude Property Ltd ("APL"), following the Initial Public Offering ("IPO") of APL in September 2015. The Company's shareholding was then reduced to 48.74%, but it retained control of APL.

The Company acquired 67.51% holding in Touristic United Enterprise Ltd and its subsidiaries ("TUE Group") for a consideration of Rs 30k in January 2016, in view of consolidating the Group's footprint in the hospitality segment in Mauritius. Following the acquisition of Touristic United Enterprise Ltd ("TUE"), the directors of the Company proceeded in the capitalisation of Rs52.5m of balance receivable from TUE.

The Company disposed of 100% of its shares held in West Lagoon Ltd for a consideration Rs 14m in financial year ended June 30,2016.

The Company pledged the whole of its 88.75% shares held in Marina Village Hotel Limited with the State Bank of Mauritius in favour of Diamant de Vati Ltd and Rose et Or Ltd, which were related parties,during financial year ended June 30,2016.Subsequently,the pledge of shares were waived during the financial year ended June 30,2017.

5. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

The subsidiary companies are as follows:

Name of Companies	Country of Incorporation		Effective Shareholding			
			2017		2016	
			Direct	Indirect	Direct	Indirect
			%	%	%	%
• Marina Village Hotel Limited	Mauritius	Note 22	88.75	-	88.75	-
• Pointe Aux Piments Hotel Limited	Mauritius		100	-	100	-
• Compagnie Marmites Des Iles Limitée	Mauritius		100	-	100	-
• Tropical Hotel Ltd	Mauritius		100	-	100	-
• East Water Ltd	Mauritius		100	-	100	-
• Attitude Hospitality Management Ltd	Mauritius	Note 22	80	-	80	-
• Longchamps Investments Ltd	Mauritius		100	-	100	-
• Attitude Hospitality Training Ltd	Mauritius		100	-	100	-
• Belle Mare Venture Ltd	Mauritius		100	-	-	100
• Green Attitude Foundation	Mauritius		100	-	100	-
• Anse La Raie Resorts Ltd	Mauritius	Note 22	-	88.75	-	88.75
• Attitude Property Ltd	Mauritius	Note 22	48.74	-	48.74	-
• Riviere Citron Ltee	Mauritius		100	-	100	-
• Touristic United Enterprise Ltd	Seychelles		67.51	-	67.51	-
• Colov United Enterprise Ltd	Mauritius		-	62.69	-	62.69
• SAS Voloc	Reunion		-	31.70	-	31.70

6. INVESTMENT IN ASSOCIATED COMPANIES

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
At July 1,	491,231,362	264,795,236	239,182,330	239,182,330
Additions	-	198,560,212	-	-
Disposals	(4,800,000)	-	(4,800,000)	-
Share of result for the year	61,865,687	45,285,361	-	-
Share of reserves for the year	(1,163,968)	2,390,553	-	-
Dividends	(34,165,000)	(19,800,000)	-	-
At June 30,	512,968,081	491,231,362	234,382,330	239,182,330

(a) The shareholding in associate companies are as follows:

	Country of incorporation and place of business	% Effective Share	
		2017	2016
Zilwa Resorts Ltd (note (i))	Mauritius	24.00%	24.00%
Water Sports Village Limited	Mauritius	24.50%	24.50%
Manaha Ltd and its subsidiaries	Mauritius	33.08%	33.08%

The disposal during the year relates to the repayment of the debenture shares held in Zilwa Resorts Ltd.

The additions in associate in 2016 relates to investment held in Touristic United Enterprise Ltd, a subsidiary of the Company.

6. INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

(b) Summarised financial information of the Group's associates is as follows:

Share of the associates' statement of financial position

	2017			2016	
	Manahe Ltd and its subsidiaries	Zilwa Resorts Ltd	Water Sports Village Limited	Total	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Non-current assets	90,419,755	1,017,579,767	261,916,594	1,369,916,116	1,434,226,135
Current assets	186,484,426	98,693,272	27,720,768	312,898,466	313,850,527
Non-current liabilities	(31,284,920)	(494,097,224)	(24,940,293)	(550,322,437)	(663,974,588)
Current liabilities	(81,735,060)	(82,639,875)	(37,984,534)	(202,359,469)	(258,311,295)
Equity	163,884,201	539,535,940	226,712,535	930,132,676	825,790,779
Portion of ownership	33.08%	24.00%	24.50%		
Group's share of net assets	54,212,894	129,488,626	55,544,571	239,246,091	211,649,723
Goodwill	142,324,096	-	8,930,071	151,254,167	151,254,167
Equity	196,536,990	129,488,626	64,474,642	390,500,258	362,903,890

Share of the associates' statement of profit or loss and other comprehensive income

	2017			2016	
	Manahe Ltd and its subsidiaries	Zilwa Resorts Ltd	Water Sports Village Limited	Total	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	488,997,537	551,443,964	260,070,739	1,300,512,240	1,119,296,787
Cost of sales	(253,483,140)	(104,128,647)	(48,175,991)	(405,787,778)	(301,310,067)
Other income	-	10,408,562	5,138,421	15,546,983	19,833,655
Administrative	(171,276,006)	(307,200,275)	(157,153,143)	(635,629,424)	(559,961,307)
Finance costs	(1,472,113)	(29,842,313)	(2,965,281)	(34,279,707)	(47,755,816)
Profit before tax	62,766,278	120,681,291	56,914,745	240,362,314	230,103,252
Income tax expense	(12,461,914)	(22,114,269)	(12,778,084)	(47,354,267)	(38,788,988)
Profit for the year	50,304,364	98,567,022	44,136,661	193,008,047	191,314,264
Other comprehensive income					
- Cash flow hedge	-	(6,976,667)	2,083,398	(4,893,269)	9,842,276
Total comprehensive income for the	50,304,364	91,590,355	46,220,059	188,114,778	201,156,540
Group's share of profits	27,396,119	23,656,085	10,813,483	61,865,687	45,285,361
Group's share of total comprehensive profit/ (loss)	-	(1,674,400)	510,432	(1,163,968)	2,390,553

7. LONG TERM DEPOSITS

	THE GROUP	
	2017	2016
	Rs.	Rs.
As at July 1,	9,084,440	15,125,685
Receipts on disposal of subsidiary	-	(6,041,245)
Charge for statement of profit or loss	-	-
As at June 30,	9,084,440	9,084,440

The long term deposits were made by the Group as part of the lease agreements signed on August 23, 2011, under which the Group leases the property where East Water Ltd operate for a period of ten years effective as from September 01, 2011. The deposits amounted Euro 240,000 for the hotel. During the year ended June 30, 2014, the agreements have been extended to a period of seventeen years.

