

L'UNION ESTATE COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

L'UNION ESTATE COMPANY LIMITED

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

	PAGE
Directors' Report	1 - 2
Report of the Auditors	3 - 3(a)
Balance sheet	4
Income statement	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 14

DIRECTORS' REPORT

The Directors are pleased to submit their report together with the audited financial statements of the Company for the financial year ended December 31, 2014.

PRINCIPAL ACTIVITY

The Company's principle activity is to cultivate land for vegetables and fruits and it is engaged in poultry and pig farming. It is also responsible for the up keep and maintenance of the Estate and charges a fee to overseas visitors to enjoy the use of the premises and there has been no change in this activity for the financial year under review.

RESULTS

SR

Profit before tax	164,145
Tax charge	(50,000)
Profit for the year	<u>114,145</u>
Revenue deficit brought forward	(11,910,824)
Revenue deficit carried forward	<u><u>(11,796,679)</u></u>

PROPERTY AND EQUIPMENT

Additions to property, plant and equipment of SR 1,377,327 comprised buildings, equipments and motor vehicles. There were no disposals during the year.

The Directors are of the opinion that the carrying value of the property and equipment at December 31, 2014 approximates their fair value at the end of reporting period.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the Company and their interest in shares of the Company since the date of the last report and the date of this report are:

Ronald Cafrine
 Keddy Nibourette
 Marymonde Matatiken
 Ansley Constance
 Flavien Joubert
 Damien Thesee
 Allan Kilindo
 Veronique Herminie

None of the Directors held any interest in the share of the Company at the date of this report.

DIRECTORS' REPORT (CONT'D)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

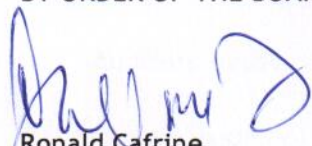
The Board is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Standards in Seychelles and in compliance with the Seychelles Companies Act, 1972. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. The Directors have the general responsibility of safeguarding the assets, both owned by the Company and those that are held in trust and used by the Company.

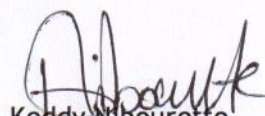
The Directors consider they have met their aforesaid responsibilities.

AUDITORS

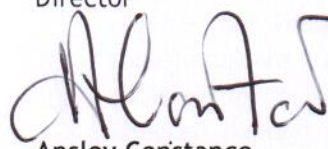
The auditors BDO Associates, Seychelles retire and being eligible, offer themselves for re-appointment.

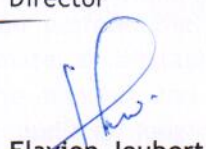
BY ORDER OF THE BOARD

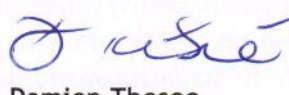

Ronald Cafrine
Director


Keddy Nibourette
Director

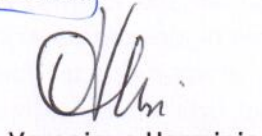

Marymonde Matatiken
Director


Ansley Constance
Director


Flavien Joubert
Director


Damien Thesee
Director


Allan Kilindo
Director


Veronique Herminie
Director

Dated: 05 APR 2018
Victoria, Seychelles

L'UNION ESTATE COMPANY LIMITED

3

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of L'Union Estate Company Limited (hereafter referred to as the 'Company'), as a body, in terms of our engagement to conduct the audit on their behalf. Our audit work has been undertaken so that we might state to the members those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the attached financial statements of L'Union Estate Company Limited set out on pages 4 to 14 which comprise the Balance Sheet at December 31, 2014, the Statement of Profit or Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Board's Responsibility for the Financial Statements

As stated on page 3 of the Director's Report, the Board of Directors is responsible for preparation of the financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on those financial statements based on our audit. We conducted our audit in accordance with Generally Accepted Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of 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 these risk assessments, the auditors consider 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 the Board of Directors as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the Basis of Disclaimer of opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

L'UNION ESTATE COMPANY LIMITED

3(a)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (Contd.)

Basis of Disclaimer of Opinion

We were unable to obtain sufficient audit evidence nor satisfy over selves by alternative means on the following main financial statement areas:

Property, plant and equipment

We were unable to obtain a complete list of the properties and other fixed assets of the Company which agreed with the books of records. In the absence of such a list, we were unable to carry out proper audit procedures to confirm completeness, accuracy and existence of the assets. In addition the deeds of properties submitted to us was incomplete.

