

BOIS DE ROSE INVESTMENT LIMITED

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE OF CONTENTS	PAGES
Corporate information	1
Directors' report	2 - 3
Independent auditor's report	4 - 4 (b)
Statement of financial position	5
Statement of profit or loss and other comprehensive income	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9 - 30

CORPORATE INFORMATION

DIRECTORS	:	Ashik Hassan Astride Tamatave Imitiaz Umarji Jamshed Pardiwalla Gerard Adam
REGISTERED OFFICE	:	2nd Floor, Espace Building, Flamboyant Avenue, Victoria
PRINCIPAL PLACE OF BUSINESS	:	Bois De Rose, Mahé, Seychelles
AUDITOR	:	Baker Tilly Chartered Accountants Seychelles
BANKERS	:	The Mauritius Commercial Bank (Seychelles) Ltd Nouvobanq
HOLDING COMPANY	:	Seychelles Trading Company Limited

DIRECTORS' REPORT

The Directors present their report together with the separate audited financial statements of Bois De Rose Investment Limited ("the Company") for the year ended December 31, 2022.

PRINCIPAL ACTIVITIES

The Company is engaged in commercial property management. There is no change in the nature of the principal activity during the year.

RESULTS

	2022	2021
	SR	SR
Loss for the year	<u>(4,609,727)</u>	<u>(37,159,309)</u>

DIVIDENDS

The Directors did not recommend declaration of a dividend for the financial year under review (2021 : SR. nil).

PROPERTY, PLANT AND EQUIPMENT

Additions of SR. 1,341,760 to property, plant and equipment and work in progress during the year comprised equipment, property, furniture and fixtures (2021: SR. 4,330,379). There were no disposals during the year under review (2021: SR. nil).

Property, plant and equipment are stated at cost less accumulated depreciation. The Directors have estimated that the carrying amount of property, plant and equipment at the balance sheet date approximates its fair value.

INVESTMENT PROPERTIES

Additions to Investment Property during the year is SR. 15,985,964 (2021 : SR. nil). Investment property are stated at cost less accumulated amortisation. The Directors have estimated that the carrying amount of Investment property at the balance sheet date approximates its fair value.

DIRECTORS AND DIRECTORS' INTERESTS

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

	shares %
Ashik Hassan	-
Astride Tamatave	-
Imitiaz Umarji	-
Jamshed Pardiwalla	-
Gerard Adam	-
	<u><u><u>-</u></u></u>

DIRECTORS' REPORT *Continued*

EVENTS AFTER THE BALANCE SHEET DATE

There have been no material events that occurred since the balance sheet date that require adjustment to the financial statements and or to the disclosure thereto.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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 that fall within the accounting policies adopted by the Company; and making accounting estimates that are reasonable in the circumstances. The Board of Directors has 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 Board of Directors confirm that the financial statements presented for audit are free from material misstatements and that they have met their aforesaid responsibilities.

In preparing the financial statements, the Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern using the going concern basis of accounting unless the Board either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

The Directors hereby confirm that they have not entered into any contracts or arrangements (other than service contracts with the Company) and did not make any profit from the operations of the Company for the financial year under review (2021 : SR. nil).

AUDITORS

The retiring auditor Messrs. Baker Tilly, Chartered Accountants, Seychelles being eligible offer themselves for reappointment.



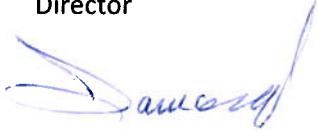
Ashik Hassan
Director



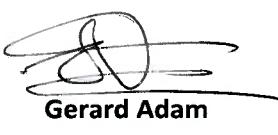
Astride Tamatave
Director



Imitiaz Umarji
Director



Jamshed Pardiwalla
Director



Gerard Adam
Director

Dated: August 31, 2023
Mahé, Seychelles

Suite 202/302, Allied Plaza
Francis Rachel Street
P.O. Box 285, Mahe
Republic of Seychelles
T: +248 432 1306 / F: +248 432 1307
E-mail: info@bakertillyjfc.com
URL: www.bakertillymkm.com

4

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BOIS DE ROSE INVESTMENT LIMITED**

This report is made solely to the members of Bois De Roise Investment Limited, "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 auditor's 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 Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bois De Rose Investment Limited set out on pages 5 to 30 which comprise the statement of financial position at December 31, 2022, the related statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") for Small and Medium-sized Entities (SMEs) and comply with 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), together with the other ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and those charged with governance for the Financial Statements

As stated on page 2 of the Directors' Report, the Directors are responsible for preparation and fair presentation of these financial statements.