8. INVENTORIES

	THE GROUP	
	2017	2016
	Rs.	Rs.
At cost		
Food and beverages	8,824,400	8,017,221
Operating supplies	4,039,980	3,441,949
Spare parts	999,434	744,005
Retail items	761,074	673,205
	14,624,888	12,876,380

There were no write down of inventories for the current year (2016: Nil).
 Inventories have been pledged as securities for bank borrowings of the Group.

9. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Trade receivables	82,606,403	65,116,878	-	-
Receivable from subsidiaries	-	-	201,805,064	233,478,631
Receivable from associates	17,184,303	16,222,790	-	-
Receivable from other related parties	14,288,576	1,211,655	300,000	150,000
Other receivables and prepayments	33,957,396	61,953,767	1,859,638	3,400,839
	148,036,678	144,505,090	203,964,702	237,029,470

(i) - Trade receivables are unsecured, non-interest bearing and are generally on 30 to 60 days terms. Impairment of receivables have been assessed on a collective basis only as there were no indications of impairment on an individual basis.

- For terms and conditions relating to related party receivables, refer to Note 21.

(ii) At June 30, 2017, trade receivables of Rs. 1,575,817 (2016: Rs. 6,801,690) were fully provided for. Movement in the allowance for credit losses was as follows:

	THE GROUP		
	Individually impaired	Collectively impaired	Total
	Rs.	Rs.	Rs.
As at June 30, 2016	937,704	5,863,986	6,801,690
Charge for the year	(937,704)	(4,288,169)	(5,225,873)
As at June 30, 2017	-	1,575,817	1,575,817
As at June 30, 2015	937,704	4,118,993	5,056,697
Charge for the year	-	1,744,993	1,744,993
As at June 30, 2016	937,704	5,863,986	6,801,690

The Group has subscribed to an insurance cover with The Mauritius Commercial Bank Ltd as from January 18, 2017 in view to minimise its credit risk exposure. Credit Guarantee Insurance Co Ltd was previously providing insurance cover on trade receivables. The above allowances for credit losses relate to those amounts receivable not covered by the insurance scheme. See note 21 on credit risk for further details.

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

As at June 30, 2017 and 2016, the ageing analysis of trade receivables were as follows:

THE GROUP

	Total	Neither past due nor impaired	Past due but not impaired			
			< 30 days	30 - 60 days	60 - 90 days	> 90 days
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2017	82,606,403	24,528,701	46,153,149	8,816,715	2,111,935	995,903
2016	65,116,878	36,323,582	13,428,418	7,615,539	5,784,452	1,964,887

Other receivables are neither past due nor impaired. Other receivables include VAT receivables amounting to Rs 10m (2016: Rs 15m).

10. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Current				
Forward currency contracts/ currency swaps	1,095,112	1,936,922	1,095,112	-
Redeemable/convertible preference shares	-	61,338,200	-	61,338,200
	1,095,112	63,275,122	1,095,112	61,338,200

Financial liabilities

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Current				
Forward currency contracts/ currency swaps	2,028,837	1,531,744	-	-
Redeemable/convertible preference shares	61,338,200	-	61,338,200	-
	63,367,037	1,531,744	61,338,200	-

Derivative contracts

Typically, derivatives contracts serve as components of the Group's investment strategy and are utilised primarily to enhance performance and reduce risk to the Group. The derivatives contracts that the Group holds or issues include forward currency contracts and swaps.

The Group uses derivatives instruments to hedge its risks associated with foreign currency fluctuations.

Derivatives often reflect at their inception only a mutual exchange of promises with little or no transfer of tangible consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the underlying of a derivative contract may have a significant impact on the profit or loss of the Group.

At the reporting date, the Group has positions in the following types of derivatives:

Forwards

Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. The Group has credit risk exposure to the counter parties of forward contracts. Forward contracts are settled gross and, therefore, considered to bear a high liquidity risk.

10. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Swaps

Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts. In a currency swap, the Group pays a specified amount in one currency and receives a specified amount in another currency. Currency swaps are gross-settled.

Redeemable/convertible preference shares

Redeemable/convertible preference shares entitle holders to an annual dividends of 3%.

Redeemable/convertible preference shares will be redeemed in full or part after the assessment on return of investment. The value of the redemption will be based on the return on investment to the shareholders during the seven years then ending so as to provide the latter with a targeted return on investment of (ROI) 15%. The balance of preference shares not redeemed will be converted into one ordinary share. If return on investment to shareholders during this period exceed 15% then the entire preference shares shall be converted into one ordinary share.

The option by the shareholders to convert part or all of the preference shares into one ordinary share represents an embedded derivative. The Group has opted to designate the entire instrument at fair value through profit or loss.

At date of sign off of the financial statements, the assessment on return of investment were being performed by BDO.

11. CASH AND SHORT-TERM DEPOSITS

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Cash in hand	1,013,839	7,238,579	-	-
Cash at bank	44,492,628	46,972,591	107,016	1,306,123
	45,506,467	54,211,170	107,016	1,306,123

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

	THE GROUP		THE COMPANY	
	2017	2015	2017	2016
	Rs.	Rs.	Rs.	Rs.
Cash and short-term deposits	45,506,467	54,211,170	107,016	1,306,123
Bank overdrafts (Note 14)	(140,288,958)	(167,125,958)	(10,253)	-
	(94,782,491)	(112,914,788)	96,763	1,306,123

12. ISSUED CAPITAL

	THE GROUP AND THE COMPANY		
	Number of shares	2017	2016
	Units	Rs.	Rs.
Issued and fully paid			
Ordinary shares at no par value	157,523,457	1,256,193,765	1,256,193,765

13. CASH FLOW HEDGE RESERVE

The Group has hedged its borrowings denominated in Euro with the inflows of revenue in the same currency. This reserve records the effective portion of the gain or loss on the hedging instruments in the cash flow hedges, recognised in other comprehensive income.

14. INTEREST-BEARING LOANS AND BORROWINGS

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Current				
Bank loans (note (a))	168,694,910	125,930,830	92,603,241	72,239,900
Loan from others (note (d))	20,000,000	-	20,000,000	-
Obligations under finance leases (note (b))	485,297	592,826	-	-
Bank overdrafts (note (c))	140,288,958	167,125,958	10,253	-
	<u>329,469,165</u>	<u>293,649,614</u>	<u>112,613,494</u>	<u>72,239,900</u>
Non-current				
Bank loans (note (a))	1,751,015,646	1,692,366,849	512,484,857	600,272,900
Loan from others (note (d))	-	20,000,000	-	20,000,000
Obligations under finance leases (note (b))	1,096,585	1,581,670	-	-
	<u>1,752,112,231</u>	<u>1,713,948,519</u>	<u>512,484,857</u>	<u>620,272,900</u>
Total borrowings	<u>2,081,581,396</u>	<u>2,007,598,133</u>	<u>625,098,351</u>	<u>692,512,800</u>

