



BOIS de ROSE
INVESTMENT LTD

**DIRECTORS REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2019**



Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2019

General Information

| | |
|--|--|
| Country of incorporation and domicile | Seychelles |
| Nature of business and principal activities | Commercial Property Management |
| Directors | Brian Loveday Tacey Furneau Ayub Adam Jeannette Lesperance Alderic Bristol |
| Registered office | Office of the Principal Secretary Ministry of Finance Liberty House Victoria |
| Postal address | Office of the Principal Secretary Ministry of Finance Liberty House Victoria |
| Holding company | Societe Seychelloise D'Investissement Limited incorporated in Seychelles |
| Bankers | Nouvobanq MCB (Seychelles) Limited |
| Auditor | Pool & Patel Chartered Accountants Registered Auditors |

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2019

Index

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

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Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2019

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2018 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on pages 4 and 5.

TO THE SHAREHOLDERS OF BOIS DE ROSE INVESTMENT LIMITED
Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bois De Rose Investment Limited “the Company” on pages 8 to 31, which comprise the statement of financial position as at December 31, 2019, the income statement including changes in equity 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 give a true and fair view of the financial position of the Company as at December 31, 2019 and of its financial performance and its cash flows for the year then ended in accordance with the, financial reporting provisions of 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Events after the reporting period

We draw your attention to note 23 of the financial statements which describes the material uncertainty regarding the Corona virus pandemic which is severely affecting world trade and whose repercussions also extend to small island states such as Seychelles. Actions taken worldwide such as closing of borders, and grounding of flights and restricting sea trade as well as confinements of the population activities across the world has severely impacted tourism industries, thereby raising a significant uncertainty on the going concern of the company.

The directors of the company are confident that they will continue to operate despite such difficult times and they are therefore of the opinion that the going concern basis of preparation of these financial statements remains appropriate in the foreseeable future. Our opinion is not modified in respect of this matter.

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 (IFRS) 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.

TO THE SHAREHOLDERS OF BOIS DE ROSE INVESTMENT LIMITED
Report on the audit of the financial statements (cont...)

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.


POOL & PATEL
CHARTERED ACCOUNTANTS
7 July 2020

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2019

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Bois De Rose Investment Limited for the year ended 31 December 2019.

1 Nature of business

Bois De Rose Investment Limited is a company incorporated and domiciled in the Seychelles. The address of the company's registered office is at the Office of the Principal Secretary, Ministry of Finance, Liberty House, Victoria.

Bois De Rose Investment Limited leases out a shopping complex on Bois De Rose Avenue. There have been no material changes to the nature of the company's business from the prior year.

2 Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act. The accounting policies have been applied consistently compared to the prior year.

As shown in the statement of comprehensive income on page 9, activities of the current period give the company a profit of SR 471,350 (2018: loss SR 2,052,747). Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3 Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4 Dividends

No dividends were declared during the year under review.

5 Directorate

The directors in office at the date of this report and their interests in accordance with the register maintained under Section 111 of the Companies Act 1972, are as follows:

Directors and their interest in the company

SHARES HELD

| | 1 January | 31 December |
|---|-----------|-------------|
| Brian Loveday (appointed 15 September 2017) | 0 | 0 |
| Tacey Furneau (appointed 15 September 2017) | 0 | 0 |
| Ayub Adam (appointed 15 September 2017) | 0 | 0 |
| Jeanette Lesperance (appointed 15 September 2017) | 0 | 0 |
| Alderic Bristol (appointed 15 September 2017) | 0 | 0 |

6 Holding company

The company's holding company is Societe Seychelloise D'Investissement Limited.

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2019

Directors' Report

7 Events after the reporting period

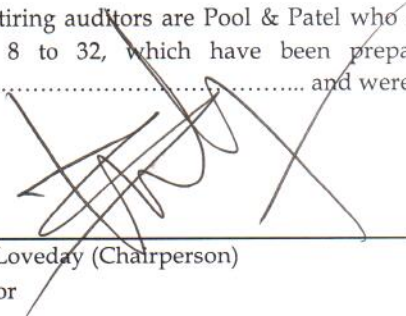
In view of the global coronavirus pandemic in 2020 which is severely affecting the world's economy and with the current situation of many of the discontinuation of businesses and volatility in tourism sector, the directors are unable to reliably assess the economic impact of the virus on the company, however, the directors are confident that they will continue to operate despite such difficult times and therefore of the opinion that the going concern basis of preparation of these financial statements remains appropriate in this foreseeable future.

