

# GREEN TREE INVESTMENT COMPANY LIMITED

**DIRECTORS REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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# GREEN TREE INVESTMENT COMPANY LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

The directors present herewith their report and audited financial statements of the company for the year ended 31 March 2022.

### *Activities*

The company carries on the business of:

- (i) As an intermediary, with back to back agreements for constructing and providing finance for developing immovable properties;
- (ii) constructing, in phases, residential apartments for sale. During the year the company disposed 26 apartments, primarily to returning graduates at concessional rates agreed with the Government of Seychelles.

### *Results*

As shown in the statement of income on page 6, activities for the current year give the company a profit of SCR 7,880,942 (2021 - loss SCR 16,227,054) after taxation.

### *Application of profits and revenue reserves*

The results for the current year and losses from prior year do not permit the company to distribute dividends.

### *Directors and their interest in the company*

The directors of the company during the period and their interest in accordance with the register maintained under Section 111 of the Companies Act 1972, were as follows:-

	SHARES HELD	
	1 April	31 March
Mr. G.M. Savy	-	-
Mr. P. Lablache	-	-
Mrs. S. Francis	-	-
Mr. P. Berlouis	-	-
Ms. A. Antat	-	-
Ms. A. Lebon	-	-
Mr. W. Confait	-	-
Mr. C. Lionnet	-	-
Mr. D. Matatiken	-	-

All directors of the company are citizens of Seychelles.

Mr. P.Lablache retires from the board in accordance with Articles of Association and being eligible offer himself for re-election.

No contract of significance subsisted with the company at any time during the year in which the directors had directly or indirectly, a material interest.

### *Statement of directors responsibilities*

The directors are required to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for the period. In preparing those accounts, the directors are required to:-

prepare financial statements on the going concern basis unless it is inappropriate to assume continuance of business;

select suitable accounting policies and then apply them consistently;

# GREEN TREE INVESTMENT COMPANY LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

### *Statement of directors responsibilities (cont...)*

make judgements and estimates that are reasonable and prudent; and

disclose and explain any material departures from applicable accounting standards.

The Companies Act 1972 also requires the directors to keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They also have the general responsibility for taking reasonable steps to safeguard the assets of the company and detect fraud and other irregularities.

The directors consider they have met their responsibilities as set out in the Companies Act 1972.

The financial statement are signed by the current directors of the company.

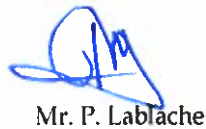
### *Auditors*

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

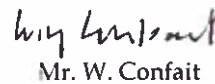
### DIRECTORS



Mr. G.M. Savy



Mr. P. Lablache



Mr. W. Confait



Mrs. S. Francis



Mr. P. Bertouis



Ms. A. Antat



Ms. A. Lebon

30 April 2022



Mr. C. Lionnet



Mr. D. Matatiken

## INDEPENDENT AUDITOR'S REPORT

### GREEN TREE INVESTMENT COMPANY LIMITED

#### Opinion

We have audited the financial statements of Green Tree Investment Company Limited set out on pages 5 to 12 which comprise the statement of financial position as 31 March 2022, the statement of income, and cash flow statement for the year then ended, a five year financial summary and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are prepared, in all material respects, in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME's) and requirements of the Seychelles Companies Act, 1972.

#### 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 ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other responsibilities in accordance with these requirements.

In common with businesses of similar size and organization, the company's system of control is dependent upon the close involvement of management who are also major shareholders. Where independent confirmation of the completeness of the accounting records was not available, we have accepted assurances from the management that their representations and the company's records accurately reflect all the transactions undertaken during the year.

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

#### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME's) and requirements of the Seychelles Companies Act, 1972, 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.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### Going concern consideration

To date the company has incurred losses of Scr 21.7 Mn and does not expect a surplus in excess of Scr 11.2 Mn upon the sale of the remaining luxury units. It is anticipated that due to timing differences between repayment of lending and borrowing, the company will have an interest shortfall of Scr 2.25 Mn over next three years.