Inventories

We could not attend the physical count in respect of the year ended 2014 as no counts were performed and nor were there any list of inventories available which agreed with books records. We were also unable to carry out any rollback exercise since the Company did not keep any documents for purchase and issues transactions.

Trade and other receivables

We were given a list of trade and other receivables which tallied with books records. We however were unable to carry out proper audit procedures to verify whether the list was accurate or complete and alternative tests were inconclusive and insufficient. We were therefore unable to assess provision for credit impairment and amount provided was based on Management's estimation at 60% of the balance.

Trade and other payables

We were also submitted with a list of trade and other payables but we were unable to substantiate the list to any suppliers' records and match to payments effected. We were therefore unable to ensure accuracy and completeness. Alternative tests to confirm existence of liabilities were also inconclusive and insufficient.

Government Grant

We were unable to check the carrying amount of the Government Grant since the amortisation in previous years were not in line with the accounting policy.

Turnover

Internal control procedures in respect of turnover assessed as weak and there exists high risks that turnover could be inaccurate and incomplete.

Business tax

The Company has not submitted any tax returns to the Seychelles Revenue Commission (SRC) since 2011. SRC has raised a "Default Tax Assessment" totalling SR.7.8 million for the years 2011 to 2013.

Tax provided for the year 2014 has been computed based on Company's existing records which could be incomplete and may be subject to adjustments.



L'UNION ESTATE COMPANY LIMITED

3(b)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (Contd.)

Basis of Disclaimer of Opinion (Continued)

Retirement benefit obligations

The Company has not been able to provide the details of payments released towards gratuity for the prior year. We could not ensure the full provision required has been made in the financial statements.

Contingent liabilities

The Company defaulted in payments with respect to social security, business tax, corporate social responsibility tax and tourism marketing tax. This has been estimated to SR14.5 million at the end of 2013 and 2014 which are yet to be provided for since the Company is disputing those assessments and intends to objects to them.

Going concern

At December 31, 2014 the Company had revenue deficit of **SR.11.2 million** (2013: SR.11.9 million) and net current liabilities of **SR.13 million** (2013: SR.12.4 million).

Disclaimer of Opinion

Because of the significance of matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Report on Other Legal Regulatory Requirements

Companies Act, 1972

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

We have obtained all information and explanations we have required.

Other matters

The financial statements of the Company for the year ended December 31, 2011 were audited by another auditor and is yet to be signed.

BDO ASSOCIATES
Chartered Accountants

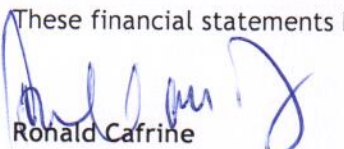
Dated: 05 APR 2018

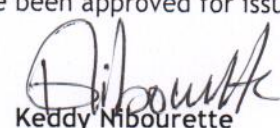
Victoria Seychelles

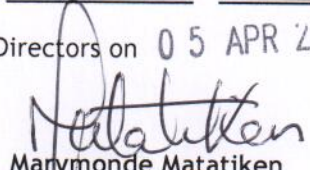
BALANCE SHEET AS AT DECEMBER 31, 2014


	<u>Notes</u>	<u>2014</u> SR	<u>2013</u> SR
ASSETS			
Non-current assets			
Property, plant and equipment	5	10,077,763	9,385,492
Investment	6	25,000	25,000
		<u>10,102,763</u>	<u>9,410,492</u>
Current assets			
Inventories	7	664,333	664,333
Trade and other receivables	8	2,609,562	1,193,903
Cash and cash equivalents		4,526,080	6,055,722
		<u>7,799,975</u>	<u>7,913,958</u>
Total assets		<u>17,902,738</u>	<u>17,324,450</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	9	7,292,500	7,292,500
Revenue deficit		(11,269,041)	(11,910,824)
		<u>(3,976,541)</u>	<u>(4,618,324)</u>
Non-current liability			
Government grant	10	1,062,956	1,590,594
Current liabilities			
Trade and other payables	11	9,473,777	9,157,969
Tax payable	12	10,588,416	10,538,416
Retirement benefit obligation	13	754,130	655,795
		<u>20,816,323</u>	<u>20,352,180</u>
Total equity and liabilities		<u>17,902,738</u>	<u>17,324,450</u>


These financial statements have been approved for issue by the Board of Directors on 05 APR 2018

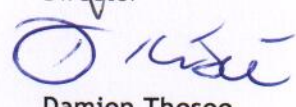

Ronald Caffrine
Director



Keddy Nibourette
Director

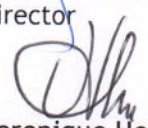

Marymonde Matatiken
Director


Ansley Constance
Director


Flavien Joubert
Director


Damien Thesee
Director


Allan Kilindo
Director


Veronique Herminie
Director

The notes on pages 8 to 13 form an integral part of these financial statements.

