BOIS de ROSE
INVESTMENT LTD

BOIS DE ROSE INVESTMENT LIMITED

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2016

General Information

Country of incorporation and domicile	Seychelles
Nature of business and principal activities	Commercial Property Management
Directors	Hans Aglae Jacquelin Dugasse Wendy Pierre Ange Morel Patrick Payet
Registered office	Office of the Principal Secretary Ministry of Finance Liberty House Victoria
Postal address	Office of the Principal Secretary Ministry of Finance Liberty House Victoria
Holding company	Societe Seychelloise D'Investissement Limited incorporated in Seychelles
Bankers	Nouvobanq
Auditor	Pool & Patel Chartered Accountants Registered Auditors

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The reports and statements set out below comprise the annual financial statements presented to the shareholder:

Directors' Responsibilities and Approval

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

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

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

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

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

Pool & Patel
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

BOIS DE ROSE INVESTMENT LIMITED

We have audited the accompanying financial statements of Bois De Rose Investment Limited on pages 7 to 30, which comprise the statement of financial position for the year ended December 31, 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management, under the historical cost convention and the financial reporting provisions of the Seychelles Companies Act 1972 and International Financial Reporting Standards

This report is made solely for the Company's members as a body in accordance with the Public Enterprise Monitoring commission Act 2013 and Section 158 of the Companies Act 1972. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's Members as a body for our audit work, for this report or for the opinion we have formed.

Management's Responsibility for the Financial Statements

Management is responsible for keeping proper accounting records and for the preparation of financial statements that give a true and fair view of the company's affairs in accordance with the financial reporting provisions of the Seychelles Companies Act 1972, the Public Enterprise Monitoring Commission Act 2013 and International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have no relationship with, or material interest in the company other than in our capacity as auditors and tax and business advisors and arms length dealings with the company in the ordinary course of business and we have not undertaken any transaction on behalf of the company during the period under review.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and that these are in accordance with the accounting records maintained by the management. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion:

- the accompanying financial statements set out on pages 7 to 30 give a true and fair view of the financial position of Bois De Rose Investment Limited for the year ended December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting provisions of the Seychelles Companies Act 1972, the Public Enterprise Monitoring Commission Act 2013, and International Financial Reporting Standards.
- the company has maintained proper and adequate accounting records during the year
- we have been availed all information necessary for the purposes of our audit and were satisfied with the information received.
- The information given by the Directors in the annual report in relation to the financial year under reference is consistent with the accounts.

Pool - Patel.

POOL & PATEL
CHARTERED ACCOUNTANTS

22 February 2017

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2016

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Bois De Rose Investment Limited for the year ended 31 December 2016.

1 Nature of business

Bois De Rose Investment Limited is a company incorporated and domiciled in the Seychelles. The address of the company's registered office is at the Office of the Principal Secretary, Ministry of Finance, Liberty House, Victoria.

Bois De Rose Investment Limited leases out a shopping complex on Bois De Rose Avenue. There have been no material changes to the nature of the company's business from the prior year.

2 Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act. The accounting policies have been applied consistently compared to the prior year.

As shown in the statement of comprehensive income on page 8, activities of the current period give the company a loss of SR 14,543,486 (2015: profit SR 32,425,621). Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3 Share capital

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

4 Dividends

No dividends were declared during the year under review.

5 Directorate

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

Directors and their interest in the company

SHARES HELD

	1 January	31 December
Hans Aglae (Appointed: 18 April 2016)	0	0
Jacquelin Dugasse (Appointed: 18 April 2016)	0	0
Patrick Payet (Appointed: 18 April 2016)	0	0
Wendy Pierre (Appointed: 18 April 2016)	0	0
Ange Morel (Appointed: 18 April 2016)	0	0
Basil Hoareau (Resigned: ....)	0	0

6 Holding company

The company's holding company is Societe Seychelloise D'Investissement Limited.

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.