Hence, the company's ability to continue as a going concern is dependent upon disposing all its luxury units, generate surpluses from current projects and continued support from its parent(s).

#### 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.

## INDEPENDENT AUDITOR'S REPORT (cont...)

### GREEN TREE INVESTMENT COMPANY LIMITED

#### Auditor's responsibilities for the audit of the financial statements (cont..)

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 management.

- Conclude on the appropriateness of management's 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.

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.

ICAEW membership number of the engagement partner responsible for signing this independent auditors' report is 6813446.

*Pool & Patel*

POOL & PATEL  
CHARTERED ACCOUNTANTS

30 April, 2022

# GREEN TREE INVESTMENT COMPANY LIMITED

## Statement of financial position

Financial statements are prepared in Seychelles Rupees

	Note	As at 31 March	
		2022	2021
<b>Assets</b>			
Work in progress	9	1,217,655	-
Lending	9	19,042,646	37,305,600
<b>Non-current assets</b>		<b>20,260,301</b>	<b>37,305,600</b>
Lending	9	18,046,643	17,552,846
Inventory	4	24,095,763	42,095,993
Trade & other receivables	6	17,641,950	238,400
Cash at bank		402,646	2,537,052
<b>Current assets</b>		<b>60,187,002</b>	<b>62,424,291</b>
<b>Total assets</b>		<b>80,447,303</b>	<b>99,729,891</b>
<b>Liabilities</b>			
Borrowings	8	49,429,893	52,441,301
<b>Non-current liabilities</b>		<b>49,429,893</b>	<b>52,441,301</b>
Borrowings	8	16,539,744	13,630,243
Trade and other payables	7	17,901,016	47,422,824
<b>Current liabilities</b>		<b>34,440,760</b>	<b>61,053,067</b>
<b>Total liabilities</b>		<b>83,870,653</b>	<b>113,494,368</b>
Share capital	5	100,000	100,000
Retained earnings		(21,698,350)	(29,579,292)
Equity loans	10	18,175,000	31,175,000
<b>Equity</b>		<b>(3,423,350)</b>	<b>1,695,708</b>
<b>Total liabilities and equity</b>		<b>80,447,303</b>	<b>115,190,076</b>

The notes on pages 9 to 12 are an integral part of these financial statements.

  
Mr. G.M. Savy

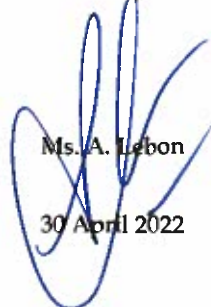
  
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30 April 2022

  
Mr. C. Lionnet

  
Mr. D. Matatiken

# GREEN TREE INVESTMENT COMPANY LIMITED

## Statement of income - by nature of expense and retained earnings

Financial statements are prepared in Seychelles Rupees

Note	Year ended 31 March	
	2022	2021
<b>Sale of condominiums</b>		
Income	26,787,610	53,932,088
Cost of sales	(18,000,230)	(69,202,547)
Commissions on sale	(559,250)	(431,750)
<b>Gross loss</b>	<b>8,228,130</b>	<b>(15,702,209)</b>
Administration fees	600,000	600,000
Contribution for overheads	360,000	360,000
Cost of maintaining the company	(438,877)	(1,004,769)
Sundry income	119,128	71,565
<b>Operating Profit / (loss)</b>	<b>8,868,381</b>	<b>(15,675,413)</b>
Bank loan interest paid	(4,760,722)	(6,358,746)
Interest on fixed deposit	-	166,315
interest reimbursed	3,773,283	5,640,790
<b>Finance expense - net</b>	<b>(987,439)</b>	<b>(551,641)</b>
<b>Loss before income tax</b>	<b>7,880,942</b>	<b>(16,227,054)</b>
Taxation	-	-
<b>Loss for the year</b>	<b>7,880,942</b>	<b>(16,227,054)</b>
Dividends	-	-
	<b>7,880,942</b>	<b>(16,227,054)</b>
<b>Retained earnings 1 April</b>	<b>(29,579,292)</b>	<b>(13,352,238)</b>
<b>Retained earnings 31 March</b>	<b>(21,698,350)</b>	<b>(29,579,292)</b>

The notes on pages 9 to 12 are an integral part of these financial statements.

