



Societe Seychelloise D'Investissement Limited Group
Financial statements
for the year ended 31 December 2016

Societe Seychelloise D'Investissement Limited Group

(Registration number Co.No.84639-1)

Financial Statements for the year ended 31 December 2016

General Information

Country of incorporation and domicile	Seychelles
Directors	Hans Aglae Wendy Pierre Basil Hoareau Ange Morel Jacquelin Dugasse Patrick Payet
Registered office	Masion Le Rosiere Victoria Mahe Seychelles
Postal address	P.O Box 1343 Victoria Mahe Seychelles
Bankers	Nouvobanq
Auditors	Pool & Patel Chartered Accountants Registered Auditor Moore Stephens
Company registration number	Co.No.84639-1
Issued	26 September 2017

Societe Seychelloise D'Investissement Limited Group

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Financial Statements for the year ended 31 December 2016

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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 consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the group 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 auditors are engaged to express an independent opinion on the financial statements.

The consolidated and separate 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 group 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 group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour 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 consolidated and separate financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

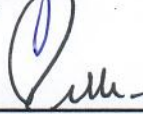
The directors have reviewed the group's cash flow forecast for the year to 31 December 2017 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's financial statements. The financial statements have been examined by the group's external auditors and their report is presented on page s 4 to 5.

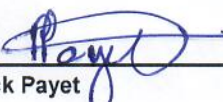
By Order of the Board



Hans Aglae



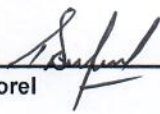
Wendy Pierre



Patrick Payet



Jacquelin Dugasse



Ange Morel



Independent Auditor's Report

To the shareholder of Societe Seychelloise D'Investissement Limited Group

Opinion

We have audited the financial statements of Societe Seychelloise D'Investissement Limited Group set out on pages 8 to 42, which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Societe Seychelloise D'Investissement Limited Group as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 1972.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Seychelles. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Seychelles. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of Seychelles, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent Auditor's Report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Pool & Patel

Pool & Patel
Gemma Roberts
Partner
Chartered Accountants
Registered Auditors
Moore Stephens

26 September 2017
Victoria



Societe Seychelloise D'Investissement Limited Group

(Registration number Co.No.84639-1)

Financial Statements for the year ended 31 December 2016

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Societe Seychelloise D'Investissement Limited Group and the group for the year ended 31 December 2016.

1. Nature of business

Societe Seychelloise D'Investissement Limited is a holding company for the investments of the Government of Seychelles. The company and its subsidiaries operate principally in Seychelles.

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

2. Review of financial results and activities

The consolidated 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. There are two subsidiaries, L'Union Estate Company Limited and Paradis Des Enfants Entertainment Limited, which have been excluded from the consolidation. Refer to note 5 for further details. The associate, Ill du Port Handling Services Limited was sold at its carrying value in the current year

3. Share capital

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

4. Dividends

The directors propose a final dividend of SR 71,500,000 (2015: SR 87,200,000).

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Shares held(1 January)	Changes
Hans Aglae	0	Appointed: 03 March 2016
Wendy Pierre	0	Appointed: 03 March 2016
Basil Hoareau	0	Appointed: 03 March 2016
Ange Morel	0	Appointed: 03 March 2016
Jacquelin Dugasse	0	Appointed: 03 March 2016
Veronique Laporte	0	Resigned: 03 March 2016
Glenny Savy	0	Resigned: 03 March 2016
Conrad Benoiton	0	Resigned: 03 March 2016
George Roberts	0	Resigned: 03 March 2016
Veronique Herminie	0	Resigned: 03 March 2016
Patrick Payet	0	

6. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the group or in the policy regarding their use.

At 31 December 2016 the group's investment in property, plant and equipment and work in progress amounted to SR5 313 114 629 (2015: SR 5 087 500 479), of which SR91 169 554 (2015: SR 139 598 807) was added in the current year through additions.

The group has commitments in respect of contracts placed for capital expenditure to the amount of SR100 878 291 (2015: SR 171 997 241). These commitments have been approved by the board of the respective group companies. Refer to note 30 of the consolidated financial statements for further details.

The group revalued property, plant and equipment to the extent of SR 637 688 371 (2015: SR 0).

7. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

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Financial Statements for the year ended 31 December 2016

Directors' Report

8. Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group 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 group. 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 group.

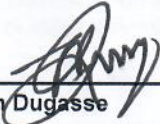
9. Auditors

The retiring auditors are Pool & Patel who are eligible for re-appointment.


The consolidated and separate financial statements set out on pages 8-43, which have been prepared on the going concern basis, were approved by the board on 26 September 2017, and were signed on its behalf by:



Hans Aglae
Director



Jacquelin Dugasse
Director



Wendy Pierre
Director



Ange Morel
Director



Patrick Payet
Director

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Financial Statements for the year ended 31 December 2016