INCOME STATEMENT - YEAR ENDED DECEMBER 31, 2014

	Notes	2014 SR	2013 SR
Turnover	2.2 (h)	3,067,665	2,769,209
Cost of sales		<u>(2,192,184)</u>	<u>(1,830,366)</u>
Gross profit		875,481	938,843
Other income		10,494,085	10,265,575
Dividend received		-	1,250
Profit on disposal of land		<u>-</u>	<u>6,000</u>
		11,369,566	11,211,668
Administrative and general expenses	13	<u>(11,205,421)</u>	<u>(11,895,444)</u>
Profit/(loss) before tax	14	164,145	(683,776)
Tax	11	<u>(50,000)</u>	<u>(800,000)</u>
Profit/(loss) for the year		<u><u>114,145</u></u>	<u><u>(1,483,776)</u></u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2014

	Note	Share capital SR	Revenue deficit SR	Total SR
At January 1, 2014		7,292,500	(11,910,824)	(4,618,324)
Profit for the year		-	114,145	114,145
Release of government grant	9	-	527,638	527,638
At December 31, 2014		<u>7,292,500</u>	<u>(11,269,041)</u>	<u>(3,976,541)</u>
At January 1, 2013		7,292,500	(11,013,313)	(3,720,813)
Loss for the year		-	(1,483,776)	(1,483,776)
Release of government grant	9		586,265	586,265
At December 31, 2013		<u>7,292,500</u>	<u>(11,910,824)</u>	<u>(4,618,324)</u>

STATEMENT OF CASH FLOW FOR YEAR ENDED DECEMBER 31, 2014

	Notes	2014 SR	2013 SR
OPERATING ACTIVITIES			
Profit/(loss) before tax		164,145	(683,776)
<i>Adjustment for:</i>			
- Depreciation	5	685,056	685,382
- Profit on disposal of land		-	(6,000)
- Increase in retirement benefit obligation provision	12	98,335	(6,667)
Operating profit before working capital changes		947,536	(11,061)
<i>Working capital changes</i>			
Increase in inventories		-	(19,000)
Decrease in trade and other receivables		(1,415,659)	179,251
Increase in trade and other payables		315,808	3,063,680
Net cash inflow from operating activities		(152,315)	3,212,870
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(1,377,327)	(577,582)
Proceeds from disposal of land		-	6,000
Net cash outflow from investing activities		(1,377,327)	(571,582)
Net change in cash and cash equivalents		(1,529,642)	2,641,288
Movements in cash and cash equivalents:			
At January 1,		6,055,722	3,414,434
(Decrease)/Increase		(1,529,642)	2,641,288
At December 31,		4,526,080	6,055,722
Represented by:-			
Cash in hand and at bank		4,526,080	6,055,722

The notes on pages 8 to 13 form an integral part of these financial statements.

Auditors' Report on pages 3, 3(a) & 3 (b)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. GENERAL INFORMATION

L'Union Estate Company Limited is a limited liability company, incorporated and domiciled in Seychelles. The principal activities of the Company have remained unchanged since the previous year and is as stated on page 1.

These financial statements will be submitted for consideration and approval at the forthcoming Annual General Meeting of Shareholders of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

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

- 2.1 The financial statements have been prepared under the historical cost convention and comply with Generally Accepted Accounting Standards in Seychelles and the Companies Act 1972. Where necessary comparative figures have been amended to conform with change in presentation in current year.

2.2 Summary of significant accounting policies**(a) Property, plant & equipment and depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation. Land is stated at cost.

The cost of an asset comprises its purchase price and any attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs is charged to the income statement.

Any revaluation surplus is credited to the assets revaluation reserve included in the equity section of the balance sheet, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Motor Vehicle	4 years
Equipment	8 years
Furniture and fittings	8 years
Computer software	5 years
Buildings	30 years

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Summary of significant accounting policies (Cont'd.)

(b) Foreign currencies

(i) *Functional and presentation currency*

Items included in the financial statements are measured in the currency of the primary economic environment in which the Company operates. The financial statements are presented in Seychelles Rupee (SR) which is the Company's functional and presentation

(ii) *Transactions and balances*

Foreign currency transactions are translated in the Seychelles Rupee using the exchange rates ruling on the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Income Statement. Monetary assets and liabilities, represented in foreign currency, are translated into Seychelles Rupee using the exchange rates ruling on the balance sheet date.