# GREEN TREE INVESTMENT COMPANY LIMITED

## Cash flow statement

Financial statements are prepared in Seychelles Rupees.

	Note	As at 31 March	
		2022	2021
<b>Cash flows from operating activities</b>			
Profit / (loss) for the year, adjusted:		7,880,942	(16,227,054)
Loss / (profit) on sale of condominiums		(8,228,130)	15,702,209
Finance costs - net		987,439	551,641
		<b>640,251</b>	<b>26,796</b>
(Increase)/decrease in debtors	6	(2,403,550)	2,242,906
Decrease in related party liabilities	10	(13,002,619)	(2,342,248)
Increase/(decrease) in sundry creditors		(32,902)	9,225
<b>Cash used in maintaining company</b>		<b>(14,798,820)</b>	<b>(63,321)</b>
Deposits and proceeds from sale of apartments		25,202,258	36,223,249
Advance payment to contractor / parent company		(15,000,000)	-
Interest received		-	166,315
<b>Net cash generated from operating activities</b>		<b>(4,596,562)</b>	<b>36,326,243</b>
<b>Cash flows from investing activities</b>			
Lending made		-	-
Investment in work in progress		(1,217,655)	(19,711,365)
Lending repaid with interest	9	21,542,440	21,542,440
<b>Net cash generated from investing activities</b>		<b>20,324,785</b>	<b>1,831,075</b>
<b>Cash flow from financing activities</b>			
Loans received	10	16,587,803	31,175,000
Loan interest paid		(4,670,722)	(6,358,746)
Loans repaid	8	(29,779,710)	(71,254,057)
<b>Net cash from/(used in) financing activities</b>		<b>(17,862,629)</b>	<b>(46,437,803)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>(2,134,406)</b>	<b>(8,280,485)</b>
Cash & cash equivalent at 1 April		2,537,052	10,817,537
<b>Cash and cash equivalents 31 March</b>		<b>402,646</b>	<b>2,537,052</b>



# GREEN TREE INVESTMENT COMPANY LIMITED

## FIVE YEAR FINANCIAL SUMMARY - 31 MARCH 2022

Financial statements are prepared in Seychelles Rupees '000

	2022	2021	2020	2019	2018
	SCR'000				
<b>Statement of financial position</b>					
<b>Share capital</b>					
Authorised	100	100	100	100	100
Issued and fully paid	100	100	100	100	100
Retained earnings	(21,698)	(29,579)	(13,352)	(12,934)	432
Borrowings	65,970	66,071	137,325	141,788	129,364
Net assets employed	44,372	36,592	124,073	128,954	129,896
<b>Statement of income</b>					
Turnover	27,747	54,892	14,510	14,510	1,845
<b>Profit/(loss) before taxation</b>	7,881	(16,227)	(418)	(13,366)	518
Taxation	-	-	-	-	482
	7,881	(16,227)	(418)	(13,366)	1,000
Dividends	-	-	-	-	-
	7,881	(16,227)	(418)	(13,366)	1,000
Retained earnings - 1 April	(29,579)	(13,352)	(12,934)	432	(568)
Retained earnings - 31 March	(21,698)	(29,579)	(13,352)	(12,934)	432

# GREEN TREE INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Financial statements are prepared in Seychelles Rupees

### 1 *Reporting entity*

Green Tree Investment Company Limited is a limited liability company incorporated and domiciled in the Seychelles. The address of the company's registered office is Maison La Rosiere, Mahe, Seychelles.

The company carries on the business of:

- (i) Acting as an intermediary, with back to back agreement for constructing and providing finance for developing immovable properties;
- (ii) constructing and disposing, in phases, residential apartments for sale.

