Lancasters
Chartered Accountants

SRF Fluor Private Limited

Financial statements

31 March 2014

MEMBER OF

GENEVA GROUP INTERNATIONAL

SRF Fluor Private Limited

Financial statements
for the year ended 31 March 2014

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SRF Fluor Private Limited

Corporate data

Directors:	Dhanun Ujoodha Sharmil Shah
Company secretary:	Kross Border Corporate Services Limited St Louis Business Centre Cnr Desroches & St Louis Streets Port Louis Mauritius
Registered office:	St Louis Business Centre Cnr Desroches & St Louis Streets Port Louis Mauritius
Auditors:	Lancasters Chartered Accountants 14, Lancaster Court Lavoquer Street Port Louis Mauritius
Banker:	SBI (Mauritius) Ltd SBI Tower Mindspace 45 Cyber City Ebène Mauritius

SRF Fluor Private Limited

Directors' report

The directors are pleased to present their report together with the audited financial statements of SRF Fluor Private Limited (the 'Company') for the year ended 31 March 2014.

Principal activity

The principal activity of the Company is that of investment holding.

Results and dividend

The results for the year are shown on page 6.

The directors do not recommend the payment of dividend for the year under review (2013: Nil).

Statement of directors' responsibilities in respect of financial statements

Company law require the directors to prepare financial statements for each financial year giving a true and fair view of the statement of financial position of the Company and of the statement of profit or loss and other comprehensive income of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue to operate.

The directors' responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and believe that the business will continue in the year ahead.

By order of the Board

Director

Date: 08 MAY 2014

SRF Fluor Private Limited

Secretary's certificate
for the year ended 31 March 2014

Secretary's certificate under Section 166 (d) of the Companies Act 2001

In accordance with section 166 (d) of the Companies Act 2001, 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 under the Companies Act 2001.

For and on behalf of **KROSS BORDER CORPORATE SERVICES LIMITED**
Company Secretary

Date: 08 MAY 2014

Lancasters
Chartered Accountants
MEMBER OF
GENEVA GROUP INTERNATIONAL

Auditors' report to the shareholder of SRF Fluor Private Limited

Report on the Financial Statements

We have audited the financial statements of SRF Fluor Private Limited, which comprise of the statement of financial position at 31 March 2014, and 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 the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholder, in accordance with section 205 of the Mauritius Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 misstatement.

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' judgement, 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 auditors consider the internal control 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 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.

Auditors' report to the shareholder of SRF Fluor Private Limited (continued)

Fundamental uncertainties

Going concern

The shareholder has confirmed its intention to provide continuing financial support to the Company to enable it to meet its liabilities as they fall due. Consequently, the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments to the assets and liabilities that would result from a failure to obtain such financial support. We consider that appropriate disclosures (note12) have been made and our opinion is not qualified in this respect.

Opinion

In our opinion, the financial statements on pages 6 to 28 give a true and fair view of the financial position of the Company at 31 March 2014 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 Mauritius Companies Act 2001.

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.

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.

Lancasters

Lancasters,
Chartered Accountants
14, Lancaster Court
Lavoquer Street
Port Louis
Mauritius

Pasram Bissessur FCCA, MBA (UK)
Licensed by FRC

Date: 08 MAY 2014

SRF Fluor Private Limited

Statement of profit or loss and other comprehensive income
for the year ended 31 March 2014

	Note	**2014 USD**	2013 USD
Revenue		**-**	-
Expenses		**(4,148)**	(12,083)
Loss from operating activities		**(4,148)**	(12,083)
Reversal of overprovision of professional fees		**-**	600
Loss before taxation		**(4,148)**	(11,483)
Income tax expense	6	**-**	-
Loss for the year		**(4,148)**	(11,483)
Other comprehensive income			
Items that will never be classified to profit or loss		**-**	-
Items that are or may be reclassified to profit or loss		**-**	-
Total comprehensive loss for the year		(4,148)	(11,483)