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

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BOIS DE ROSE INVESTMENT LIMITED *Continued*

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 the 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 controls;
- 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; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management, 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.

INDEPENDENT AUDITOR'S REPORT**TO THE SHAREHOLDERS OF BOIS DE ROSE INVESTMENT LIMITED *Continued*****Other Information**

Management is responsible for the other information.

The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and 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 and comply with the provisions of the Seychelles Companies Act, 1972.

Other matters

The financial statements of the Company for the year ended December 31, 2021 was audited by another auditor who expressed an unmodified opinion on February 10, 2023. The Management was unable to provide us breakdowns and complete information with respect to major items of property, plant and equipment, accrued expenses (mainly comprising of statutory dues) and leasehold properties for us to validate them and assess their future compliance required.



BAKER TILLY
Chartered Accountants

Dated: August 31, 2023
Mahé, Seychelles



STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

	Notes	2022 SR	2021 SR
ASSETS			
Non-current assets:			
Property, plant and equipment	5	9,730,878	11,956,736
Investment properties	6	105,900,307	95,573,899
Work in progress	5	-	15,746,545
Deposit on leasehold land	7	44,932,101	45,656,832
		<u>160,563,286</u>	<u>168,934,012</u>
Current assets:			
Inventories	8	-	417,431
Trade and other receivables	9	7,956,235	7,749,369
Cash and cash equivalents	10	9,773,497	6,419,048
		<u>17,729,732</u>	<u>14,585,848</u>
Total assets		<u>178,293,018</u>	<u>183,519,860</u>
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital and reserves	11	175,535,000	175,535,000
Revenue deficit		(127,072,256)	<u>(122,462,529)</u>
Total equity		<u>48,462,744</u>	<u>53,072,471</u>
Non-current liabilities:			
Deferred tax liabilities	12	8,914,850	8,015,377
Borrowings	13	115,500,612	115,500,612
		<u>124,415,462</u>	<u>123,515,989</u>
Current liabilities:			
Borrowings	13	164,347	607,785
Trade and other payables	15	5,250,465	6,323,615
		<u>5,414,812</u>	<u>6,931,400</u>
Total liabilities		<u>129,830,274</u>	<u>130,447,389</u>
Total equity and Liabilities		<u>178,293,018</u>	<u>183,519,860</u>

These financial statements were approved for issue by the Board of Directors on August 31, 2023



Ashik Hassan
Director



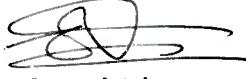
Astride Tamatave
Director



Imitiaz Umarji
Director



Jamshed Pardiwalla
Director



Gerard Adam
Director

The notes on pages 9 to 30 form an integral part of these financial statements
Independent auditor's report on pages 4 to 4 (b)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2022

	Notes	2022 SR	2021 SR
Revenue from contracts with customers	2.14	11,409,653	11,371,782
Other income		137,300	43,261
Employee costs	16	(954,873)	(299,631)
Administrative expenses	16	(4,589,848)	(6,639,905)
		6,002,232	4,475,507
Amortisation on investment and leasehold property	16	(6,384,287)	(5,552,046)
Depreciation	5	(3,328,199)	(3,266,405)
Loss before tax	17	(3,710,254)	(4,342,944)
Tax charge	14 (b)	(899,473)	(32,816,365)
Loss for the year		(4,609,727)	(37,159,309)
Loss and total comprehensive loss for the year		(4,609,727)	(37,159,309)

The notes on pages 9 to 30 form an integral part of these financial statements
 Independent auditor's report on pages 4 to 4 (b)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022

