

SOCIÉTÉ SEYCHELLOISE D'INVESTISSEMENT (SSI)

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(Registration number Co. No. 846539-1)
Annual Financial Statements
For the year ended 31 December 2019

Société Seychelloise d'Investissement Limited

(Registration number Co.No.846539-1)

Annual Financial Statements for the year ended 31 December 2019

General Information

Country of incorporation and domicile	Seychelles
Nature of business and principal activities	Investment entity
Directors	Vijaykumari Tirant Rupert Simeon Annie Dugasse Bernard Adonis Ange Morel Karl Pragassen
Registered office	Maison La Rosiere Victoria Mahe Seychelles
Postal address	P.O. Box 1343 Victoria Mahe Seychelles
Shareholder	Government of Seychelles
Bankers	Nouvobanq ABSA Bank (Seychelles) Limited MCB (Seychelles) Limited
Auditors	Pool & Patel Chartered Accountants Registered Auditors
Company Secretary	La Rosiere Company Secretarial Services Limited
Company registration number	Co.No.846539-1

Société Seychelloise d'Investissement Limited

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Annual Financial Statements for the year ended 31 December 2019

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Société Seychelloise d'Investissement Limited

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Annual Financial Statements for the year ended 31 December 2019

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 1972 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for a period of 10 years ending 31 December 2026 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on page 4 & 5.

INDEPENDENT AUDITOR'S REPORT

Societe Seychelloise d'Investissement Limited

Opinion

We have audited the financial statements of Societe Seychelloise d'Investissement Limited, which comprise the statement of financial position as at December 31, 2019, the statement of income, statement of changes in equity and cash flow statement for the year then ended, a five year financial summary and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS) and requirements of the Seychelles Companies Act, 1972.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other responsibilities in accordance with these requirements.

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

Emphasis of matter – Events after the reporting period

We draw your attention to note 28 of the financial statements which describes the material uncertainty regarding the Corona virus pandemic which is severely affecting world trade and whose repercussions also extend to small island states such as Seychelles. Actions taken worldwide such as closing of borders, and grounding of flights and restricting sea trade as well as confinements of the population activities across the world has severely impacted industries on all fronts, thereby raising a significant uncertainty on the going concern of the company.

The directors of the company are confident that they will continue to operate despite such difficult times and they are therefore of the opinion that the going concern basis of preparation of these financial statements remains appropriate in the foreseeable future.

Responsibilities of directors and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and requirements of the Seychelles Companies Act, 1972, and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT (cont...)

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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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


POOL & PATEL
CHARTERED ACCOUNTANTS
20 May 2020

Société Seychelloise d'Investissement Limited

(Registration number Co.No.846539-1)

Annual Financial Statements for the year ended 31 December 2019

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Societe Seychelloise D'Investissement Limited for the year ended 31 December 2019.

1 Nature of business

Societe Seychelloise D'Investissement Limited is a holding company for investments of the Government of Seychelles.

There have been no material changes to the nature of the company's business from the prior year.

2 Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 1972. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 1.

As shown in the statement of comprehensive income on page 9, activities of the current period give the company a profit of SR 372,970,297 (2018 - SR 370,828,283). Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3 Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4 Dividends

The directors proposed and paid total dividend during the period of SR 312,248,097 (2018 - SR 336,813,345).

5 Directorate

The directors in office at the date of this report and their interest in accordance with the register maintained under section 111 of the Companies Act 1972 are as follows:

Directors and their interest in the company

	SHARES HELD	
	1 January	31 December
Vijaykumari Tirant	0	0
Rupert Simeon	0	0
Annie Dugasse	0	0
Bernard Adonis	0	0
Ange Morel	0	0
Karl Pragassen	0	0

6 Ownership

The company is wholly owned by the Government of Seychelles.

7 Events after the reporting period

In view of the global coronavirus pandemic in 2020 which is severely affecting the world's economy and with the current situation of many of the discontinuation of businesses and volatility in tourism sector, the directors are unable to reliably assess the economic impact of the virus on the company, however, the directors are confident that they will continue to operate despite such difficult times and therefore of the opinion that the going concern basis of preparation of these financial statements remains appropriate in this foreseeable future.

