

2020 DEVELOPMENT (SEYCHELLES) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

So
D'Investissement Limited
22 Sep 2016
P. O. Box 1343 - Victoria

2020 DEVELOPMENT (SEYCHELLES) LIMITED

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CORPORATE INFORMATION

DIRECTORS	:	Barry Faure Sabrina Agathine Bertrand Belle Yves Choppy
SECRETARY	:	Gerys Cole 2020 Development (Seychelles) Ltd ICCS Building, 2nd Floor, Room 9 Victoria, Mahé Seychelles
REGISTERED OFFICE	:	ICCS Building, 2nd Floor, Room 9 Victoria, Mahé Seychelles
PRINCIPAL PLACE OF BUSINESS	:	Mahé Seychelles
AUDITORS	:	BDO Associates Chartered Accountants Seychelles
BANKER	:	Barclays Bank (Seychelles) Limited Independence Avenue P O Box 167 Victoria, Mahé Seychelles
BANKER	:	Bank of Baroda P O Box 124 Victoria, Mahé Seychelles

DIRECTORS' REPORT - DECEMBER 31, 2015

The Directors are pleased to present their report together with the audited financial statements of the Company for the year ended December 31, 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company remained unchanged during the year and consists of real estate development.

RESULTS

	SR
Loss for the year	(1,124,937)
Revenue deficit brought forward	(1,449,871)
Revenue deficit carried forward	<u>(2,574,808)</u>

DIVIDENDS

The Directors did not recommend any dividend for the year under review (2014 : Nil).

PROPERTY AND EQUIPMENT

Additions to property and equipment totalled SR 43.5m for the year under review (2014: 11.4m) and comprised mainly work-in-progress and equipment.

DIRECTORS AND DIRECTORS' INTEREST

The Directors of the Company since the date of the last report and the date of this report are:

	<u>2015 & 2014</u>
	Ordinary shares
Barry Faure	1
Sabrina Agathine	-
Bertrand Belle	-
Yves Choppy	-

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 that they have met their aforesaid responsibilities.

AUDITORS

The retiring auditors, Messrs. BDO Associates, being eligible offer themselves for re-appointment.

BOARD APPROVAL



Barry Faure
Director



Bertrand Belle
Director



Sabrina Agathine
Director



Yves Choppy
Director

Dated: 21 SEP 2016
Victoria, Seychelles

2020 DEVELOPMENT (SEYCHELLES) LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of 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 2020 Development (Seychelles) Limited set out on pages 4 to 12 which comprise the Balance Sheet at December 31, 2015 and the Income Statement for the year then ended and a summary of significant accounting policies and explanatory notes.

Board's Responsibility for the Financial Statements

As stated on page 2 of the Directors' Report, the Board of Directors are 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 assurance that the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor 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 response of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

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



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D)

Opinion

In our opinion, the financial statements on pages 4 to 12 give a true and fair view of the financial position of the Company at December 31, 2015 and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting

Emphasis of matter

Going Concern

As at December 31, 2015, the Company had shareholders' deficit and net current liabilities were **SR 2.7m** (2014: SR 1.4m) and **SR 60.7m** (2014: SR 16.0m) respectively. Notwithstanding the aforesaid, the financial statements have been prepared on a going concern basis as the shareholders of the Company have agreed to provide adequate funds to enable the Company to meet its liabilities both current and contingent as and when they fall due.

Our opinion is not qualified in this respect.

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, tax and business advisers and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

BDO ASSOCIATES

Chartered Accountants

Dated: 21 SEP 2016

Victoria, Seychelles

2020 DEVELOPMENT (SEYCHELLES) LIMITED

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BALANCE SHEET AS AT DECEMBER 31, 2015

	Notes	2015 SR	2014 SR
ASSET			
Non-current assets			
Property and equipment	5	58,013,237	14,555,907
Current assets			
Other receivables		10,000	23,750
Cash and cash equivalents	7	1,224,037	19,366,464
		<u>1,234,037</u>	<u>19,390,214</u>
Total assets		<u><u>59,247,274</u></u>	<u><u>33,946,121</u></u>
EQUITY AND LIABILITIES			
Shareholders' deficit			
Share capital	8	10,000	10,000
Revenue deficit		<u>(2,574,808)</u>	<u>(1,449,871)</u>
		<u>(2,564,808)</u>	<u>(1,439,871)</u>
LIABILITY			
Current liabilities			
Deposit from customers	2(c)(iii)	53,523,410	34,799,501
Other payables	9	70,616	586,491
Bank overdrafts	7	8,218,056	-
		<u>61,812,082</u>	<u>35,385,992</u>
Total equity and liability		<u><u>59,247,274</u></u>	<u><u>33,946,121</u></u>

These financial statements have been approved for issue by the Board of Directors on **21 SEP 2016**



Barry Faure
Director



Bertrand Belle
Director



Sabrina Agathine
Director



Yves Choppy
Director

The notes on pages 8 to 12 form an integral part of these financial statements.
Auditors' report on pages 3 and 3(a).

