

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022



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GREEN ISLAND CONSTRUCTION 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 a building contractor.

Results

As shown in the statement of income on page 6, operating activities for the current year give the company a profit of SCR 12,549,754 (2021 - profit of SCR 36,678,545) after taxation.

Application of profits and revenue reserves

The results for the current year and revenue reserves from prior year give the company SCR 19,986,764 (2021 - SCR 67,437,010) available for distribution.

The directors do not propose to distribute a dividend for the year (2021 - distributed SCR 60,000,000, giving a distribution of SCR 60,000 per share).

Fixed assets

Major changes to fixed assets during the year relates to acquisition 2 excavators and 2 dumpers for SCR 2.57m, and purchase of office, computer and electrical equipment for SCR 495,446.

The carrying amounts of property, plant and equipment are reviewed to determine whether they are in excess of their market or recoverable amount at balance sheet date. If the carrying amount exceeds the recoverable amount, the asset is written down to the lower amount.

Directors and their interest in the company

The directors of the company during the year and their interests 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	-	-
Mrs. A. Lebon	-	-
Mr. W. Confait	-	-
Mr. C. Lionnet	-	-
Mr. D. Matatiken	-	-

All the directors of the company are citizens of Seychelles.

Mr. P. Lablache and Mrs. S. Francis retire from the board in accordance with Articles of Association and being eligible offer themselves 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 year 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:-

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2022

Statement of directors responsibilities (cont...)

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;

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.

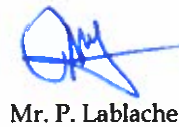
Auditors

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

Directors



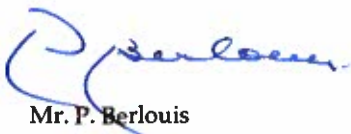
Mr. G.M. Savy



Mr. P. Lablache



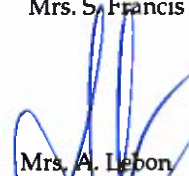
Mrs. S. Francis



Mr. P. Berlouis



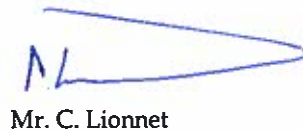
Ms. A. Antat



Mrs. A. Lebon



Mr. W. Confait



Mr. C. Lionnet



Mr. D. Matatiken

1 June 2022

INDEPENDENT AUDITOR'S REPORT

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

Opinion

We have audited the financial statements of Green Island Construction Company Limited set out on pages 5 to 16 which comprise the statement of financial position as at March 31, 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 give a true and fair view of the financial position of the company as 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium sized Entities (IFRS for SME) 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. 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 Directors 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.

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.

INDEPENDENT AUDITOR'S REPORT (cont...)

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

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
1st June 2022

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

Statement of financial position

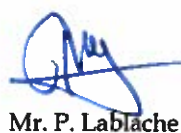
Financial statements are prepared in Seychelles Rupees.

	Note	At 31 March	
		2022	2021
Assets			
Property, plant and equipment	15	10,002,790	11,682,646
Investment	8	100,000	100,000
Deferred income tax asset	10	2,188,821	2,703,546
Non-current assets		12,291,611	14,486,192
Inventories	12	9,495,649	3,567,676
Trade and other receivables	14	128,973,728	85,045,306
Cash and cash equivalent		19,292,593	2,772,036
Current assets		157,761,970	91,385,018
Total assets		170,053,581	105,871,210
Liabilities			
Employee benefit obligations	13	411,586	352,941
Non-current liabilities		411,586	352,941
Taxation	10	4,159,518	4,904,106
Borrowings	17	-	6,788,290
Trade and other payables	16	145,395,713	86,288,863
Current liabilities		149,555,231	97,981,259
Total liabilities		149,966,817	98,334,200
Share capital	11	100,000	100,000
Retained earnings		19,986,764	7,437,010
Equity		20,086,764	7,537,010
Total liabilities and equity		170,053,581	105,871,210

The notes on pages 9 to 16 are an integral part of these financial statements.