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Annual Financial Statements for the year ended 31 December 2019

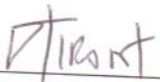
Directors' Report

8 Going concern

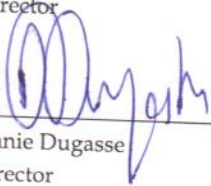
The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

9 Auditors

The retiring auditors are Pool & Patel who are eligible for re-appointment. The annual financial statements set out on pages 8 to 35, which have been prepared on the going concern basis, were approved by the board on 20 May 2020 and were signed by:



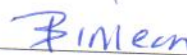
Vijaykumari Tirant (Chairperson)
Director



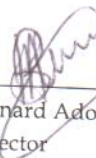
Annie Dugasse
Director



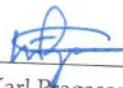
Ange Morel
Director



Rupert Simeon
Director



Bernard Adonis
Director



Karl Pragassen
Director

Société Seychelloise d'Investissement Limited

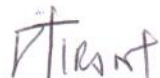
(Registration number Co.No.846539-1)

Annual Financial Statements for the year ended 31 December 2019

Statement of Financial Position

Figures in Seychelles Rupee	Note(s)	2019	2018
Assets			
Property, plant and equipment	2	979,573	1,637,880
Investment property	3	150,347,951	11,421,000
Investments in subsidiaries	4	277,907,825	277,907,825
Investments in associates	5	157,337,581	157,337,581
Loans to group companies	6	125,961,271	119,430,681
Other financial assets	7	29,928,100	27,793,100
Deferred tax	12	25,589	-
Non-Current Assets		742,487,890	595,528,067
Loans to group companies	6	4,614,501	14,980,766
Current tax receivable		2,404,602	1,871,057
Trade and other receivables	8	299,229	118,441
Cash and cash equivalents	9	50,915,887	40,485,280
Current Assets		58,234,219	57,455,544
Total Assets		800,722,109	652,983,611
Equity and Liabilities			
Share capital	10	10,000	10,000
Reserves		322,387,419	322,387,419
Retained income		360,724,165	300,001,965
Equity		683,121,584	622,399,384
Other financial liabilities	11	57,346,849	23,981,355
Deferred tax	12	-	124,965
Non-Current Liabilities		57,346,849	24,106,320
Trade and other payables	13	59,567,027	4,193,045
Other financial liabilities	11	-	1,752,655
Retirement benefit obligations	15	686,649	532,207
Current Liabilities		60,253,676	6,477,907
Total Liabilities		117,600,525	30,584,227
Total Equity and Liabilities		800,722,109	652,983,611

The annual financial statements have been approved by the board on the 20 May 2020 and were signed by:



Vijaykumari Tirant (Chairperson)

Director




Annie Dugasse

Director



Ange Morel

Director



Rupert Simeon

Director



Bernard Adonis

Director



Karl Pragassen

Director

Société Seychelloise d'Investissement Limited

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Annual Financial Statements for the year ended 31 December 2019

Statement of Profit or Loss and Other Comprehensive Income

Figures in Seychelles Rupee	Note(s)	2019	2018
Investment Income	20	384,338,582	380,999,831
Other income	18	1,395,500	1,402,857
Operating expenses		(9,732,912)	(7,987,246)
Operating profit	19	376,001,170	374,415,442
Finance costs	21	(2,436,349)	(1,848,498)
Profit before taxation		373,564,821	372,566,944
Taxation	14	(594,524)	(1,738,661)
Profit for the year		372,970,297	370,828,283
Total comprehensive income for the year		372,970,297	370,828,283

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Annual Financial Statements for the year ended 31 December 2019

Statement of Changes in Equity

Figures in Seychelles Rupee	Share capital	Revaluation reserve	Capital contribution reserve	Total reserves	Retained income	Total equity
Restated balance at 01 January 2018	10,000	116,495,384	197,388,600	313,883,984	265,987,027	579,881,011
Profit for the year					370,828,283	370,828,283
Reserves			8,503,435	8,503,435	-	8,503,435
Prior year adjustment					-	-
Total comprehensive income for the year	-	-	8,503,435	8,503,435	370,828,283	379,331,718
Dividends					(336,813,345)	(336,813,345)
Total contributions by and distributions to owners of company recognised directly in equity					(336,813,345)	(336,813,345)
Restated balance at 01 January 2019	10,000	116,495,384	205,892,035	322,387,419	300,001,965	622,399,384
Profit for the year					372,970,297	372,970,297
Reserves					-	-
Prior year adjustment					-	-
Total comprehensive income for the year	-	-	-	-	372,970,297	372,970,297
Dividends					(312,248,097)	(312,248,097)
Total contributions by and distributions to owners of company recognised directly in equity					(312,248,097)	(312,248,097)
Balance at 31 December 2019	10,000	116,495,384	205,892,035	322,387,419	360,724,165	683,121,584