Statement of Financial Position as at 31 December 2016

Figures in Seychelles Rupee thousand	Note(s)	Group		Company	
		2016	2015	2016	2015
Assets					
Non-Current Assets					
Property, plant and equipment	2	5 313 117	5 087 503	1 080	1 213
Investment property	3	119 781	121 662	-	-
Intangible assets	4	187	513	-	-
Investments in subsidiaries	5	11 258	11 254	163 907	163 907
Investments in associates	6	193 517	186 518	129 693	148 791
Loans to group companies	7	-	-	113 658	101 848
Other financial assets	8	150 180	112 652	56	56
Deferred tax	15	165 344	137 636	101	5
		5 953 384	5 657 738	408 495	415 820
Current Assets					
Inventories	9	444 771	412 064	-	-
Loans to group companies	7	-	-	11 546	17 320
Trade and other receivables	10	584 296	445 761	62 117	1 596
Other financial assets	8	11 595	15 321	-	-
Current tax receivable	11	4 348	-	-	-
Cash and cash equivalents	12	491 428	378 226	1 341	15 891
		1 536 438	1 251 372	75 004	34 807
Total Assets		7 489 822	6 909 110	483 499	450 627
Equity and Liabilities					
Equity					
Share capital	13	10	10	10	10
Reserves		4 978 959	4 644 694	188 463	188 463
Retained income		416 189	323 936	159 853	128 397
		5 395 158	4 968 640	348 326	316 870
Liabilities					
Non-Current Liabilities					
Other financial liabilities	14	544 035	942 961	88 225	124 183
Deferred income		4 510	4 709	-	-
Deferred tax	15	456 653	206 726	158	14
		1 005 198	1 154 396	88 383	124 197
Current Liabilities					
Trade and other payables	16	799 909	588 860	965	1 560
Other financial liabilities	14	42 961	31 874	16 308	-
Retirement benefit obligation	17	38 154	30 609	336	22
Deferred income		25 164	32 377	-	-
Current tax payable	11	108 028	83 097	4 181	7 978
Dividend payable		25 000	-	25 000	-
Bank overdraft	12	50 250	19 257	-	-
		1 089 466	786 074	46 790	9 560
Total Liabilities		2 094 664	1 940 470	135 173	133 757
Total Equity and Liabilities		7 489 822	6 909 110	483 499	450 627

Societe Seychelloise D'Investissement Limited Group

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Statement of Profit or Loss and Other Comprehensive Income

Figures in Seychelles Rupee thousand	Note(s)	Group		Company	
		2016	2015	2016	2015
Revenue	18	5 478 272	5 435 065	11 335	8 107
Cost of sales		(4 553 772)	(4 548 157)	-	-
Gross profit		924 500	886 908	11 335	8 107
Other operating gains (losses)	29	26 047	(122 608)	-	-
Other operating expenses		(667 414)	(495 466)	(9 944)	(4 611)
Operating profit (loss)	19	283 133	268 834	1 391	3 496
Investment income	20	23 731	13 423	113 966	107 020
Finance costs	21	(57 537)	(87 519)	(5 994)	(2 366)
Income from equity accounted investments		58 392	77 844	-	-
Profit (loss) before taxation		307 719	272 582	109 363	108 150
Taxation	22	(143 966)	(46 884)	(6 407)	(7 986)
Profit (loss) for the year		163 753	225 698	102 956	100 164
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gains (losses) on property revaluation		564 675	(419 048)	-	-
Exchange differences on translating foreign associates		(4 158)	(24 590)	-	-
Income tax relating to items that will not be reclassified		(191 307)	-	-	-
Total items that will not be reclassified to profit or loss		369 210	(443 638)	-	-
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		(34 944)	649 104	-	-
Available-for-sale financial assets adjustments		-	104 008	-	-
Total items that may be reclassified to profit or loss		(34 944)	753 112	-	-
Other comprehensive income for the year net of taxation		334 266	309 474	-	-
Total comprehensive income (loss) for the year		498 019	535 172	102 956	100 164

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Statement of Changes in Equity

	Share capital	Foreign currency translation reserve	Revaluation reserve	Fair value adjustment assets-available-for-sale reserve	Merger Reserve	Capital and Other NDR	Total reserves	Retained income	Total equity
Group									
Balance at 01 January 2015	10	(671 130)	700 643	(104 008)	4 285 125	73 370	4 284 000	185 438	4 469 448
Profit for the year	-	-	-	-	-	-	-	225 698	225 698
Other comprehensive income	-	624 514	(419 048)	104 008	-	-	309 474	-	309 474
Total comprehensive income for the year	-	624 514	(419 048)	104 008	-	-	309 474	225 698	535 172
Transfer between reserves	-	-	-	-	-	51 220	51 220	-	51 220
Dividends	-	-	-	-	-	-	-	(87 200)	(87 200)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	51 220	51 220	(87 200)	(35 980)
Balance at 01 January 2016	10	(46 616)	281 595	-	4 285 125	124 590	4 644 694	323 936	4 968 640
Profit for the year	-	-	-	-	-	-	-	163 753	163 753
Other comprehensive income	-	(39 102)	373 369	-	-	-	334 267	-	334 267
Total comprehensive income for the year	-	(39 102)	373 369	-	-	-	334 267	163 753	498 020
Revaluation of equity instrument	-	-	-	-	-	(2)	(2)	-	(2)
Dividends	-	-	-	-	-	-	-	(71 500)	(71 500)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	(2)	(2)	(71 500)	(71 502)
Balance at 31 December 2016	10	(85 718)	654 964	-	4 285 125	124 588	4 978 959	416 189	5 395 158

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Note(s)

Societe Seychelloise D'Investissement Limited Group

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Financial Statements for the year ended 31 December 2016