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

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Within one year	157,594,621	125,930,830	92,603,241	72,239,900
After one year and before five years	1,404,204,040	829,998,641	370,412,964	288,959,600
After five years	357,911,895	862,368,208	142,071,893	311,313,300
	<u>1,919,710,556</u>	<u>1,818,297,679</u>	<u>605,088,098</u>	<u>672,512,800</u>

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14. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

	Loan amount	Effective interest rate (%)	Maturity	THE GROUP		THE COMPANY	
				2017	2016	2017	2016
				Rs.	Rs.	Rs.	Rs.
GBP	7.65 million	Libor + 3.5 %	June 2026	348,455,358	-	348,455,358	-
EUR	3.195 million	Euribor+5%	June 2024	90,533,520	104,284,800	90,533,520	104,284,800
EUR	2.11 million	Euribor + 5%	June 2024	59,788,960	68,870,400	-	-
EUR	2.55 million	Euribor + 5.5%	June 2027	103,224,000	-	-	-
EUR	1.85 million	Libor + 5%	June 2024	52,421,600	60,384,000	-	-
EUR	3.21 million	PLR+1.25%	June 2026	116,946,720	130,968,000	116,946,720	130,968,000
MUR	119 million	PLR+1.25%	June 2024	49,152,500	95,260,000	49,152,500	95,260,000
MUR	82.44 million	PLR + 1.25%	June 2024	57,708,000	65,952,000	-	-
MUR	71.2 million	PLR + 1.25%	June 2024	49,840,000	56,960,000	-	-
MUR	100 million	PLR + 1.75%	June 2027	100,000,000	-	-	-
MUR	30 million	PLR + 1.25%	June 2025	24,000,000	-	-	-
MUR	550 million	PLR + 1%	January 2025	-	27,038,922	-	-
MUR	342 million	PLR+1.25%	June 2026	-	550,000,000	-	-
MUR	70 million	PLR+1.25%	June 2023	55,648,438	342,000,000	-	342,000,000
MUR	13 million	PLR+1.25%	June 2024	11,413,766	61,380,887	-	-
MUR	37.8 million	PLR+1.25%	June 2025	35,215,694	12,398,670	-	-
MUR	50 million	PLR+1%	January 2025	-	37,800,000	-	-
MUR	155 million	PLR+1%	January 2025	-	50,000,000	-	-
MUR	755 million	PLR+0.5%	April 2022	755,000,000	155,000,000	-	-
MUR	60 million	PLR+0.5%	April 2022	10,362,000	-	-	-
				1,919,710,556	1,818,297,679	605,088,098	672,512,800

(i) Bank borrowings are secured by fixed and floating charges over the assets of the Group and the Company.

(ii) The Group had an undrawn loan facility amounting Rs 50 mn at year end (2016: Rs 157 mn) .

(iii) In 2016, the subsidiaries, Pointe Aux Piments Hotel Ltd and Tropical Hotel Ltd, repaid in full their borrowings. This was funded by the Company, which in turn took a total of Rs 472m from the banks.

During the year the Company drew a GBP loan of GBP 7.65 M and repaid its existing MUR loan of MUR 342 M.

The Group also restructured three loans held by Attitude Property Ltd into a new loan of MUR 755 M.

The current portion payable at the end of financial year ended June 30,2017 for Touristic United Enterprise's loan was also postponed for the next financial year.

14. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(b) Finance lease liabilities - minimum lease payments:

	THE GROUP	
	2017	2016
	Rs	Rs
Within one year	597,361	746,170
After one year and before five years	1,221,821	1,818,973
	1,819,182	2,565,143
Future finance charges on finance leases	(237,300)	(390,647)
Present value of finance lease liabilities	1,581,882	2,174,496
The present value of finance lease liabilities may be analysed as follows:		
Within one year	485,297	592,826
After one year and before five years	1,096,585	1,581,670
	1,581,882	2,174,496

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. The rate of interest on the leases varies between 10% to 11.5%.

(c) Bank overdraft

The bank overdrafts are secured by floating charges on the assets of the Group and are used for working capital management purposes. The bank overdraft are at floating interest rates and the average interest rate as at June 30, 2017 was PLR+1.5%.

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

(d) Loan from others

The loan is unsecured, bears interest at MCB PLR and is repayable within 6 months after financial year ended June 30, 2017. The loan has been reclassified from Non Current Liability to Current Liability due to expected settlement in the next 12 months.

(e) 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 applicable interest rates. The technique used to determine the fair value is the discounted cash flow method. For fair value hierarchy see Note 29.

15. TAXATION

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
(a) Income tax - <i>Statements of financial position</i>				
At July 01,	9,910,374	1,803,698	328,094	328,094
Acquisition of group of subsidiaries	-	7,480,093	-	-
Tax paid during the year	(9,320,922)	(5,314,345)	-	-
Underprovision/(over) of income tax expense	(11,823)	1,231,075	-	-
Income tax expense (note (b))	6,724,066	4,907,687	-	-
Corporate Social Responsibility	847,599	577,761	-	-
Corporate Social Responsibility paid	(596,876)	(775,595)	-	-
At June 30,	7,552,418	9,910,374	328,094	328,094
Disclosed as:				
Income tax asset	(785,566)	(50,484)	-	-
Current tax liabilities	8,337,984	9,960,858	328,094	328,094
	7,552,418	9,910,374	328,094	328,094

15. TAXATION (CONTINUED)

(b) Income tax - *Statements of comprehensive income*

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Current income tax charge	6,724,066	4,907,687	-	-
Deferred tax (Note (d))	4,764,138	22,775,842	-	-
Effect of restatement	-	75,264	-	-
Corporate social responsibility	847,599	632,761	-	-
(Over)/under provision of income tax	-	1,231,075	-	-
Underprovision of deferred tax from previous year	-	(2,405,046)	-	-
Deferred tax asset not recognised	(910,550)	1,949,437	-	-
Income tax expense reported in the statement of comprehensive income	11,425,253	29,167,020	-	-

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

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Accounting profit before taxation	134,334,600	(38,342,092)	(1,779,085)	(62,308,374)
- Tax calculated at a rate of 15%	20,150,190	(5,751,314)	(266,863)	(9,346,256)
- Income not subject to tax	7,547,539	4,563,410	-	(3,598,340)
- Share of results of associates	(5,170,435)	(5,202,166)	-	-
- Corporate social responsibility	847,599	708,025	-	-
- Non deductible expenses	11,175,242	17,879,364	266,863	12,977,862
- Deferred tax assets not recognised	(910,550)	3,618,251	-	(33,266)
- (Over)/under provision of income tax	-	1,259,573	-	-
- Under/(over) provision of deferred tax liability*	(22,214,332)	12,091,877	-	-
Total taxation	11,425,253	29,167,020	-	-

* This amount to deferred tax asset previously not recognised for Riviere Citron Ltee.