Directors' Report

8 Going concern

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

9 Auditors

The retiring auditors are Pool & Patel who are eligible for re-appointment. The annual financial statements set out on pages 5 to 30, which have been prepared on the going concern basis, were approved by the board on .... and were signed by:

Hans Aglae (Chairperson)
Director

Jacquelin Dugasse
Director

Wendy Pierre
Director

Ange Morel
Director

Patrick Payet
Director

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2016

Statement of Financial Position as at 31 December 2016

Figures in Seychelles Rupee	Note(s)	2016	2015
Assets			
Non-Current Assets			
Plant and equipment	2	26,667,483	29,496,689
Investment properties	3	119,780,740	120,934,774
Deposit on leasehold land	4	48,316,452	48,848,376
Deferred tax	5	38,170,877	43,439,659
		232,935,552	**242,719,498**
Current Assets			
Trade and other receivables	6	1,551,109	2,553,271
Cash and cash equivalents	7	494,714	631,959
		2,045,823	**3,185,230**
Total Assets		**234,981,375**	**245,904,728**
Equity and Liabilities			
Equity			
Share capital	8	175,535,000	175,535,000
Accumulated loss		-75,937,817	-61,394,331
		99,597,183	**114,140,669**
Liabilities			
Non-Current Liabilities			
Loans from shareholders	9	125,203,421	119,167,833
Current Liabilities			
Trade and other payables	8	10,180,771	12,596,226
Total Liabilities		**135,384,192**	**131,764,059**
Total Equity and Liabilities		**234,981,375**	**245,904,728**

The annual financial statements and the notes on pages 5 to 30, were approved by the board on the .... and were signed on its behalf by:

Hans Aglae (Chairperson)
Director

Jacquelin Dugasse
Director

Wendy Pierre
Director

Ange Morel
Director

Patrick Payet
Director

Statement of Profit or Loss and Other Comprehensive Income

Figures in Seychelles Rupee	Note(s)	2016	2015
Revenue	13	20,106,897	4,834,424
Other income	14	4,120,318	3,198,330
Operating expenses		(19,820,238)	(8,646,888)
Operating (loss) profit	15	**4,406,977**	**(614,134)**
Finance costs	16	(13,381,935)	(3,285,151)
(Loss) profit before taxation		**(8,974,958)**	**(3,899,285)**
Taxation	17	(5,568,528)	36,324,906
(Loss) profit for the year		**(14,543,486)**	**32,425,621**
Other comprehensive income		-	-
Total comprehensive income for the year		**(14,543,486)**	**32,425,621**

Statement of Changes in Equity

Figures in Seychelles Rupee	Share capital	Accumulated loss	Total equity
Balance at 01 January 2015	**175,535,000**	**(93,819,952)**	**81,715,048**
Profit for the year	-	32,425,621	32,425,621
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**(61,394,331)**	**114,140,669**
Balance at 01 January 2016	**175,535,000**	**(61,394,331)**	**114,140,669**
Loss for the year	-	(14,543,486)	(14,543,486)
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**(75,937,817)**	**99,597,183**
Balance at 31 December 2016	**175,535,000**	**(75,937,817)**	**99,597,183**

Note

Statement of Cash Flows

Figures in Seychelles Rupee	Note(s)	2016	2015
Cash flows from operating activities			
Cash generated from operations	16	12,368,066	4,875,176
Finance costs		-13,381,935	-3,285,151
Net cash from operating activities		**-1,013,869**	**1,590,025**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-5,158,964	-55,859,311
Cash flows from financing activities			
Repayment of other financial liabilities		-	-
Net movement on shareholders loan		6,035,588	54,861,482
Net cash from financing activities		**6,035,588**	**54,861,482**
Total cash movement for the year		**-137,245**	**592,196**
Cash at the beginning of the year		631,959	39,763
Total cash at end of the year	5	**494,714**	**631,959**

Accounting Policies

1. Presentation of annual financial statements

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

1.1 Significant judgements and sources of estimation uncertainty

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

Trade receivables and Loans and receivables

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

Fair value estimation

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

Impairment testing

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

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors.