Directors

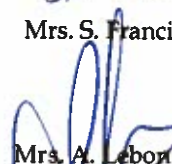

Mr. G.M. Savy

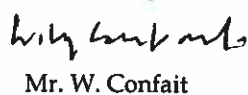

Mr. P. Lablache


Mrs. S. Francis


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Ms. A. Antat


Mrs. A. Lebon


Mr. W. Confait


Mr. C. Lionnet


Mr. D. Matatiken

1 June 2022

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

Statement of income - by nature of expense and retained earnings

Financial statements are prepared in Seychelles Rupees

		Year ended 31 March	
	Note	2022	2021
Construction income		98,374,797	311,551,789
Direct outgoings	3	(43,603,033)	(211,782,393)
Gross profit		54,771,764	99,769,396
Sundry income		115,549	330,143
Profit on disposal of subsidiary		-	28401
Administrative salaries and benefits expense	5	(18,533,719)	(10,392,007)
Camp running expenses		(4,188,585)	(6,397,713)
Depreciation	15	(5,016,504)	(5,041,953)
Exchange losses		3,920,926	(9,737,804)
License & insurance		(601,442)	(555,197)
Rent		(986,252)	(1,669,619)
Subscription & donations		(19,824)	(2,205,974)
Utilities		(2,260,811)	(2,125,091)
Vehicle expenses		(5,402,382)	(5,396,018)
Other expenses	4	(942,728)	(866,023)
Operating profit		20,855,992	55,740,541
Finance income/(costs) - net	6/7	(913,679)	796,777
Profit before income tax		19,942,313	56,537,318
Income tax expense	10	(7,392,559)	(19,858,773)
Profit for the year		12,549,754	36,678,545
Dividends		-	(60,000,000)
		12,549,754	(23,321,455)
Retained earnings 1 April		7,437,010	30,758,466
Retained earnings 31 March		19,986,764	7,437,010

The notes on pages 9 to 16 are an integral part of these financial statements.

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

Cash flow statement

Financial statements are prepared in Seychelles Rupees.

		As at 31 March	
	Note	2022	2021
Net cash inflow from operating activities			
Operating profit		19,942,313	56,537,318
Taxation paid	10	(7,622,422)	(18,646,274)
Depreciation	15	5,016,504	5,041,953
Changes in compensation liability	13	58,645	63,719
Finance income/(cost)	6/7	913,679	(796,777)
		18,308,719	42,199,939
Changes in working capital			
Decrease/(increase) in inventories	12	(5,927,973)	1,316,326
Increase in credit given and prepaid services	14	(43,928,421)	(3,577,502)
Decrease/(increase) in deposits against future works	16	95,789,965	(75,195)
Increase/(decrease) in creditors	16	(36,683,115)	44,108,622
Cash generated from operations		27,559,175	83,972,190
Interest received	6	-	366
Interest paid	7	(780,202)	(694,189)
Net cash generated from operating activities		26,778,973	83,278,367
Cash flows from investing activities			
Payments to acquire fixed assets	15	(3,336,649)	(1,625,113)
Investments disposed		-	100,000
Net cash used in investing activities		(3,336,649)	(1,525,113)
Cash flows from financing activities			
Dividend paid		-	(60,000,000)
Net cash used in financing activities		-	(60,000,000)
Increase in cash and cash equivalents		23,442,324	21,753,254
Cash & cash equivalents 1 April		(4,016,254)	(27,260,107)
Exchange adjustments on cash & cash equivalent	7	(133,477)	1,490,600
Cash & cash equivalents 31 March		19,292,593	(4,016,254)
Cash in hand and banks		19,292,593	2,772,036
Bank overdrafts		-	(6,788,290)
Cash & cash equivalents 31 March		19,292,593	(4,016,254)