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Statement of Cash Flows

Figures in Seychelles Rupee	Note(s)	2019	2018
Cash flows from operating activities			
Profit before tax		373,564,821	372,566,944
Adjustments for :			
Deferred tax charge/(Reversal)	12	(25,589)	135,359
Depreciation	2	362,671	310,106
Provision for retirement benefit obligation	15	483,603	405,622
Loss/(profit) on disposal of fixed assets	2	442,109	(82,855)
Interest received	20	(5,010,006)	(8,034,807)
Unrealized exchange difference	21	919,742	(1,880,920)
		370,737,351	363,419,449
Changes in working capital			
(Increase)/ Decrease in trade and other receivable		(180,788)	32,265,679
Increase/ (Decrease) in trade and other payable		55,373,982	(127,330)
Increase/ (Decrease) in business tax receivable		(658,510)	(1,290,976)
		425,272,035	394,266,822
Cash generated from operations			
Interest received	20	5,010,006	8,034,807
Retirement benefit obligation paid	15	(329,161)	(123,120)
Taxation paid	14	(594,524)	(1,738,661)
		429,358,356	400,439,848
Net cash from operating activities			
Cash flows from investing activities			
Payments to acquire tangible fixed assets	2	(146,473)	(606,196)
Investment in financial assets	7	(141,061,951)	(26,779,609)
Change in loan to group companies	6	3,835,675	(9,287,706)
Proceeds from sale of assets	2	-	85,000
		(137,372,749)	(36,588,511)
Net cash used in investing activities			
Cash flow from financing activities			
Loan repaid	11	31,612,839	(65,837,261)
Dividend paid		(312,248,097)	(336,813,345)
		(280,635,258)	(402,650,606)
Net cash used in financing activities			
		11,350,349	(38,799,270)
Increase/(Decrease) in Cash			
Cash at the beginning of the year		40,485,280	77,403,630
Exchange adjustments on cash & cash equivalent		(919,742)	1,880,920
Total cash at end of the year		50,915,887	40,485,280

Société Seychelloise d'Investissement Limited

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Five Year Financial Summary

Figures in Seychelles Rupee'000	2019	2018	2017	2016	2015
Balance sheet					
Share capital					
Authorised	10	10	10	10	10
Issued and Fully paid	10	10	10	10	10
Reserves	322,387	322,387	313,884	302,463	188,463
Retained earnings	360,724	300,001	265,987	158,677	128,397
Long term loan	57,347	23,981	73,268	85,740	99,901
Net assets employed	740,468	646,379	653,149	546,890	416,771
Profit and loss					
Turnover	385,734	382,403	277,365	304,401	115,127
Profit/ (loss) before taxation	373,565	372,567	258,553	288,463	108,150
Taxation	(595)	(1,739)	(4,073)	(7,583)	(7,986)
	372,970	370,828	254,481	280,880	100,164
Dividends	(312,248)	(336,813)	(147,170)	(250,600)	(87,200)
	60,722	34,015	107,311	30,280	12,964
Retained earnings - 1 January	300,001	265,987	158,677	128,397	115,433
Retained earnings - 31 December	360,724	300,001	265,987	158,677	128,397

Société Seychelloise d'Investissement Limited

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Annual Financial Statements for the year ended 31 December 2019

Accounting Policies

1 Presentation of annual financial statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 1972. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Seychelles Rupees.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables and Loans and receivables

The company assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Société Seychelloise d'Investissement Limited

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Annual Financial Statements for the year ended 31 December 2019

Accounting Policies

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

The initial estimate of the costs of dismantling and removing an item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the company is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	5 years
IT equipment	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposals proceeds, if any, and the carrying amount of the item.

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Annual Financial Statements for the year ended 31 December 2019

Accounting Policies

1.3 Interests in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by
- the company; plus
- any costs directly attributable to the purchase of the subsidiary.