8 Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

9 Auditors


The retiring auditors are Pool & Patel who are eligible for re-appointment. The annual financial statements set out on pages 8 to 32, which have been prepared on the going concern basis, were approved by the board on and were signed by:



Brian Loveday (Chairperson)
Director




Tacey Furneau
Director



Ayub Adam
Director



Jeannette Lesperance
Director



Alderic Bristol
Director

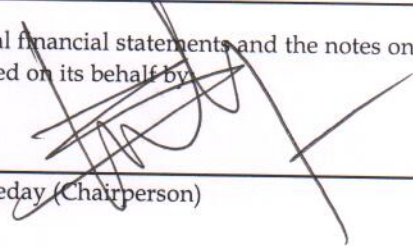
Bois De Rose Investment Limited

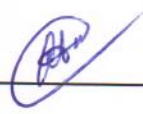
Annual Financial Statements for the year ended 31 December 2019

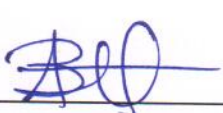
Statement of Financial Position

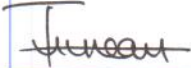
| Figures in Seychelles Rupee | Note(s) | 2019 | 2018 |
|-------------------------------------|---------|--------------------|--------------------|
| Assets | | | |
| Plant and equipment | 2 | 16,922,456 | 20,210,558 |
| Investment properties | 3 | 104,727,275 | 109,713,282 |
| Work in progress | 25 | 1,119,362 | 310,443 |
| Investment in financial assets | | 2,964,300 | 3,946,000 |
| Deposit on leasehold land | 4 | 46,720,680 | 47,252,604 |
| Deferred tax | 5 | 28,276,364 | 31,416,843 |
| Non-Current Assets | | 200,730,437 | 212,849,730 |
| Inventories | 10 | 602,052 | 752,651 |
| Trade and other receivables | 6 | 1,499,470 | 1,511,733 |
| Cash and cash equivalents | 7 | 12,711,102 | 6,657,100 |
| Current Assets | | 14,812,624 | 8,921,484 |
| Total Assets | | 215,543,061 | 221,771,214 |
| Equity and Liabilities | | | |
| Share capital | 8 | 175,535,000 | 175,535,000 |
| Accumulated loss | | (86,916,470) | (87,387,820) |
| Equity | | 88,618,530 | 88,147,180 |
| Loans from shareholders | 9 | 112,279,048 | 120,471,321 |
| Non-Current Liabilities | | 112,279,048 | 120,471,321 |
| Loans from shareholders | 9 | 8,946,725 | 8,946,725 |
| Trade and other payables | 11 | 5,698,758 | 4,205,988 |
| Current Liabilities | | 14,645,483 | 13,152,713 |
| Total Liabilities | | 126,924,531 | 133,624,034 |
| Total Equity and Liabilities | | 215,543,061 | 221,771,214 |

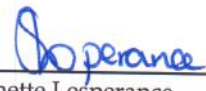
The annual financial statements and the notes on pages 8 to 32, were approved by the board on the and were signed on its behalf by


 Brian Loveday (Chairperson)
 Director


 Ayub Adam
 Director


 Aderic Bristol
 Director


 Tacey Furneau
 Director


 Jeannette Lesperance
 Director

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2019

Statement of Profit or Loss and Other Comprehensive Income

| Figures in Seychelles Rupee | Note(s) | 2019 | 2018 |
|---|---------|------------------|--------------------|
| Revenue | 13 | 22,839,609 | 22,068,834 |
| Other income | 14 | 4,549,201 | 4,295,208 |
| Operating expenses | | (18,825,031) | (18,462,378) |
| Operating profit | 15 | 8,563,779 | 7,901,664 |
| Finance costs | 16 | (4,815,006) | (7,974,807) |
| Profit/(loss) before taxation | | 3,748,773 | (73,143) |
| Corporate social responsibility tax | 17 | (136,944) | (134,118) |
| Taxation | 17 | (3,140,479) | (1,845,486) |
| (Loss) for the year | | 471,350 | (2,052,747) |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 471,350 | (2,052,747) |