(d) Deferred tax

Deferred income tax liability at June 30, relates to the following:

THE GROUP	Statement of financial position			Statement of comprehensive income	
	2017	2016	2015	2017	2016
	Rs.	Rs.	Rs.	Rs.	Rs.
Deferred tax liability		(Restated)	(Restated)		(Restated)
Accelerated depreciation for tax purposes	324,392,999	293,252,906	251,058,531	31,140,093	42,194,375
	324,392,999	293,252,906	251,058,531	31,140,093	42,194,375
Deferred tax assets					
Provision for bad debts	(146,564)	(632,224)	(845,759)	485,660	213,535
Tax loss	(115,597,667)	(88,736,053)	(66,991,774)	(26,861,614)	(21,744,279)
Unrecognised tax asset	1,038,887	1,949,437	-	(910,550)	1,949,437
	(114,705,344)	(87,418,840)	(67,837,533)	(27,286,504)	(19,581,307)
Deferred tax expense	-	-	-	3,853,589	22,613,068
Net deferred tax liability	209,687,655	205,834,066	183,220,998		

15. TAXATION (CONTINUED)

Reconciliation of deferred tax liabilities net:	2017	2016	2015
	Rs.	Rs. (Restated)	Rs. (Restated)
Opening balance as at July 1,	205,834,066	183,220,998	162,766,648
Effect of restatement	-	75,264	15,257,346
Tax expense recognised in statement of profit or loss and other comprehensive income	4,764,139	22,775,842	5,197,004
Underprovision of deferred tax from previous year	-	(2,405,046)	-
Deferred tax recognised in profit or loss	-	217,571	-
Unrecognised tax asset for the year	(910,550)	1,949,437	-
Closing balance as at June 30,	209,687,655	205,834,066	183,220,998

THE GROUP		
2017	2016	2015
Rs.	Rs. (Restated)	Rs. (Restated)
Disclosed as:		
Deferred tax asset	(22,214,332)	-
Deferred tax liabilities	231,901,987	183,220,998
	209,687,655	183,220,998

16. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Trade payables	120,642,925	100,061,037	1,256,798	11,652,136
Other payables and accruals	129,615,888	164,205,795	7,613,609	1,324,050
Payable to associates (Note 21)	766,228	2,135,343	-	-
Payable to subsidiaries (Note 21)	-	-	163,451,813	128,111,260
Payable to other related parties (Note 21)	6,868,619	5,810,481	-	-
	257,893,660	272,212,656	172,322,220	141,087,446

- Trade and other payables are non-interest bearing and are normally settled on 30-60 days terms.
- Other payables are non-interest bearing.
- For terms and conditions relating to related party payables, refer to note 21.

17. DEPRECIATION, AMORTISATION, COST OF INVENTORIES AND EMPLOYEE BENEFIT EXPENSES

THE GROUP		2017	2016
		Rs.	Rs.
(a)	Included in cost of sales:		
	Depreciation on property, plant and equipment	99,159,026	73,387,883
	Amortisation of intangible assets (Note 4)	12,029,006	12,870,112
	Cost of inventories recognised as an expense	178,119,377	127,096,969
	Employee benefit expenses (Note (c))	240,848,913	214,659,265
	Operating rental lease payments	8,575,973	12,461,450

17. DEPRECIATION, AMORTISATION, COST OF INVENTORIES AND EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Included in administrative expenses:

	2017	2016
	Rs.	Rs.
Depreciation on property, plant and equipment	21,445,440	30,658,664
Amortisation of intangible assets (Note 4)	2,983,037	2,026,300
Employee benefit expenses (Note (c))	154,591,951	123,092,475

(c) Employee benefit expenses:

	2017	2016
	Rs.	Rs.
Wages and salaries	364,998,979	307,392,444
Pension costs	16,062,003	9,105,877
Social security costs	12,064,467	15,447,287
Termination benefit	2,315,415	5,806,132
	395,440,864	337,751,740

18. OTHER INCOME

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Rental income	2,921,427	2,696,095	-	-
Gain on exchange rate translations	16,246,471	10,334,730	8,164,417	-
Miscellaneous income	5,560,734	1,862,642	-	-
	24,728,632	14,893,467	8,164,417	-

19. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Interest expense on:				
- Bank overdrafts	10,252,584	17,826,082	285,934	8,220,465
- Bank loans	129,682,381	130,499,502	41,330,290	51,747,504
- Finance leases	153,347	152,492	-	-
- Preference shares	3,142,356	3,000,601	3,142,356	3,000,601
- Other loans	4,999,420	1,352,136	4,999,419	1,352,136
	148,230,088	152,830,813	49,757,999	64,320,706

20(a). PROFIT ON SALE OF SUBSIDIARY

The Company sold its subsidiary, West Lagoon Ltd, during the financial year ended June 30, 2016, resulting in a profit on disposal of Rs 3.5m.

20(b). BARGAIN PURCHASE ON ACQUISITION OF SUBSIDIARIES

Bargain purchase relates to the excess of purchase consideration over the net assets of TUE Group, upon acquisition by the Group.

ATTITUDE HOSPITALITY LTD AND ITS SUBSIDIARIES
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21. RELATED PARTY TRANSACTIONS

THE GROUP

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

2017	Loan receivable	Loan payable	Management fees	Training fees	CSR contribution	Dividends paid	Interest on loan	Interest income	Amount owed to related parties	Amount owed by related parties
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ultimate holding company										
	-	-	-	-	26,127	-	-	-	144,942	-
Holding company										
	-	-	-	-	-	-	-	-	-	-
Fellow subsidiaries										
	-	-	9,428,764	221,000	407,562	-	-	-	79,830	1,738,576
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	300,000
Associates										
	-	-	-	-	-	-	-	-	1,132,443	13,464,296
	-	-	14,921,415	574,500	1,260,006	3,185,000	-	-	30,273	1,688,652
	-	-	39,031,217	627,000	-	6,480,000	-	371,840	735,956	14,281,355
Shareholder										
	-	20,000,000	-	-	-	-	1,256,793	-	3,104,984	-
	-	-	-	-	-	-	-	-	1,362,113	-
	-	-	-	-	-	-	-	-	1,044,306	-
Key Management personnel										
	-	-	-	-	-	-	-	-	-	-
Directors										
	-	20,000,000	63,381,396	1,422,500	1,693,695	9,665,000	1,256,793	371,840	7,634,847	31,472,879

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21. RELATED PARTY TRANSACTIONS (CONTINUED)

- Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured, interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. For the year ended June 30, 2017, the Group has not made any provision for impairment of receivables relating to amounts owed by related parties (2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

THE GROUP

Compensation of key management personnel of the Group

	2017	2016
	Rs.	Rs.
Short-term employee benefits	24,637,540	26,546,925
Post-employment pension and medical benefits	13,130,064	8,612,634
Total compensation paid to key management personnel	37,767,604	35,159,559

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

THE COMPANY

Related party transactions are as follows:

	2017	2016
	Rs.	Rs.
Dividend income Subsidiaries	-	-
Interest income Associates	371,840	369,361