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

Five Year Financial Summary - 31 March 2022

Prepared in Seychelles Rupees

	2022	2021	2020	2019	2018
	SCR '000				
Statement of financial position					
Share capital					
Authorised	100	100	100	100	100
Issued and fully paid	100	100	100	100	100
Retained earnings	19,987	7,437	30,758	24,870	19,395
Borrowings	-	6,788	27,375	62,656	30,865
Net assets employed	20,087	14,325	58,233	87,626	50,360
Statement of income					
Turnover	106,281	311,552	356,414	211,909	111,615
Profit/(loss) before taxation	19,942	56,537	13,196	11,025	(410)
Taxation	(7,392)	(19,858)	(7,308)	(5,550)	(72)
	12,550	36,679	5,888	5,475	(482)
Dividends	-	(60,000)	-	-	-
	12,550	(23,321)	5,888	5,475	(482)
Retained earnings - 1 April	7,437	30,758	24,870	19,395	19,877
Retained earnings - 31 March	19,987	7,437	30,758	24,870	19,395

GREEN ISLAND CONSTRUCTION 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 Island Construction 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 building contractors.

2 Summary of significant accounting policies

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

2.1 Basis of presentation

The statements of Green Island Construction Limited are prepared in accordance with the requirements of the Seychelles Companies Act, 1972 and the International Financial Reporting Standard for Small and Medium sizes Entities (IFRS for SME's). They have been prepared under the historical cost convention.

The preparation of financial statements 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 2.9 (Significant accounting judgements and estimates.) The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.2 Consolidation

In accordance with section 143 (2)a of the Companies Act, 1972, group accounts have not been prepared as the company is a wholly owned subsidiary of another company incorporated in the Seychelles.

2.3 Financial instruments

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Trade payables
- Borrowings

Financial assets

Financial assets are classified into one of the categories discussed below, depending on the purpose for which the asset was acquired and contractual terms of cash flows:

Fair value through profit or loss (FVTPL)

This category comprises only in-the-money derivatives. The company does not have any such assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Fair value through other comprehensive income (FVOCI)

These assets arise from strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. The company holds no such investments.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial instruments which require payments of contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method.

The financial asset is derecognized when the rights to receive cash flows has expired or rights the asset have been transferred and the company has transferred all the risks and rewards of ownership .

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash held with banks and bank overdrafts.

GREEN ISLAND CONSTRUCTION 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...)

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 60 days and therefore are classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Financial liabilities

Financial liabilities are recognised at amortised cost, namely original debt less principal payments and amortisations. Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

A financial liability is derecognised when the obligation under the liability are discharged, cancelled or expired.

Trade and other 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.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost.

Borrowings are classified as non-current liabilities if the borrowings are only repayable on the availability of net cash flows of the company and such availability is not anticipated for at least 12 months after the reporting date.

2.4 Financial risk management

The company's activities expose it to risks that arise from its use of financial instruments. This note describes the objectives, policies and processes for managing those risks and the methods used to measure them.

The Directors have overall responsibility for the determination of the risk management objectives and policies that seek to reduce risk as far as possible without unduly affecting the competitiveness and flexibility and, whilst retaining ultimate responsibility, it delegates the authority for designing and operating processes that ensure their effective implementation to the finance function.

There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is mainly exposed to credit risk from services provided on credit. It is the company's policy, implemented locally, to assess the credit risk of new customers before entering contracts and seek advance payments.

Impairment and uncollectibility of financial assets

Impairment of financial assets are estimates based on an 'expected credit loss' (ECL) model. The impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI. The company considers past events, current and future conditions that can affect recoverability of cashflows when assessing ECL.

Whilst cash and cash equivalents are subject to impairment requirements of IFRS 9, the identified impairment loss is considered immaterial.

The company has not experienced historical credit losses for related parties and therefore, no provision has been made during the year.

Market risk

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The company's interest risk would arise from long term borrowings. Borrowings issued at variable rates exposes the company to cash flow interest rate risk. Borrowings issued at fixed rates expose the company to fair value interest rate risk.

GREEN ISLAND CONSTRUCTION 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...)