Taxation

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

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

1.2 Property, plant and equipment

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

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

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

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

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

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

1.2 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Buildings	Straight line	25 years
Leasehold improvements	Straight line	Over lease period
Plant and machinery	Straight line	10 years
Furniture, fixtures and equipment	Straight line	5 years

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

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

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

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 is included in profit or loss when the item is derecognised. Any gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Investment properties

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. In addition, only investment property whose fair value can be measure reliably without undue cost or effort on an ongoing basis is included in investment property. All other investment property is included in property, plant and equipment.

Investment property is initially recognised at cost.

The cost of investment property comprises its purchase price and any directly attributable costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

Costs include cost incurred initially to acquire or construct an investment property and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an ite, of investment property, the carrying amount of the replaced item is derecognised.

1.4 Financial instruments

Classification

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

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

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

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 company becomes a party to the contractual provisions of the instruments.

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

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

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

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

Subsequent measurement

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

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

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

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

Financial liabilities 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 company has transferred substantially all risks and rewards of ownership.

1.4 Financial instruments (continued)

Impairment of financial assets

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

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

Impairment losses are recognised in profit or loss.

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

Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through 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 from group companies

These include loans from the holding company and are recognised initially at fair value plus direct transaction costs. 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 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 company's accounting policy for borrowing costs.

1.5 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.

Tax expenses

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

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

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

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

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

1.7 Impairment of assets

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

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

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

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

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

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

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

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

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

1.8 Share capital and equity

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

Ordinary shares are classified as equity.

1.9 Provisions and contingencies

Provisions are recognised when: a reliable estimate can be made of the obligation.

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

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

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

Provisions are not recognised for future operating losses.

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

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;

1.9 Provisions and contingencies (continued)

- the principal locations affected;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

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, but are disclosed when material.

1.10 Revenue

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

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

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

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

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.

Rental income is recognised on an accrual basis.

1.11 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 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 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.

	2016	2015

2. Property, plant and equipment

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	28,500,859	(3,562,607)	24,938,252	28,500,859	(712,521)	27,788,338
Furniture, fixtures and equipment	2,380,057	(650,826)	1,729,231	1,941,948	(233,597)	1,708,351
Total	**30,880,916**	**(4,213,433)**	**26,667,483**	**30,442,807**	**(946,118)**	**29,496,689**

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Plant and machinery	27,788,338	-	(2,850,086)	24,938,252
Furniture, fixtures and equipment	1,708,351	438,109	(417,229)	1,729,231
	29,496,689	**438,109**	**(3,267,315)**	**26,667,483**

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Depreciation	Total
Plant and machinery	-	28,500,859	(712,521)	27,788,338
Furniture, fixtures and equipment	-	1,941,948	(233,597)	1,708,351
		30,442,807	**(946,118)**	**29,496,689**

3. Investment Properties

	2016	2015
At January 1,	**120,934,774**	0
Addition - Work in progress	**4,720,856**	122,156,337
Depreciation	**(4,964,890)**	(1,221,563)
Reclassification	**(910,000)**	0
At December 31,	**119,780,740**	120,934,774

The Investement Property has been classified at cost as at 31 December 2016. The cost model shall measure all of its investment properties in accordance as per IAS 16 requirements for that model.

The fair value of the properties has been valued by external valuers and fall within the category level 3 of the fair value hierarchy. No changes noted during the year.

4. Deposit on Leasehold Land

	2016	2015
Cost at January 1,	**52,660,500**	52,660,500
Amortisation		
At January 1,	**3,812,124**	3,280,200
Charge for the year	**531,924**	531,924
At December 31,	**4,344,048**	**3,812,124**
Net Book Value		
At December 31,	**48,316,452**	**48,848,376**

The property consists of plot V7179, V7159 and V1005 and the lease over the land commenced on the 6 October 2008 for a long term lease of 97 years.