	Share capital SR	Revenue deficit SR	Total SR
Balance at January 1, 2022	175,535,000	(122,462,529)	53,072,471
Loss for the year	-	(4,609,727)	(4,609,727)
Balance at December 31, 2022	175,535,000	(127,072,256)	48,462,744
 Balance at January 1, 2021	175,535,000	(85,303,220)	90,231,780
 Loss for the year	 -	 (37,159,309)	 (37,159,309)
 Balance at December 31, 2021	 175,535,000	 (122,462,529)	 53,072,471

The notes on pages 9 to 30 form an integral part of these financial statements
 Independent auditor's report on pages 4 to 4 (b)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

	Notes	2022 SR	2021 SR
OPERATING ACTIVITIES			
Loss before tax		(3,710,254)	(4,342,944)
Adjustments for:			
Depreciation of property, plant and equipment	5	3,328,199	3,266,405
Amortisation on investment and leasehold property	16	6,384,287	5,552,046
Operating profit before working capital changes		<u>6,002,232</u>	<u>4,475,507</u>
<i>Changes in working capital:</i>			
Inventories	8	417,431	-
Trade and other receivables	9	(206,866)	(6,306,146)
Trade and other payables	15	(1,073,150)	1,036,533
Net cash generated from/(used in) operations		<u>5,139,647</u>	<u>(794,106)</u>
Tax paid	14 (a)	-	(18,953)
Net cash inflow/(outflow) from operating activities		<u>5,139,647</u>	<u>(813,059)</u>
INVESTING ACTIVITIES			
Additions to property, plant and equipment	5	(1,341,760)	(4,330,379)
Net cash outflow from investing activities		<u>(1,341,760)</u>	<u>(4,330,379)</u>
FINANCING ACTIVITIES			
Movement in borrowings	13	(443,438)	(1,593,420)
Net cash outflow from financing activities		<u>(443,438)</u>	<u>(1,593,420)</u>
Net change in cash and cash equivalents		<u>3,354,449</u>	<u>(6,736,858)</u>
Movements in cash and cash equivalents:			
At January 1,		6,419,048	13,155,906
Increase/(Decrease)		3,354,449	(6,736,858)
At December 31,	10	<u>9,773,497</u>	<u>6,419,048</u>

The notes on pages 9 to 30 form an integral part of these financial statements
 Independent auditor's report on pages 4 to 4 (b)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022**1. LEGAL STATUS AND BUSINESS ACTIVITIES**

Bois De Rose Limited is a limited liability company, incorporated and domiciled in the Republic of Seychelles. The registered office of the Company is located at 2nd Floor, Espace Building, Flamboyant Avenue, Victoria, Mahé, Seychelles.

The principal activities of the Company comprised of commercial property management.

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

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

A summary of the significant accounting policies, which have been applied consistently, are set out below:

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") for Small and Medium-sized Entities (SMEs) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates, and comply with the Seychelles Companies Act, 1972 including any amendments thereof.

(a) Reporting and functional currency

The reporting and functional currency of the Company is Seychelles Rupee ("SR"), as most of the transactions are effected in Seychelles Rupees.

(b) Accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4 (Critical accounting estimates and judgements). The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which it affects and also future periods if it affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *Continued*(c) **Going concern**

The Management assessed the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and it does not intend either to liquidate or to cease operations of the Company. Therefore, the Management continues to prepare the financial statements on the going concern basis.

2.2 **Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value recognised at the date of acquisition. Initial cost of property, plant and equipment comprises its purchase price and any attributable costs of bringing the asset to its working condition for its intended use. Such cost also includes the cost of replacing components of the property, plant and equipment. Borrowing costs for long-term construction projects are capitalised only if the recognition criteria is met. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be reliably measured.

Properties in the course of construction for operation purposes are carried at cost less any recognised impairment loss. Cost includes professional fees for qualifying assets and borrowing costs capitalised only if the project is viable and the Company would pursue it further. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Costs incurred for major maintenance are recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are charged to the statement of profit or loss.

Depreciation of property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to the residual values over the expected useful lives as follows:

Buildings on leasehold land	25 years
Plant and machinery	10 years
Furniture and equipment	5 years
Leasehold improvements	Over period of lease

Freehold land and construction work in progress are not depreciated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *Continued***2.2 Property, plant and equipment and depreciation *Continued***

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or following disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed periodically and adjusted prospectively, if appropriate. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount or amortised over a period determined by the management.