Non-monetary assets which are denominated in a currency other than the Seychelles Rupee are translated at exchange rates prevailing at the date these assets were recognised in the Financial Statements.

(c) Inventories

Inventories are valued at the lower of costs or net realizable value. Costs incurred in bringing each product to its present condition and location, are accounted for as follows:

Raw materials : purchase costs on a first in first out basis;

Finished goods : costs of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

(d) Financial instruments

Financial instruments are recognised in the balance sheet when the Company has become a party to the contractual provisions of the instrument.

Financial instruments of the Company comprise of following:

(i) *Trade and other receivables*

Trade and other receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the amount is no longer probable. Bad debts are written off when in the judgement of the management, there is no prospect of recovery.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.2 Summary of significant accounting policies (Cont'd.)****(d) Financial instruments (Cont'd)****(ii) Cash and cash equivalents**

Cash comprises of cash in hand and at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, against which bank overdrafts, if any, are deducted.

(iii) Trade and other payables

Trade payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received. The carrying amount of trade payables is assumed to approximate its amortised cost.

(e) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(f) Impairment

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

(g) Tax

Current tax is the expected amount of business tax payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date. No provision is made for deferred tax.

(h) Revenue

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue is recognised upon amounts invoiced and customer acceptance, net of discounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.2 Summary of significant accounting policies (Cont'd.)****(h) Revenue (Cont'd)**

Revenue of the company comprises the following:

- (i) Revenue on sale of agricultural and animal products are recognised when invoiced and customer acceptance, net of discounts.
- (ii) Revenue on entrance fees is recognised upon sale of tickets to the tourists.
- (iii) Rental income is recognised as and when it falls due unless collection is in doubt, in which case it is recognised on receipt basis.

(j) Retirement benefit obligations

The retirement benefit obligation represents the gratuity and compensation payable to the employees of the Company at year end. The Management is of the opinion that not the full retirement benefit obligations liability will crystallise during a financial year; therefore, an estimated percentage of 35% was applied to the full provision for the year. The rate applied reflects a combination of the following factor which includes the employees' turnover rate, the historical amount paid in a given year and management estimates.

(k) Grants

The grants of the company has been amortised annually on a reducing balance at the rate of 10%. The rate applied reflects the average life of the property, plant and equipments.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of financial statements requires the use of certain critical estimates and judgements that affect the application of Association's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

There were no significant assumptions made concerning the future or the source of estimation uncertainty that have been identified as giving rise to a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

4. PROPERTY, PLANT & EQUIPMENT

	Land and buildings	Plant and equipment	Motor vehicles	Total
COST	SR	SR	SR	SR
At January 1, 2013	16,962,863	6,518,794	1,223,731	24,705,388
Additions	356,925	220,657	-	577,582
At December 31, 2013	17,319,788	6,739,451	1,223,731	25,282,970
Additions	1,055,005	264,506	57,816	1,377,327
At December 31, 2014	18,374,793	7,003,957	1,281,547	26,660,297
<u>ACCUMULATED DEPRECIATION</u>				
At January 1, 2013	9,324,622	4,850,899	1,036,575	15,212,096
Charge for the year	278,590	306,009	100,783	685,382
At December 31, 2013	9,603,212	5,156,908	1,137,358	15,897,478
Charge for the year	296,072	325,611	63,373	685,056
At December 31, 2014	9,899,284	5,482,519	1,200,731	16,582,534

NET BOOK VALUES

At December 31, 2014	8,475,509	1,521,438	80,816	10,077,763
At December 31, 2013	7,716,576	1,582,543	86,373	9,385,492

Freehold land and buildings at cost is analysed as follows:

	2014	2013
	SR	SR
Freehold land	1,517,086	1,517,086
Buildings	16,857,707	15,802,702
	18,374,793	17,319,788

5. INVESTMENT

	2014 & 2013
	SR
Shares in Seychelles Commercial Bank Limited	25,000

6. INVENTORIES

	2014	2013
	SR	SR
Inventories	664,333	664,333

7. TRADE RECEIVABLE

	2014	2013
	SR	SR
Trade receivable	2,691,548	2,930,623
Land proceeds receivable	90,000	90,000
Deposits & advances	1,668,014	13,280
Bad debt provision	(1,840,000)	(1,840,000)
	2,609,562	1,193,903