5. Deferred tax

	2016	2015
Deferred tax liability		
Property, plant and equipment	(11,870,957)	(3,133,272)
Deferred tax asset		
Tax losses available for set off against future taxable income	50,041,834	46,572,931

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

	2016	2015
Deferred tax liability	(11,870,957)	(3,133,272)
Deferred tax asset	50,041,834	46,572,931
Total net deferred tax asset/ (liability)	**38,170,877**	**43,439,659**

Reconciliation of deferred tax asset / (liability)

	2016	2015
At beginning of year	43,439,659	7,114,753
Increases in valuation allowance of deferred tax asset	3,468,903	36,830,738
Increases in temporary difference movement on tangible fixed assets	(8,737,685)	(505,832)
	38,170,877	**43,439,659**

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when: the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

Notes to the Annual Financial Statements

Figures in Seychelles Rupee	2016	2015

6. Trade and other receivables

Trade receivables	813,619	608,610
Provision for bad debts	(331,134)	0
Prepayments and other receivables	283,774	935,014
Accrued income	784,850	1,009,647
	1,551,109	**2,553,271**

Credit quality of trade and other receivables

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

Trade receivables

Counterparties without external credit rating		
Group 1	813,619	608,608

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 - (2015: SR -) were past due but not impaired.

Trade and other receivables impaired

As of 31 December 2016, trade and other receivables of SR - (2015: SR -) were impaired and provided for. The amount of the provision was SR - as of 31 December 2016 (2015: SR -).

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

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2,500	2,500
Bank balances	492,214	629,459
	494,714	**631,959**

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:

8. Share capital

Authorised		
10,000,000 Ordinary shares of Euro 1 each	175,535,000	175,535,000
Issued		
10,000,000 Ordinary shares of Euro 1 each	175,535,000	175,535,000

9. Loans from shareholder

Societe Seychelloise D'Investissement	(125,203,421)	(119,167,833)

This loan is unsecured, bears interest at 11.5% (2015: 11.5%) and will not be recalled within the next 12 months.

Fair value of loans from shareholders

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

Notes to the Annual Financial Statements

Figures in Seychelles Rupee	2016	2015

10. Trade and other payables

	2016	2015
Amounts received in advance	5,330,978	8,112,359
Accruals	1,136,189	1,614,206
Seychelles Revenue Commission	1,899,058	1,134,763
Deposits received	1,814,546	1,734,663
Other payables	0	235
	10,180,771	**12,596,226**

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.

11 Financial assets by category

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

2016

	Loans and receivables	Total
Trade and other receivables	1,551,110	1,551,110
Cash and cash equivalents	494,714	494,714
	2,045,824	**2,045,824**

2015

	Loans and receivables	Total
Trade and other receivables	2,553,271	2,553,271
Cash and cash equivalents	631,959	631,959
	3,185,230	**3,185,230**

12. Financial liabilities by category

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

2016

	Financial liabilities at amortised cost	Non-financial instruments	Total
Loans from shareholders	125,203,421	-	125,203,421
Trade and other payables	-	10,180,770	10,180,770
	125,203,421	**10,180,770**	**135,384,191**

2015

	Financial liabilities at amortised cost	Non-financial instruments	Total
Loans from shareholders	119,167,833	-	119,167,833
Trade and other payables	-	12,596,226	12,596,226
	119,167,833	**12,596,226**	**131,764,059**

13. Revenue

	2016	2015
Rental income	20,106,897	4,834,424

14. Other income

	2016	2015
Tenant recoveries	4,120,318	3,198,330
	4,120,318	**3,198,330**

15. Operating (loss) profit

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

	2016	2015
(Loss) profit on exchange differences	(28,439)	1,227
Depreciation on property, plant and equipment	8,764,130	2,699,606
Employee costs	275,271	-

Notes to the Annual Financial Statements

Figures in Seychelles Rupee	2016	2015

16. Finance costs

Loans from shareholders	13,381,935	3,285,151

Total interest expense, calculated using the effective interest rate, on financial instruments not at fair value through profit or loss amounted to SR 13,381,935 (2015: SR 3,285,151).