The notes on pages 10 to 28 form part of these financial statements

SRF Fluor Private Limited

Statement of financial position
at 31 March 2014

	Note	2014 USD	2013 USD
Assets			
Current assets			
Other receivables	7	**1,288**	-
Cash and cash equivalents		**64**	-
Total current assets		**1,352**	-
Total assets		**1,352**	-
Equity			
Stated capital	8	**45,002**	20,002
Revenue deficit		**(57,053)**	(52,905)
Total equity		**(12,051)**	(32,903)
Current liabilities			
Other payables	9	-	19,500
Loan from holding company	10	**13,403**	13,403
Total current liabilities		**13,403**	32,903
Total equity and liabilities		**1,352**	-

Approved by the Board on 08 MAY 2014

Director

Director

The notes on pages 10 to 28 form part of these financial statements

SRF Fluor Private Limited

Statement of changes in equity
for the year ended 31 March 2014

	Stated capital USD	Revenue deficit USD	Total USD
Balance at 01 April 2012	20,002	(41,422)	(21,420)
Total comprehensive loss for the year			
Loss for the year	-	(11,483)	(11,483)
Other comprehensive income	-	-	-
Balance at 31 March 2013	20,002	(52,905)	(32,903)
Transactions with owners of the Company			
Contributions and distributions			
Issued capital	25,000	-	25,000
Total comprehensive loss for the year			
Loss for the year	-	(4,148)	(4,148)
Other comprehensive income	-	-	-
Balance at 31 March 2014	**45,002**	**(57,053)**	**(12,051)**

The notes on pages 10 to 28 form part of these financial statements

SRF Fluor Private Limited

Statement of cash flows
for the year ended 31 March 2014

	2014 USD	2013 USD
Cash flows from operating activities		
Loss for the year	**(4,148)**	(11,483)
Adjustment for:		
Change in other receivables	**(1,288)**	563
Change in other payables	**(19,500)**	8,847
Net cash used in operating activities	**(24,936)**	(2,073)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	**25,000**	-
Net cash from financing activities	**25,000**	-
Movement in cash and cash equivalents	**64**	(2,073)
Cash and cash equivalents at 01 April	**-**	2,073
Cash and cash equivalents at 31 March	**64**	-

The notes on pages 10 to 28 form part of these financial statements

1. **General information**

The Company was incorporated as a private limited company on 07 September 2007 and was granted a Category 1 Global Business Licence on 13 September 2007. The principal activity of the Company is that of investment holding.

The Company, as a holder of a Category 1 Global Business Licence under the Companies Act 2001 and the Financial Services Act 2007, is required to carry on its business in a currency other than the Mauritian Rupee. Since the Company operates in an international environment and conducts most of its transactions in foreign currencies, it has chosen to retain the United States Dollar (USD) as its reporting currency.

2. **Basis of preparation**

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Mauritius Companies Act 2001.

(b) Basis of measurement

The financial statements have been prepared on a historical cost, except where otherwise stated.

(c) Functional currency

The financial statements are presented in United States Dollar (USD) which is the company's functional currency.

(d) Use of the estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There were no critical judgements made in applying accounting policies that may have significant effect on the amount recognised in the financial statements.

3. **Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company.

(a) Revenue recognition

Revenue is recognised in the statement of profit or loss and other comprehensive income as follows:

- Dividend income: when the shareholder's right to receive payment is established.
- Interest income: as it accrues (taking into account the effective yield on the assets).

(b) Income tax expense

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognised in statement of profit or loss and other comprehensive income except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(c) Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to United States Dollar (USD) at the exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Foreign exchange differences arising on retranslation are recognised in statement of profit or loss and other comprehensive income..

3. **Significant accounting policies (continued)**

(d) Impairment of assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. All impairment is recognised in profit or loss.

An impairment is reversed if the reversal can be related objectively to an event occurring after the impairment was recognised. For financial assets measured at cost, the reversal is recognised directly in the statement of profit or loss and other comprehensive income.