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2019

Statement of Changes in Equity

| Figures in Seychelles Rupee | Share capital | Accumulated loss | Total equity |
|---|--------------------|---------------------|-------------------|
| Balance at 01 January 2018 | 175,535,000 | (85,335,073) | 90,199,927 |
| Profit for the year | - | (2,052,747) | (2,052,747) |
| Other comprehensive income | - | - | - |
| Balance at 31 December 2018 | 175,535,000 | (87,387,820) | 88,147,180 |
| Balance at 01 January 2019 | 175,535,000 | (87,387,820) | 88,147,180 |
| Loss for the year | - | 471,350 | 471,350 |
| Other comprehensive income | - | - | - |
| Total comprehensive income for the year | - | (86,916,470) | 88,618,530 |
| Balance at 31 December 2019 | 175,535,000 | (86,916,470) | 88,618,530 |

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2019

Statement of Cash Flows

| Figures in Seychelles Rupee | Note(s) | 2019 | 2018 |
|---|---------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 18 | 18,308,124 | 13,319,354 |
| Finance costs | 16 | (4,815,006) | (7,974,807) |
| Taxation paid | 17 | (136,944) | (134,118) |
| Net cash from operating activities | | 13,356,174 | 5,210,429 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 2 | (91,600) | (382,396) |
| Net movement in investment | | 981,700 | (3,946,000) |
| Net cash from investing activities | | 890,100 | (4,328,396) |
| Cash flows from financing activities | | | |
| Net movement on shareholders loan | | (8,192,273) | 4,297,769 |
| Net cash from financing activities | | (8,192,273) | 4,297,769 |
| Total cash movement for the year | | 6,054,001 | 5,179,803 |
| Cash at the beginning of the year | | 6,657,101 | 1,477,298 |
| Total cash at end of the year | 7 | 12,711,102 | 6,657,101 |

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2019

Five Year Financial Summary

| Figures in Seychelles Rupee'000 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---------------------------------|----------|----------|----------|----------|----------|
| Balance sheet | | | | | |
| Share capital | | | | | |
| Authorised | 175,535 | 175,535 | 175,535 | 175,535 | 175,535 |
| Issued and Fully paid | 175,535 | 175,535 | 175,535 | 175,535 | 175,535 |
| Retained earnings | (86,916) | (87,388) | (85,335) | (75,938) | (61,394) |
| Long term loan | 121,226 | 129,418 | 125,213 | 125,203 | 119,168 |
| Net assets employed | 209,845 | 217,565 | 215,413 | 224,800 | 233,309 |
| Profit and loss | | | | | |
| Turnover | 22,840 | 22,069 | 21,690 | 20,107 | 4,834 |
| Profit/(loss) before taxation | 3,749 | (73) | (4,358) | (8,975) | (3,899) |
| Taxation | (3,277) | (1,980) | (5,039) | (5,569) | 36,325 |
| | 472 | (2,053) | (9,397) | (14,544) | 32,426 |
| Dividends | - | - | - | - | - |
| | 472 | (2,053) | (9,397) | (14,544) | 32,426 |
| Retained earnings - 1 January | (87,388) | (85,335) | (75,938) | (61,394) | (93,820) |
| Retained earnings - 31 December | (86,916) | (87,388) | (85,335) | (75,938) | (61,394) |

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2019

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Seychelles Rupees.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables and Loans and receivables

The company assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Impairment testing

The recoverable amounts of assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require material adjustments to the carrying value of assets.

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2019

Accounting Policies

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

The initial estimate of the costs of dismantling and removing an item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the company is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Depreciation method | Average useful life |
|-----------------------------------|---------------------|---------------------|
| Buildings | Straight line | 25 years |
| Leasehold improvements | Straight line | Over lease period |
| Plant and machinery | Straight line | 10 years |
| Furniture, fixtures and equipment | Straight line | 5 years |

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Any gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Investment properties

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. In addition, only investment property whose fair value can be measured reliably without undue cost or effort on an ongoing basis is included in investment property. All other investment property is included in property, plant and equipment.

Investment properties are transferred from land and building when they cease to meet the recognition criteria.