2.4 Financial risk management (cont...)

Foreign exchange risk

Some of the company's receivables and payables are denominated in foreign currency. Consequently the company is exposed to the risk that the exchange rate of the Seychelles rupee relative to the foreign currencies may change in a manner which has a material effect on the reported values of the company's assets and liabilities denominated in foreign currency.

	In SCR				Total
	SCR	USD	Euro	Pound & others	
Assets (net of credit impairment)					
Cash & cash equivalents	13,378,199	5,900,794	13,600	-	19,292,593
Trade & other receivables	29,676,700	88,468,708	935,137	9,893,183	128,973,728
	43,054,899	94,369,502	948,737	9,893,183	148,266,321
Liabilities					
Trade & other payables	31,120,225	114,104,852	127,420	43,216	145,395,713
Net balance sheet position	11,934,674	(19,735,350)	821,317	9,849,967	2,870,608

Other price risk

The company is not exposed to other price risks such as commodity price risk, prepayment risk, and residual value risk.

Liquidity risk

Liquidity risk arises from the management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company identifies this risk through periodic liquidity gap analysis and maturity profile of assets and liabilities, and when necessary by keeping committed credit lines available.

The company's policy is to ensure that it always has sufficient cash to allow it to meet its liabilities when they come due.

2.5 Foreign currency

Functional and presentation currency

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

Foreign currency translation

Foreign currency transactions are translated in the Seychelles Rupee at the rate of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss within "finance income or costs". All other exchange gains and losses are presented in profit and loss within "sundry income or other expenses".

The Bank mid-rates for the period were:

Currency	Exchange rates at 31 March			Changes in percent SCR	
	2022	2021	2020	2021-2022	2020-2021
US \$/SCR	14.27	21.02	14.05	32%	-50%
Euro/SCR	15.91	24.64	15.60	35%	-58%

2.6 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner indicated by the management. The cost of property constructed by the company includes cost of material and labour.

GREEN ISLAND CONSTRUCTION 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...)*

2.6 *Property, plant and equipment (cont...)*

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when cost is incurred if the replacement part is expected to provide future benefits to the company. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. The estimated useful lives range as follows:

Plant, equipment and tools	5 years
Motor vehicles	4 years
Computers	5 years

The assets residual values and depreciation methods are reviewed, and adjusted prospectively, if there is an indication or a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other income or expenses" in the statement of income.

2.7 *Inventories*

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cost is based on first in first out method and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. Goods in transit are recognised when an advance is fully paid to the supplier and the goods are dispatched from the port.

At each reporting date, inventories are assessed for impairment. If the inventory is impaired, the carrying amount is reduced to its selling price less cost to complete and sell; the impairment loss is recognised immediately in profit or loss.

2.8 *Taxation*

The tax expense for the period comprises of current income, corporate social responsibility, tourism marketing and deferred taxes.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and unused tax losses or tax credits. However a deferred tax asset is only recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

The current income tax charge and deferred tax is calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the reporting date.

2.9 *Significant accounting judgements and estimates*

In preparing the financial statements management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities, and disclosures of contingent assets and liabilities. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

Retirement benefit obligations

The cost of defined benefit pension plans has been determined using the method as per the Seychelles Employment Act and the directors have estimated that the amount of liability provided will not be materially different had it been computed by an external Actuary.

Going concern

The directors of the company are confident that they will continue to operate despite the global events which could adversely affect the operations of the company and are therefore of an opinion that the going concern basis of preparation of these financial statements remains appropriate for the foreseeable future.

Deferred tax

At each reporting date, deferred tax assets are reviewed and adjusted, if necessary, by a valuation allowance, so that the net carrying amount equals the highest amount that is more likely than not to be recovered, based on current or estimated future taxable profits. Any changes to the valuation allowance are recognised in the tax expense.

GREEN ISLAND CONSTRUCTION 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...)

2.10 Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit and loss account on a straight line basis over the period of the lease.