Statement of Changes in Equity

Figures in Seychelles Rupee thousand

Company	Share capital	Foreign currency translation reserve	Revaluation reserve	Fair value adjustment assets-available-for-sale reserve	Merger Reserve	Capital and Other NDR	Total reserves	Retained Income	Total equity
Balance at 01 January 2015	10	-	116 495	-	-	71 968	188 463	115 433	303 906
Profit for the year	-	-	-	-	-	-	-	100 164	100 164
Total comprehensive income for the year	-	-	-	-	-	-	-	100 164	100 164
Dividends	-	-	-	-	-	-	-	(87 200)	(87 200)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	-	-	(87 200)	(87 200)
Balance at 01 January 2016	10	-	116 495	-	-	71 968	188 463	128 397	316 870
Profit for the year	-	-	-	-	-	-	-	102 956	102 956
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	102 956	102 956
Dividends	-	-	-	-	-	-	-	(71 500)	(71 500)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	-	-	(71 500)	(71 500)
Balance at 31 December 2016	10	-	116 495	-	-	71 968	188 463	159 853	348 326

Note(s)

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Societe Seychelloise D'Investissement Limited Group

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Statement of Cash Flows

Figures in Seychelles Rupee thousand	Note(s)	Group		Company	
		2016	2015	2016	2015
Cash flows from operating activities					
Profit (loss) before taxation		307 719	272 582	109 363	108 150
Adjustments for:					
Depreciation and amortisation		306 625	300 976	218	159
Gains on disposals, scrappings and settlements of assets and liabilities		(32 637)	(75)	-	-
Income from equity accounted investments		(58 392)	(77 844)	-	-
Dividends received		(10 584)	(8 820)	(100 584)	(107 020)
Interest received		(13 147)	(4 603)	(13 382)	-
Finance costs		57 537	87 519	5 994	2 366
Movements in retirement benefit assets and liabilities		7 545	595	314	22
Movement in foreign currency translation reserve		(34 944)	419 048	-	-
Foreign exchange element of deferred tax movement		10 838	-	-	-
Changes in working capital:					
Inventories		(32 707)	107 750	-	-
Trade and other receivables		(91 378)	266 195	(60 521)	(1 367)
Trade and other payables		211 049	(475 759)	(595)	1 449
Deferred income		(7 412)	2 223	-	-
Cash generated from (used in) operations		620 112	889 787	(59 193)	3 759
Interest income		13 147	4 603	13 382	3 285
Dividend income		10 584	8 820	100 584	103 735
Finance costs		(57 537)	(87 519)	(5 994)	(2 366)
Tax paid	23	(103 308)	(83 981)	(10 155)	-
Net cash from operating activities		482 998	731 710	38 624	108 413
Cash flows from investing activities					
Purchase of property, plant and equipment	2	(91 169)	(139 601)	(84)	(411)
Sale of property, plant and equipment	2	162 100	509	-	-
Purchase of investment property	3	(3 576)	(26 326)	-	-
Purchase of other intangible assets	4	(3)	(255)	-	-
Sale of other intangible assets	4	-	102	-	-
Net movement in loans to group companies		-	-	(6 036)	(54 861)
Sale of financial assets		(33 802)	(18 425)	-	-
Sale of investment in associate		-	-	19 096	-
Other non-cash item arising from business combinations		-	(116 021)	-	-
Net cash from investing activities		33 550	(300 017)	12 976	(55 271)
Cash flows from financing activities					
Repayment of other financial liabilities		(387 839)	(420 154)	(19 650)	31 873
Dividends paid	24	(46 500)	(87 200)	(46 500)	(87 200)
Net cash from financing activities		(434 339)	(507 354)	(66 150)	(55 327)

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Statement of Cash Flows

Figures in Seychelles Rupee thousand	Note(s)	Group		Company	
		2016	2015	2016	2015
Total cash movement for the year		82 209	(75 661)	(14 550)	(2 185)
Cash at the beginning of the year		358 969	434 630	15 891	18 076
Total cash at end of the year	12	441 178	358 969	1 341	15 891

Societe Seychelloise D'Investissement Limited Group

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Financial Statements for the year ended 31 December 2016

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act 1972 of Seychelles, as amended..

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Seychelles Rupees, which is the group and company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Business combinations

The group accounts for business combinations using merger accounting. The carrying value of assets and liabilities of the parties to the combination are not adjusted to fair value on consideration and the difference between the cost of the investment and the nominal value of the share capital acquired is included in equity.

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Financial Statements for the year ended 31 December 2016

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Trade receivables

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

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated net realisable value. Where an impairment is necessary, inventory items are written down to net realisable value. The write down is included in cost of sales.

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 group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

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 flow 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.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. Ships(double hull tankers) are held at revalued amounts and are written off over a useful life of 25 years.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

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1.3 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. The provision for retirement benefits represents a payment of gratuity/end of the contract payment for contract employees. The amount provided as at the financial year end is based on gross salary per day for the number of months the employee has worked. 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.

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 or group 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 or group 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 or group 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. 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.

1.4 Property, plant and equipment

Property, plant and equipment are assets which the group 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 group, 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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.

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1.4 Property, plant and equipment (continued)

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.5 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

1.6 Investments in subsidiaries

In the company's separate and consolidated financial statements investments in other entities are carried at cost less any accumulated impairment losses.

1.7 Investments in associates

Investments in associates are accounted for using the equity method. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

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1.8 Financial instruments

Classification

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

- Financial assets at fair value through profit or loss - held for trading
- Financial assets at fair value through profit or loss - designated
- Loans and receivables
- Financial liabilities at fair value through profit or loss - held for trading
- Financial liabilities at fair value through profit or loss - designated
- 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.

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.

No other reclassifications may be made into or out of the fair value through profit or loss category.

Initial recognition and measurement

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

The group 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.

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 include dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the group'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 at amortised cost 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 group has transferred substantially all risks and rewards of ownership.