2.3 Investment properties

Investment property is land and buildings held to earn rentals or 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 buildings when they cease to meet the recognition criteria.

Investment property is initially recognized 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 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 amounts incurred initially to acquire or construct an investment property and amounts incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognized in the carrying amount of an item of investment property, the carrying amount of the replaced item is derecognized.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *Continued*

2.4 Financial instruments

Recognition, initial measurement and classification

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)

The above classification is determined by both:

- (i) the Company's business model for managing the financial asset
- (ii) the contractual cash flow characteristics of the financial asset.

Income and expenses relating to financial assets are recognised in profit or loss and included as finance costs or interest income, except for expected credit loss allowance against trade receivables which is presented within administrative expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. The Company's cash and cash equivalents, trade receivables, other current assets (excluding prepaid expenses and advances), and due from related parties are classified as financial assets at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *Continued*2.4 Financial instruments *Continued****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 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 recognized, 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 recognized.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Company has a legal enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and liability simultaneously.

The company's accounting policies in respect of the main financial instruments are set out below.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade 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 receivables.

The amount of the 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 amount of provision is recognised in the income statement.

(ii) Loans from group companies

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *Continued*2.4 Financial instruments *Continued*

(iii) Other current assets

Other current assets include fixed deposits, prepaid expenses, advances to suppliers, and other deposits and advances which are carried at amounts recoverable through collection of monies or receipt of goods or services. Prepaid expenses pertain mainly to rent and medical insurance. Other deposits pertain to security deposits and advances pertain to staff advances.

(iv) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, at banks and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, against which the bank overdrafts, if any, are deducted. Overdrafts are shown within borrowings under current liabilities on the statement of financial position.

(v) Trade payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether claimed by the supplier or not.

Monies received in advance for goods or services to be provided subsequent to the year end are recognised as advances from customers in current liabilities.

The carrying amounts of trade payables approximate their amortised cost.

(vi) Other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received and advance received from customers, whether claimed by the supplier or not.

Monies received in advance for goods or services to be provided subsequent to the year-end are recognised as advances from customers in current liabilities.

The carrying amount of other payables approximate their amortised cost.

2.5 Related parties

The Company enters into transactions with companies and entities that fall within the definition of a related party. Related parties comprise companies and entities under joint or common management or control, their partners and key management personnel, subsidiaries, joint ventures, parent, associates and other related parties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *Continued*

2.6 Current and Deferred Tax

Current income tax

Income tax expense comprises current tax. Current tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity. Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. Provisions are measured at the best estimate of amount expected to become payable. Assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Value Added Tax

Expenses and assets are recognised net of the amount of Value Added Tax, except:

- When the Value Added Tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the Value Added Tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of Value Added Tax included.

The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022**2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *Continued*****2.7 Impairment of non-financial assets**

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the cash-generating unit to which the asset belongs is used. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation method is used.

2.8 Borrowings and borrowing costs

Borrowings are classified as current liabilities unless there is a formal agreement in place to defer repayment for a period in excess of 12 months, in which case the amount repayable after 12 months at the reporting date is classified as non-current liabilities.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

2.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

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 recognized 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *Continued***2.10 Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Expected to be realised within twelve months after the reporting period; or
- Cash and cash equivalents unless restricted from being exchanged or available to be settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

2.11 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, 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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.12 Accruals

Accruals are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle the obligation.

2.13 Equity

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022**2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *Continued*****2.14 Revenue recognition**

Revenue is recognised to the extent that the Company has rendered services under an agreement, provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

(i) *Rental income*

Revenue from rental of premise to customers. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it renders a service to a customer on accrual basis.

(ii) *Other income*

Other income is recognized on the accrual basis. Net gains and losses on the disposal of property, plant & equipment is, after deducting from the proceeds on disposals, the carrying amount of the assets and related selling expenses.