21. RELATED PARTY TRANSACTIONS (CONTINUED)

THE COMPANY	2017	2016
	Rs.	Rs.
<i>Amounts receivable from:</i>		
Subsidiaries	201,805,064	233,478,631
Amount due from other related parties	300,000	150,000
	<u>202,105,064</u>	<u>233,628,631</u>
<i>Amounts payable to:</i>		
Subsidiaries	<u>163,451,813</u>	<u>128,111,260</u>

22. NON-CONTROLLING INTERESTS

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2017	2016
Marina Village Hotel Limited	Mauritius	11.25%	11.25%
Attitude Hospitality Management Ltd	Mauritius	20.00%	20.00%
Anse La Raie Resorts Ltd	Mauritius	11.25%	11.25%
Attitude Property Ltd	Mauritius	51.26%	51.26%
Touristic United Enterprise Ltd and its subsidiaries (TUE Group)	Mauritius	32.49%	32.49%

	2017	2016
	Rs	Rs
Accumulated balances of material non-controlling interest:		
Marina Village Hotel Limited	46,536,523	46,998,822
Attitude Hospitality Management Ltd	13,828,888	7,878,533
Others	(44,011)	(37,083)
Attitude Property Ltd	761,120,937	801,638,792
Touristic United Enterprise Ltd and its subsidiaries	<u>22,771,385</u>	<u>18,795,214</u>

Profit allocated to material non-controlling interest:		
Marina Village Hotel Limited	(638,072)	211,669
Attitude Hospitality Management Ltd	6,494,854	3,858,262
Anse La Raie Resorts Ltd	(6,927)	(12,346)
Attitude Property Ltd	16,073,938	952,692
Touristic United Enterprise Ltd and its subsidiaries	<u>2,998,297</u>	<u>(3,253,523)</u>

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss for 2017:	Touristic United Enterprise Ltd and its subsidiaries				
	Attitude Property Ltd	Marina Village Hotel Limited	Attitude Hospitality Management Ltd	Others	
	Rs	Rs	Rs	Rs	Rs
Revenue	185,955,248	107,759,294	227,852,826	149,856,394	-
Cost of sales	-	(111,910,823)	(147,920,928)	-	-
Other income	12,495,762	-	5,396,596	4,373,219	-
Administrative expenses	(15,343,300)	(1,271,934)	(69,786,990)	(114,204,657)	(61,578)
Finance costs	(55,246,439)	(8,002,822)	(20,323,856)	(445,479)	-
Share of profit	-	27,396,119	-	-	-
Profit/(loss) before tax	127,861,271	13,969,834	(4,782,352)	39,579,477	(61,578)
Income tax	(22,572,237)	-	73,102	(7,117,247)	-
Profit/(loss) for the year	105,289,034	13,969,834	(4,709,250)	32,462,230	(61,578)
Other comprehensive income					
- Net movement in cashflow hedge	-	1,434,709	(3,296,160)	-	-
Total comprehensive income /(loss)	<u>105,289,034</u>	<u>15,404,543</u>	<u>(8,005,410)</u>	<u>32,462,230</u>	<u>(61,578)</u>
Attributable to non-controlling interests	16,073,938	2,998,297	(638,072)	6,494,854	(6,927)
Dividends paid to non-controlling interests	<u>56,591,793</u>	<u>3,980,025</u>	-	-	-

22. NON-CONTROLLING INTERESTS (CONTINUED)

Summarised statement of profit or loss for 2016:	Touristic United Enterprise Ltd and its subsidiaries				
	Attitude Property Ltd	and its subsidiaries	Marina Village Hotel Limited	Attitude Hospitality Management Ltd	Others
	Rs	Rs	Rs	Rs	Rs
Revenue	158,602,684	23,547,187	252,012,563	123,027,540	-
Cost of sales	-	(28,316,508)	(192,074,346)	-	-
Other income	13,559,442	1,019,619	2,604,745	-	-
Administrative expenses	(14,259,809)	(143,914)	(38,704,685)	(102,329,345)	(109,743)
Finance costs	(52,459,626)	(3,666,816)	(12,868,263)	(491,791)	-
Share of profit	-	10,604,253	-	-	-
Profit/(loss) before tax	105,442,691	3,043,821	10,970,014	20,206,404	(109,743)
Income tax	(20,958,962)	-	(3,286,018)	(915,096)	-
Profit/(loss) for the year	84,483,729	3,043,821	7,683,996	19,291,308	(109,743)
Other comprehensive income - Net movement in cashflow hedge	-	4,230,589	(945,280)	-	-
Total comprehensive income /(loss)	84,483,729	7,274,410	6,738,716	19,291,308	(109,743)
Attributable to non-controlling interests	952,692	(3,253,523)	211,669	3,858,262	(12,346)
Dividends paid to non-controlling interests	14,763,077	-	-	-	-

Summarised statement of financial position as at June 30, 2017

	Touristic United Enterprise Ltd and its subsidiaries				
	Attitude Property Ltd	and its subsidiaries	Marina Village Hotel Limited	Attitude Hospitality Management Ltd	Others
	Rs	Rs	Rs	Rs	Rs
Current assets	81,168,835	65,353,165	66,032,783	110,248,527	10,250
Non Current assets	2,456,960,920	205,419,744	866,666,797	7,064,162	-
Current liabilities	(59,906,215)	(63,490,947)	(116,250,731)	(47,181,162)	(391,460)
Non Current liabilities	(811,368,437)	(80,902,709)	(383,019,145)	(937,084)	-
Total equity	1,666,855,103	126,379,253	433,429,704	69,194,443	(381,210)
Attributable to:					
Equity holders of parent	905,734,166	103,688,568	386,893,181	55,353,515	(337,199)
Non-controlling interest	761,120,937	22,771,385	46,536,523	13,828,888	(44,011)

22. NON-CONTROLLING INTERESTS (CONTINUED)

Summarised statement of financial position as at June 30, 2016

	Attitude Property Ltd	Touristic United Enterprise Ltd and its subsidiaries	Marina Village Hotel Limited	Attitude Hospitality Management Ltd	Others
	Rs	Rs	Rs	Rs	Rs
Current assets	90,265,076	86,964,069	49,466,623	62,083,211	10,250
Non Current assets	2,436,358,269	202,337,640	717,520,466	9,435,682	
Current liabilities	(76,211,284)	(86,132,981)	(108,092,985)	(31,073,245)	(329,883)
Non Current liabilities	(778,434,200)	(92,113,319)	(217,448,567)	(1,002,983)	-
Total equity	<u>1,671,977,861</u>	<u>111,055,409</u>	<u>441,445,537</u>	<u>39,442,665</u>	<u>(319,633)</u>
Attributable to:					
Equity holders of parent	870,339,069	92,260,196	394,446,715	31,564,132	(282,549)
Non-controlling interest	<u>801,638,792</u>	<u>18,795,213</u>	<u>46,998,822</u>	<u>7,878,533</u>	<u>(37,084)</u>

