OPPORTUNITY INVESTMENT COMPANY LIMITED

DIRECTOR'S REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

ACM and Associates,
Certified Chartered Accountants

INDEX Page

DIRECTORS' REPORT

The Directors are pleased to submit their report together with the audited financial statements of Opportunity Investment Company Limited for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

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

RESULTS

	2015	2014
	SCR	SCR
Retained earnings at January 1,	**200,452**	75,014
Profit for the year	**6,389,880**	5,295,878
Profit available for distribution	**6,590,332**	5,370,892
Dividend	**(6,284,820)**	(5,170,440)
Retained earnings at December 31,	**305,512**	200,452

DIVIDEND

Dividends of SCR 62,848.20 per share were declared and paid during the year under review (2014: SCR 51,704.40 per share).

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

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

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

DIRECTORS' REPORT (CONTINUED)

DIRECTORS AND THEIR INTEREST IN THE COMPANY

No directors holding office as 31 December 2015 had any beneficial interest in the Company's shares at that date and the date of this report.

AUDITORS

The financial statements of Opportunity Investment Company Limited for the year ended 31 December 2014 were audited by Messrs. BDO Associates who expressed an unmodified opinion on the financial statements. This is a first year audit by Messrs. ACM & Associates in accordance with and subject to the provision of Section 157 of the Companies Act 1972.

The auditors, Messrs ACM & Associates have indicated their willingness to continue in office and their re-appointment will be proposed in the next Annual General Meeting in accordance with and subject to the provision of Section 155(2) of the Companies Act 1972.

BOARD APPROVAL

Approved by the Board of Directors

Director

Director

Date: 15.7.2016

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

Report on the financial statements

We have audited the financial statements **Opportunity Investment Company Limited** on pages 6 to 16 which comprise the statement of financial position as at 31 December 2015, the income statement, the statement of changes in equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

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

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Report on the financial statements (Continued)

Opinion

In our opinion, the financial statements on pages 6 to 16 give a true and fair view of the financial position of the Company at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Standards applicable in Seychelles and comply with the Seychelles Companies Act 1972.

Other matter

The financial statements of Opportunity Investment Company Limited for the year ended 31 December 2014 were audited by BDO Associates who expressed an unmodified opinion on the financial statements.

Report on other legal and regulatory requirements

Companies Act 1972

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

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

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

ACM & ASSOCIATES

Acm Associates

P O BOX 1289
VICTORIA
Date: 31.7.2016

ACM & ASSOCIATES
Chartered Certified Accountants
Laximan House, English River
P O Box 1289,
Victoria, Mahe, Seychelles
Tel: +248 4224691/+248 2810123
Fax: +248 4325522
Email: acm@seychelles.sc

STATEMENT OF FINANCIAL POSITION – DECEMBER 31, 2015

	Notes	2015	2014
			Restated *
		SCR	SCR
Assets			
Non- current assets			
Investment in associate	7	105,759,360	81,721,200
Current asset			
Other receivable	8	352,299	-
Cash and bank balances	9	308,771	353,554
		661,070	353,554
Total assets		106,420,430	82,074,754
Equity and liabilities			
Equity			
Share capital	10	10,000	10,000
Capital contribution	15	12,623,756	10,623,756
Retained earnings		305,512	200,452
Other reserves		93,454,712	71,097,444
Total equity		106,393,980	81,931,652
Current liabilities			
Other payables	11	26,450	143,102
Total equity and liabilities		106,420,430	82,074,754

* Certain amounts shown do not correspond to the 2014 financial statements and reflect adjustments, refer to Note 5.2.

These financial statements have been approved for issue by the Board of Directors on 15.7.2016

Lekha Nair

Louis Rivalland

STATEMENT OF COMPREHENSIVE INCOME – YEAR ENDED DECEMBER 31, 2015

	Notes	2015	2014
			Restated *
		SCR	SCR
Income			
Dividend income	16	6,314,820	5,200,440
Other income		120,102	120,102
		6,434,922	5,320,542
Expenditure			
Commission	12	16,809	-
Administrative expenses	13	28,233	24,664
		45,042	24,664
Profit for the year		6,389,880	5,295,878
Other comprehensive income			
Net gain on investment	7	22,357,268	71,097,444
Total comprehensive income for the year		28,747,148	76,393,322

* Certain amounts shown do not correspond to the 2014 financial statements and reflect adjustments, refer to Note 5.2.