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2019

Accounting Policies

1.3 Investment properties (continued)

Investment property is initially recognised at cost.

The cost of investment property comprises its purchase price and any directly attributable costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

Costs include cost incurred initially to acquire or construct an investment property and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item, of investment property, the carrying amount of the replaced item is derecognised.

1.4 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - designated
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

Financial assets classified as at fair value through profit or loss which are no longer held for the purposes of selling or repurchasing in the near term may be reclassified out of that category:

- in rare circumstances
- if the asset met the definition of loans and receivables and the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

No other reclassifications may be made into or out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the company's right to receive payment is established.

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2019

Accounting Policies

1.4 Financial instruments (continued)

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans from group companies

These include loans from the holding company and are recognised initially at fair value plus direct transaction costs. Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Bois De Rose Investment Limited

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Accounting Policies

1.4 Financial instruments (continued)

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Bois De Rose Investment Limited

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Accounting Policies

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

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Accounting Policies

1.9 Provisions and contingencies

Provisions are recognised when: a reliable estimate can be made of the obligation.

- the company has a present obligation 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 obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised, but are disclosed when material.

1.10 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Bois De Rose Investment Limited

Annual Financial Statements for the year ended 31 December 2018

Accounting Policies

1.10 Revenue (continued)

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Rental income is recognised on an accrual basis.

1.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use:

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

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2. Property, plant and equipment

2.1 December 31, 2019

| | Plant & machinery | Furniture, fixtures & equipment | Total |
|--|-------------------|---------------------------------|-------------------|
| Cost | | | |
| At 1 January 2019 | 28,500,859 | 2,605,870 | 31,106,729 |
| Additions | - | 91,599 | 91,599 |
| Disposal | - | - | - |
| At 31 December 2019 | 28,500,859 | 2,697,469 | 31,198,328 |
| Accumulated depreciation and impairment | | | |
| At 1 January 2019 | 9,262,779 | 1,633,392 | 10,896,171 |
| Annual depreciation | 2,850,086 | 529,615 | 3,379,701 |
| Disposals | - | - | - |
| At 31 December 2019 | 12,112,865 | 2,163,007 | 14,275,872 |
| Carrying amount | | | |
| At 1 January 2019 | 19,238,080 | 972,478 | 20,210,558 |
| At 31 December 2019 | 16,387,994 | 534,462 | 16,922,456 |

2.2 December 31, 2018

| | Plant & machinery | Furniture, fixtures & equipment | Total |
|--|-------------------|---------------------------------|-------------------|
| Cost | | | |
| At 1 January 2018 | 28,500,859 | 2,441,937 | 30,942,796 |
| Additions | - | 171,103 | 171,103 |
| Disposal | - | (7,170) | (7,170) |
| At 31 December 2018 | 28,500,859 | 2,605,870 | 31,106,729 |
| Accumulated depreciation and impairment | | | |
| At 1 January 2018 | 6,412,693 | 1,128,900 | 7,541,593 |
| Annual depreciation | 2,850,086 | 507,957 | 3,358,043 |
| Disposals | - | (3,465) | (3,465) |
| At 31 December 2018 | 9,262,779 | 1,633,392 | 10,896,171 |
| Carrying amount | | | |
| At 1 January 2018 | 22,088,166 | 1,313,037 | 23,401,202 |
| At 31 December 2018 | 19,238,080 | 972,478 | 20,210,558 |

3. Investment Properties

| | 2019 | 2018 |
|-----------------------|--------------------|--------------------|
| At 1 January | 109,713,282 | 124,650,188 |
| Amortisation | (4,986,008) | (14,936,906) |
| Reclassification | - | - |
| At 31 December | 104,727,274 | 109,713,282 |

The Investment Property has been classified at cost as at 31 December 2019. The company shall measure all of its investment properties in accordance as per IAS 16 requirements for that model.

Bois De Rose Investment Limited

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4. Deposit on Leasehold Land

| | 2019 | 2018 |
|-----------------------|-------------------|-------------------|
| Cost at 1 January | 52,660,500 | 52,660,500 |
| Amortisation | | |
| At 1 January | 5,407,896 | 4,875,972 |
| Charge for the year | 531,924 | 531,924 |
| At 31 December | 5,939,820 | 5,407,896 |
| Net Book Value | | |
| At 31 December | 46,720,680 | 47,252,604 |

The property consists of plot V7179, V7159 and V1005 and the lease over the land commenced on the 6 October 2008 for a long term lease of 97 years.