2.11 Revenue recognition

In relation to construction activities, revenue is recognised by reference to state of completion of construction at the balance sheet date.

Retention withheld by clients is recognised in the statement of income when received by the company.

3 Direct outgoings

Analysis of expenses by category	2022	2021
Materials	25,052,375	159,418,276
Labour costs	18,550,658	52,364,117
Total	43,603,033	211,782,393

4 Other expenses

	2022	2021
Audit & accountancy	168,000	168,000
Advertising	11,600	2580
Bank charges	255,699	393,158
Communication	204,207	201,438
Legal & professional	70,900	11,600
Printing & stationery	166,240	87,142
Repairs & maintenance	56,215	2,105
Travelling and accommodation	9,867	-
Total other expenses	942,728	866,023

5 Employee salaries and benefits expense

	2022	2021
Wages and salaries	30,973,187	35,676,971
Pension costs	54,820	31,638
Employee benefits obligation (Note 13)	73,645	100,772
Staff welfare	334,054	341,485
Work permits	438,246	365,301
Transfer to direct outgoings	(13,340,233)	(26,124,160)
Total administration salaries	18,533,719	10,392,007

6 Finance income

	2022	2021
Interest on bank deposit	-	366
Exchange gains on cash & cash equivalents	-	1,490,600
Total	-	1,490,966

7 Finance costs

	2022	2021
Interest on overdraft	780,202	694,189
Exchange losses on cash & cash equivalents	133,477	-
Total	913,679	694,189

8 Investment

Investment is stated at historical cost less any accumulated impairment losses in the following unquoted companies, incorporated in the Seychelles.

	% Holding	2022	2021
Green Tree Investment Company Limited	100	100,000	100,000

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

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

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9 Profit for the year

	2022	2021
Profit for the year has been arrived at after charging:		
Auditors remuneration	168,000	168,000
Depreciation (note 15)	5,016,504	5,041,953
Rents paid	986,252	1,669,619
Directors remuneration (note 18)	697,492	273,600

10 Taxation

Current tax	Statement of financial position		Statement of income	
	2022	2021	2022	2021
Balance due from prior year	4,904,106	3,354,820	-	-
Adjustment to prior year provision	-	-	-	-
Paid for prior year	(4,829,723)	(3,271,700)	-	-
Provision for the year	6,385,135	17,076,737	6,385,135	17,076,737
Provisionally paid for current year	(2,300,000)	(12,255,750)	-	-
Total	4,159,518	4,904,106	6,385,135	17,076,737
Tourism marketing tax			492,699	3,118,824
Deferred tax asset				
Employee compensation obligation	102,897	105,882	2,985	(19,114)
Deferred due to tax depreciation	2,225,726	2,500,717	274,991	(232,677)
Unrealised exchange differences	(139,803)	96,947	236,750	(84,997)
Total	2,188,821	2,703,546	514,726	(336,788)
Total deferred tax expense			514,726	(336,788)
Total income tax expense			7,392,559	19,858,773

11 Authorised & issued capital

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

12 Inventories

	2022	2021
Timber & plywood	3,146,434	1,434,260
Pipes & fittings	150,616	256,434
Tiles, tiles skirting, paint	149,627	589,034
Cables & cable trays	276,255	52,502
Weld mesh	1,235,816	-
Roof sheets	1,592,346	-
Sundry	2,944,555	1,235,445
Total	9,495,649	3,567,676

13 Employee benefit obligations

	2022	2021
1 April	352,941	289,222
Current service cost	73,645	100,772
Benefits paid	(15,000)	(37,053)
Total	411,586	352,941

Employment Amendment Act (1999) requires employees to be compensated upon retirement or resignation for continuous service from their date of original employment.