2.15 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company; or when the Company has a present legal or constructive obligation, that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3. RISK MANAGEMENT**3.1 Financial risk management objectives and policies**

The activities of the Company expose it to different financial risks, market risks (including currency and fair value interest risk), credit and liquidity risk. The Directors have the overall responsibility for the establishment, overseeing and monitoring of the Company's risk management framework and are assisted by the senior management. Senior management is responsible for designing, developing and monitoring the Company's risk management policies, which are approved by the Directors.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, focusing on the unpredictability of financial markets, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities and its role in the Republic of Seychelles.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

3. RISK MANAGEMENT**3.1 Financial risk management objectives and policies *Continued***

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The following are the Company's exposures to each of the above 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.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates and can arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company is exposed to currency risk arising from future commercial transactions and liabilities that are denominated in currencies other than the functional currency. Foreign currency risk is not hedged.

(b) Cash flow and fair value interest rate risk

The Company has long term borrowings issued at fixed rates which expose the Company to fair value interest rate risk. The Company's policy is to maintain most of its borrowings at fixed rates.

(c) Credit risk

The Company's credit risk arises when a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from trade and other receivables.

The Company establishes an allowance for impairment that represents its estimate of losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets and the current economic environment.

The Company has significant concentration of credit risk, with exposure spread a few major and over a large number of small counterparties and customers. The Company has policies in place to ensure that sales of services are made to customers with an appropriate credit history.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022**3. RISK MANAGEMENT****3.1 Financial risk management objectives and policies *Continued*****(d) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company, through its regular budgets and forecasts, manages liquidity to ensure that it will always have sufficient liquidity to meet its liabilities as and when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

3.2 Capital risk management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of the changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash in hand and at bank. Adjusted capital comprises all components of equity (i.e. share capital and retained earnings).

There was no change in the Company's strategy compared to prior year, which was to maintain the debt-to-adjusted capital ratio at a level in order to secure access to finance at a reasonable cost.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgments 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. In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which have the most significant effect on the amounts recognised in the financial statements:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *Continued*4.1 *Impairment of property, plant and equipment*

Decline in the value of property, plant and equipment could have a significant effect on the amounts recognised in the financial statements. Management assesses the possible impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include:

- (i) Significant change in the useful life which would be expected from the passage of time or normal use.
- (ii) Evidence that the performance of the plant and equipment could have a negative impact on the operating results, hence the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

4.2 *Estimated useful lives of property, plant and equipment*

Estimated useful lives and residual values of property, plant and equipment are assigned based on the intended use of the respective assets and their economic lives. Subsequently, if there are changes in circumstances, such as technological advances or prospective utilisation of the assets concerned that could result in the actual useful lives or residual values differing from initial estimates, the estimated useful lives and residual values need to be adjusted in line with the current circumstances. The Directors review the residual values and useful lives of major items of property, plant and equipment and determine necessary adjustments.

4.3 *Depreciation policies*

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Company would currently obtain from its disposal, if the asset was already of the age, and in condition expected at the end of its useful life. The Directors therefore make estimates based on historical experience and use their best judgment to assess the useful lives of assets and to forecast their expected values at the end of their expected useful lives.

4.4 *Provision for credit impairment of trade 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

5. PROPERTY, PLANT AND EQUIPMENT

	Capital work in progress SR	Plant and machinery SR	Furniture and equipment SR	Total SR
COST				
At January 1, 2021	12,159,417	29,295,124	2,824,226	44,278,767
Reclassification	-	-	-	-
Additions	3,587,128	-	743,251	4,330,379
At December 31, 2021	15,746,545	29,295,124	3,567,477	48,609,146
Additions	1,000,438	242,673	98,649	1,341,760
Capitalised from work in progress	(761,019)	174,758	586,261	-
Reclassified to investment properties	(15,985,963)			(15,985,963)
Disposal	-	-	-	-
At December 31, 2022	-	29,712,555	4,252,387	33,964,943
ACCUMULATED DEPRECIATION				
At January 1, 2021	-	14,962,950	2,676,510	17,639,460
Charge for the year	-	2,929,513	336,892	3,266,405
At December 31, 2021	-	17,892,463	3,013,402	20,905,865
Charge for the year	-	2,971,256	356,943	3,328,199
Disposal	-	-	-	-
At December 31, 2022	-	20,863,719	3,370,345	24,234,064
NET BOOK VALUE				
At December 31, 2022	-	8,848,836	882,042	9,730,879
At December 31, 2021	15,746,545	11,402,661	554,075	27,703,281

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

6. INVESTMENT PROPERTIES

	2022	2021
	SR	SR
At January 1,	95,573,899	100,594,019
Amortisation charge for the year	(5,659,556)	(5,020,120)
Reclassification from work in progress	15,985,964	-
At December 31,	105,900,307	95,573,899

The Investment Property has been classified at cost as at December 31, 2022. The company shall measure all of its investment properties in accordance as per IAS 16 requirements for that model.