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

8. AUTHORISED AND ISSUED SHARE CAPITAL

	2014 & 2013
	SR
72,925 ordinary shares of SR 100 each	<u>7,292,500</u>

9. GOVERNMENT GRANT

	2014	2013
	SR	SR
At January, 1	1,590,594	2,176,859
Release during the year	(527,638)	(586,265)
At December, 31	<u>1,062,956</u>	<u>1,590,594</u>

10. TRADE AND OTHER PAYABLES

	2014	2013
	SR	SR
Trade payables	614,289	517,264
Accruals	530,162	468,666
Miscellaneous Provisions	275,676	199,130
Deferred land proceeds	459,500	452,500
Social security payable	7,594,150	7,520,409
	<u>9,473,777</u>	<u>9,157,969</u>

11. TAX PAYABLE

	2014	2013
	SR	SR
At January 1,	10,538,416	9,738,416
Charge for the year	50,000	800,000
At December 31,	<u>10,588,416</u>	<u>10,538,416</u>

12. RETIREMENT BENEFIT OBLIGATION

	2014	2013
	SR	SR
At January 1,	655,795	662,462
Provision made during the year	178,453	409,749
Paid during the year	(80,118)	(416,416)
At December 31,	<u>754,130</u>	<u>655,795</u>

13. ADMINISTRATIVE EXPENSES

	2014	2013
	SR	SR
Salaries and wages	7,650,833	5,880,370
Directors' fees (note (a))	220,336	245,000
Administrative expenses	2,975,574	2,366,574
Provision for bad debts	6,208	-
Social security prior years	-	2,921,496
Repairs and maintenance	352,470	482,004
	<u>11,205,421</u>	<u>11,895,444</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

13. ADMINISTRATIVE EXPENSES (CONT'D)

(a) Directors' fees are listed below:

	2014	2013
	SR	SR
Allain Kilindo	30,000	32,000
Ansley Constance	24,000	36,000
Damien Thesee	30,000	24,000
Flavien Joubert	30,000	24,000
Marymonde Matatiken	37,000	37,000
Ronald Cafrin	39,336	43,000
Veronique Hermine	30,000	37,000
Keddy Nibourette	-	12,000
	<u>220,336</u>	<u>245,000</u>

14. PROFIT/(LOSS) BEFORE TAX

	2014	2013
	SR	SR
<i>This is arrived at after charging/(crediting):</i>		
Auditors' remuneration	180,000	180,000
Depreciation (note 5)	685,056	685,382
Directors' remuneration (note 13 (a))	<u>220,336</u>	<u>245,000</u>

15. CONTINGENT LIABILITIES

The company has defaulted in payments with respect to Social Security, business tax, corporate social responsibility and tourism and marketing tax. The penalties and surcharges on the same has been estimated at **SR. 14.5 million**(2013: SR.14.5 million), at balance date.

DETAILED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
	SR	SR
Agricultural income	3,067,665	2,769,209
Cost of sales:		
Opening stock	-	645,333
Purchases	2,192,184	1,849,366
	2,192,184	2,494,699
Closing stock	-	(664,333)
	2,192,184	1,830,366
Gross Profit	875,481	938,843
Other Income:		
Government subvention	-	-
Rental Income	715,875	780,000
Wedding fee	210,031	195,737
Entrance fee	9,412,729	8,996,176
Profit on disposal of land	-	6,000
Other Income	155,450	293,662
Dividend received	-	1,250
Gross profit - Agricultural produce and others	11,369,566	11,211,668
Overheads:		
Salaries and wages	6,633,529	5,008,741
Directors remuneration	220,336	245,000
Pension contributions	100,643	139,718
Staff traveling	229,954	154,891
Compensation and leave pay	178,453	409,749
Other staff costs	508,254	167,271
Entertainment	226,410	-
Office supplies, cleaning and safety equipment	313,409	139,881
Printing and stationery	90,193	98,425
Telephone and fax	92,363	80,997
Licenses	8,821	11,986
Advertisement	35,199	-
Legal and professionals fees	260,727	179,979
Insurance	36,830	1,522
Electricity and water	368,002	294,309
Fuel and oil	325,289	322,110
Freight transport	132,987	48,805
Sundry expenses	49,476	179,230
Audit Fee	180,000	180,000
Provision for bad debts	6,208	-
Social security prior years	-	2,921,496
Hire of labour	79,942	315,414
Hire of Equipment	15,140	10,280
Building and equipment repair	257,388	156,310
Bank charges	22,898	12,782
CSR & TMT taxes	115,145	109,666
Depreciation	685,056	685,382
Sponsorship & Donation	32,769	21,500
	11,205,421	11,895,444