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Accounting Policies

1.8 Financial instruments (continued)

Impairment of financial assets

At each reporting date the group 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 group, 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.

Where financial assets are impaired through 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, fellow subsidiaries, 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.

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 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 group's accounting policy for borrowing costs.

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1.9 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).

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, 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.

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value.

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

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.11 Impairment of assets

The group 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 group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group 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.

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.

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Accounting Policies

1.11 Impairment of assets (continued)

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 increase.

1.12 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.

1.13 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.

1.14 Provisions and contingencies

Provisions are recognised when:

- the group 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.

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.

1.15 Government grants

Government grants are recognised when there is reasonable assurance that:

- the group will comply with the conditions attaching 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.

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Accounting Policies

1.15 Government grants (continued)

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 of 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 grouped with other income in profit and loss..

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.

1.16 Revenue

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

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group 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 group; 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 group;
- 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.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by .

Contract revenue comprises:

- the initial amount of revenue agreed in the contract; and
- variations in contract work, claims and incentive payments:
 - to the extent that it is probable that they will result in revenue; and
 - they are capable of being reliably measured.

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.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

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1.17 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.18 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.

1.19 Translation of foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates.

The consolidated financial statements are presented in Seychelles Rupee which is the group functional and presentation currency.

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Accounting Policies

1.19 Translation of foreign currencies (continued)

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Seychelles Rupees, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Seychelles Rupees by applying to the foreign currency amount the exchange rate between the Seychelles Rupee and the foreign currency at the date of the cash flow.

Investments in subsidiaries, joint ventures and associates

The results and financial position where operations are consolidated in foreign currency, these are translated into the group functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

The cash flows in foreign entities are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

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Notes to the Financial Statements

Figures in Seychelles Rupee thousand

2. Property, plant and equipment

Group	2016			2015		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	3 076	-	3 076	3 076	-	3 076
Buildings	292 210	(116 372)	175 838	315 836	(129 543)	186 293
Leasehold property	52 661	(4 344)	48 317	52 661	(3 812)	48 849
Plant and machinery	377 606	(177 629)	199 977	511 452	(155 682)	355 770
Furniture and fixtures	49 536	(27 596)	21 940	46 548	(23 641)	22 907
Motor vehicles	126 150	(87 444)	38 706	118 626	(78 474)	40 152
Office equipment	14 184	(9 791)	4 393	12 832	(7 512)	5 320
IT equipment	10 606	(5 218)	5 388	9 986	(3 808)	6 178
Double hull tankers	3 107 958	(1 696 940)	1 411 018	3 107 958	(1 627 542)	1 480 416
Tanks, pumps and petrol stations	3 394 561	(12 451)	3 382 110	3 422 339	(562 650)	2 859 689
Capital - Work in progress	22 354	-	22 354	78 853	-	78 853
Total	7 450 902	(2 137 785)	5 313 117	7 680 167	(2 592 664)	5 087 503

Company	2016			2015		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	897	(203)	694	889	(113)	776
Motor vehicles	257	(137)	120	257	(73)	184
Office equipment	100	(61)	39	70	(13)	57
IT equipment	250	(23)	227	201	(5)	196
Total	1 504	(424)	1 080	1 417	(204)	1 213

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Notes to the Financial Statements

2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2016

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Total
Land	3 076	-	-	-	-	-	3 076
Buildings	186 293	883	(5 727)	(248)	11 836	(17 199)	175 838
Leasehold property	48 849	-	-	-	-	(532)	48 317
Plant and machinery	355 770	30 296	(131)	(162 499)	-	(23 459)	199 977
Furniture and fixtures	22 907	2 033	-	773	-	(3 773)	21 940
Motor vehicles	40 152	8 183	(28)	-	-	(9 601)	38 706
Office equipment	5 320	1 208	188	(240)	-	(2 083)	4 393
IT equipment	6 178	410	-	240	-	(1 440)	5 388
Double hull tankers	1 480 416	-	-	-	-	(69 398)	1 411 018
Tanks, pumps and petrol stations	2 859 689	-	(20 492)	163 848	552 912	(173 847)	3 382 110
Capital - Work in progress	78 853	48 156	(103 273)	(1 382)	-	-	22 354
	5 087 503	91 169	(129 463)	492	564 748	(301 332)	5 313 117

Reconciliation of property, plant and equipment - Group - 2015

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Total
Land	3 076	-	-	-	-	-	3 076
Buildings	186 477	11 845	-	2 132	-	(14 161)	186 293
Leasehold property	49 381	-	-	-	-	(532)	48 849
Plant and machinery	328 825	46 628	(171)	1 047	-	(20 559)	355 770
Furniture and fixtures	17 312	7 174	(37)	1 740	-	(3 282)	22 907
Motor vehicles	43 082	5 283	(204)	-	-	(8 009)	40 152
Office equipment	4 047	2 963	-	-	-	(1 690)	5 320
IT equipment	1 978	13 794	(22)	-	-	(9 572)	6 178
Double hull tankers	1 550 118	-	-	-	-	(69 702)	1 480 416
Tanks, pumps and petrol stations	3 033 158	-	-	-	-	(173 469)	2 859 689
Capital - Work in progress	31 858	51 914	-	(4 919)	-	-	78 853
	5 249 312	139 601	(434)	-	-	(300 976)	5 087 503

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2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2016

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	776	7	(89)	694
Motor vehicles	184	-	(64)	120
Office equipment	57	29	(47)	39
IT equipment	196	48	(17)	227
	1 213	84	(217)	1 080