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INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
	SR	SR
Income		
Deposits forfeited	-	100,000
Expenses		
Advertising and marketing expenses	98,699	17,135
Professional fees	229,020	221,220
Rent	180,000	270,000
Directors' remuneration	240,700	104,471
Salaries and wages	156,596	122,248
Auditors' remuneration	34,500	34,500
Depreciation	13,599	4,885
Interest on overdraft	77,831	-
Other operating expenses	93,992	98,028
	<u>1,124,937</u>	<u>872,487</u>
Loss for the year	<u>(1,124,937)</u>	<u>(772,487)</u>

The notes on pages 8 to 12 form an integral part of these financial statements.
Auditors' report on pages 3 and 3(a).

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2015

	Share capital <u>SR</u>	Revenue deficit <u>SR</u>	Total <u>SR</u>
At January 1, 2015	10,000	(1,449,871)	(1,439,871)
Loss for the year	-	(1,124,937)	(1,124,937)
At December 31, 2015	<u>10,000</u>	<u>(2,574,808)</u>	<u>(2,564,808)</u>
At January 1, 2014	10,000	(677,384)	(667,384)
Loss for the year	-	(772,487)	(772,487)
At December 31, 2014	<u>10,000</u>	<u>(1,449,871)</u>	<u>(1,439,871)</u>

The notes on pages 8 to 12 form an integral part of these financial statements.
Auditors' report on pages 3 and 3(a).

CASH FLOW STATEMENT - YEAR ENDED DECEMBER 31, 2015

	Notes	2015 SR	2014 SR
Cash flows from operating activities			
Loss for the year		(1,124,937)	(772,487)
<i>Adjustments for:</i>			
Depreciation of property and equipment	5	13,599	4,885
<i>Changes in working capital:</i>			
- Decrease/(Increase) in other receivables		13,750	6,250
- Increase in deposit from customers		18,723,909	28,081,101
- Increase in other payables		(515,875)	323,852
Net cash inflow from operating activities		<u>17,110,446</u>	<u>27,643,601</u>
Cash flow from investing activities			
Additions to property and equipment	5	(43,470,929)	(11,422,358)
Net cash outflow from investing activities		<u>(43,470,929)</u>	<u>(11,422,358)</u>
Net increase in cash and cash equivalents		<u>(26,360,483)</u>	<u>16,221,243</u>
Movement in cash and cash equivalents			
At January 1,		19,366,464	3,145,221
Increase		(26,360,483)	16,221,243
At December 31,	7	<u>(6,994,019)</u>	<u>19,366,464</u>

The notes on pages 8 to 12 form an integral part of these financial statements.
Auditors' report on pages 3 and 3(a).

1. GENERAL INFORMATION

2020 Development (Seychelles) Limited is a limited liability Company, incorporated on February 21, 2012 and domiciled in the Republic of Seychelles. Its registered office is located at Caravel House, Victoria, Mahé, Seychelles.

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

2. SIGNIFICANT 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.

(a) Basis of preparation

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

(b) Property and equipment

All property and equipment are stated at historical cost less accumulated depreciation. Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the item is expected and the cost of the item can be measured reliably.

Depreciation is calculated on the straight line method to write off the cost of each asset to their residual values over their estimated useful life as follows:

	%
Equipment	20%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Where the carrying amount of an asset is greater than its recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of equipment are determined by comparing the proceeds with their carrying amount and are included in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Financial instruments**

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

(i) Other receivables

Other receivables are recognised initially at fair value less any provision for impairment. A provision for impairment of other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of provision is recognised in the income statement.

The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate.

The carrying amount of other receivables is assumed to approximate its fair value.

(ii) Cash and cash equivalents

Cash comprises cash in hand, cash at bank and bank overdrafts. 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. Bank overdrafts are shown within borrowings in current liabilities.

(iii) Deposit from customers

Deposits are from customers on plots of land reserved and are interest free.

