

# OPPORTUNITY INVESTMENT COMPANY LIMITED

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# OPPORTUNITY INVESTMENT COMPANY LIMITED

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## DIRECTORS' REPORT

The Directors are pleased to submit their report together with the audited financial statements of Opportunity Investment Company Limited for the year ended 31 December 2016.

## PRINCIPAL ACTIVITY

The Company was incorporated on 13 January 2006 as a private company limited by shares. Its principal activity is investment holding. The Company obtains funds from its investors for the purpose of providing those investors with investment management services and commits to its investors that its business purpose is to invest funds solely for investment income.

## RESULTS (Excluding fair value adjustments to investment in associate)

|                                   | 2016               | 2015               |
|-----------------------------------|--------------------|--------------------|
|                                   | SCR                | SCR                |
| Retained earnings brought forward | 305,512            | 200,452            |
| Profit for the year               | <u>6,403,910</u>   | <u>6,389,880</u>   |
| Profit available for distribution | 6,709,422          | 6,590,332          |
| Dividends                         | <u>(6,408,555)</u> | <u>(6,284,820)</u> |
| Retained earnings carried forward | <u>300,867</u>     | <u>305,512</u>     |

## DIVIDEND

Dividends of SCR 64,085.55 per share were declared and paid during the year under review (2015: SCR 62,848.20 per share).

## STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the overall management of the affairs of the Company including its operations and the making of investment decisions.

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance International Financial Reporting Standards for SME's and in compliance with the Companies Act, 1972. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies that fall within the accounting policies adopted by the Company as a whole; and making accounting estimates that are reasonable in the circumstances. The Directors have the general responsibility of safeguarding the assets, both owned by the Company. The Directors considers it has met its aforesaid responsibilities.



**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF OPPORTUNITY INVESTMENT COMPANY LIMITED**

**Report on the financial statements**

We have audited the financial statements **Opportunity Investment Company Limited** on pages 6 to 16 which comprise the statement of financial position as at 31 December 2016, the income statement, the statement of changes in equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

This report is made solely to the Company's members, as a body. 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.

**Directors' responsibility for the financial statements**

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for SME's and in compliance with the requirements of the Seychelles Companies Act 1972. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditors consider internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

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## Report on the financial statements (Continued)

### Opinion

In our opinion, the financial statements on pages 6 to 16 give a true and fair view of the financial position of the Company at 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for SME's and comply with the Seychelles Companies Act 1972.

### Other matter

The financial statements of Opportunity Investment Company Limited for the year ended 31 December 2015 were audited by ACM Associates who expressed an unmodified opinion on the financial statements.

## Report on other legal and regulatory requirements

### Companies Act 1972

- We have no relationship with or interests in the Company other than in our capacity as auditors and dealings with the Company 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.

*Pool & Patel*  
POOL & PATEL

P O BOX 117  
VICTORIA  
Date:

## OPPORTUNITY INVESTMENT COMPANY LIMITED

### OPPORTUNITY INVESTMENT COMPANY LIMITED STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2016

|                                     | Notes | 2016<br>SCR               | 2015<br>SCR               |
|-------------------------------------|-------|---------------------------|---------------------------|
| <b>ASSETS</b>                       |       |                           |                           |
| <b>Non-current asset</b>            |       |                           |                           |
| Investment in associate             | 5     | <u>106,046,780</u>        | <u>105,759,360</u>        |
| <b>Current asset</b>                |       |                           |                           |
| Other receivable                    | 6     | 62,005                    | 352,299                   |
| Cash and bank balances              | 7     | <u>309,301</u>            | <u>308,771</u>            |
|                                     |       | <u>371,306</u>            | <u>661,070</u>            |
| <b>Total assets</b>                 |       | <u><u>106,418,086</u></u> | <u><u>106,420,430</u></u> |
| <b>EQUITY AND LIABILITIES</b>       |       |                           |                           |
| <b>Equity</b>                       |       |                           |                           |
| Share capital                       | 8     | 10,000                    | 10,000                    |
| Retained earnings                   |       | 93,755,579                | 93,760,224                |
| Capital contribution                | 13    | <u>12,623,756</u>         | <u>12,623,756</u>         |
| <b>Total equity</b>                 |       | <u><u>106,389,336</u></u> | <u><u>106,393,980</u></u> |
| <b>Current liability</b>            |       |                           |                           |
| Other payables                      | 9     | <u>28,750</u>             | <u>26,450</u>             |
| <b>Total equity and liabilities</b> |       | <u><u>106,418,086</u></u> | <u><u>106,420,430</u></u> |