5. Deferred tax

Deferred tax liability

| | 2019 | 2018 |
|-------------------------------|--------------|--------------|
| Property, plant and equipment | (16,055,305) | (14,706,577) |

Deferred tax asset

| | 2019 | 2018 |
|--|------------|------------|
| Tax losses available for set off against future taxable income | 44,331,668 | 46,123,419 |

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

| | 2019 | 2018 |
|--|-------------------|-------------------|
| Deferred tax liability | (16,055,305) | (14,706,577) |
| Deferred tax asset | 44,331,668 | 46,123,419 |
| Total net deferred tax asset/ (liability) | 28,276,363 | 31,416,843 |

Reconciliation of deferred tax asset / (liability)

| | 2019 | 2018 |
|---|-------------------|-------------------|
| At beginning of year | 31,421,843 | 33,262,328 |
| Decreases in valuation allowance of deferred tax asset | (1,791,752) | (393,397) |
| Increases in temporary difference movement on tangible fixed assets | (1,348,727) | (1,447,088) |
| Total | 28,281,364 | 31,421,843 |

Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when: the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

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6. Trade and other receivables

| | 2019 | 2018 |
|-----------------------------------|------------------|------------------|
| Trade receivables | 429,701 | 393,508 |
| Provision for bad debts | (246,006) | (235,494) |
| Prepayments and other receivables | 425,259 | 583,236 |
| Accrued income | 890,516 | 770,483 |
| Total | 1,499,470 | 1,511,733 |

Credit quality of trade and other receivables

Management has made an assessment of the debts that are neither past nor due nor impaired and are satisfied with the credit quality of these debtors, as all such debts are expected to be recovered without default.

Trade receivables

| | 2018 | 2017 |
|---|---------|---------|
| Counterparties without external credit rating | | |
| Group 1 | 429,701 | 393,508 |

Fair value of trade and other receivables

The fair value of trade and other receivables are substantially the same as the carrying amounts reflected on the statement of financial position, as the financial instruments are short-term in nature.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 December 2019, SR - 273,365.71 (2018: SR - 158,014) were past due but not impaired.

Trade and other receivables impaired

As of 31 December 2019, trade and other receivables of SR - 246,006 (2018: SR - 235,494) were impaired and provided for. The amount of the provision was SR - 246,006 as of 31 December 2018 (2018: SR - 235,494).

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The company does not hold any collateral as security.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

| | 2019 | 2018 |
|---------------|-------------------|------------------|
| Cash on hand | 2,500 | 2,500 |
| Bank balances | 12,708,602 | 6,654,600 |
| Total | 12,711,102 | 6,657,100 |

Credit quality of cash at bank and short term deposits, excluding cash on hand

There is a high standard of credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired:

8. Share capital

| | 2019 | 2018 |
|---|-------------|-------------|
| Authorised | | |
| 10,000,000 Ordinary shares of Euro 1 each | 175,535,000 | 175,535,000 |
| Issued | | |
| 10,000,000 Ordinary shares of Euro 1 each | 175,535,000 | 175,535,000 |

Bois De Rose Investment Limited

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| 9. Loans from shareholder | | |
|---|--------------------|--------------------|
| | 2019 | 2018 |
| Inter-company loan | 54,380,159 | 58,511,877 |
| Shareholder loan | 56,249,905 | 56,249,905 |
| Other payables | 10,595,709 | 14,656,264 |
| Total | 121,225,773 | 129,418,046 |
| 9.1 Repayments | | |
| | 2019 | 2018 |
| Repayable within 1 year | 8,946,725 | 8,946,725 |
| Repayable later than 1 year and no later than 5 years | 35,786,900 | 35,786,900 |
| Repayable later than 5 years | 76,492,148 | 84,684,421 |
| As at 31 December | 121,225,773 | 129,418,046 |

The inter-company loan is unsecured, bears interest at 8.5% and is repayable in 120 monthly installments effective August 2019.