7. DEPOSIT ON LEASEHOLD LAND

	2022	2021
	SR	SR
COST		
At January 1,	52,660,500	52,660,500
AMORTISATION		
At January 1,	7,003,668	6,471,742
Amortisation charge for the year	724,731	531,926
At December 31,	7,728,399	7,003,668
NET BOOK VALUE		
At December 31,	44,932,101	45,656,832

Advanced deposit on leasehold land pertain to land parcels V7179, V7159 and V1005 obtained on lease for a period of 97 years lease which commenced on October 6, 2008. The advance deposit is being amortised over the period of the lease.

8. INVENTORIES

	2022	2021
	SR	SR
Maintenance spares at cost	-	417,431

Inventories are stated at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

9. TRADE AND OTHER RECEIVABLES

	2022	2021
	SR	SR
Gross trade receivables	1,309,055	1,865,853
Less: provision for credit impairment (note (d))	(440,912)	(440,912)
Net trade receivables	<u>868,143</u>	1,424,941
Prepayments	268,144	32,378
Receivable from related company	6,523,459	6,015,190
Other receivables	<u>296,489</u>	276,860
	<u><u>7,956,235</u></u>	<u><u>7,749,369</u></u>

- (a) As at December 31, 2022, no trade receivables were fully impaired (2021: SR. nil).
- (b) As at December 31, 2022, trade receivables amounting to **SR 868,143** (2021: 1,489,038) were past due but not impaired. These relate to a number of independent clients for whom there is no recent history of default.
- (c) The carrying amounts of 'trade and other receivables' approximate their fair values.
- (d) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security. Movement in the provision for credit impairment of trade and other receivables is as follows:

	2022	2021
	SR	SR
At January 1, and December 31,	<u>440,912</u>	<u>440,912</u>

- (e) The other classes within trade and other receivables do not contain impaired assets.

10. CASH AND CASH EQUIVALENTS

	2022	2021
	SR	SR
Cash on hand	12,500	17,500
Balances with banks	<u>9,760,997</u>	6,401,548
	<u><u>9,773,497</u></u>	<u><u>6,419,048</u></u>

Denominated in the following currencies:

Seychelles Rupees	9,766,070	6,411,621
Euro	7,427	7,427
	<u><u>9,773,497</u></u>	<u><u>6,419,048</u></u>

There is no lien on balances held with the banks.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

11. SHARE CAPITAL AND RESERVES

	2022	2021
	SR	SR
Authorised shares		
10,000,000 shares of Euro 1 each	<u>175,535,000</u>	<u>175,535,000</u>

12. DEFERRED TAX LIABILITY

(a) Deferred taxes are calculated on all temporary differences under the liability method at applicable rates as mentioned in note 10 (d).

(b) There is a legally enforceable right to offset deferred tax assets and deferred tax liabilities when the deferred taxes relate to the same fiscal authority. The movement in deferred tax account and amounts shown in the statement of financial position are as follows:

	2022	2021
	SR	SR
At January 1,	(8,015,377)	24,782,035
Charge to profit or loss (note 10 (b))	<u>(899,473)</u>	<u>(32,797,412)</u>
At December 31,	<u>(8,914,850)</u>	<u>(8,015,377)</u>

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority, is as follows:

	2022	2021
	SR	SR
Deferred tax liability (note (c)(i))	(12,936,533)	(16,048,280)
Deferred tax asset (note (c)(ii))	<u>4,021,683</u>	<u>8,032,903</u>
Net deferred tax liability	<u>(8,914,850)</u>	<u>(8,015,377)</u>

(i) Deferred tax liability

	2022	2021
	SR	SR
Accelerated tax depreciation		
At January 1,	(16,048,280)	(15,915,018)
Credit/(charge) for the year	<u>3,111,747</u>	<u>(133,262)</u>
At December 31,	<u>(12,936,533)</u>	<u>(16,048,280)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