Reconciliation of property, plant and equipment - Company - 2015

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	699	154	(77)	776
Motor vehicles	248	-	(64)	184
Office equipment	-	62	(5)	57
IT equipment	14	195	(13)	196
	961	411	(159)	1 213

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3. Investment property

Group	2016			2015		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	125 967	(6 186)	119 781	123 066	(1 404)	121 662

Reconciliation of investment property - Group - 2016

	Opening balance	Additions	Transfers	Depreciation	Total
Investment property	121 662	3 576	(492)	(4 965)	119 781

Reconciliation of investment property - Group - 2015

	Opening balance	Additions	Depreciation	Total
Investment property	96 740	26 326	(1 404)	121 662

4. Intangible assets

Group	2016			2015		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software, other	2 153	(1 966)	187	2 150	(1 637)	513

Reconciliation of intangible assets - Group - 2016

	Opening balance	Additions	Amortisation	Total
Computer software, other	513	3	(329)	187

Reconciliation of intangible assets - Group - 2015

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	756	255	(102)	(396)	513

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5. Interests in subsidiaries including consolidated structured entities

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company	Held by	% voting power 2016	% voting power 2015	Carrying amount 2016	Carrying amount 2015
Name of company					
2020 Development (Seychelles) Limited		100,00 %	100,00 %	10	10
Bois de Rose Investment Limited		100,00 %	100,00 %	91 986	91 986
Island Development Company		100,00 %	100,00 %	13 634	13 634
L'Union Estate Company Limited		100,00 %	100,00 %	7 292	7 292
Paradis Des Enfants Entertainment Limited		100,00 %	100,00 %	10	10
Seychelles Trading Company Limited		100,00 %	100,00 %	10	10
Seychelles Petroleum Company Limited		100,00 %	100,00 %	49 975	49 975
Petro Seychelles Limited		100,00 %	100,00 %	990	990
				163 907	163 907

-L'Union Estate Company Limited has been excluded from the consolidation as the separate financial statements of the entity have not been approved.

-Paradis Des Enfants Entertainment Limited has been excluded from the consolidation as the separate financial statements of the entity have not been approved.

The approval of these financial statements would have been time-consuming and would have resulted in a delay in the preparation of consolidated financial statements.

Other group investments

L'Union Estate Company Limited	11 258 526	11 253 927
Paradis Des Enfants Entertainment Limited	7 292 400	7 292 400
Desroches Island Lodge Limited	10 000	10 000
Paradise Marine Limited	48 237	48 237
Platte Island Development Limited	3 903 290	3 903 290
Poivre Island Lodge Limited	2 000	-
	2 599	-

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	2016	2015	2016	2015

6. Investments in associates

The following table lists all of the associates in the group:

Group

Name of company	% ownership interest 2016	% ownership interest 2015	Carrying amount 2016	Carrying amount 2015
Seychelles Cables System Limited	40,66 %	40,66 %	65 322	57 903
Ile Du Port Handling Services Limited	- %	40,00 %	-	19 098
Indian Ocean Tuna Limited	40,00 %	40,00 %	128 195	109 517
			193 517	186 518

The cost of shares in Indian Ocean Tuna Limited is based on revaluation as at 31 December 2009 by Mr Paul Mondon ACMA.

The shares held in Ile Du Port Handling Services Limited were transferred at carrying value during the current year. The groups share of profit/loss was not previously accounted for due to the lack of availability of separate financial statements.

Summarised financial information of material associates

Investment at beginning of period	186 518	159 179
Disposals	(19 098)	-
Share of profit	58 392	77 844
Exchange variances(OCI)	(4 158)	(24 590)
Dividend	(28 136)	(25 915)
Investment at the end of the period	193 518	186 518

The summarised information presented above reflects the financial statements of the associates after adjusting for differences in accounting policies between the group and the associate.

7. Loans to (from) group companies

Subsidiary

Bois de Rose Investment Limited	-	-	125 204	119 168
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This loan is unsecured and bears interest at 11.5% (2015: 11.5%).

Classified as:

Non-current assets	-	-	113 658	101 848
Current assets	-	-	11 546	17 320
	-	-	125 204	119 168

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 company loans are substantially the same as the carrying amount reflected in the statement of financial position.

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	2016	2015	2016	2015

7. Loans to (from) group companies (continued)

Loans to group companies past due but not impaired

Loans to group companies which are less than 3 months past due are not considered to be impaired. At 31 December 2016, there were no loans to group companies past due but not impaired. In 2015 there were no loans to group companies that were past due but not impaired.

Loans to group companies impaired

As of 31 December 2016, there were no loans to group companies that were impaired and provided for. In 2015 there were no loans to group companies that were impaired and provided for.

The amount of the provision was nil as of 31 December 2016. The amount of the provision was nil in 2015.

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.

8. Other financial assets

Investment in financial assets

Equity instruments at fair value through other comprehensive income	62	57	-	-
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Equity instruments are denominated in Australian Dollars and are classified as level 1 of the fair value hierarchy.

Available-for-sale

Seychelles Commercial Bank Ltd	25	25	-	-
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The directors consider the cost of the unquoted investment to represent its fair value at the end of the reporting period. The financial instrument is classified under level 3, as there is no observable market data for the available-for-sale investment. The investment is neither past due nor impaired.