1.4 Investments in associates

An associate is an entity over which the parent has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

An investment in an associate is carried at cost less any accumulated impairment.

1.5 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - designated
- Financial assets at fair value through other comprehensive income
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Financial assets classified as at fair value through profit or loss which are no longer held for the purposes of selling or repurchasing in the near term may be reclassified out of that category:

- in rare circumstances
- if the asset met the definition of loans and receivables and the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

Financial assets classified as at fair value through other comprehensive which are no longer held for the purposes of selling or repurchasing in the near term may be reclassified out of that category:

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Société Seychelloise d'Investissement Limited

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Accounting Policies

1.5 Financial instruments (continued)

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the company's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed and shall not exceed what the carrying amount would have been, had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write-off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to (from) group companies

These include loans to and from holding companies, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

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1.5 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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1.6 Tax (continued)

Deferred tax assets and liabilities (continued)

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction and affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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1.7 Impairment of assets (continued)

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.10 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

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1.10 Provisions and contingencies (continued)

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note .

1.11 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attached to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income in the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.12 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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1.12 Revenue (continued)

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

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2 Property, plant and equipment**2.1 December 31, 2019**

	Furniture and fixtures	Motor Vehicles	Office equipment	Computer equipment	Total
Cost					
At 1 January 2019	1,280,532	419,000	151,377	529,362	2,380,272
Additions	76,998	-	38,719	30,755	146,472
Disposal	(875,529)	-	-	(14,835)	(890,364)
At 31 December 2019	482,001	419,000	190,096	545,282	1,636,380
Accumulated depreciation and impairment					
At 1 January 2019	442,139	17,460	75,410	207,384	742,392
Annual depreciation	122,348	104,750	33,493	102,079	362,671
Disposals	(437,128)	-	-	(11,127)	(448,255)
At 31 December 2019	127,360	122,210	108,903	298,336	656,808
Carrying amount					
At 1 January 2019	838,393	401,540	75,968	321,979	1,637,880
At 31 December 2019	354,641	296,790	81,194	246,947	979,573

2.2 December 31, 2018

	Furniture and fixtures	Motor Vehicles	Office equipment	Computer equipment	Total
Cost					
At 1 January 2018	1,278,182	257,368	145,266	350,627	2,031,444
Additions	2,350	419,000	6,111	178,735	606,196
Disposal	-	(257,368)	-	-	(257,368)
At 31 December 2018	1,280,532	419,000	151,377	529,362	2,380,272
Accumulated depreciation and impairment					
At 1 January 2018	314,086	201,605	45,741	126,078	687,509
Annual depreciation	128,053	71,078	29,669	81,306	310,106
Disposals	-	(255,223)	-	-	(255,223)
At 31 December 2018	442,139	17,460	75,410	207,384	742,392
Carrying amount					
At 1 January 2018	964,096	55,763	99,526	224,550	1,343,935
At 31 December 2018	838,393	401,540	75,968	321,979	1,637,880

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3 Investment property

	2019	2018
At January, 1	11,421,000	11,421,000
Additions for the year	138,926,951	-
Reclassification	-	-
Increase/(decrease) in fair value	-	-
Balance at 31 December	150,347,951	11,421,000

Addition for the year relates to the acquisition of properties in Beau Vallon (parcel number H21, H5335, H5339 and V9344) for the total sum of USD 10 million, subject to the following payment terms:

- (i) an installment of USD 4,000,000 in June 2019
- (ii) an installment of USD 2,000,000 in September 2019
- (iii) an installment of USD 2,000,000 in March 2020
- (iv) an installment of USD 2,000,000 in September 2020

The investment properties have been valued using the cost model.

4 Investment in subsidiaries

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's separate financial statements. These investments are carried at the cost model.

Name of company	% voting power 2019	% voting power 2018	Carrying amount 2019	Carrying amount 2018
	2020 Development (Seychelles) Limited	100%	100%	9,900
Bois de Rose Investment Limited	100%	100%	91,986,325	91,986,325
Island Development Company	100%	100%	13,634,200	13,634,200
L'Union Estate Company Limited	100%	100%	7,292,400	7,292,400
Paradis Des Enfants Entertainment Limited	100%	100%	10,000	10,000
Petro Seychelles Limited	100%	100%	990,000	990,000
Seychelles Trading Company Limited	100%	100%	10,000	10,000
Seychelles Petroleum Company Limited	100%	100%	49,975,000	49,975,000
Seychelles International Mercantile Banking Corporation	78%	78%	78,000,000	78,000,000
Seychelles Commercial Bank Limited	60%	60%	36,000,000	36,000,000
Total			277,907,825	277,907,825

5 Investments in associates

The following table lists all of the associates in the company, these investments are carried at the cost model.