17. Taxation

Major components of tax

Deferred		
Originating and reversing temporary differences	5,568,528	(36,324,906)

18. Cash generated from operations

Profit (loss) before taxation	(8,974,958)	(3,899,285)
Adjustments for:		
Depreciation on property, plant and equipment	8,764,130	2,699,606
Finance costs	13,381,935	3,285,151
Changes in working capital:		
Trade and other receivables	1,002,161	(2,553,271)
Trade and other payables	(1,805,202)	5,342,975
	12,368,066	4,875,176

19. Related parties

Relationships	
Ultimate holding company	Government of Seychelles
Holding company	Societe Seychelloise D'Investissement Limited

Related party balances with shareholder of the entity

Loan accounts - Owing to related parties		
Societe Seychelloise D'Investissement Limited	125,203,421	119,167,833
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Societe Seychelloise D'Investissement Limited	100	100

Related party transactions with shareholder of the entity

Interest paid to related parties		
Societe Seychelloise D'Investissement Limited	13,381,935	3,285,151

20. Directors' emoluments

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

21. Auditors remuneration

Fees	45,000	48,750

22. Going concern

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

23. Events after the reporting period

No events have occurred after the reporting period that are required to be disclosed in these financial statements.

Figures in Seychelles Rupee	2016	2015

24. Commitments

Capital commitments

Already contracted for but not provided for		
• Surface preparation, pavings, kerbs and storm water drain system	0	2,147,540
• Additional construction work	0	196,402
• Waterproofing to joints of existing metal roof	0	925,160
• Food court and kids game parlour (second phase development)	10,000,000	6,500,000
• Installation of plastic curtain to chiller, freezers and prep room doors	0	97,358
Not yet contracted for and authorised by directors	**10,000,000**	**9,866,460**

25. Risk management

Capital risk management

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

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

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

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio.

The board's policy is to maintain a strong capital base, so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the company's approach to capital management during the period. The company is not subject to externally imposed capital requirements.

There are no externally imposed capital requirements.

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

Financial risk management

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

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

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

Liquidity risk

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

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

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

25. Risk management (continued)

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

At 31 December 2016	Less than 1 year
Loans from shareholder	125,203,421

At 31 December 2015	Less than 1 year
Loans from shareholder	119,167,833

Interest rate risk

The company is mainly exposed to interest rate risk through the financing of shareholders loans per note 7.

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

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

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year
Loans from shareholder	11.50%	125,203,421

Credit risk

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

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

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

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

Financial instrument	2016	2015
Trade and other receivables	1,551,110	2,553,271
Cash and cash equivalents	494,714	631,959

Foreign exchange risk

The company does not hedge foreign exchange fluctuations.The company was exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar. Foreign exchange risk arose from foreign currency borrowings.

26. New Standards and Interpretations

26.1 Standards, amendments to published standards and interpretations effective in the reporting period

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

Kindly note: IFRS 14 Regulatory Deferral Accounts is also effective for an entity's first IFRS financial statements for annual periods beginning on or after 1 January 2016; however, it is not applicable to Bois De Rose Investments Limited as the company is not a first-time adopter of IFRSs.

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

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

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

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

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

The amendments apply retrospectively.

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
(Effective for annual periods beginning on or after 1 January 2016)

The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding recognition of deferred taxes at the time of acquisition and IAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments apply prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute businesses as defined in IFRS 3) occurring from the beginning of annual periods beginning on or after 1 January 2016.

These amendments are not applicable to the company, as there have been no acquisitions of joint operations at year end.

Amendments to IAS 1 Disclosure Initiative
(Effective for annual periods beginning on or after 1 January 2016)

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

- An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.
- An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material.