These financial statements have been approved for issue by the Board of Directors on

  
Lekha Nair  
Director

  
Louis Rivalland  
Director

## OPPORTUNITY INVESTMENT COMPANY LIMITED

### OPPORTUNITY INVESTMENT COMPANY LIMITED Statement of Changes in Equity – Year ended December 31, 2016

|                               | Note | Share<br>capital | Capital<br>Contribution | Retained<br>earnings | Total       |
|-------------------------------|------|------------------|-------------------------|----------------------|-------------|
|                               |      | SCR              | SCR                     | SCR                  | SCR         |
| Balance at January 1, 2016    |      | 10,000           | 12,623,756              | 93,760,224           | 106,393,980 |
| Profit for the year           |      | -                | -                       | 6,403,910            | 6,403,910   |
| Other comprehensive income    |      | -                | -                       | -                    | -           |
| Total comprehensive income    |      | 10,000           | 12,623,756              | 100,164,135          | 112,797,890 |
| Capital contribution          |      | -                | -                       | -                    | -           |
| Dividends                     | 12   | -                | -                       | (6,408,555)          | (6,408,555) |
| Balance at December 31, 2016* |      | 10,000           | 12,623,756              | 93,755,580           | 106,389,336 |
| Balance at January 1, 2015    |      | 10,000           | 10,623,756              | 71,297,896           | 81,931,652  |
| Profit for the year           |      | -                | -                       | 28,747,148           | 28,747,148  |
| Other comprehensive income    |      | -                | -                       | -                    | -           |
| Total comprehensive income    |      | 10,000           | 10,623,756              | 100,045,045          | 110,678,800 |
| Capital contribution          | 13   | -                | 2,000,000               | -                    | 2,000,000   |
| Dividends                     | 12   | -                | -                       | (6,284,820)          | (6,284,820) |
| Balance at December 31, 2015* |      | 10,000           | 12,623,756              | 93,760,224           | 106,393,980 |

\*Of this balance of retained earnings, SCR 93,454,712 (2015: SCR 93,454,712) relates to increases in the fair value of associates which are not distributable.

# OPPORTUNITY INVESTMENT COMPANY LIMITED

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## OPPORTUNITY INVESTMENT COMPANY LIMITED NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Opportunity Investment Company Limited was incorporated on January 13, 2006 as a private Company limited by shares. The address of its registered office is P.O Box 576, Caravelle House, Victoria, Seychelles.

### 2. BASIS OF PREPARATION

These financial statements have been prepared in compliance with the International Financial Reporting Standard (IFRS®) for Small and Medium-sized Entities (SMEs) issued by the International Accounting Standards Board. This complete set of financial statements (for the year ended 31 December 2016) is the entity's first financial statements that conform to IFRS for SMEs. The financial statements are presented in Seychelles Rupees (SCR).

#### *Explicit and unreserved statement of compliance*

The financial statements of Opportunity Investment Company Limited comply with the requirements of the Companies Act 1972 and have been prepared in accordance with IFRS for SME's. The date of transition to International Financial Reporting Standards for SME's is the first day of the previous reporting period, 1 January 2015.

### 3.1 SIGNIFICANT ACCOUNTING POLICIES

#### a) FINANCIAL INSTRUMENTS - INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

##### *i. Date of recognition*

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

##### *ii. Initial recognition of financial instruments*

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All the financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, any directly attributable incremental costs of acquisition or issue.

##### *iii. Investment in Associate*

Company has elected to measure its investment in associates at fair value through profit and loss, in accordance with IFRS for SME's paragraph 14.9 – All investments in associates are listed on the Seychelles stock exchange (Trop-X), thus the fair value is easily determinable at year end.

## **OPPORTUNITY INVESTMENT COMPANY LIMITED**

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### **OPPORTUNITY INVESTMENT COMPANY LIMITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **3.1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **d) IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)**

Evidence of impairment may include indications that the borrower or a group of borrowers 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 measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

##### **e) CASH AND CASH EQUIVALENT**

Cash and cash equivalents comprise of cash on hand, bank balances, and short-term deposits with an original maturity of three months or less.