12. DEFERRED TAX LIABILITY *Continued*

(ii) Deferred tax asset

	Accumulated tax losses	
	2022	2021
	SR	SR
At January 1,	8,032,903	40,697,053
Charge for the year	(4,011,220)	(32,664,150)
At December 31,	4,021,683	8,032,903

13. BORROWINGS

	2022	2021
	SR	SR
Government of Seychelles (note (a) and (b))	115,500,612	115,500,612
Seychelles Trading Company Limited - Treasury	164,347	607,785
	115,500,612	115,500,612

Analysed:

Due beyond one year	115,500,612	115,500,612
Due within one year	164,347	607,785
	115,664,959	116,108,396

(a) Loan of SR. 115,500,612 was borrowed from Societe Seychelloise D'Investissement Limited, the then holding company that was fully owned by Government of Seychelles. This loan was previously classified as amount due from holding company. The new holding company effective the financial year 2021 is Seychelles Trading Company Limited, however, this loan was not formally transferred to Seychelles Trading Company Limited, a company fully owned by Government of Seychelles.

During the financial year under review the loan from Societe Seychelloise D'Investissement Limited was reclassified as amount due from Government of Seychelles (reclassified effective the year 2021) being the ultimate beneficiary. The loan is unsecured, non-interest bearing and is due beyond one year. New terms of this loan is due to be formalised.

(b) Amount due to Seychelles Trading Company Limited is unsecured, non-interest bearing with no definite repayment terms. The Directors are of the opinion that this amount should be classified as current liability.

14. CURRENT TAX

Current tax is business tax on the yearly taxable profit of the company based on rates applicable at the balance sheet date. Current taxes is reflected as payable after setting of any tax losses available from prior years. Tax losses are available to be carried forward for a period of five years and then they become obsolete and cannot be utilised beyond five years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

14. CURRENT TAX *Continued*

	2022	2021
	SR	SR
(a) Tax charge		
Tax charge for the year (note (b) (i))	-	-
Deferred Tax (note 12 (b))	899,473	32,797,412
Corporate Social Responsibility Tax (note (b) (ii))	-	18,953
Total tax charge for the year	899,473	32,816,365

(b) Tax rates

	2022	2021
(i) Based on taxable profit:		
On the first SR. 1 million of taxable income	15%	25%
On the excess of SR. 1 million of taxable income	25%	30%
(ii) Based on gross turnover:		
Corporate social responsibility tax - on monthly turnover	-	0.5%
Corporate social responsibility tax Act, was repealed on April 20, 2021		

15. TRADE AND OTHER PAYABLES

	2022	2021
	SR	SR
Accruals	763,716	1,776,256
Seychelles Revenue Commission	3,340,715	2,089,462
Rental deposits	1,146,034	2,457,897
	5,250,465	6,323,615

- (a) The carrying amounts of trade and other payables approximate their amortised cost.
- (b) Amounts due to Seychelles Revenue Commission comprise mainly of VAT SR. 1,887,067, Social security and Personal income taxes pertaining to year 2009 and 2010 and SR. 81,337 other taxes. Due to non-availability of payable carried forward for social security and Personal Income Taxes, the Current Management is unable to determine the primary tax payable, if any. No provision is made to penalties, if any, that might determined to be payable, if any.
- (c) Rental deposits are provided as security deposits provided by tenants as security for any future defaults by the tenants with respect to rental arrears or repairs for any damages to the lessors property as per rental contracts. The lessor has the right to adjust any dues from tenants at the end of the contract. There is no standard policy being applied by the Company with respect to rental deposits. The Directors of the opinion that these should be classified as current liability although they are roll over in nature.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