Loans and receivables

8.1 Loan receivable from associated company	14 022	12 335	-	-
8.2 Loans receivable under finance leases	103 342	106 211	-	-
8.3 Work in progress	44 214	3 825	-	-
8.4 Fixed term investment	54	5 464	-	-
Other financial assets	56	56	56	56

Total other financial assets	161 688	127 891	56	56
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Non-current assets

Designated as at FV through profit (loss)	62	57	-	-
Available-for-sale	25	25	-	-
Loans and receivables	150 093	112 570	56	56
	150 180	112 652	56	56

Current assets

Loans and receivables	11 595	15 321	-	-
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Figures in Seychelles Rupee thousand	Group		Company	
	2016	2015	2016	2015

8. Other financial assets (continued)

8.1 - This relates to an amount receivable from an associated company.

8.2 - These finance leases represent non cancellable finance leases for the Ministry of Land Use Extension and the Mayor's Office and is discounted at 11%.

8.3 - Work in progress represents cost to date for equipments bought on hire purchase agreement and additional spare parts. The group is engaged in the construction of a condominium project which will comprise 57 luxury and 100 graduate apartments

8.4 - The fixed term deposit is held with the company's banker, Mauritius Commercial Bank (Seychelles). Its carrying amount approximates its fair value given its short term nature.

The group has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

There were no gains or losses realised on the disposal of held to maturity financial assets in 2016 and 2015, as all the financial assets were disposed of at their redemption date.

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

9. Inventories

Raw materials, components	8 934	9 021	-	-
Work in progress	72	72	-	-
Finished goods	413 981	344 372	-	-
Goods in transit	21 784	58 599	-	-
	444 771	412 064	-	-

Inventory pledged as security

Inventory of Seychelles Trading Company Limited amounting to SR 183,800,119 (2015: SR 228,342,768) was pledged as security over its bank borrowings. At year end these borrowings equated to SR 1,666,667.(2015: SR 5,666,667)

10. Trade and other receivables

Trade receivables	473 959	365 808	-	-
Prepayments	20 353	24 377	13	33
Other receivables	60 678	52 910	19 104	63
Accrued income	29 306	2 666	43 000	1 500
	584 296	445 761	62 117	1 596

The amount of trade receivables provided for at year end amounted to SR 102,919,642 as of 31 December 2016 (2015: SR 92,719,383).

Trade receivables as above are disclosed net of impairment.

Credit quality of trade and other receivables

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

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	2016	2015	2016	2015

10. Trade and other receivables (continued)

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.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 December 2016, SR 50 173 758 (2015: SR 55 038 091) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

3 months past due	19 014	24 905	-	-
6 months past due	31 160	30 131	-	-
12 months past due	-	2	-	-

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

The trade receivables of Seychelles Petroleum Company Limited have been pledged as security for borrowings of Seychelles Petroleum Company Limited.

11. Current tax payable (receivable)

Balance from prior year	(83 096)	3 005	-	-
Adjustment to prior tax provision	2	1	-	-
Other taxes and penalties paid	(2 736)	-	-	-
Paid/refunded from prior year	101 281	82 103	-	-
Provision for the year	(115 715)	(169 327)	-	-
Provisionally paid for the current year	1 985	3 238	-	-
Exchange difference	(5 400)	(2 116)	-	-
	(103 679)	(83 096)	-	-
Total receivable	4 349	-	-	-
Total payable	(108 028)	-	-	-
	(103 679)	-	-	-

12. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	1 262	1 025	3	3
Bank balances	490 166	377 201	1 338	15 888
Bank overdraft	(50 250)	(19 257)	-	-
	441 178	358 969	1 341	15 891
Current assets	491 428	378 226	1 341	15 891
Current liabilities	(50 250)	(19 257)	-	-
	441 178	358 969	1 341	15 891

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.

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Figures in Seychelles Rupee thousand	Group		Company	
	2016	2015	2016	2015
13. Share capital				
Authorised and issued				
100 Ordinary shares of SR100 each	10	10	10	10
14. Other financial liabilities				
Held at amortised cost				
14.1 Nouvobanq - Euro loan	102 048	112 245	102 048	112 245
14.2 Nouvobanq - US dollar loan	2 485	11 938	2 485	11 938
14.3 Barclays Bank (Seychelles) Limited	1 667	5 667	-	-
14.4 PTA Bank and KfW IPEX Bank GmbH	316 953	674 291	-	-
14.5 Government of Seychelles	25 297	40 355	-	-
14.6 Nouvobanq - lease financing	138 546	130 339	-	-
	586 996	974 835	104 533	124 183

14.1 Nouvobanq - Euro loan:

The above loan is secured, bears interest at 5.02%(2015 : 5.02%) and has set repayment terms of Euro 117,978.15 per month.

14.2 Nouvobanq - Dollar loan:

The above loan is secured, bears interest at 5.87% (2015: 5.21%) and has set terms of repayment of USD 63,310.32 per month.

14.3 Barclays Bank (Seychelles) Limited:

The above loan is secured by floating charges on the assets of Seychelles Trading Company Limited. The rate of interest on the loan was 9% for the current year (2015: 9%). This loan will be fully repaid by March 2017.

14.4 PTA Bank and KfW IPEX Bank GmbH:

The borrowings are secured over some of the assets of the Seychelles Petroleum Company Limited Group and the instalments for a portion of the loan from KfW IPEX Bank GmbH was renegotiated and rescheduled in 2013.

14.5 Government of Seychelles:

The above loan is repayable bi-annually on the 30th April and 31 October of each year effective period ending 2015. The loan is expected to be fully repaid by 30 April 2019. Interest is charged based on the 365 day government treasury bill rate prevailing on the 30th April and 31st October each year preceding each instalment.