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

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
(Effective for annual periods beginning on or after 1 January 2016)

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue. For example, an entity could acquire a concession to explore and extract gold from a gold mine. The expiry of the contract might be based on a fixed amount of total revenue to be generated from the extraction (for example, a contract may allow the extraction of gold from the mine until total cumulative revenue from the sale of gold reaches CU2 billion) and not be based on time or on the amount of gold extracted. Provided that the contract specifies a fixed total amount of revenue to be generated on which amortisation is to be determined, the revenue that is to be generated might be an appropriate basis for amortising the intangible asset; or

b) when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively.

Depreciation is not provided for using revenue based methods, thus these amendments will have no effect on the company.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants
(Effective for annual periods beginning on or after 1 January 2016)

The amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. In terms of the amendments, bearer plants can be measured using either the cost model or the revaluation model set out in IAS 16.

The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

As a transition provision on initial application, entities need not disclose the quantitative information required by paragraph 28(f) of IAS 8 for the current period. However, quantitative information for each prior period presented is still required.

Also, on the initial application of the amendments, entities are permitted to use the fair value of items of bearer plant as their deemed cost as at the beginning of the earliest period presented. Any difference between the previous carrying amount and fair value should be recognized in opening retained earnings at the beginning of the earliest period presented.

The company owns no bearer plants, thus these amendments will have no effect on the company.

Amendments to IAS 27 Equity Method in Separate Financial Statements
(Effective for annual periods beginning on or after 1 January 2016)

The amendments focus on separate financial statements and allow the use of the equity method in such statements. Specifically, the amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:
• at cost,
• in accordance with IFRS 9 (or IAS 39 for entities that have not yet adopted IFRS 9), or
• using the equity method as described in IAS 28 Investments in Associates and Joint Ventures.

The same accounting must be applied to each category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it should account for the change from the date when the change in status occurs.

The company has no investment in associates.

Annual Improvements to IFRSs 2012 – 2014 Cycle
(Effective for annual periods beginning on or after 1 January 2016)
The Annual Improvements include amendments to a number of IFRSs, which have been summarised below.

Standard	**Subject of amendment**	**Details**
IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	Change in method of disposal	The amendments introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held for distribution accounting is discontinued
IFRS 7 *Financial Instruments: Disclosures (with consequential*	Servicing contracts Applicability of the amendments to IFRS 7 on	Financial Instruments: Disclosures (with consequential amendments to IFRS 1) Servicing contracts Applicability of the amendments to IFRS 7 on offsetting disclosure to condensed interim financial statements

amendments to IFRS 1)	offsetting disclosure to condensed interim financial statements	The amendments (i) provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets; and (ii) clarify that the offsetting disclosures are not explicitly required for all interim periods. However, the disclosures may need to be included in the condensed interim financial statements to company with **IAS 34** Interim Financial Reporting.
IAS 19 *Employee Benefits*	Discount rate: regional market issue	Employee Benefits Discount rate: regional market issue The amendments clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level.
IAS 34 *Interim Financial Reporting*	Disclosure of information included 'elsewhere in the interim financial report'	Interim Financial Reporting Disclosure of information included 'elsewhere in the interim financial report' The amendments clarify the requirements relating to information required by IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

These amendments will have no impact on the group.

IFRS 14 Regulatory Deferral Accounts (Effective for first annual IFRS financial statements with annual periods beginning on or after 1 January 2016)

IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The Standard is available only to first-time adopters of IFRSs who recognised regulatory deferral account balances under their previous GAAP. IFRS 14 permits eligible first-time adopters of IFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes, and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit or loss and other comprehensive income. Disclosures are also required to identify the nature of, and risks associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances.

IFRS 14 is effective for an entity's first annual IFRS financial statements for annual periods beginning on or after 1 January 2016.

IFRS 14 is not applicable to the company due to the fact that they have not implemented IFRS for the first time in the current year.