The shareholder loan is unsecured, bears interest at 0% (2017: 0%) and will not be recall within the next 12 months.

Fair value of loans from shareholders

The fair value of shareholders loans are substantially the same as the carrying amount reflected on the statement of financial position.

10. Inventories

| | 2019 | 2018 |
|--------------------|---------|---------|
| Maintenance spares | 602,052 | 752,651 |

11 Trade and other payables

| | 2019 | 2018 |
|-------------------------------|------------------|------------------|
| Amounts received in advance | - | 137,955 |
| Accruals | 2,040,922 | 400,963 |
| Seychelles Revenue Commission | 1,798,303 | 1,819,027 |
| Deposits received | 1,859,533 | 1,848,043 |
| Total | 5,698,758 | 4,205,988 |

Fair value of trade and other payables

The fair value of trade and other payables are substantially the same as the carrying amounts reflected on the statement of financial position, as the financial instruments are short-term in nature.

12 Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

| | 2019 | 2018 |
|-----------------------------|-------------------|------------------|
| Loan and receivables | | |
| Trade and other receivables | 1,499,470 | 1,511,733 |
| Cash and cash equivalents | 12,711,102 | 6,657,100 |
| Total | 14,210,572 | 8,168,833 |

The accounting policies for financial instruments have been applied to the line items below:

December 31, 2019

| | Financial liability at amortised cost | Non-financial instruments | Total |
|--------------------------|--|------------------------------|--------------------|
| Loans from shareholders | 121,225,773 | - | 121,225,773 |
| Trade and other payables | - | 5,698,758 | 5,698,758 |
| Total | 121,225,773 | 5,698,758 | 126,924,531 |

December 31, 2018

| | Financial liability at amortised cost | Non-financial instruments | Total |
|--------------------------|--|------------------------------|--------------------|
| Loans from shareholders | 129,418,046 | - | 129,418,046 |
| Trade and other payables | - | 4,205,988 | 4,205,988 |
| Total | 129,418,046 | 4,205,988 | 133,624,034 |

Bois De Rose Investment Limited

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13. Revenue

| | 2019 | 2018 |
|---------------|------------|------------|
| Rental income | 22,839,609 | 22,068,834 |

14. Other income

| | 2019 | 2018 |
|-------------------|-----------|-----------|
| Tenant recoveries | 4,549,201 | 4,295,208 |

15. Operating (loss) profit

Operating (loss) profit for the year is stated after accounting for the following:

| | 2019 | 2018 |
|---|-----------|-----------|
| (Loss) profit on exchange differences | (8,648) | 231 |
| Depreciation on property, plant and equipment | 3,379,701 | 3,354,578 |
| Amortisation on investment and leasehold property | 5,517,932 | 5,517,932 |
| Employee costs | 264,753 | 353,746 |

16. Finance costs

| | 2019 | 2018 |
|-------------------------------------|-----------|-----------|
| Interest on loans from shareholders | 4,815,006 | 7,974,807 |

Total interest expense, calculated using the effective interest rate, on financial instruments not at fair value through profit or loss amounted to SR 4,815,006 (2018: SR 7,974,807).

17. Taxation

17.1 Current tax

| | 2019 | 2018 |
|-------------------------------------|----------------|----------------|
| Corporate Social Responsibility Tax | 136,944 | 131,818 |
| Other taxes | - | 2,300 |
| Total | 136,944 | 134,118 |

17.1 Deferred tax

| | 2019 | 2018 |
|---|-----------|-----------|
| Originating and reversing temporary differences | 3,140,479 | 1,845,486 |

18. Cash generated from operations

| | 2019 | 2018 |
|---|-------------------|-------------------|
| Profit (loss) before taxation | 3,748,773 | (73,143) |
| Adjustments for: | | |
| Depreciation on property, plant and equipment | 3,379,701 | 3,354,578 |
| Amortisation on investment and leasehold property | 5,517,932 | 5,517,932 |
| Finance costs | 4,815,006 | 7,974,807 |
| Changes in working capital: | | |
| Inventories | 150,599 | 306,555 |
| Work in progress | (808,920) | - |
| Trade and other receivables | 12,263 | 128,616 |
| Trade and other payables | 1,492,770 | (3,889,988) |
| Total | 18,308,124 | 13,319,354 |