Summarised cash flow information for the year ended June 30, 2017

	Attitude Property Ltd	Touristic United Enterprise Ltd and its subsidiaries	Marina Village Hotel Limited	Attitude Hospitality Management Ltd
	Rs	Rs	Rs	Rs
Operating	165,996,498	15,225,129	42,208,453	(3,443,285)
Investing	(20,602,651)	(1,891,844)	(181,467,609)	(1,216,754)
Financing	(155,296,232)	(17,304,482)	162,278,544	(348,309)
Net increase/(decrease) in cash and cash equivalents	<u>(9,902,385)</u>	<u>(3,971,197)</u>	<u>23,019,388</u>	<u>(5,008,348)</u>

Summarised cash flow information for the year ended June 30, 2016

	Attitude Property Ltd	Touristic United Enterprise Ltd and its subsidiaries	Marina Village Hotel Limited	Attitude Hospitality Management Ltd
	Rs	Rs	Rs	Rs
Operating	32,231,011	15,225,129	60,001,013	11,844,743
Investing	(372,049,879)	(1,891,844)	(40,574,125)	(3,940,332)
Financing	350,931,118	(16,543,369)	(44,928,063)	(1,141,786)
Net increase/(decrease) in cash and cash equivalents	<u>11,112,250</u>	<u>(3,210,084)</u>	<u>(25,501,175)</u>	<u>6,762,625</u>

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and borrowings, other financial liabilities and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group also enters into derivative transactions.

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

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and borrowings with floating interest rates. Interest rate risks are not hedged.

Interest rate risk table

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

Effect on profit before tax/ equity	Increase in basis points	THE GROUP		THE COMPANY	
		2017	2016	2017	2016
		Rs.	Rs.	Rs.	Rs.
Mauritian Rupees	+15	(1,956,693)	(2,418,838)	(103,744)	(655,890)
Euro	+15	(640,953)	(560,832)	(311,220)	(352,879)
GBP	+15	(523,320)	-	(522,683)	-
		<u>(3,120,966)</u>	<u>(2,979,670)</u>	<u>(937,647)</u>	<u>(1,008,769)</u>

Effect on profit before tax/ equity	Decrease in basis points	THE GROUP		THE COMPANY	
		2017	2016	2017	2016
		Rs.	Rs.	Rs.	Rs.
Mauritian Rupees	-15	1,956,693	2,418,838	103,744	655,890
Euro	-15	640,953	560,832	311,220	352,879
GBP	-15	523,320	-	522,683	-
		<u>3,120,966</u>	<u>2,979,670</u>	<u>937,647</u>	<u>1,008,769</u>

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The contracts with tour operators are mainly denominated in Euro, Pound Sterling (GBP) and United States Dollar (USD) and invoices are raised in these currencies, with above 90% of Group's sales denominated in Euro, GBP and USD.

The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's and the Company's functional currency).

The Group mitigates the risk of any appreciation of the Mauritian rupee against these foreign currencies partly by entering currency derivatives such as currency forwards and swaps and partly by raising borrowings in foreign currency, in particular in euros. The Group has designated specified amounts of future revenues in Euros as hedged items (i.e highly probable forecast transactions) and the loans it has contracted in Euros as the hedging instruments, such as hedges are expected to be highly effective as any foreign currency gains or losses on the repayments of the foreign currency are expected to exactly offset the foreign currency gains or losses on the future revenue streams. Accordingly, gains and losses arising on the retranslation of the foreign currency loans are recognised in other comprehensive income until such time as the forecast transactions take place. When the gains and losses are then reclassified to profit or loss. During the year, the Group recognised Rs 2.4m of loss as cash flow hedge movement in other comprehensive income.

The currency profile of the financial assets and liabilities at June 30, 2017 and 2016 is as follows:

THE GROUP

As at June 30, 2017	MUR	EUR	GBP	USD	ZAR	AUD	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Long term deposit	-	9,084,440	-	-	-	-	9,084,440
Other financial assets	-	1,095,112	-	-	-	-	1,095,112
Trade and other receivables	62,033,258	57,368,269	17,786,059	6,372,536	-	-	143,560,122
Cash in hand and at bank	2,960,473	38,959,269	1,024,940	762,044	28,339	1,512	43,736,577
Total assets	64,993,731	106,507,090	18,810,999	7,134,580	28,339	1,512	197,476,251
	MUR	EUR	GBP	USD	USD	AUD	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trade and other payables	147,880,152	15,921,642	-	-	-	-	163,801,794
Interest-bearing loans and borrowings	1,304,462,305	427,302,200	348,879,735	937,156	-	-	2,081,581,396
Other financial liabilities	61,338,200	2,028,837	-	-	-	-	63,367,037
Total liabilities	1,513,680,657	445,252,679	348,879,735	937,156	-	-	2,308,750,227

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23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Foreign currency risk (Continued)

THE GROUP

As at June 30, 2016	MUR	EUR	GBP	USD	ZAR	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Long term deposit	-	9,084,440	-	-	-	9,084,440
Other financial assets	-	11,021,362	-	-	-	11,021,362
Trade and other receivables	64,614,984	61,165,518	15,950,164	2,751,508	-	144,482,274
Cash in hand and at bank	11,600,574	41,883,546	277,287	392,676	7,024	54,161,107
Total assets	76,215,558	123,154,966	16,227,451	3,144,184	7,024	218,749,183

Trade and other payables Interest-bearing loans and borrowings Other financial liabilities Total liabilities	MUR	EUR	GBP	USD	ZAR	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trade and other payables	244,108,966	26,926,029	-	-	-	271,034,995
Interest-bearing loans and borrowings	1,632,272,554	373,887,956	1,240,155	197,469	-	2,007,598,134
Other financial liabilities	61,338,200	34,728	-	-	-	61,372,928
Total liabilities	1,937,719,720	400,848,713	1,240,155	197,469	-	2,340,006,057

THE COMPANY

As at June 30, 2017	MUR	EUR	GBP	Total
	Rs.	Rs.	Rs.	Rs.
Trade and other receivables	203,756,052	-	-	203,756,052
Other financial assets	-	1,095,112	-	1,095,112
Cash in hand and at bank	-	107,016	-	107,016
Total assets	203,756,052	1,202,128	-	204,958,180
Trade and other payables	164,851,634	-	-	164,851,634
Interest-bearing loans and borrowings	69,162,753	207,480,240	348,455,358	625,098,351
Total liabilities	234,014,387	207,480,240	348,455,358	789,949,985

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23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Foreign currency risk (Continued)

THE COMPANY

	MUR	EUR	Total
	Rs.	Rs.	Rs.
As at June 30, 2016			
Trade and other receivables	248,284,894	-	248,284,894
Cash in hand and at bank	1,278,435	27,688	1,306,123
Total assets	249,563,329	27,688	249,591,017
Trade and other payables	149,353,751	-	149,353,751
Interest-bearing loans and borrowings	457,260,000	235,252,800	692,512,800
Total liabilities	606,613,751	235,252,800	841,866,551

The effect of possible changes in foreign

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
Increase / (decrease) in exchange rate	Effect on profit before tax	Effect on profit before tax	Effect on profit before tax	Effect on profit before tax
- EUR	6,896,470 (6,896,470)	4,340,673 (4,340,673)	10,434,118 (10,434,118)	11,764,024 (11,764,024)
- GBP	18,384,537 (18,384,537)	749,365 (749,365)	17,422,768 (17,422,768)	- -
- USD	403,587 (403,587)	147,336 (147,336)	- -	- -

The movement in the pre-tax effect is a result of a change in the fair value of other financial assets and liabilities and monetary assets and liabilities denominated in a currency other than the functional currency of the entity, which is Rs.