14.6 Nouvobanq - lease financing:

Relates to various bank loans, denominated in US Dollar and Seychelles Rupee with interest rates either fixed or linked to Libor.(Effectively between 5.24% and 13% per year.).

The above other financial liabilities for the group are secured as follows:

- First Line Fixed Charge on Parcels V1005, V17179 and V17159 for EUR 6.05 million.
- Government undertaking pledging dividend payment to be declared Nouvobanq in case of default by S.S.I.
- Government Gazetted Guarantee for USD1.44 million.
- Currency undertaking from CBS to sell forex to Nouvobanq to meet the loan Commitment.
- Second line fixed charge on property title V7179 to secure SCR 45 million.
- Assignment of Rental Income and dividend payment to be declared by Nouvobanq in case of default by S.S.I.
- Inventory of Seychelles Trading Company Pledged as security. The year end value of inventory given as security is SCR 183.8 Million.

Non-current liabilities

At amortised cost	544 035	942 961	88 225	124 183
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Figures in Seychelles Rupee thousand	Group		Company	
	2016	2015	2016	2015
14. Other financial liabilities (continued)				
Current liabilities				
At amortised cost	42 961	31 874	16 308	-
	586 996	974 835	104 533	124 183

Currency profile of other financial liabilities

For financial liabilities listed above are denominated in the following currencies:

Seychelles R	143 679	153 128	-	-
US \$	295 524	595 440	2 485	11 938
Euro	147 792	226 266	102 048	112 245
	586 995	974 834	104 533	124 183

15. Deferred tax

Deferred tax liability

Assessable differences on unrealised exchange gains	(243 052)	(194 359)	-	-
Revaluation of property plant and equipment	(213 601)	(12 367)	(158)	(14)
Total deferred tax liability	(456 653)	(206 726)	(158)	(14)

Deferred tax asset

Credit loss	29 589	26 887	-	-
Accelerated depreciation	74 883	55 389	-	-
Retirement benefit	10 830	8 787	101	5
Deferred tax balance from temporary differences other than unused tax losses	115 302	91 063	101	5
Tax losses available for set off against future taxable income	50 042	46 573	-	-
	165 344	137 636	101	5
Total deferred tax asset	165 344	137 636	101	5

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, but from a group perspective the law does not allow net settlement of deferred tax between entities. Therefore, deferred tax has not been offset in the statement of financial position, and is reconciled as follows:

Deferred tax liability	(456 653)	(206 726)	(158)	(14)
Deferred tax asset	165 344	137 636	101	5
Total net deferred tax liability	(291 309)	(69 090)	(57)	(9)

16. Trade and other payables

Trade payables	588 586	332 790	550	466
Amounts received in advance	5 331	8 112	-	-
Other payables	77 793	67 801	-	45
CSR payable	415	1 049	415	1 049
Deposits received	127 784	179 108	-	-
	799 909	588 860	965	1 560

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	2016	2015	2016	2015

16. Current tax payable (receivable) (continued)

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.

17. Retirement benefits

Carrying value

Retirement provision	(38 154)	(30 609)	(336)	(22)
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The group 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 gross salary per day for the number of months the employee has worked. 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.

18. Revenue

Sale of goods	4 467 196	4 377 424	-	-
Rendering of services	952 021	984 007	11 335	8 107
Other rental income	59 055	73 634	-	-
	5 478 272	5 435 065	11 335	8 107

19. Operating profit (loss)

Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external

Audit fees	1 175	1 228	50	146
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Employee costs

Salaries, wages, bonuses and other benefits	169 206	146 369	2 753	2 110
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Leases

Operating lease charges

Premises	33 293	31 727	274	349
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Figures in Seychelles Rupee thousand	Group		Company	
	2016	2015	2016	2015
20. Investment income				
Dividend income				
From group entities:				
Investments - Local	10 584	8 820	100 584	107 020
Interest income				
From investments in financial assets:				
Bank and other cash	12 469	3 866	-	-
Other financial assets	678	737	13 382	-
Total interest income	13 147	4 603	13 382	-
Total investment income	23 731	13 423	113 966	107 020
21. Finance costs				
Bank overdraft	14 829	1 133	-	-
Bank borrowings	42 708	86 386	5 994	2 366
Total finance costs	57 537	87 519	5 994	2 366
22. Taxation				
Major components of the tax expense (income)				
Current				
Business tax	121 213	165 575	6 358	7 978
CSR tax	2 678	1 885	-	-
	123 891	167 460	6 358	7 978
Deferred				
Originating and reversing temporary differences	20 075	(120 576)	49	8
	143 966	46 884	6 407	7 986
23. Tax paid				
Balance at beginning of the year	(83 097)	3 005	(7 978)	-
Current tax for the year recognised in profit or loss	(123 891)	(167 460)	(6 358)	(7 978)
Adjustment to prior taxation	-	(2 623)	-	-
Balance at end of the year	103 680	83 097	4 181	7 978
	(103 308)	(83 981)	(10 155)	-
24. Dividends paid				
Dividends	(71 500)	(87 200)	(71 500)	(87 200)
Balance at end of the year	25 000	-	25 000	-
	(46 500)	(87 200)	(46 500)	(87 200)