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

IFRS 9 Financial instruments

Classification and measurement of financial assets

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

Classification and measurement of financial liabilities

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

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS39 incurred loss model. The ECL model applies to debt instruments accounted for at amortised cost or at FVOCI, most loan commitments, financial guarantee contracts, contract assets under IFRS15 and lease receivablesunder IAS 17 Leases.

Early application is permitted for reporting periods beginning after the issue of IFRS 9 on 24 July 2014 by applying all of the requirements in this standard at the same time. Alternatively, entities may elect to early apply only the requirements for the presentation of gains and losses on financial liabilities designated as FVTPL without applying the other requirements in the standard. The amendment will have no impact on the company.

IFRS 15 Revenue from contracts with customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted and must be disclosed.

This standard will have no impact on the financial statements once implemented.

IFRS 16 Leases (Effective for annual periods beginning on or after 1 January 2019)

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

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

Identification of a lease IFRS 16 applies a control model to the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. Control is considered to exist if the customer has:

a) the right to obtain substantially all of the economic benefits from the use of an identified asset; and
b) the right to direct the use of that asset.

The Standard provides detailed guidance to determine whether those conditions are met, including instances where the supplier has substantive substitution rights, and where the relevant decisions about how and for what purpose the asset is used are predetermined.

Lessee accounting IFRS 16 introduces significant changes to lessee accounting: it removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognise a right-of-use asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

If a lessee elects not to apply the general requirements of IFRS 16 to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets, the lessee should recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis, similar to the current accounting for operating leases.

Lessor accounting In contrast to lessee accounting, the IFRS 16 lessor accounting requirements remain largely unchanged from IAS 17, which continue to require a lessor to classify a lease either as an operating lease or a finance lease.

In addition, IFRS 16 also provides guidance on the accounting for sale and leaseback transactions. Extensive disclosures are also required by the new Standard.

Due to the prominence of leasing transactions in the economy, many entities across different industries will be affected by IFRS 16. In some cases, the changes may be substantial and may require changes to the existing IT systems and internal controls. Entities should consider the nature and extent of these changes.

For additional information, please refer to the Deloitte publications IFRS in Focus and IFRS Industry Insights which highlight the practical implications of IFRS 16 to various industries. These publications can be downloaded at http://www.iasplus.com/en/tag-types/global/ newsletters/ifrs-industry-insights.

IFRS 16 is effective for reporting periods beginning on or after 1 January 2019 with early application permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16. A lessee can apply IFRS 16 either by a full retrospective approach or a modified retrospective approach. If the latter approach is selected, an entity is not required to restate the comparative information and the cumulative effect of initially applying IFRS 16 must be presented as an adjustment to opening retained earnings (or other component of equity as appropriate).

The amendment will have no material impact on the company.

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

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.

2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority (typically in cash), i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

(i) the original liability is derecognised;

(ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and

(iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

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

This standard will have no impact on the company, as they do not make share based payments.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Effective for annual periods beginning on or after a date to be determined)

The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. IAS 28 and IFRS 10 are amended, as follows:

IAS 28 has been amended to reflect the following:
• Gains and losses resulting from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognised to the extent of unrelated investors' interests in the associate or joint venture.
• Gains or losses from downstream transactions involving assets that constitute a business between an investor and its associate or joint venture should be recognised in full in the investor's financial statements.

IFRS 10 has been amended to reflect the following:

• Gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re- measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Earlier application of these amendments is still permitted.

This amendment will have no impact on the company.

Amendments to IAS 7 Disclosure Initiative (Effective for annual periods beginning on or after 1 January 2017)

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments do not prescribe a specific format to disclose financing activities; however, an entity may fulfil the disclosure objective by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. Entities are not required to present comparative information for earlier periods.

The amendment will have no material impact on the company.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (Effective for annual periods beginning on or after 1 January 2017)

The amendments clarify the following:

1. Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;

2. When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;

3. The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and

4. In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted.

The amendment will have no impact on the company.