STATEMENT OF CHANGES IN EQUITY – YEAR ENDED DECEMBER 31, 2015 (*restated)

	Note	Share capital	Capital contribution	Retained earnings	Other reserves	Total
		SCR	SCR	SCR	SCR	SCR
Balance at January 1, 2014		10,000	10,623,756	75,014	-	10,708,770
Change in accounting policy	5.2, 7	-	-	-	71,097,444	71,097,444
As at 1 January 2014 (restated *)		**10,000**	**10,623,756**	**75,014**	**71,097,444**	**81,806,214**
Profit for the year		-	-	5,295,878	-	5,295,878
Other comprehensive income		-	-	-	-	-
Total comprehensive income		10,000	10,623,756	5,370,892	71,097,444	87,102,092
Dividends	14	-	-	(5,170,440)	-	(5,170,440)
Balance at December 31, 2014		**10,000**	**10,623,756**	**200,452**	**71,097,444**	**81,931,652**
Balance at January 1, 2015		10,000	10,623,756	200,452	71,097,444	81,931,652
Profit for the year		-	-	6,389,880	-	6,389,880
Other comprehensive income	3.2, 7	-	-	-	22,357,268	22,357,268
Total comprehensive income		10,000	10,623,756	6,590,332	93,454,712	110,678,800
Capital contribution	15	-	2,000,000	-	-	2,000,000
Dividends	14	-	-	(6,284,820)	-	(6,284,820)
Balance at December 31, 2015		**10,000**	**12,623,756**	**305,512**	**93,454,712**	**106,393,980**

* Certain amounts shown do not correspond to the 2014 financial statements and reflect adjustments, refer to Note 5.2.

STATEMENT OF CASH FLOWS – YEAR ENDED DECEMBER 31, 2015

	Notes	2015	2014
		SCR	SCR
Operating activities			
Profit for the year		6,389,880	5,295,878
Change in working capital			
Increase in other receivable	8	(352,299)	-
Decrease in other payables	11	(116,652)	(120,102)
Net cash inflow from operating activities		5,920,929	5,175,776
Investing activities			
Purchase of shares	7	(1,680,892)	-
Net cash outflow from investing activities		(1,680,892)	-
Financing activities			
Dividends paid	14	(6,284,820)	(5,170,440)
Capital contribution	15	2,000,000	-
Net cash outflow from financing activities		(4,284,820)	(5,170,440)
Net (decrease)/increase in cash and cash equivalents		(44,783)	5,336
Cash and cash equivalents at January 1		353,554	348,218
At December 31,		308,771	353,554
Represented by:-			
Cash in hand and at bank		308,771	353,554

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. BASIS OF PREPARATION

The financial statements are prepared under the historical cost basis unless otherwise indicated in the accounting policies. The financial statements are presented in Seychelles Rupees (SCR).

Statement of compliance

The financial statements of Opportunity Investment Company Limited comply with the requirements of the Companies Act 1972 and have been prepared in accordance with the International Financial Reporting Standards applicable in the Republic of Seychelles.

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies are consistent with those of the previous financial year except, for the following amendments made to IFRS effective as of 1 January 2014.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment did not affect the Company as it does not participate in any defined benefit plan.

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same Bank
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

This amendment did not have any effect on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This amendment did not have any effect on the financial statements of the Company.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

This amendment did not have any effect on the financial statements of the Company.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. This amendment did not have any effect on the financial statements of the Company.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment did not have any effect on the financial statements of the Company.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment did not have any effect on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS (CONTINUED)

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

This amendment did not have any effect on the financial statements of the Company.

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). This amendment did not have any effect on the financial statements of the Company.

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination. This amendment did not have any effect on the financial statements of the Company.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which will be applicable at a future date. The Company intends to adopt those standards when they become effective. At present, the Company cannot assess the impact of these amendments when adoption takes place.

IAS 7 Statement of Cash Flows

The improvements to disclosures announced today require companies to provide information about changes in their financing liabilities. The amendments will help investors to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes (such as foreign exchange gains or losses). The improvements are part of the Board's Disclosure Initiative—a portfolio of projects aimed at improving the effectiveness of disclosures in financial reports. The IAS 7 amendments become mandatory for annual periods beginning on or after 1 January 2017. The impact of the amendments is being assessed by the Company.

4. **STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)**

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015.