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	2016	2015	2016	2015
25. Related parties				
Relationships				
Ultimate parent			Government of Seychelles	
Subsidiaries			Refer to note 5	
Associates			Refer to note 6	
Related party balances				
Loan accounts - Owing (to) by related parties				
Bois de Rose Investment Limited	-	-	125 203	119 168
Government of Seychelles	(25 297)	(40 355)	-	-
Related party transactions				
Interest paid to (received from) related parties				
Bois de Rose Investment Limited	-	-	(13 382)	(3 285)
Government of Seychelles	1 921	5 355	-	-
Purchases from related parties				
GICC Limited	19 198	-	-	-
Paradise Marine Limited	12 960	7 472	-	-
Sales to related parties				
GICC Limited	(14 899)	-	-	-
Paradise Marine Limited	(14 598)	(14 403)	-	-
Dividend Income				
Paradise Marine Limited	(10 584)	(8 820)	(10 584)	(8 820)
Compensation to directors and other key management				
Short-term employee benefits	6 553	6 262	-	-

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	2016	2015	2016	2015
26. Directors' emoluments				
Executive				
2016				
	Emoluments	Fees	Total	
Veronique Laporte	962	13	975	
Glenny Savy	998	8	1 006	
Conrad Benoiton	-	126	126	
Veronique Herminie	-	45	45	
Hans Aglae	-	46	46	
Wendy Pierre	-	30	30	
Basil Hoareau	-	24	24	
Ange Morel	-	30	30	
Jacquelin Dugasse	-	39	39	
	1 960	361	2 321	

2015

	Emoluments	Fees	Pension	Total
Veronique Laporte	680	76	2	758
Glenny Savy	998	50	1	1 049
Conrad Benoiton	87	50	1	138
George Roberts	-	42	1	43
Veronique Herminie	91	70	1	162
Patrick Payet	-	50	1	51
	1 856	338	7	2 201

27. Risk management

Capital risk management

The group's objectives when managing capital are to safeguard the group'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 group consists of debt, which includes the borrowings disclosed in notes 7 & 14 and cash and cash equivalents disclosed in note 12, as well as equity as disclosed in the statement of financial position.

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

The group monitors capital on a per company basis, and changes to the capital structure are decided by the board on collaboration with the government.

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.

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	2016	2015	2016	2015

27. Risk management (continued)

Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group does not use derivative financial instruments to hedge certain risk exposures. Risk management is carried out under policies approved by the board, based on the discretion of the board. The board provides and applies principles for overall risk management as appropriate given the circumstances.

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 and the company structure, the group maintains flexibility in funding by maintaining availability under committed credit lines on an individual company basis.

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities and sufficient cash is available to honour commitments as they stand at year end.

Interest rate risk

At 31 December 2016, if interest rates on borrowings had been 0,5% higher/lower with all other variables held constant, post-tax profit for the year would have been SR 3 904 573 (2015: SR 5 924 558) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. Sales to retail customers are settled in cash or using major credit cards.

Debtors are provided for on an individual basis as disclosed in note 10.

Foreign exchange risk

The group does not hedge foreign exchange fluctuations.

At 31 December 2016, if the currency had strengthened by 5% against the US dollar, and Euro with all other variables held constant, post-tax profit for the year would have been SR 22 165 821 (2015: SR 41 085 323) lower, mainly as a result of foreign exchange losses on translation of US dollar, and Euro denominated borrowings.

Profit is less sensitive to movement in Seychelles Rupee/US dollar, and Euro exchange rates in 2016 than 2015 because of the decreased amount of US dollar, and Euro-denominated borrowings.

28. Going concern

The consolidated and separate 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.

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Notes to the Financial Statements

Figures in Seychelles Rupee thousand	Group		Company	
	2016	2015	2016	2015
29. Other operating gains (losses)				
Gains (losses) on disposals, scrapings and settlements				
Property, plant and equipment	32 637	75	-	-
Foreign exchange gains (losses)				
Net foreign exchange loss	(6 590)	(122 683)	-	-
Total other operating gains (losses)	26 047	(122 608)	-	-

30. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	100 878	171 997	-	-
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31. Contingencies

Bank guarantees to the value of SR 10,000,000.00 are held regarding the bonded warehouse of a subsidiary company. The directors are of the opinion that none of these contingencies would result in material liability that could impact the presentation of the financial statements of the Group at reporting date.

32. Prior period errors

Prior period figures have been restated for:

- Recalculation of plant, property and equipment values to reflect historic costs for foreign denominated assets.
- Dividends, due to timing differences for which information was only available after year end.
- Adjustments to prior period figures made by subsidiary companies.
- Reclassification and combination of non-distributable reserves and capital reserves, for better presentation.

Statement of Financial Position

Property, plant and equipment	-	134 045	-	-
Investment in associates	-	(148 088)	-	-
Investment property	-	121 663	-	-
Other financial assets	-	8 189	-	-
Trade and other receivables	-	7 651	-	-
Deferred tax	-	2 623	-	-
Trade and other payables	-	(16 764)	-	-
Retained earnings	-	(27 033)	-	-

Profit or Loss

Revenue	-	(220 144)	-	-
Cost of sales	-	10 840	-	-
Other operating income	-	119 253	-	-
Other operating gains(losses)	-	96 463	-	-
Other expenses	-	70	-	-
Investment revenue	-	(5 266)	-	-
Income form equity accounted investments	-	(3 946)	-	-
Taxation	-	(2 623)	-	-
	-	27 033	-	-

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	Group		Company	
Figures in Seychelles Rupee thousand	2016	2015	2016	2015

33. Comparative figures

Certain comparative figures have been reclassified.

34. Events after the reporting period

On 31 March 2016 a taxation ruling came into effect regarding the deductibility of losses relating to an associate company (that is equity accounted). This ruling relates to historic expenditure, and thus the income statement effect of this transaction was equity accounted for retrospectively to correctly state this investment in associates at the group proportionate share in equity.