(iv) Other payables

Other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

The carrying amount of other payables approximate its amortised cost.

(v) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they were declared.

(d) Tax

Tax on the profit or loss for the year comprises current tax. Current tax is the expected amount of taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted at the balance sheet date. No provision has been made for deferred tax.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(d) Tax (Cont'd)**

No provision is required for current tax as the Company does not have any taxable income as per the provisions of the Business Tax Act, 2009.

(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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risk. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions. The Company's activities expose it to a variety of financial risks including the following:

(a) Interest rate risk

The Company finances its operations through operating cash flows which are principally denominated in Seychelles Rupees. Interest rate risk arises from the Company's bank overdrafts which are exposed to fluctuations in interest rates.

(b) Foreign exchange risk

The Company is exposed to foreign exchange risk with respect to foreign currency arising from payments from overseas customers. Foreign exchange risk is not hedged.

(c) Credit risk

Credit risk relates to the possibility of default by customers and agents in settling their obligations to the Company. The Company has established policies to ensure that sales of its services are made to customers with an appropriate credit history.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There were no major estimates and assumptions made during the year that have a significant risk of causing material adjustment to the carrying amounts of the Company's assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

5. PROPERTY AND EQUIPMENT

	Work-in-progress	Equipment	Total
	SR	SR	SR
COST			
At January 1, 2015	14,531,482	29,310	14,560,792
Additions	43,432,245	38,684	43,470,929
At December 31, 2015	<u>57,963,727</u>	<u>67,994</u>	<u>58,031,721</u>
At January 1, 2014	-	-	-
Additions	11,393,048	29,310	11,422,358
Transfer from deferred development expenses (note 6)	3,138,434	-	3,138,434
At December 31, 2014	<u>14,531,482</u>	<u>29,310</u>	<u>14,560,792</u>
ACCUMULATED DEPRECIATION			
At January 1, 2015	-	4,885	4,885
Charge for the year	-	13,599	13,599
At December 31, 2015	<u>-</u>	<u>18,484</u>	<u>18,484</u>
At January 1, 2014	-	-	-
Charge for the year	-	4,885	4,885
At December 31, 2014	<u>-</u>	<u>4,885</u>	<u>4,885</u>
NET BOOK VALUE			
At December 31, 2015	<u>57,963,727</u>	<u>49,510</u>	<u>58,013,237</u>
At December 31, 2014	<u>14,531,482</u>	<u>24,425</u>	<u>14,555,907</u>

6. DEFERRED DEVELOPMENT EXPENSES

Deferred development expenses comprised expenditure pertaining to the development of the Ile Soleil project which have been transferred to work-in-progress when the Company was granted the land on lease in 2014. The breakdown is as follows:

	2014
	SR
At January 1,	3,138,434
Transfer to property and equipment (note 5)	(3,138,434)
At December 31,	<u>-</u>

7. NET CASH AND CASH EQUIVALENTS

	2015	2014
	SR	SR
Cash and cash equivalents	1,224,037	19,366,464
Bank overdraft	(8,218,056)	-
	<u>(6,994,019)</u>	<u>19,366,464</u>

The bank overdraft is secured by a first line charge over the fixed assets of the Company and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

8. SHARE CAPITAL

	<u>2015 & 2014</u>
	SR
<u>Authorised and issued share capital</u>	
100 ordinary shares of SR 100 each	<u>10,000</u>

9. OTHER PAYABLES

	<u>2015</u>	<u>2014</u>
	SR	SR
Deposits for tenders	-	515,875
Auditors' remuneration	34,500	34,500
Others	36,116	36,116
	<u>70,616</u>	<u>586,491</u>

10. CAPITAL COMMITMENTS

Capital commitments amounted to **SR 59.8m** as at December 31, 2015 (2014: SR 103.0m).

11. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2015 (2014: Nil).

12. FINANCIAL SUMMARY

	<u>Year</u>	<u>Year</u>	<u>Period</u>
	2015	2014	2013
	SR'000	SR'000	SR'000
Loss for the year/period	(1,125)	(773)	(605)
Revenue deficit brought forward	(1,450)	(677)	(72)
Revenue deficit carried forward	<u>(2,575)</u>	<u>(1,450)</u>	<u>(677)</u>
SHAREHOLDERS' DEFICIT			
Share capital	10	10	10
Revenue deficit	(2,575)	(1,450)	(677)
	<u>(2,565)</u>	<u>(1,440)</u>	<u>(667)</u>