Name of company	% ownership interest 2019	% ownership interest 2018	Carrying amount 2019	Carrying amount 2018
	Seychelles Cable Systems Limited	41%	41%	77,757,909
Indian Ocean Tuna Limited	40%	40%	51,935,484	51,935,484
Ile Du Port Handling Services Limited	40%	40%	19,098,143	19,098,143
Seyloin Limited	40%	40%	8,546,044	8,546,044
Total			157,337,581	157,337,581

The shares in Indian Ocean Tuna Limited were revalued as at 31 December 2009 by Mr. Paul Mondon ACMA and is assumed due to lack of information to be the cost.

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6 Loans to subsidiary

	2019	2018
Subsidiary		
Bois de Rose Investment Limited	121,225,773	129,411,447
Petro Seychelles Company Limited	5,000,000	5,000,000
Paradis Des Enfants Entertainment Limited	4,350,000	-
Total	130,575,773	134,411,447

These loans are unsecured, the loan to Bois de Rose Investment bears an interest rate of 8.5% (2018: 11.5%), loans to Petro Seychelles and Paradis Des Enfants bears no interest and will not be recalled within the next 12 months.

	2019	2018
Non-current assets	115,595,007	119,430,681
Current assets	14,980,766	14,980,766
Total	130,575,773	134,411,447

Credit quality of loans to group companies

The credit quality of loans to group companies that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Fair value of loans to and from group companies

The fair value of group companies loans are substantially the same as the carrying amount reflected on the statement of financial position.

The loans to group companies are neither past due nor impaired.

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above.

7 Investment in financial assets

	2019	2018
Amortised cost	13,000,000	10,865,000
Fair value through Other Comprehensive income	16,928,100	16,928,100
Total	29,928,100	27,793,100

Amortised cost financial assets consist of bond with an interest rate of 6% and matures in October 2020 and Treasury bill with an interest of 5.75% and matures in November 2020.

Fair value through other comprehensive income consist of investment in the following equities; Central Common Cold Store (SCR 16,872,000), Land Marine Limited (SCR 56,000) and Seychelles Postal Services Limited (SCR 100).

8 Trade and other receivables

	2019	2018
Prepayments	170,978	61,458
Other receivable	128,251	56,983
Total	299,229	118,441

Credit quality of trade and other receivables

Management has made an assessment of the debts that are neither past nor due nor impaired and are satisfied with the credit quality of these debtors, as all such debts are expected to be recovered without default.

Trade receivables

Fair value of trade and other receivables

The fair value of trade and other receivables are substantially the same as the carrying amounts reflected on the statement of financial position, as the financial instruments are short-term in nature.

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The company does not hold any collateral as security.

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9 Cash and cash equivalents

Cash and cash equivalents consist of:

	2019	2018
Cash on hand		
Bank balances	2,500	2,500
Total	50,913,387	40,482,780
Current assets	50,915,887	40,485,280
	50,915,887	40,485,280

Credit quality of cash at bank and short term deposits, excluding cash on hand

There is a high standard of credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired.

10 Share capital**Authorised & issued**

	2019	2018
100 Ordinary shares of SR100 each	10,000	10,000

11 Other financial liabilities**Held at amortised cost**

	2019	2018
Nouvobanq - Euro loan		
MCB (Seychelles) Limited - Euro Loan	-	25,734,010
Total	57,346,849	-
	57,346,849	25,734,010

The Nouvobanq Euro loan is secured, bears interest at 5.02% and has set repayment terms of Euro 117,978.15 per month. The loan was repaid in full in 2019.

The MCB Euro loan is secured, bears interest at 3.5% and has set repayment terms of Euro 75,964.29 per month.

The above other financial liabilities are secured as follows:

MCB (Seychelles) Limited - Euro Loan

- First Line Fixed Charge on Parcels H21, H5335, & V9344 for EUR 6.381 million.