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19. Related parties**Relationships**

Ultimate holding company

Government of Seychelles

Holding company

Societe Seychelloise D'Investissement Limited

Related party balances with shareholder of the entity

| | 2019 | 2018 |
|---|-------------|-------------|
| Loan accounts - Owing to related parties | | |
| Societe Seychelloise D'Investissement Limited | 121,225,773 | 129,418,046 |

Amounts included in Trade receivable (Trade Payable) regarding related parties

| | 2019 | 2018 |
|---|------|------|
| Societe Seychelloise D'Investissement Limited | - | - |

Related party transactions with shareholder of the entity

| | 2019 | 2018 |
|---|-----------|-----------|
| Interest paid to related parties | | |
| Societe Seychelloise D'Investissement Limited | 4,815,006 | 7,974,807 |

20. Directors' fees

| Executive Directors | Fees | PIT | Totals |
|-----------------------------|----------------|----------|----------------|
| 2019 | | | |
| Brian Loveday (Chairperson) | 84,000 | - | 84,000 |
| Jeanette Lesperance | 60,000 | - | 60,000 |
| Tacey Furneau | 60,000 | - | 60,000 |
| Alderic Bristol | 60,000 | - | 60,000 |
| Ayub Adam | 60,000 | - | 60,000 |
| Total | 324,000 | - | 324,000 |
| 2018 | | | |
| Brian Loveday (Chairperson) | 54,720 | - | 54,720 |
| Jeanette Lesperance | 36,480 | - | 36,480 |
| Tacey Furneau | 36,480 | - | 36,480 |
| Alderic Bristol | 36,480 | - | 36,480 |
| Ayub Adam | 36,480 | - | 36,480 |
| Total | 200,640 | - | 200,640 |

21. Auditors remuneration

| | 2019 | 2018 |
|------|--------|--------|
| Fees | 60,900 | 58,000 |

22. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

23. Events after the reporting period

In view of the global coronavirus pandemic in 2020, uncertainty remains as to the entity's going concern due to economic activities globally being severely affected. Following the world-wide outbreak of the virus, countries have acted to close their borders and confine their population. Such actions are impacting all industries across the world and as a result, local trade is being severely affected. The economic impact of the virus is yet to be assessed. Significant uncertainty therefore arises on the going concern of the company.

The requirement, in accordance with IAS 10 "Events after the Reporting Period", is to account for the significant changes in business and economic conditions as non-adjusting event.

Bois De Rose Investment Limited

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24. Commitments

Capital commitments

| | 2019 | 2018 |
|--|-------------------|-------------------|
| Already contracted for but not provided for | | |
| Food court and kids game parlor (second phase development) | 19,000,000 | 19,000,000 |
| Work in progress | (1,119,362) | (310,443) |
| Total | 17,880,638 | 18,689,557 |

25. Capital work in progress

| | 2019 | 2018 |
|----------------|-----------|---------|
| Comprises of : | | |
| Food court | 1,119,362 | 310,443 |

The company is engaged in the construction of a food court which is expected to be completed in August 2020.

The contracted value for the cost of construction of the food court is SCR 19 million and is being financed by the company.

26. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 9, cash and cash equivalents disclosed in note 7, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio.

The board's policy is to maintain a strong capital base, so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the company's approach to capital management during the period. The company is not subject to externally imposed capital requirements.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

This note represents information about the company's exposure to each of the above mentioned risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

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26. Risk management (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| | 2019 | 2018 |
|-------------------------------|-----------|-----------|
| Loans from shareholder | | |
| Less than 1 year | 8,946,725 | 8,946,725 |

Interest rate risk

The company is mainly exposed to interest rate risk through the financing of shareholders loans per note 9.

The company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the company to fair value interest rate risk.

The company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Cash flow interest rate risk

| Financial instrument | Current interest rate | Due in less than a year |
|------------------------|-----------------------|-------------------------|
| Loans from shareholder | 8.5% | 8,946,725 |

Credit risk

Credit risk consists mainly of cash equivalents and trade and other receivables. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables comprise a small customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Financial assets exposed to credit risk at year end were as follows:

| Financial instrument | 2019 | 2018 |
|-----------------------------|------------|-----------|
| Trade and other receivables | 1,499,470 | 1,511,733 |
| Cash and cash equivalents | 12,711,102 | 6,657,100 |

Foreign exchange risk

The company does not hedge foreign exchange fluctuations. The company was exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar. Foreign exchange risk arose from foreign currency borrowings.