The movement in pre-tax equity arises from changes in EUR borrowings.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Foreign currency risk (Continued)

	Increase / (decrease) in exchange rate	THE GROUP		THE COMPANY	
		2017	2016	2017	2016
THE GROUP		Effect on Equity	Effect on Equity	Effect on Equity	Effect on Equity
- EUR	+5%	21,145,740	6,462,720	-	-
- EUR	-5%	21,145,740	6,462,720	-	-

(iii) 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 Group's credit risk is primarily attributable to its trade receivables. The amounts presented at reporting date are net of allowances for credit losses, estimated by the Group's management based on prior experience and the current economic environment. Credit risk on bank balances and other financial assets are minimal since these are maintained with reputable financial institutions.

The Group has no significant concentration of credit risk with exposure spread over a large number of counter parties and customers. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The Group has subscribed to a credit protection scheme for its client portfolio with Credit Guarantee Co. Ltd and The Mauritius Commercial Bank Ltd with a view to minimise its credit risk exposure.

(iv) Liquidity risk

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

The Group's objective is to maintain a flexibility between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases.

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23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Liquidity risk (Continued)

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

THE GROUP	At June 30, 2017	On demand		Less than 3 months		3 to 12 months		1 to 5 years		More than 5 years		Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.			
		140,288,958	28,033,101	273,300,906	1,706,737,877	498,502,203	2,646,863,045					
			2,028,837	61,338,200	-	-	63,367,037					
		26,029,447	70,295,219	67,477,125	-	-	163,801,791					
		166,318,405	100,357,157	402,116,231	1,706,737,877	498,502,203	2,874,031,873					
THE COMPANY		On demand		Less than 3 months		3 to 12 months		1 to 5 years		More than 5 years		Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
		10,253	6,176,148	131,131,684	412,741,332	221,080,072	771,139,489					
			-	61,338,200	-	-	61,338,200					
		163,451,813	1,256,798	143,024	-	-	164,851,635					
		163,462,066	7,432,946	192,612,908	412,741,332	221,080,072	997,329,324					
THE GROUP		On demand		Less than 3 months		3 to 12 months		1 to 5 years		More than 5 years		Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
		167,412,339	4,728,331	114,663,829	965,739,558	698,165,491	1,950,709,548					
			34,728	-	61,338,200	-	61,372,928					
		62,690,036	37,336,280	191,711,367	-	-	291,737,683					
		230,102,375	42,099,339	306,375,196	1,027,077,758	698,165,491	2,303,820,159					

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23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) *Liquidity risk (Continued)*

THE COMPANY

At June 30, 2016

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest-bearing loans and borrowings	167,125,958	4,728,331	114,663,829	965,739,558	698,165,491	1,950,423,167
Other financial liabilities	-	10,986,634	-	61,338,200	-	72,324,834
Trade and other payables	60,286,127	37,336,280	173,412,589	-	-	271,034,996
	227,412,085	53,051,245	288,076,418	1,027,077,758	698,165,491	2,293,782,997

(v) *Capital risk management*

The primary objective of the Group 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 Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain and adjust the capital structure, the Group may adjust the dividend payment to shareholders.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The Group's strategy, which was unchanged from 2016, is to maintain the gearing ratio at the lower end, in order to secure access to finance at a reasonable cost. The Group includes within net debt, interest-bearing loans and borrowings, less cash and short-term deposit. Total capital is calculated as "equity" as shown in the statements of financial position less net unrealised gains reserves. The gearing ratios at June 30, 2017 and 2016 were as follows:

	THE GROUP		THE COMPANY	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
Trade and other payables	250,258,813	263,089,608	8,870,407	12,976,186
Interest-bearing loans and borrowings	2,081,581,396	2,007,598,133	625,098,351	692,512,800
Cash and short term deposits	(45,506,467)	(54,211,170)	(107,016)	(1,306,123)
Net debt	2,286,333,742	2,216,476,571	633,861,742	704,182,863
Equity	1,220,330,111	1,137,152,814	1,391,816,234	1,393,595,319
Equity and net debt	3,506,663,853	3,353,629,385	2,025,677,976	2,097,778,182
Gearing ratio	65%	66%	31%	34%

24. ULTIMATE HOLDING COMPANY

The directors regard Jason Ltd, incorporated in Mauritius, as the ultimate holding company. The registered office is situated at The Junction Business Hub, Block C, Calebasses Branch Road, Calebasses, Mauritius.

25. COMMITMENTS

Capital commitments

(i) *Capital commitments towards investment*

Approved by directors but not yet contracted for capital expenditure:

- Marina Village Hotel Limited
- Attitude Property Ltd

THE GROUP	
2017	2016
Rs	Rs
-	200,000,000
66,141,286	-
66,141,286	-

(ii) *Operating lease commitments*

The Company has the following commitments under non-cancellable operating lease:

The future minimum lease payments under non-cancellable operating leases are as follows:

THE GROUP	
2017	2016
Rs	Rs
Within one year	22,687,950
After one year and before two years	41,054,586
After two years and before five years	73,577,617
After five years	911,850,233
1,020,479,738	1,049,170,386

East Water Ltd, Marina Village Hotel Limited and Compagnie Marmites Des Iles Limitée have all entered into a commercial lease on the land occupied by the hotels of the Group and Attitude Property Ltd.

The lease duration period for East Water Ltd is over 17 years with the option to renew.

The lease duration for the remaining hotels is 60 years. The lease rentals are subject to inflationary increase.

26. GUARANTEES

The Group has provided the following guarantees at June 30, 2017:

Floating charge by Attitude Hospitality Ltd on all the Company's assets amounting to Rs. 3.4bn for banking facilities granted to its fellow subsidiaries by MCB Ltd.