(e) Other receivables

Other receivables are stated at cost less impairment.

(f) Financial instruments

(i) Non derivative financial assets

All financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

3. **Significant accounting policies (continued)**

(f) Financial instruments (continued)

(ii) Non derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Company has the following non-derivative financial liabilities: loan from holding company and other payables.

Loan from holding company

Loan from holding company is recognised initially at fair value, net of transaction costs incurred and are subsequently carried at cost.

Other payables

Other payables are recognised at fair value, net of transaction costs incurred and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

(g) Stated capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(h) Related parties

Related parties may be individuals or other entities where the individual or other entities has the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in governing the financial and operating policies, or vice versa, or where the Company are subject to common control or common significant influence.

3. **Significant accounting policies (continued)**

(i) Provisions

A provision is recognised if, as a result of a past event, the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation

(j) New and revised IFRSs applicable for the first time

During the current year, the following new and revised IFRSs shall come into effect for the first time. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

New and revised IFRSs	Summary of requirement
IFRS 10 - Consolidated financial statements	IFRS 10 changes the definition of control, such that the same consolidation criteria will apply to all entities. The revised definition focuses on the need to have both "power" and "variable returns" for control to be present. Power is the current ability to direct the activities that significantly influence returns. Variable returns can be positive, negative or both. The determination of power is based on current facts and circumstances (including substantive potential voting rights) and is continuously assessed. An investor with more than half the voting rights would meet the power criteria in the absence of restrictions or other circumstances. However, an investor could have power over the investee even when it holds less than the majority of the voting rights in certain cases. IFRS 10 provides guidance on participating and protective rights, and brings the notion of "de facto" control firmly within the guidance. The standard also requires an investor with decision making rights to determine if it is acting as a principal or an agent and provides factors to consider. If an investor acts as an agent, it would not have the requisite power and, hence, would not consolidate.
IFRS 11 - Joint arrangements	IFRS 11 focuses on the rights and obligations of joint arrangements, rather than the legal form (as it is currently the case). It: 1) distinguishes joint arrangements between joint operations and joint ventures; and 2) always requires the equity method for jointly controlled entities that are now called joint ventures; they are stripped of the free choice of using the equity method or proportionate consolidation.

3. **Significant accounting policies (continued)**

(j) New and revised IFRSs applicable for the first time (continued)

New and revised IFRSs	Summary of requirement
IFRS 12 - Disclosure of interest in other entities	IFRS 12 sets out the required disclosures for entities reporting under IFRS 10 and IFRS 11. The objective of IFRS 12 is to require entities to disclose information that helps financial statement readers to evaluate the nature, risks, and financial effects associated with the entity's involvement with subsidiaries, associates, joint arrangements, and unconsolidated structured entities. Specific disclosures include the significant judgments and assumptions made in determining control as well as detailed information regarding the entity's involvement with these investees.
IFRS 13 - Fair Value Measurement	IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value when it is required or permitted by other IFRSs. It does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price.
IAS 19 – Employee benefits (Amendments)	Requires the recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements (eliminating the 'corridor approach' permitted by the existing IAS 19); Introduces enhanced disclosures about defined benefit plans; Modifies accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits; and Clarifies various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features.

3. **Significant accounting policies (continued)**

(j) New and revised IFRSs applicable for the first time (continued)

New and revised IFRSs	Summary of requirement
IAS 27 – Separate financial statements 2011	The standard contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The Standard requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments.
IAS 28 - Investments in Associates and Joint Ventures (2011)	IFRS 5 applies to an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and On cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the entity does not re-measure the retained interest.
Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)	The amendments: 1) require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss; 2) do not change the existing option to present profit or loss and other comprehensive income in two statements; and 3) change the title of the statement of comprehensive income to the statement of profit or loss and other comprehensive income. However, the entity is still allowed to use other titles. The amendments do not address which items are presented in other comprehensive income or which items need to be reclassified. The requirements of other IFRSs continue to apply in this regard.