	2019	2018
Non-current liabilities		
At amortised cost	57,346,849	23,981,355
Current liabilities		
At amortised cost	-	1,752,655
Total	57,346,849	25,734,010

The fair values of the financial liabilities are substantially the same as the carrying amounts reflected on the statement of financial position.

The carrying amounts of financial liabilities at amortised cost are denominated in the following currencies:

	2019	2018
Euro	3,766,673	1,536,135

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12 Deferred tax**Deferred tax liability**

	2019	2018
Property, plant and equipment	(180,406)	(284,627)

Deferred tax asset

	2019	2018
Retirement benefit	205,995	159,662

The deferred tax assets and the deferred tax liability relate to business tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	2019	2018
Deferred tax liability	(180,406)	(284,627)
Deferred tax asset	205,995	159,662
Total net deferred tax liability	25,589	(124,965)

Reconciliation of deferred tax asset! (liability)

	2019	2018
Originating temporary difference movement on tangible fixed assets	(180,406)	(284,627)
Originating temporary difference on retirement benefit liability	205,995	159,662
	25,589	(124,965)

13 Trade and other payables

	2019	2018
Purchase of investment properties (note 3)	55,427,400	-
CSR payable	1,388,926	538,352
Other payables	2,750,701	3,654,693
Total	59,567,027	4,193,045

Fair value of trade and other payables

The fair value of trade and other payables are substantially the same as the carrying amounts reflected on the statement of financial position, as the financial instruments are short-term in nature.

14 Taxation**Major components of the tax expense**

Current	2019	2018
Business tax	22,827	402,619
Withholding tax	722,251	1,200,684
Other tax	-	-
Total	745,078	1,603,303
Deferred		
Originating and reversing temporary differences	(150,554)	135,358
Total	594,524	1,738,661

Reconciliation of the tax expense

Effective tax rate	3.50%	3.50%
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Reconciliation between applicable tax rate and average effective tax rate

Applicable tax rate	30.00%	30.00%
Permanent differences	26.50%	26.50%

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15 Retirement benefit obligations**Reconciliation of retirement benefit obligations - 2019**

	Opening balance	Additions	Paid	Total
Retirement provision	532,207	483,603	(329,161)	686,649

Reconciliation of retirement benefit obligations - 2018

	Opening balance	Additions	Paid	Total
Retirement provision	249,705	405,622	(123,120)	532,207

The company provided for a payment of gratuity/end of the contract payment for contract employees. The amount provided as at the financial year end is based on 15% of the gross salary paid during the period.

The company does not carry out any actuarial valuation since the Directors have based themselves on the method as prescribed by the Seychelles Employment Act and they have estimated that the amount of liability provided will not be materially different had it been computed by an external Actuary.

16 Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

	2019	2018
Loans and receivables		
Loans to group companies (note 6)	130,575,773	134,411,447
Trade and other receivables (note 8)	299,229	118,441
Cash and cash equivalents (note 9)	50,915,887	40,485,280
Total	181,790,889	175,015,168

17 Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

	2019	2018
Non-financial instruments		
Trade and other payables (note 13)	59,567,027	4,193,045

18 Other income

	2019	2018
Management fee		
Profit on disposal	1,368,000	1,320,000
Other income	-	82,857
Total	1,395,500	1,402,857

19 Operating profit (loss)

Operating profit (loss) for the year is stated after accounting for the following:

	2019	2018
Income from subsidiaries		
Dividends	379,328,576	372,965,024
Foreign exchange (gain)/loss	919,742	(1,498,403)
Depreciation on property, plant and equipment	362,671	310,108
Employee costs	4,387,711	2,683,391

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20 Investment revenue

	2019	2018
Dividend revenue		
Dividend from subsidiaries	337,300,000	332,100,000
Dividend from associates	34,384,576	29,529,066
Dividend from other investments	7,644,000	11,335,958
Total	379,328,576	372,965,024
Interest revenue		
Interest on loan to group companies	5,010,006	8,034,807
Total	384,338,582	380,999,831

21 Finance costs

	2019	2018
Loan interest	1,516,607	3,346,901
Exchange on borrowings	919,742	(1,498,403)
Total	2,436,349	1,848,498

Total interest expense, calculated using the effective interest rate, on financial instruments not at fair value through profit or loss amounted to 2018 - SR 3,346,901 (2017 - SR 4,901,495).