Classification and measurement of financial assets

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

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 IAS 39 incurred loss model. The ECL model applies to debt instruments accounted for at amortised cost or at FVOCI, most loan commitments, financial guarantee contracts, contract assets under IFRS 15 and lease receivables under IAS 17 *Leases*.

The impact of the amendments is being assessed by the Company.

Report on the financial statements (Continued)

Opinion

In our opinion, the financial statements on pages 6 to 16 give a true and fair view of the financial position of the Company at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Standards applicable in Seychelles and comply with the Seychelles Companies Act 1972.

Other matter

The financial statements of Opportunity Investment Company Limited for the year ended 31 December 2014 were audited by BDO Associates who expressed an unmodified opinion on the financial statements.

Report on other legal and regulatory requirements

Companies Act 1972

- We have no relationship with or interests in the Company other than in our capacity as auditors and dealings with the Company in the ordinary course of business.
- We have obtained all the information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

ACM & ASSOCIATES

Acm; Associates

P O BOX 1289
VICTORIA
Date:

ACM & ASSOCIATES
Chartered Certified Accountants
Laximan House, English River
P O Box 1289,
Victoria, Mahe, Seychelles
Tel: +248 4224691/+248 2810123
Fax: +248 4325522
Email: acm@seychelles.sc

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments to IFRS 10 clarify that the exemption in paragraph 4 of IFRS 10 from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. The amendments are effective for annual periods beginning on or after 1 January 2016.

These amendments will not have any impact on the Company's financial statements.

IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate of Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The amendments are effective for annual periods beginning on or after 1 January 2016.

These amendments will not have any impact on the Company's financial statements.

IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments require an entity acquiring an interest in a joint operation, in which the activity of the joint operation constitutes a business, to apply, to the extent of its share, all of the principles in IFRS 3 and other IFRSs that do not conflict with the requirements of IFRS 11 Joint Arrangements. Furthermore, entities are required to disclose the information required by IFRS 3 and other IFRSs for business combinations. The amendments also apply to an entity on the formation of a joint operation if, and only if, an existing business is contributed by one of the parties to the joint operation on its formation. Furthermore, the amendments clarify that, for the acquisition of an additional interest in a joint operation in which the activity of the joint operation constitutes a business, previously held interests in the joint operation must not be remeasured if the joint operator retains joint control. The amendments are effective for annual periods beginning on or after 1 January 2016.

These amendments will not have any impact on the Company's financial statements.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Company is an existing IFRS preparer, this standard would not apply.

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. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IAS 1 Presentation of Financial Statements

The International Accounting Standards Board has issued amendments to IAS 1 as part of the disclosure initiative which aims to improve the presentation and disclosure requirements. The amendments to IAS 1 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income (OCI) arising from equity accounted investments

The amendments clarify existing requirements in IAS 1 and are not expected to have a material impact on the Company's financial statements. IAS 1 is effective for annual periods beginning on or after 1 January 2016.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The amendments are not expected to have any impact on the Company given that the Company has not used a revenue-based method to depreciation its non-current assets.

IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. The amendments are not expected to have any impact on the Company as the Company does not have any bearer plant.

IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. The amendments are not expected to have any impact on the Company as the Company does not prepare any consolidated financial statements.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations

Changes in methods of disposal

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

This amendment will have no effect on adoption.

IFRS 7 Financial Instruments: Disclosures

Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

This amendment will have no effect on adoption.

Applicability of the offsetting disclosures to condensed interim financial statements

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. The amendment must be applied retrospectively.

The changes are effective for annual reporting periods beginning on or after 1 January 2016. This amendment will have no effect on adoption.

IAS 19 Employee Benefits

Discount rate: regional market issue

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016.

This amendment will have no effect on adoption.

NOTES TO THE FINANCIAL STATEMENTS

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IAS 34 Interim Financial

Disclosure of information 'elsewhere in the interim financial report'

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. The changes are effective retrospectively for annual reporting periods beginning on or after 1 January 2016.

This amendment will have no effect on adoption.

IFRS 16 Leases

The scope of the new standard includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Key features:
- The new standard requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions) in a similar way to finance leases under IAS 17.
- Lessees recognise a liability to pay rentals with a corresponding asset, and recognise interest expense and depreciation separately.
- The new standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computer) and short-term leases (i.e., leases with a lease term of 12 months or less).
- Reassessment of certain key considerations (e.g., lease term, variable rents based on an index or rate, discount rate) by the lessee is required upon certain events.
- Lessor accounting is substantially the same as today's lessor accounting, using IAS 17's dual classification approach.