### 2 *Summary of significant accounting policies*

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

#### 2.1 *Basis of presentation*

The statements of Green Tree Investment Company Limited are prepared in accordance with the requirements of the Seychelles Companies Act, 1972 and the International Financial reporting Standard for Small and Medium-sized Entities (IFRS for SME's). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS for SME's requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. Areas involving a high degree of judgement and where assumptions and estimations are significant to the financial statements are disclosed in the notes.

#### 2.2 *Functional and reporting currency*

The financial statements are presented in the Seychelles Rupee, which is the reporting currency under the Companies Act, 1972.

#### 2.3 *Going concern*

The financial statements are been prepared on the basis of the company being a going concern on the assumption that the shareholders will continue to fund working capital requirements, and will not demand repayment of their dues for a period of at least one year from the date of these financial statements.

If the company ceases to be a going concern, provision would have to be made to reduce the value of assets to their estimated recoverable amounts, and for any further liabilities that may arise in a winding up. In addition, fixed assets and long term liabilities will have to be reclassified as current assets and current liabilities.

#### 2.4 *Financial instruments*

Financial assets and liabilities are recognised on the statement of financial position when the company has become party to the contractual provision of the financial instruments. Except where stated separately, the carrying amounts of the company's financial instruments approximate their fair value.

##### *Cash and cash equivalents*

Cash and cash equivalents include cash on hand and deposits held at call with banks.

##### *Lendings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method.

##### *Payables*

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier. Other liabilities are stated at original debt less principal repayments and amortizations.

# GREEN TREE INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Financial statements are prepared in Seychelles Rupees

### 2 Summary of significant accounting policies (cont...)

#### 2.3 Financial instruments (cont...)

##### *Loans and borrowing*

After initial recognition, interest-bearing lendings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

##### *Impairment and uncollectibility of financial assets*

The carrying amounts of the financial assets is reviewed by the directors periodically to determine whether it is in excess of its market or recoverable amount in the statement of financial position. If there is any evidence of other than a temporary impairment in the carrying amount of an asset, it is written down to its fair value or recoverable amount and the loss recognised in the income statement.

- For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised and;
- For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset; and
- For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Financial assets and liabilities are recognised on the statement of financial position when the company has become party to the contractual provision of the financial instruments. Except where stated separately, the carrying amounts of the company's financial instruments approximate their fair value.

#### 2.5 Inventories

Inventory of completed apartments is stated at the lower of cost or net realisable value.

#### 2.6 Revenue recognition

In relation to the rendering of services, revenue is recognised as it accrues on a monthly basis.

In relation to sale of apartments, revenue is recognised upon formal sign off and handover of completed apartments.

#### 2.7 Comparatives

Where necessary comparatives figures have been adjusted to conform to changes in presentation in the current year.

### 3 Profit/(loss) for the year

	2022	2021
Profit/(Loss) for the year has been arrived at after charging:		
Audit fees	57,500	53,000

### 4 Inventory

	2022	2021
Apartments available for sale	24,095,763	42,095,993

### 5 Authorised & issued capital

	2022	2021
Authorised, issued and fully paid 1,000 shares of R 100 each	100,000	100,000

### 6 Trade and other receivables

	2022	2021
Lending instalment outstanding	2,156,484	-
Deposit to contractor/ immediate parent	15,000,000	-
Sundry receivables & prepayments	485,466	238,400
<b>Total</b>	<b>17,641,950</b>	<b>238,400</b>

# GREEN TREE INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Financial statements are prepared in Seychelles Rupees

### 7 Trade and other payables

	2022	2021
Related parties (note 10)	15,460,185	13,002,620
Refundable advances	-	15,460,185
Accruals	2,370,181	2,403,082
CSR Tax payable	70,650	70,650
Deposits received for purchase of condominiums	-	1,026,102
<b>Total</b>	<b>17,901,016</b>	<b>31,962,639</b>