22 Cash generated from operations

	2019	2018
Profit before taxation	373,564,821	372,566,944
Adjustments for:		
Depreciation on property, plant and equipment	362,671	310,108
Dividends received	(379,328,576)	(372,965,024)
Interest received	(5,010,006)	(8,034,807)
Finance costs	2,436,349	1,848,498
Movements in provisions	458,014	282,502
Changes in working capital:		
Trade and other receivables	(180,788)	51,363,822
Trade and other payables	55,284,292	(127,325)
Total	47,586,777	45,244,718

23 Dividends declared

	2019	2018
Dividends	312,248,097	336,813,345

Dividends are from capital profits.

24 Auditors remuneration

	2019	2018
Fees	491,455	378,360

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25 Related parties

Relationships

Holding company

Government of Seychelles

Subsidiaries

Bois De Rose Investment Limited

Paradis Des Enfants Entertainment Limited

Petro Seychelles Limited

Related party balances and transactions with entities over which the company has control, joint control or significant influence.

Related party balance

	2019	2018
Loan accounts - Owing by related parties		
Bois De Rose Investment Limited	121,225,773	129,411,447
Petro Seychelles Limited	5,000,000	5,000,000
Paradis Des Enfants Entertainment Limited	4,350,000	-
Amounts included in Trade Receivable (Trade Payable) regarding related parties		
Government of Seychelles	(100)	(100)
Related party transactions		
Interest received from related parties		
Bois De Rose Investment Limited	4,815,006	2,106,902
Compensation to directors and other key management		
Short-term employee benefits	616,050	423,240

26 Directors' fees and remuneration

2019

	Fees	Pension	Total
Annie Dugasse	103,200		103,200
Ange Morel	109,200		109,200
Bernard Adonis	109,200		109,200
Karl Pragassen	109,200		109,200
Vijaykumari Tirant	118,200		118,200
Rupert Simeon	783,348		783,348
Total	1,332,348	-	1,332,348

2018

	Fees	Pension	Total
Annie Dugasse	69,480		69,480
Ange Morel	74,980		74,980
Bernard Adonis	74,980		74,980
Karl Pragassen	74,980		74,980
Vijaykumari Tirant	71,220		71,220
Rupert Simeon	783,348		783,348
Total	1,148,988	-	1,148,988

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27 Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in note 9, cash and cash equivalents disclosed in note 7, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

This note represents information about the company's exposure to each of the above mentioned risks, the company's objectives, policies and processes for measuring and managing risks, and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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27 Risk management (continued)

Liquidity risk (continued)

At 31 December 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Fixed interest loan from MCB (Euro loan)	2,048,102	8,192,407	24,577,221	22,529,119
Trade and other payables	59,567,027	-	-	-
At 31 December 2018	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Fixed interest loan from Nouvobanq (Euro loan)	22,956,179	2,777,831	-	-
Trade and other payables	1,997,580	219,552	658,656	1,317,262

Interest rate risk

The company is mainly exposed to interest rate risk through the financing of other financial liabilities per note 11.

The company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the company to fair value interest rate risk.

The company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to five years	Due after five years
Loans to group companies	8.50%	4,614,501	6,335,943	25,343,774	94,281,554
Fixed interest loan from Nouvobanq (Euro loan)	5.02%	-	-	-	-
Fixed interest loan from MCB (Euro loan)	3.50%	2,048,102	8,192,407	24,577,221	22,529,119

Credit risk

Credit risk consists mainly of cash equivalents, trade and other receivables and loans. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables comprise a small customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2019	2018
Loans to group companies	130,575,772	134,411,447
Trade and other receivables	299,229	118,793
Cash and cash equivalents	50,915,887	40,485,280

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27 Risk management (continued)

Foreign exchange risk

The company operates locally but is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The company does not hedge foreign exchange fluctuations.

The company is exposed to foreign currency risk on borrowings that are denominated in a currency other than the functional currency of the company i.e. Seychelles Rupee. The currencies that give rise to this risk is primarily the US dollar and the Euro.