##### **f) REVENUE RECOGNITION**

Dividend income is recognized when the Company's right to receive the payment is established, which is generally the last date of trade of the share. (Due to the fact that all current investments are listed)

##### **g) RELATED PARTY**

Related parties are parties with control or significant influence over the reporting entity and parties controlled or significantly influenced by the reporting entity. It can be corporate or individuals

##### **h) CAPITAL CONTRIBUTION**

Owners may make a contribution to the entity by transferring cash or through the provision of interest-free loans. Contributions from the owners in their capacity as owners of the entity are distinguished from transfers that arise from trading activities in the normal course of business. The contributions are non-reciprocal in nature. Non-reciprocal transfers involve the giving of assets or services, or liabilities forgiven, without the transferee being obliged to give something of benefit in exchange.



## OPPORTUNITY INVESTMENT COMPANY LIMITED

### OPPORTUNITY INVESTMENT COMPANY LIMITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 5. INVESTMENT IN ASSOCIATE (CONTINUED)

Details of the Company's associate at 31 December 2016 are as follows:

| Name of associate | Country of incorporation | Portion of ownership interest | Principal activity                                                                                    |
|-------------------|--------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------|
| SACOS Group       | Seychelles               | 37.87%                        | Investment holding, sales of spare parts and related services, insurance and life assurance services. |

#### 6. OTHER RECEIVABLE

|                                       | 2016          | 2015           |
|---------------------------------------|---------------|----------------|
|                                       | SCR           | SCR            |
| Constant Capital (Seychelles) Limited | <u>62,005</u> | <u>352,299</u> |

The Company invested SCR 2 million, through its broker Constant Capital, to purchase shares in SACOS Group, which is listed on Trop-X stock exchange. At year end, a balance of SCR 62,005 remained with Constant Capital for further purchase of shares.

#### 7. CASH IN HAND AND AT BANK

|                  | 2016           | 2015           |
|------------------|----------------|----------------|
|                  | SCR            | SCR            |
| Current accounts | 252,452        | 224,252        |
| Call deposit     | <u>56,839</u>  | <u>84,519</u>  |
|                  | <u>309,301</u> | <u>308,771</u> |

## OPPORTUNITY INVESTMENT COMPANY LIMITED

### OPPORTUNITY INVESTMENT COMPANY LIMITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 14. RELATED PARTY TRANSACTIONS

|                            | <u>Relationship</u> | <u>2016</u>        | <u>2015</u>        |
|----------------------------|---------------------|--------------------|--------------------|
| <b>Investment</b>          |                     | <b>SCR</b>         | <b>SCR</b>         |
| SACOS Group Limited        | Associate           | <u>106,046,780</u> | <u>105,759,360</u> |
| <b>Dividend Income</b>     |                     |                    |                    |
| SACOS Group Limited        | Associate           | 6,438,555          | 6,314,820          |
| <b>Dividend expense</b>    |                     |                    |                    |
| Seychelles Pension Fund    | Shareholder         | 3,268,363          | 3,205,258          |
| Swan International Limited | Shareholder         | 3,140,192          | 3,079,562          |
|                            |                     | <u>6,408,555</u>   | <u>6,284,820</u>   |

#### 15. OTHERS

Based on information provided, the Company did not have any contingent liabilities nor capital commitments contracted for, or approved by the Board of Directors as at 31 December 2016 (2015: nil).

#### 16. RESTATEMENTS PURSUANT TO THE CONVERSION TO IFRS FOR SME'S

Previously investments in associate were accounted for at fair value through other comprehensive income. This is not allowed by IFRS for SME's, and thus reserves were restated by transferring the entire balance of other reserves and other comprehensive income to retained earnings. The full extent of the restatement is shown below:

|                                        |                     |
|----------------------------------------|---------------------|
| <b>BALANCE SHEET</b>                   | <u>2015</u>         |
|                                        | SCR                 |
| Increase in retained earnings          | 71,097,444          |
| Decrease in other reserves             | <u>(71,097,444)</u> |
|                                        | <u>0</u>            |
| <b>INCOME STATEMENT</b>                | <u>2015</u>         |
|                                        | SCR                 |
| Increase in profit and loss            | 22,357,268          |
| Decrease in other comprehensive income | <u>(22,357,268)</u> |
|                                        | <u>0</u>            |