### 8 Borrowings

	2022	2021
Bank loans	65,969,637	66,071,544
<b>Repayments</b>		
	2022	2021
Repayable within 1 year	16,539,744	13,630,243
Repayable later than 1 year and no later than 5 years	49,429,893	52,441,301
<b>Total</b>	<b>65,969,637</b>	<b>66,071,544</b>

The banking facilities are secured by first line charges on the leasehold properties title V18455 for SCR 104,580,505 and title V1270 for SCR 4,696,332, corporate guarantee of IDC for SCR 109,300,000, assignment of proceeds from Ministry of Finance, Trade & Investment (MOF) by the company with confirmation of MOF to be included in the national budget.

During the year the company repaid its overdrafts of permanent nature through borrowing from related parties and sales of apartments.

### 9 Lending

#### Projects constructed and financed

Projects constructed and converted to lending under a financial lease are as follows:

Anticipated duration of lease remaining	22 months
Commencement date	Dec, 2015
Monthly rental (subject to change in loan interest rates)	1,795,203
Implicit interest rate for 2020/2021 - 1 April 2021 to 20 October 2021	8.50%
- 21 October 2021 to 31 March 2022	7.50%
Gross investment in lease	155,499,108
Fair value of lease on commencement date	111,569,183
Unearned finance income at 31 March 2022	4,923,994

#### Repayments

The future minimum discounted repayments at 31 March 2022, under a non cancellable financial lease, are as follows:

	2022	2021
Repayable within 1 year	18,046,643	17,552,846
Repayable later than 1 year and no later than 5 years	19,042,646	37,305,600
<b>Total</b>	<b>37,089,289</b>	<b>54,858,446</b>

The lending is subject to interest which mirrors the rate on borrowings. (1 April to 20 October 2021 - 8.5%; 21 October 2021 to 31 March 2022 - 7.5 %).

#### Projects under construction and prospective projects

The company has commenced renovations of the National Library Building which is expected to cost Scr 75m and also expects to be awarded the construction of the Seychelles Revenue Commission (SRC) offices at an estimate cost of Scr 150m.

# GREEN TREE INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Financial statements are prepared in Seychelles Rupees

### 9 Lending/ repayments (cont...)

The financing of the projects has been secured by bank loans of similar amounts which are repayable over 10 years, with a grace period of 18 and 24 months for the construction and renovations period. The loans will bear interest at a discount of 0.5% below the bank's prime lending rate.

Besides securities mentioned in note 8, the loan of Scr 150m will be secured by a first line fixed charge on the SRC building.

As security, the company hold leasehold rights over land where a project is situate, which is surrendered at no cost upon repayment of the lending.

### 10 Related parties and transactions

These relate to shareholders, directors and senior management of the company and the companies of which they are principal owners or directors. Pricing policies and terms of these transactions are considered by the Directors to have been conducted at an arms length unless stated otherwise below.

#### Parent and other controlling interests

The company is a wholly owned subsidiary of Green Island Construction Company Limited with the ultimate parent being Island Development Company Limited, both incorporated in the Seychelles.

#### Year end balances

	2022	2021
<b>Equity loans</b>		
Loan from ultimate parent	8,000,000	21,000,000
Loan from immediate parent	10,175,000	10,175,000
	<b>18,175,000</b>	<b>31,175,000</b>

There are no specific repayment terms for loans from the parent companies, which are made free of interest.

<b>Current liabilities</b>		
Due to ultimate parent	-	444,445
Due to parent company	15,460,185	12,558,175
	<b>15,460,185</b>	<b>13,002,620</b>

<b>Current assets</b>		
Due from ultimate parent	184,029	-

<b>Services provided by parent company</b>	2022	2021
Construction work done	1,217,655	15,613,020

All construction on behalf of the company is undertaken by its immediate parent.

### 11 Commitments

The company had no capital commitments at 31 March 2022, either contracted or approved by the directors but not contracted.

### 12 Contingencies

The directors are not aware of any outstanding contingent liabilities at 31 March 2022.