Touristic United Enterprise Ltd entered into facility agreements with MCB Ltd comprising of a term loan facility of Rs 70M during the year ended June 30, 2013, a short term loan of Rs 7.2M during the year ended June 30, 2014 and a long term loan of Rs 37.8M during the year ended June 30, 2015. Given that Attitude Hospitality Ltd is the holding company, it has provided, within its legitimate capacity, guarantee for banking facilities granted to Touristic United Enterprise Ltd.

During the year ended June 30, 2013, Zilwa Resorts Ltd, entered into a facility agreement with MCB Ltd comprising of a term loan facility of Rs 730M and Rs 100M representing the bank's commitment under a convertible debenture for the construction of a hotel situated at Calodyne Mauritius. The Company has pledged to make good for any shortfall in cashflow to meet repayment of debt of all its associates. As at year ended June 30, 2017 Zilwa Resorts Ltd had made some early loan repayments on the initial debt and the outstanding balance as at June 30, 2017 stood at Rs 455m.

The Company pledged the whole of its 88.75% shares held in Marina Village Hotel Limited with the State Bank of Mauritius in favour of Diamant de Vati Ltd and Rose et Or Ltd, which were related parties, during financial year ended June 30, 2016. Subsequently, the pledge of shares were waived during the financial year ended June 30, 2017.

The Company provided a bank guarantee to its subsidiary Colov United Enterprise Ltd for an amount of EURO 910k in favour of SOREFI in relation to lease granted to Voloc SAS (subsidiary of Colov United Enterprise Ltd).

26. GUARANTEES (CONTINUED)

The Company provided further an import line (stand by LC only) of EURO 750k to Colov United Enterprise Ltd in favour of Autorealease (Automobile Reunion) in relation to lease granted to Voloc SAS.

The Company stands as surety for banking facilities granted to its subsidiary Colov United Enterprise Ltd for an amount of EURO 600k with the Mauritius Commercial Bank Ltd.

The Company undertakes to repay all the balance due in capital, interest, costs and commissions and accessories on the bank loan totalling Rs 765m taken by the subsidiary Attitude Property Ltd with the State Bank of Mauritius Ltd (SBM Mauritius).

27. DIVIDENDS PAID

	THE GROUP	
	2017	2016
	Rs.	Rs.
Declared and paid during the year:		
Dividends on ordinary shares	56,591,792	14,763,077

The dividends relate to dividends declared by the subsidiary of the Company during the year.

28. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at June 30, 2017, the Group held the following financial instruments carried at fair value in the statement of financial position:

The Group	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
			Rs.	Rs.	Rs.
Assets:					
Derivative financial instruments	June 30, 2017	1,095,112	-	1,095,112	-
Liabilities:					
Redeemable / convertible preference shares	June 30, 2017	61,338,200	-	-	61,338,200
Interest bearing loans and borrowings	June 30, 2017	2,081,581,396	-	2,081,581,396	-
Forward currency contracts/ currency swaps	June 30, 2017	2,028,837	-	2,028,837	-

There have been no transfers between Level 1 and Level 2 during the year.

28. FAIR VALUE HIERARCHY(CONTINUED)

As at June 30, 2016, the Group held the following financial instruments carried at fair value in the statement of financial position:

The Group	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Rs.	Rs.	Rs.	Rs.
Assets:					
Derivative financial instruments	June 30, 2016	1,936,922	-	1,936,922	-
Liabilities:					
Redeemable / convertible preference shares	June 30, 2016	61,338,200	-	-	61,338,200
Interest bearing loans and borrowings	June 30, 2016	2,007,598,133	-	2,007,598,133	-
Forward currency contracts/ currency swaps	June 30, 2016	1,531,744	-	1,531,744	-

There have been no transfers between Level 1 and Level 2 during the year.

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

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of foreign exchange forward and swap contracts are determined by using the foreign exchange spot and forward rates, interest rate curves and forward rate curves of each currency.

The financial liability represents preference shares issued that do not have a quoted market price in an active market and whose fair value are based on contractual terms between issuer and subscriber.

29. GOING CONCERN

During the year, the Group made a profit of Rs 123 m (2016: Loss of Rs 67m); however, at the reporting date, its current liabilities exceeded its current assets by Rs 449 m (2016: Rs 364m). Included in Group profit during year ended June 30, 2017 is finance costs amounting to Rs 148.2 m (2016: Finance cost 152.8m), mainly relating three new loans taken by the Group for an amount of GBP 7.65 m, Rs 100m and Eur 2.55m to repay existing MUR loans. The Group will continue to be able to meet its day to day working capital requirements through its available fund at the bank and through the cashflow generated. The Group has also received a letter of guarantee, from its holding company, Jason Ltd, to provide continued support to the Group so as to enable the Group to meet its working capital requirements. The guarantee will remain in place until such time that the assets exceed the liabilities of the Group.

Furthermore, the Group has interest bearing loans of Rs 1,919m (2016 : Rs 1,818m) of which Rs 157.5 m is repayable within one year.

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30. PRIOR YEAR ADJUSTMENT

In prior years, the Group calculated its deferred tax for its Mauritian entities on the actual corporate tax rate prevailing in Mauritius of 15%. However, after consultation with tax advisors, the Directors have been recommended to revise the treatment of the 2% Corporate Social Responsibility (CSR) contribution since it is deemed to be a tax and therefore deferred tax should be based on a rate of 17% instead of 15%.

The error has been corrected in the current year, the effect of these adjustments are set out below:

STATEMENT OF FINANCIAL POSITION

	2016 (Rs)		2015 (Rs)	
	As previously stated Rs.	Cumulative Adjustments Rs.	As previously stated Rs.	As restated Rs.
(Accumulated losses) / retained earnings	(101,604,523)	(15,225,400)	(64,304,557)	(13,947,800)
Deferred tax liability	190,501,456	15,332,610	167,963,652	15,257,346
Equity attributable to owners of the parent	1,152,378,214	(15,225,400)	1,189,741,048	(13,947,800)
Non controlling interest	876,737,703	(1,463,425)	875,274,278	(1,309,546)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2016 (Rs)		2015 (Rs)	
	As previously stated Rs.	Adjustments Rs.	As previously stated Rs.	As restated Rs.
Taxation	(27,735,541)		(27,735,541)	(1,431,479)
Loss for the year	(66,077,633)		(66,077,633)	(1,431,479)
Other comprehensive income for the year	(338,995)		(338,995)	(338,995)
Total comprehensive loss for the year	(66,416,628)		(66,416,628)	(1,431,479)
Loss attributable to:				
-Equity holders of the Company	(67,988,266)		(67,988,266)	(1,277,600)
-Non-controlling interest	1,910,633		1,910,633	(153,879)
Total comprehensive loss attributable to:				
-Equity holders of the Company	(68,051,134)		(68,051,134)	(1,277,600)
-Non-controlling interest	1,634,506		1,634,506	(153,879)
	(66,416,628)		(66,416,628)	(1,431,479)

31. EVENTS AFTER REPORTING DATE

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