Bois De Rose Investment Limited

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Notes to the Annual Financial Statements

27. New Standards and Interpretations

27.1 Standards, amendments to published standards and interpretations effective in the reporting period

A number of new standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the company has not early adopted the new or amended standards in preparing these financial statements.

| Effective date | New standards or amendments | Impact to Bois De Rose |
|-------------------|---|-------------------------------------|
| 01st January 2019 | IFRS 16 Leases | No impact |
| 01st January 2019 | IFRIC 23 Uncertainty over Income Tax Treatments | No impact |
| 01st January 2019 | Prepayment Features with Negative Compensation (Amendments to IFRS 9) | No impact |
| 01st January 2019 | Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) | No impact |
| 01st January 2019 | Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) | No impact |
| 01st January 2019 | Annual Improvements to IFRSs 2015–2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23) | No impact |
| 01st January 2020 | Amendments to References to Conceptual Framework in IFRS Standards | BDRIL is still assessing the impact |
| 01st January 2020 | Definition of a Business (Amendments to IFRS 3) | BDRIL is still assessing the impact |
| 01st January 2020 | Definition of Material (Amendments to IAS 1 and IAS 8) | BDRIL is still assessing the impact |
| 01st January 2021 | IFRS 17 Insurance Contracts | BDRIL is still assessing the impact |

IFRS 16 Leases

(Effective for annual periods beginning on or after 1 January 2019)

The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. Early application is permitted, but not before an entity applies IFRS 15.

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Notes to the Annual Financial Statements

27. New Standards and Interpretations (continued)

Amendments to IAS 1 and IAS 8 - Definition of Material

(Effective for annual periods beginning on or after 1 January 2020)

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments must be applied prospectively. Early application is permitted and must be disclosed.

Annual Improvements to IFRS Standards 2015-2017 Cycle

(Effective for annual periods beginning on or after 1 January 2019)

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS.

Annual Improvements to IFRS Standards 2015-2017 Cycle makes amendments to the following standards:

| Standards | Details |
|---------------------------------|--|
| IFRS 3 Business Combinations | <p>The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business.</p> <p>This amendment is effective as from 1 January 2019.</p> |
| IFRS 11 Joint Arrangements | <p>The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.</p> <p>This amendment is effective as from 1 January 2019.</p> |
| IAS 12 Income Taxes | <p>The amendments clarify that the requirements in the former paragraph 52B (to recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognized) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.</p> <p>This amendment is effective as from 1 January 2019.</p> |
| IAS 23 Borrowing Costs | <p>The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows <i>generally</i> when calculating the capitalization rate on general borrowings.</p> <p>This amendment is effective as from 1 January 2019.</p> |

These amendments will have no impact on the company.

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Annual Financial Statements for the year ended 31 December 2019

Notes to the Annual Financial Statements

27. New Standards and Interpretations (continued)

Annual Improvements to IFRS Standards 2018–2020 Cycle

(Effective for annual periods beginning on or after 1 January 2022)

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS.

Annual Improvements to IFRS Standards 2018–2020 Cycle makes amendments to the following standards:

| Standards | Details |
|---|--|
| <i>IFRS 1</i> First time adoption of International Financial Reporting Standards | <i>Subsidiary as a first-time adopter</i> The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amount reported by its parent, based on the parent's date of transition to IFRS. This amendment is effective as from 1 January 2022. Early application is permitted. |
| <i>IFRS 9</i> Financial Instruments | <i>Fees in the 10 'per cent' test for derecognition of financial liabilities</i> The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. This amendment is effective as from 1 January 2022. Early application is permitted. |
| <i>IFRS 16</i> Leases | <i>Leases incentives</i> The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment to IFRS 16 only regards an illustrative example, so no effective date is stated. |
| <i>IAS 41</i> Agriculture | <i>Taxation in fair value measurements</i> The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13. This amendment is effective as from 1 January 2022. Early application is permitted. |

These amendments will have no impact on the company.