14 Trade and other receivables

	2022	2021
Completed work awaiting certification or invoicing	-	-
Receivable for work certified or invoiced	74,241,622	50,998,107
Receivable from related party (note 18)	10,760,820	31,573,001
Prepaid goods and credit with suppliers	39,786,468	2,003,681
Prepayments and other receivables	4,184,818	470,517
Total	128,973,728	85,045,306

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

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

Financial statements are prepared in Seychelles Rupees

15 Property, plant and equipment

	Buildings	Machinery & Tools/ Furniture & fittings	Motor Vehicles	Computers/ Electrical/ Office equipment	Total
Cost					
At 1 April 2020	15,099,809	22,739,739	7,523,360	894,489	46,257,397
Additions	-	1,532,460	-	92,653	1,625,113
Disposal	-	-	-	-	-
At 31 March 2021	15,099,809	24,272,199	7,523,360	987,142	47,882,510
Additions	-	2,120,717	720,486	495,446	3,336,649
Disposal	-	-	(375,000)	-	(375,000)
At 31 March 2022	15,099,809	26,392,916	7,868,846	1,482,588	50,844,159
Accumulated depreciation and impairment					
At 1 April 2020	11,597,977	12,828,547	5,900,448	830,940	31,157,912
Annual depreciation	1,454,958	2,985,327	559,867	41,801	5,041,953
Disposals	-	-	-	-	-
At 31 March 2021	13,052,935	15,813,874	6,460,315	872,741	36,199,865
Annual depreciation	1,087,157	3,265,848	602,714	60,785	5,016,504
Disposals	-	-	(375,000)	-	(375,000)
At 31 March 2022	14,140,092	19,079,722	6,688,029	933,526	40,841,369
Carrying amount					
At 31 March 2021	2,046,874	8,458,325	1,063,045	114,401	11,682,646
At 31 March 2022	959,717	7,313,194	1,180,817	549,062	10,002,790

16 Trade and other payables

	2022	2021
Trade creditors	29,410,552	48,817,011
Salaries payable	2,762,400	5,924,736
Contract advances	98,889,073	3,099,108
Statutory payables	11,877,368	520,166
Other liabilities	2,456,320	27,927,842
Total	145,395,713	86,288,863

17 Borrowings

	2022	2021
Current		
Bank overdraft	-	6,788,290

The banking facilities are secured by first line floating charge over the company's current and future assets to secure SCR 10 million, floating charges and corporate guarantee of the parent company for SCR 10 million, SCR 5 million and US\$ 5.5 million, and assignment of contract payments.

Currency profile

	2022	2021
Repayable in:		
US \$	-	6,788,290

Finance cost profile

	2021	2021
3 months Libor + 5% (average 6.88%)	-	6,788,290

18 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.

Year end balances

	2022	2021
Due from parent company	125,635	8,839,827
Due from subsidiary	10,635,185	22,733,174
Total	10,760,820	31,573,001

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

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

Financial statements are prepared in Seychelles Rupees

18 *Related parties and transactions (cont...)*

Services provided to related parties

	2022	2021
Construction work done for ultimate parent	6,596,135	4,711,083
Construction work done for subsidiary	1,971,157	15,613,019
Construction work done for related party	2,467,283	-
Total	11,034,575	20,324,102

Parent and other controlling interests

The company is a wholly owned subsidiary of the Islands Development Company Limited, incorporated in the Seychelles with the ultimate parent being the Seychelles Government.

Directors emoluments, pensions or compensation

	Salary for Management		Fees, Pensions & Others	
	2022	2021	2022	2021
P. Lablache	-	-	36,480	36,480
S. Francis	-	-	36,480	36,480
A. Antat	448,212	-	12,160	36,480
P. Berlouis	-	-	54,720	54,720
W. Confait	-	-	36,480	36,480
A. Lebon	-	-	36,480	36,480
D. Matatiken	-	-	36,480	36,480
Total	448,212	-	249,280	273,600

19 *Commitments*

There were no capital commitments, either contracted for or approved by the directors but not contracted for at 31 March 2022.

20 *Contingencies*

A claim has been instituted against the company for nuisance in the sum of SCR 425,414 plus 4% interest. The company is of the opinion that this claim will not materialise and thus, no provision has been made in the accounts.