28 Events after reporting date

In view of the global coronavirus pandemic in 2020, uncertainty remains as to the entity's going concern due to economic activities globally being severely affected. Following the world-wide outbreak of the virus, countries have acted to close their borders and confine their population. Such actions are impacting all industries across the world and as a result, local trade is being severely affected. The economic impact of the virus is yet to be assessed. Significant uncertainty therefore arises on the going concern of the company.

The requirement, in accordance with IAS 10 "Events after the Reporting Period", is to account for the significant changes in business and economic conditions as non-adjusting event.

29 Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

30 New Standards and Interpretations

The following amendments to IFRSs became mandatorily effective in the current year. All these amendments to IFRSs generally require full retrospective application (i.e. comparative amounts have to be restated), with some amendments requiring prospective application.

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Amendments to IAS 1 Disclosure Initiative (Effective for annual periods beginning on or after 1 January 2017)

The amendments were a response to comments that there were difficulties in applying the concept of materiality in practice as the wording of some of the requirements in IAS 1 had in some cases been read to prevent the use of judgement. Certain key highlights in the amendments are as follows:

- * An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.
- * An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, this principle would even apply where an IFRS sets out specific or "minimum" disclosure requirements.

In the financial statements of the company amounts have been appropriately segregated so that immaterial information does not obscure material information by providing additional details regarding the items on the face of the financial statements that contain items with different names and functions in the notes to the financial statements.

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30 New Standards and Interpretations (continued)

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception (Effective for annual periods beginning on or after 1 January 2016)

The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. Consequential amendments have also been made to IAS 28 to clarify that the exemption from applying the equity method is also applicable to an investor in an associate or joint venture if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value.

The amendments further clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

Moreover, the amendments clarify that in applying the equity method of accounting to an associate or a joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its

Lastly, clarification is also made that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required by IFRS 12 Disclosures of Interests in Other Entities.

The amendments apply retrospectively.

Annual Improvements to IFRSs 2014 - 2016 Cycle (Effective for annual periods beginning on or after 1 January 2017)

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS.

The IASB issued *Annual Improvements to IFRS Standards 2014-2016 Cycle* on 8 December 2016, amending the following standards:

Standards	Details
IFRS 1 <i>First-time adoption of International Financial Reporting Standards</i>	Deleted the short-term exemptions in paragraphs E3-E7 of IFRS 1, because they have now served their intended purpose This amendment is effective as from 1 January 2018.
IFRS 12 <i>Disclosure of interest in</i>	The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate that is classified as held for sale. The amendments are effective from 1 January 2017 and must be applied retrospectively.

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30 New Standards and Interpretations (continued)

Annual Improvements to IFRSs 2014 - 2016 Cycle (continued)

(Effective for annual periods beginning on or after 1 January 2017)

IAS 28 <i>Investments in Associates and Joint Ventures</i>	<p>Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice</p> <p>The amendments clarify that:</p> <ul style="list-style-type: none">- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on investment-by-investment basis, to measure its investments in associates or joint ventures at fair value through profit or loss.- If an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. <p>The amendments should be applied retrospectively and are effective from 1 January 2018, with earlier application permitted. If an entity applies those amendments for an earlier period, it must disclose that fact.</p>
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These amendments will have no impact on the company.

IFRS 16 leases

(Effective for annual periods beginning on or after 1 January 2019)

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It will supersede the following lease Standard and Interpretations upon its effective date:

- IAS 17 Leases;
- IFRIC 4 Determining whether an Arrangement contains a Lease;
- SIC-15 Operating Leases - Incentives; and
- SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

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

(Effective for annual periods beginning on or after 1 January 2017)

The IASB issued the amendment to IAS 12 Income Taxes to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

The amendments apply retrospectively.

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30 New Standards and Interpretations (continued)

Amendments to IAS 7: Disclosure Initiative

(Effective for annual periods beginning on or after 1 January 2017)

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and help users of financial statements better understand changes in an entity's debt. The amendment requires entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash flow changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods.

Amendments to IAS 40: Transfers of Investment Property

(Effective for annual periods beginning on or after 1 January 2018)

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

IFRIC Interpretation 22 Foreign Currency: Transactions and Advance Consideration

(Effective for annual periods beginning on or after 1 January 2018)

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (Effective for annual periods beginning on or after 1 January 2018)

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.
2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority (typically in cash), i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.
3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

- (i) the original liability is derecognised;
- (ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
- (iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply.