

TRANSPARENCY MAURITIUS

FINANCIAL STATEMENTS - YEAR ENDED

DECEMBER 31, 2016

TRANSPARENCY MAURITIUS

TABLE OF CONTENTS

	Page
ANNUAL REPORT	1 - 6
SECRETARY'S CERTIFICATE	7
AUDITORS' REPORT	8 - 10
STATEMENT OF FINANCIAL POSITION	11
STATEMENT OF PROFIT OR LOSS AND THE COMPREHENSIVE INCOME	12
STATEMENT OF CHANGES IN FUND	13
STATEMENT OF CASH FLOWS	14
NOTES TO THE FINANCIAL STATEMENTS	15 - 26

ANNUAL REPORT - DECEMBER 31, 2016

The Directors have the pleasure to submit the annual report of Transparency Mauritius together with audited financial statements for the year ended December 31, 2016.

Nature of Business

Transparency Mauritius is registered as an independent, non-partisan body corporate and a non-government organisation in the country. It is also a CSR approved NGO referenced N/1137.

Transparency Mauritius is an accredited National Chapter of Transparency International, a global civil society organisation leading the fight against corruption based in Berlin, Germany. Transparency International raises awareness of the damaging effects of corruption and works with partners in government, business and civil society to develop and implement effective measures to tackle corruption.

Objects of Transparency Mauritius

- To raise public awareness and advance the general education of the public in the promotion of integrity in business ethics in national and international business transactions;
- To promote, undertake or commission research for the benefit of the public, into aspects of containing corruption and influencing peddling in national and international business transactions;
- To combat corruption and influence peddling, and to give legislative and public bodies facilities for conferring with and ascertaining the views of persons and institutions engaged in combating corruption as regards matters directly or indirectly affecting that issue;
- To provide for meetings and publications of any type to combat corruption; including fundraising and/or the use of the media;
- To contribute to increase the accountability of decision makers and transparency at all level of the public and private sectors.

The Vision of TM:

“Making Mauritius a country where people strongly believe in integrity, stand up and fight against all forms of corruption”

“Faire de Maurice un pays où les gens croient fermement en l'intégrité et lutter contre toutes les formes de corruption”

“Fair Maurice vinn enn pei kot tou dimoune vremen krwar dans l'intégrité, zot tou dibouter ek lager contre tou typs corription”

Strategic “Fit” of TM

“To contribute in revealing the various facets of corruption and actively promote a culture of transparency, accountability and integrity in government, politics, business and civil society through inclusive participation.”

ANNUAL REPORT - DECEMBER 31, 2016

Principles and Values of TM

The principles and values of TM is intrinsically in line with 10 guiding principles of TI

Values (Perceptions)	Principles (Behaviours)
Integrity	Operate with honesty and trust that makes up our professionalism
Customer-oriented	Always digging for customer requirements and ensure rapid response to needs and expectations
Ethical Responsibility	Strive to go extra mile to complete what are required while respecting human values and established legislations
Total Independency	Deliver advocacy services with impartiality that can be verified and proven
Commitment, Involvement, Engaged and empathy with passion	No matter working like a burnt-out so long the results are great for the customers
Evidence-based Fairness	Undertake projects and provide assistance to customers with utmost fairness backed-up by adequate evidence.

ACTIVITIES 2016

Priority Area: Anti-corruption initiatives at all levels through community and citizens empowerment.

Target groups: The general public

The public sector

The private sector

Projects of Transparency Mauritius for the year 2016:

- Talks & Presentations on Integrity, Ethics and Good Governance in NGOs, Public and private organisations, colleges and universities
- Presentation of the Corruption Perception Index
- Implementation of Whistleblowing policies in organisations
- Advocacy and Legal Advice Centre (ALAC)
- Sensitisation campaign in collaboration with ICAC
- Youth Parliament (October 2016 to March 2017)
- Collaborating with institutions with regards to Codes of Ethics and Codes of Conduct
- Providing training on Ethics at the Police Training School
- Providing training in Investigative Journalism
- Participating with the Media Trust to promote quality journalism through the Nicolas Lambert Awards.

Protecting and Advancing Rights: Citizens Empowerment

Transparency Mauritius is still operating the Advocacy and Legal Advice Centre (ALAC) which is open to members of the public for guidance and legal advice with regards to issues connected to corrupt practices. City Law Chambers is the partner of TM on a pro-bono basis for this initiative.

ANNUAL REPORT - DECEMBER 31, 2016

ACTIVITIES 2016 (CONT'D)**Protecting and Advancing Rights: Citizens Empowerment (cont'd)**

During the year, ten concerns were registered either by telephone, fax, post and hot-line or in person at the centre. The contacts were provided with advice by the management team and by City Law Chambers.

Engaging with the Private Sector

Transparency Mauritius has recognised that the fight against corruption cannot be done in isolation. It has partnered with other stakeholders both in the public and private sectors as well as international partners for the realisation of its objectives.

To position the organisation as an active partner and interlocutor with the major decision makers, Dr Tapiwa Uchizi Nyasulu, regional Coordinator of Transparency International for the sub-Saharan region had, during her visit to the Chapter in December 2016, meetings with President of the Republic of Mauritius, the Minister of Finance and Economic Development and the Minister of Financial Services, Good Governance and Institutional Reforms.

Meetings were also held with various heads of public institutions, namely the ICAC, the MRA, the Bank of Mauritius and the Mauritius Police Force.

Those meetings were for the purpose of engaging with relevant decision makers and to propose the anti-corruption tools as well as ethical and good governance material devised by Transparency International. Transparency Mauritius has working closely with the institutions mentioned above in 2016.

Furthermore, Transparency Mauritius is a permanent member of the Public Private Platform against Corruption (PPPAC) which is co-chaired by the ICAC and Business Mauritius. TM is also a member of the Mauritius Revenue Authority Integrity Advisory Committee.

The PPPAC identified corruption prone areas and set objectives to reduce risks. Transparency Mauritius has been a de facto member of all sub-committees which have worked namely on (i) Procurement, (ii) permits and licences by local authorities, (iii) Licenses at the Tourism & Beach Authorities and (iv) Challenges in the Construction Industry.

Transparency Mauritius was also actively engaged with the Mauritius Institute of Directors (MIOD) to promote Good Governance, Ethics and Integrity through the Whistleblowing Council.

Furthermore, TM is a permanent member of the Private Anti-corruption Task Force (PACT) which is working on an Integrity Pledge based on a model from Transparency International.

Transparency Mauritius is also in constant communication with different foreign representations in Mauritius and had meetings with, namely, HE Marjaana Sall, the EU Ambassador to the Republic of Mauritius; HE Laurent Garnier, the former French Ambassador; Susan Falatko and Dr Melanie Zimmerman of the US Embassy

ANNUAL REPORT - DECEMBER 31, 2016

Anti-Corruption Awareness, Sensitization and Visibility Actions

The two main projects of TM which provided visibility across the island were (i) the Youth Parliament, sponsored by the Canada Fund for Local Initiatives and (ii) an anti-corruption campaign in partnership with ICAC, sponsored by Cread-FCB and T-Printers. Both projects were launched by Her Excellency Dr Ameenah Gurib-Fakim, President of the Republic of Mauritius.

For the International Anti-Corruption Day, ie the 9 December 2016, TM, jointly with the ICAC, launched four sensitisation posters to be displayed around the island. Dr Tapiwa Uchizi Nyasulu, regional Coordinator of Transparency International for the sub-Saharan region, delivered a speech on the occasion.

Both events received wide media coverage, including the national TV.

Other than presentations and talks in various forums, both public and private, TM has assisted the Integrity Club of Dr Maurice Curé State Secondary School in its endeavour to fight corruption and promote a culture of integrity among the youth.

Visibility actions throughout the year included communiqués and interviews on corruption issues. During the year, TM has been present in the local media on several occasions:

- 15 interviews or reports on different radio channels
- 25 articles and/or interviews in different newspapers
- 7 reports on national TV and online news channels
- 17 online media

All the activities of Transparency Mauritius are published on the website www.transparencymauritius.org

Transparency International**o TI Corruption Perception Index**

The Corruption Perception Index of Transparency International for 2015 was released on 27 January 2016. Mauritius ranked 45th with a CPI of 53. 168 countries worldwide had been assessed and Mauritius came 5th in Africa, behind Botswana, Cap Verde, Seychelles and Rwanda.

Youth Empowerment

Transparency Mauritius has delivered a series of talks with the youth throughout the year.

A public speaking contest on the theme ‘The Pros and Cons of a Freedom of Information Act in Mauritius’ was organised on 9th March 2016 at the Paul Octave Wiehé Auditorium of the University of Mauritius. The project was sponsored by the Embassy of the United States of America and was done with the collaboration of the Student Union. The best Speaker was Ms Jaleela Hassennally and the Runner-Up was Mr Nicholas Frichot. The jury was comprised, amongst others of Ms Susan Falatko, ag. Ambassador of the United States of America and Reverent Ian Ernest, Archbishop at the Anglican Church of Indian Ocean.

ANNUAL REPORT - DECEMBER 31, 2016

Media

TM recognises the contribution of the press in the fight against corruption. After the Investigative Journalism Awards set up for two consecutive years to encourage journalists to investigate properly and to expose cases of malpractices, injustice and corruption, Transparency Mauritius joined hands with the new Media Trust as a partner for the Nicolas Lambert Award. The Executive Director of TM was part of the jury and announced the winner for the Investigative Journalism award: Lina Myte Pascal of Weekly Magazine who also won the overall Nicolas Lambert award.

In 2016, TM continued with the project involving the training of journalists.

Conferences & Workshopso International Conferences and Annual Membership Meetings

- The Executive Director attended, upon invitation, the TI Africa Regional Meeting held in Abuja, Nigeria in May 2016
- The Executive Director was also invited to attend a workshop of the UNODC on the role of civil society in Vienna, Austria in September 2016.
- The Executive Director represented the Chairman at the Annual Membership Meeting of Transparency International in Panama City, Panama in November 2016.
- He was also invited to participate in the ALAC Workshop in Berlin, Germany in December 2016. He shared the Mauritius experience about whistleblowing and the investigative journalism projects.

o Local Conferences and Annual Membership Meetings

- The Executive participated in a two days' workshop at the ICAC on the UNCAC Review Mechanism in July 2016.
- Transparency Mauritius was also invited to participate in the SIDS Conference on Procurement in August 2016.

Board of Directors:

- Mr Philippe Hardy, Chairman
- Mr Jacques De Navacelle
- Mr Sivananda Vencatapillay
- Mr Balmick Molaye
- Ms Lovania Pertab

Company Secretary:

SIMO Corporate Services Ltd

Auditors:

BDO & Co

ANNUAL REPORT - DECEMBER 31, 2016

Corporate Members (Platinum):

- State Bank of Mauritius Ltd
- The Mauritius Commercial Bank Ltd
- Air Mauritius Ltd
- Currimjee Jeewanjee & Co Ltd
- Real Garments Ltd
- Alteo Group

Corporate Members (Gold):

- Jubilee Insurance Ltd
- Evaco Group
- The Mauritius Union Group
- ENL Group
- Pwc Ltd
- Eclasia Group
- IBL Group
- Jade Group
- Ciel Group
- One & Only Le Saint Geran Ltd
- Barclays Bank Mauritius Ltd
- Gamma-Civic Ltd
- PSG Wealth Ltd
- Mauritius Oil Refineries Ltd

CSR Donors:

- Reinsurance Solutions Mauritius Ltd
- Radio Plus Ltd
- GFA Insurance
- General Construction Ltd (sketch- project)

Other Donors:

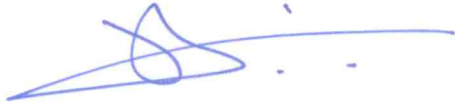
- Canada Fund for Local Initiatives
- Embassy of the United States of America
- Terra Mauricia Ltd
- Meaders Feeds Ltd
- LGI
- Lux Resorts
- Beemanique Stone Crusher Ltd
- Le Defi Plus Ltd

Partners:

- City Law Chambers
- FCB-Cread
- Moollan & Moollan – Chartered Certified Accountants
- Pinkart Ltd
- Sun Ltd
- T-Printers Ltd

SECRETARY'S CERTIFICATE - DECEMBER 31, 2016

We certify that, to the best of our knowledge and belief, the company has filed with the Registrar of Companies all such returns as are required of the company.



SIMO Corporate Services Ltd

SECRETARY

20, Palmerstone Street,

Phoenix

Date: 31 MAY 2017

TRANSPARENCY MAURITIUS

8

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Transparency Mauritius

This report is made solely to the members of Transparency Mauritius (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. 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.

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Transparency Mauritius (the Company), on pages 11 to 26 which comprise the statement of financial position as at December 31, 2016, and the statement of profit or loss and other comprehensive income, statement of changes in fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 11 to 26 give a true and fair view of the financial position of the Company as at December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

TRANSPARENCY MAURITIUS

9

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of Transparency Mauritius

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

TRANSPARENCY MAURITIUS

10

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of Transparency Mauritius

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

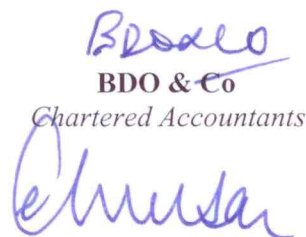
Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

We have obtained all 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.


BDO & Co
Chartered Accountants

Port Louis,
Mauritius.

Per Georges Chung Ming Kan, F.C.C.A
Licensed by FRC

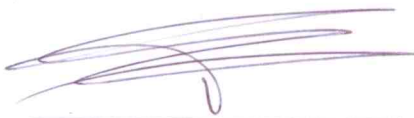
31 MAY 2017

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2016

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
ASSETS		Rs.	Rs.
Non-current asset			
Plant and equipment	5	<u>3,093</u>	<u>39,291</u>
Current assets			
Trade and other receivables	6	<u>35,500</u>	175,000
Cash at bank		<u>350,442</u>	<u>118,571</u>
		<u>385,942</u>	<u>293,571</u>
Total assets		Rs. <u>389,035</u>	<u>332,862</u>
FUND AND LIABILITIES			
Accumulated fund		<u>73,530</u>	<u>12,119</u>
Current liability			
Payables	7	<u>315,505</u>	<u>320,743</u>
Total fund and liabilities		Rs. <u>389,035</u>	<u>332,862</u>

These financial statements were approved for issue by the Board of Directors on:

31 MAY 2017



Signature

Philippe HARDY
Name



Signature

S. Montgomerie
Name

)
) DIRECTORS

The notes on pages 15 to 26 form an integral part of these financial statements.

Auditor's report on pages 8 to 10.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME -
YEAR ENDED DECEMBER 31, 2016**

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		Rs.	Rs.
Contributions	8	100,000	542,025
Project contributions		331,149	611,246
Membership fees		<u>1,457,800</u>	<u>1,127,000</u>
		1,888,949	2,280,271
Project costs		(311,023)	(826,305)
Administrative expenses		<u>(2,056,159)</u>	<u>(1,959,419)</u>
Net operating deficit	9	(478,233)	(505,453)
Other income	11	<u>539,644</u>	<u>490,856</u>
Net surplus/(deficit) for the year		61,411	(14,597)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		Rs. <u>61,411</u>	<u>(14,597)</u>

The notes on pages 15 to 26 form an integral part of these financial statements.

Auditor's report on pages 8 to 10.

STATEMENT OF CHANGES IN FUND - YEAR ENDED DECEMBER 31, 2016

	Accumulated Fund <u>Rs.</u>
Balance at January 1, 2016	<u>12,119</u>
Net surplus for the year	61,411
Other comprehensive income	<u>-</u>
Total comprehensive income for the year	<u>61,411</u>
Balance at December 31, 2016	Rs. <u><u>73,530</u></u>
Balance at January 1, 2015	<u>26,716</u>
Net deficit for the year	(14,597)
Other comprehensive income	<u>-</u>
Total comprehensive income for the year	<u>(14,597)</u>
Balance at December 31, 2015	Rs. <u><u>12,119</u></u>

The notes on pages 15 to 26 form an integral part of these financial statements.
Auditor's report on pages 8 to 10.

STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2016

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		Rs.	Rs.
Cash flows from operating activities			
Net surplus/(deficit) for the year		61,411	(14,597)
Adjustments for:			
Depreciation on plant and equipment		36,198	36,198
Interest received		(134)	(344)
		<u>97,475</u>	<u>21,257</u>
Changes in working capital:			
Trade and other receivables		139,500	(74,400)
Other payables		(5,238)	(74,819)
Cash generated from/(used in) operations		231,737	(127,962)
Interest received		134	344
Net cash generated from/(used in) operating activities		<u>231,871</u>	<u>(127,618)</u>
Net increase/(decrease) in cash and cash equivalents		<u>231,871</u>	<u>(127,618)</u>
Movement in cash and cash equivalents			
At January 1,		118,571	246,189
Increase/(decrease)		<u>231,871</u>	<u>(127,618)</u>
At December 31,	12	Rs. <u>350,442</u>	<u>118,571</u>

The notes on pages 15 to 26 form an integral part of these financial statements.

Auditor's report on pages 8 to 10.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

1. GENERAL INFORMATION

Transparency Mauritius was incorporated in October 1988 as a public company limited by guarantee.

The Company is affiliated to Transparency International, a global civil society organisation leading the fight against corruption, based in Berlin, Germany. Transparency Mauritius is one of the national chapters of Transparency International that falls under the Regional Department of African and the Middle East.

Transparency Mauritius is an independent, non-political, non-partisan, non-governmental and non-profit-making organisation. Its registered office is at 6th Floor, TN Tower, 13, Saint Georges Street, Port Louis.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention except that relevant financial assets and liabilities are stated at fair value, or carried at amortised cost as appropriate.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 14 Regulatory Deferral Accounts provides relief for first-adopters of IFRS in relation to accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). IFRS 14 permits these entities to apply their previous accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The standard is not expected to have any impact on the Company's financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). The amendments clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed. The amendment has no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)***Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)*

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38). The amendments clarify that a revenue-based method of depreciation or amortisation is generally not appropriate. Amendments clarify that a revenue-based method should not be used to calculate the depreciation of items of property, plant and equipment. IAS 38 now includes a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome under specific conditions. The amendment has no impact on the Company's financial statements.

Equity method in separate financial statements (Amendments to IAS 27). The amendments allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates. IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value in their separate FS. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. The amendment has no impact on the Company's financial statements.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41). IAS 41 now distinguishes between bearer plants and other biological asset. Bearer plants must be accounted for as property plant and equipment and measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. The amendment has no impact on the Company's financial statements.

Annual Improvements to IFRSs 2012-2014 cycle

- IFRS 5 is amended to clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such. The amendment has no impact on the Company's financial statements.
- IFRS 7 amendment provides specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. The amendment has no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)***Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)***Annual Improvements to IFRSs 2012-2014 cycle (cont'd)**

- IFRS 7 is amended to clarify that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34. The amendment has no impact on the Company's financial statements.
- IAS 19 amendment clarifies that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. The amendment has no impact on the Company's financial statements.
- IAS 34 amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information. The amendment has no impact on the Company's financial statements.

Disclosure Initiative (Amendments to IAS 1). The amendments to IAS 1 provide clarifications on a number of issues. An entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals. Confirmation that the notes do not need to be presented in a particular order. The share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

Investment entities: Applying the consolidation exception (Amendments to IFRS 10, IFRS 12 and IAS 28). The amendments clarify that the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities. An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities. Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement. The amendment has no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)***Standards, Amendments to published Standards and Interpretations issued but not yet effective*

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2017 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contract with Customers

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

IFRS 16 Leases

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

Amendments to IAS 7 Statement of Cash Flows

Clarifications to IFRS 15 Revenue from Contracts with Customers

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

Annual Improvements to IFRSs 2014-2016 Cycle

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Transfers of Investment Property (Amendments to IAS 40)

Where relevant, the Company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2 Plant and equipment

All plant and equipment is stated at historical cost less depreciation.