The new standard is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. The new standard permits a lessee to choose either a full retrospective or a modified retrospective transition approach. The new standard's transition provisions permit certain reliefs.

The new standard requires lessees and lessors to make more extensive disclosures than under IAS 17. The impact of the new standard is being assessed by the Company.

NOTES TO THE FINANCIAL STATEMENTS

5.1 SIGNIFICANT ACCOUNTING POLICIES

a) FINANCIAL INSTRUMENTS - INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

i. Date of recognition

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

ii. Initial recognition of financial instruments

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

Investment in Associate

The Company does not account for its investment in associates using the equity method. The Company has not consolidated the results, assets and liabilities of SACOS Group, given that the Company itself is a partially owned subsidiary of Seychelles Pension Fund, which prepares consolidated financial statements, in which the subsidiary is consolidated. Such financial statements are publicly available.

Instead, the Company has elected to measure its investment in associates at fair value through other comprehensive income.

Other liabilities

Other liabilities consist of payables and accrued expenses, which is subsequently measured at amortised cost.

b) DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Financial Assets

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

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- the Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO THE FINANCIAL STATEMENTS

5.1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii.Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

d) IMPAIRMENT OF FINANCIAL ASSETS

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

d) CASH AND CASH EQUIVALENT

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

e) REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty.

Dividend income is recognized when the Company's right to receive the payment is establishes, which is generally when the shareholders approve the dividend.

f) RELATED PARTY

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

NOTES TO THE FINANCIAL STATEMENTS

5.1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) CAPITAL CONTRIBUTION

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

5.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURE

The accounting policies adopted in current year are consistent with those of previous year, except for the measurement of investment, which is recognized at fair value. Previously investment was recognized at cost. The Company meets the definition of an investment entity, and, therefore, all investments are recognised at fair value through other comprehensive income.

This change in accounting policy has made a significant impact to the financial position of the Company, resulting in a restatement of results previously stated.

6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There were no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENT IN ASSOCIATE

	2015	Restated 2014
	SCR	SCR
Balance at January 1,	**81,721,200**	10,623,756
Additions	**1,680,892**	-
Fair value adjustment	**22,357,268**	71,097,444
Balance at December 31,	**105,759,360**	81,721,200

The Company meets the definition of investment entity. Therefore, it recognizes investment in associate at fair value through other comprehensive income.

The Company purchased additional shares of 12,504 in SACOS Group making the total number of shares held in SACOS Group at 31 December 2015, 755,424 shares. The shares are valued at a market price of SCR 140 per share as at 31 December 2015. SACOS Group is listed on Trop-X stock exchange.

Details of the Company's associate at 31 December 2015 are as follows:

Name of associate	Country of incorporation	Portion of ownership interest	Principal activity
SACOS Group	Seychelles	37%	Investment holding, sales of spare parts and related services, insurance and life assurance services

8. OTHER RECEIVABLE

	2015	2014
	SCR	SCR
Constant Capital (Seychelles) Limited	**352,299**	-

The Company invested SCR 2 million, through its broker Constant Capital, to purchase shares in SACOS Group, which is listed on Trop-X stock exchange. At year end, a balance of SCR 352,299 remained with Constant Capital for further purchase of shares.

NOTES TO THE FINANCIAL STATEMENTS

14. DIVIDENDS

A dividend of SCR 62,848.20 per share was declared and paid during the year under review (2014: SCR 51,704.40 per share).

15. CAPITAL CONTRIBUTION

Capital contribution relates to funds received from shareholders for investment in SACOS Group.

16. RELATED PARTY TRANSACTIONS

	Relationship	2015	2014
Investment		SCR	SCR
SACOS Group Limited	Associate	**105,759,360**	81,721,200
Dividend income			
SACOS Group Limited	Associate	**6,314,820**	5,200,440
Dividend expense			
Seychelles Pension Fund	Shareholder	**3,205,258**	2,636,924
Swan International Limited	Shareholder	**3,079,562**	2,533,516
Oustanding balances			
Seychelles Pension Fund	Shareholder	-	120,102

17. OTHERS

Based on information provided, the Company did not have any contingent liabilities nor capital commitments contracted for, or approved by the Board of Directors as at 31 December 2015 (2014: nil)