3. **Significant accounting policies (continued)**

(j) New and revised IFRSs applicable for the first time (continued)

New and revised IFRSs	Summary of requirement
Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	The amendments require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. These disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	The interpretation clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement. Requires stripping activity costs which provide improved access to and are recognised as a non-current 'stripping activity asset' when certain criteria are met. The stripping activity asset is depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the body that becomes more accessible as a result of the stripping activity, using the units of production method unless another method is more appropriate.

SRF Fluor Private Limited

Notes to and forming part of the financial statements
for the year ended 31 March 2014

3. **Significant accounting policies (continued)**

(j) New Standards, Interpretations and amendments to published standards not yet effective (continued)

The IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2014 and which have not been early adopted in these financial statements.

The Company is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application.

These statements, where applicable, will be applied in the year when they are effective.

Standard/Interpretation	Effective date
IFRS 9 Financial Instruments (2009)	Annual periods beginning on or after 1 January 2018*
IFRS 9 Financial Instruments (2010)	Annual periods beginning on or after 1 January 2018*
IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39) (2013)	Annual periods beginning on or after 1 January 2018*
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	Annual periods beginning on or after 1 January 2014*
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	Annual periods beginning on or after 1 January 2014*
Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)	Annual periods beginning on or after 1 January 2014*
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	Annual periods beginning on or after 1 January 2014*
Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	Annual periods beginning on or after 1 July 2014*
Annual Improvements 2010-2012 Cycle	Annual periods beginning on or after 1 July 2014*
Annual Improvements 2011-2013 Cycle	Annual periods beginning on or after 1 July 2014*
IFRIC 21 Levies	Annual periods beginning on or after 1 January 2014*

*All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the entity).

3. **Significant accounting policies (continued)**

(j) New Standards, Interpretations and amendments to published standards not yet effective (continued)

IFRS 9 Financial Instruments (2009)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances)
- Investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognised in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognised in the profit or loss
- The concept of 'embedded derivatives' does not apply to financial assets within the scope of the Standard and the entire instrument must be classified and measured in accordance with the above guidelines.

IFRS 9 Financial Instruments (2010)

A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement.

The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39) (2013)

A revised version of IFRS 9 which:

- Introduces a new chapter to IFRS 9 on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- Permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in other comprehensive income rather than within profit or loss
- Removes the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open pending the finalisation of the impairment and classification and measurement requirements. IFRS 9 shall now be effective for annual periods beginning on or after 01 January 2018.

3. **Significant accounting policies (continued)**

(j) New Standards, Interpretations and amendments to published standards not yet effective (continued)

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Amends IAS 32 *Financial Instruments: Presentation* to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of 'currently has a legally enforceable right of set-off'
- the application of simultaneous realisation and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

Amends IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 27 *Separate Financial Statements* to:

- provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments* or IAS 39 *Financial Instruments: Recognition and Measurement*
- require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries
- require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

Amends IAS 36 Impairment of Assets to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

3. **Significant accounting policies (continued)**

(j) New Standards, Interpretations and amendments to published standards not yet effective (continued)

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

Amends IAS 39 Financial Instruments: Recognition and Measurement to make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

Amends IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

Annual Improvements 2010-2012 Cycle

Makes amendments to the following standards:

- IFRS 2: Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'
- IFRS 3: Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date
- IFRS 8: Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly
- IFRS 13: Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only)
- IAS 16 and IAS 38: Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount
- IAS 24: Clarify how payments to entities providing management services are to be disclosed

3. **Significant accounting policies (continued)**

(j) New Standards, Interpretations and amendments to published standards not yet effective (continued)

Annual Improvements 2011-2013 Cycle

Makes amendments to the following standards:

- IFRS 1 — Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only)
- IFRS 3 — Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself
- IFRS 13 — Clarify the scope of the portfolio exception in paragraph 52
- IAS 40 — Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property

IFRIC 21 Levies

Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognised progressively if the obligating event occurs over a period of time
- If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.