16. OPERATING AND OTHER EXPENSES

	2022	2021
	SR	SR
Summarised as follows:		
- Employee costs (note (a))	954,873	299,631
- Administrative expenses (note (b))	4,589,848	6,639,905
- Depreciation (note (c))	3,328,199	3,266,405
- Amortisation on investment and leasehold property (note (c))	6,384,287	5,552,046
	15,257,207	15,757,987
(a) Employee costs:		
Salaries and wages	954,123	252,531
Employee benefits and related expenses	750	-
Directors' emoluments (note (d))	-	47,100
	954,873	299,631
(b) Administrative expenses:		
Advertising, promotion, marketing and entertainment	102,442	51,415
Auditor's remuneration	46,000	46,000
Administrative expenses	650	7,261
Bank charges	2,611	3,538
Cleaning expenses	1,001,249	1,456,637
Consultancy fees	63,425	410,221
Donations	-	57,994
Electricity and water	1,213,386	1,955,104
Exchange gain	-	(280)
Other operating overheads	2,500	15,526
Insurance and licenses	150,996	120,870
Printing and stationery	9,944	11,055
Repairs and maintenance	471,736	1,320,433
Security services	1,524,389	1,183,741
Telephone and internet	520	390
	4,589,848	6,639,905
(c) Depreciation and Amortisation:		
Amortisation on investment property (note 6)	5,659,556	5,020,120
Amortisation of deposit on leasehold land (note 7)	724,731	531,926
	6,384,287	5,552,046
(d) Directors' emoluments:		
Brian Loveday	-	9,120
Jeanette Lesperance	-	6,080
Tacey Furneau	-	9,120
Alderic Bristol	-	6,080
Ayub Bristol	-	9,120
Additional	-	7,580
	-	47,100

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

17. LOSS FOR THE YEAR

	2022	2021
	SR	SR
Operating profit is arrived at, after charging:		
Amortisation on investment and leasehold property	6,384,287	5,552,046
Auditor's remuneration	46,000	46,000
Depreciation of property, plant and equipment (note 5)	3,328,199	3,266,405
Directors' emoluments (note 16 (d))	-	47,100
	<hr/>	<hr/>

18. RELATED PARTY BALANCES AND TRANSACTIONS

Relationships

Ultimate beneficiary:	Government of Seychelles
Holding company:	Seychelles Trading Company Limited

	Transactions	Due to related parties	Due from related parties	
		SR	SR	
December 31, 2022				
<i>Related party's transactions and balances:</i>				
- Seychelles Trading Company Limited				
- Government of Seychelles		665,401	733,070	
Directors' emoluments (note 16 (d))		-	115,500,612	
		<hr/>	<hr/>	
		665,401	116,233,682	
		<hr/>	<hr/>	
December 31, 2021				
<i>Related party's transactions and balances:</i>				
- Seychelles Trading Company Limited		607,785	116,114,396	
Directors' emoluments (note 16 (d))		47,100	-	
		<hr/>	<hr/>	
		654,885	116,114,396	
		<hr/>	<hr/>	

- (a) Transactions with related parties are made at normal market prices, with the exception of rental income from holding company since the year 2021.
- (b) Other terms and conditions have been included under the relevant notes.
- (c) There have been no guarantees provided or received for any related party payables or receivables.
- (d) For the year ended December 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2021: SR. nil).
- (e) This assessment is undertaken at the end of the financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

18. RELATED PARTY BALANCES AND TRANSACTIONS *Continued*

(f) In the prior year the loan from holding company of SR 115,500,612 (originally from Societe Seychelloise D'Investissement Limited) was classified under Seychelles Trading Company Limited. This has been re-classified to Government of Seychelles as the formalisation of transfer of this loan to Seychelles Trading Company Limited is still under process.

19. CAPITAL COMMITMENTS

There were no Capital Commitments approved by the Board as at December 31, 2022 (2021 : SR. 19 million).

20. CONTINGENT LIABILITIES

Except for the penalties that might be levied for late payment of statutory liabilities that cannot be estimated at this date, there are no contingent liabilities as at December 31, 2022 (2021 : SR. nil).

21. FINANCIAL SUMMARY

	2022 SR'000	2021 SR'000	2020 SR'000	2019 SR'000	2018 SR'000
Turnover	11,547	11,415	23,179	22,840	22,069
Profit and Loss					
Loss before tax	(3,710)	(4,343)	5,243	3,749	(73)
Taxation	(899)	(32,816)	(3,629)	(3,277)	(1,980)
(Loss)/profit for the year	(4,609)	(37,159)	1,614	472	(2,053)
Balance brought forward	(122,463)	(85,304)	(86,918)	(87,390)	(85,337)
Revenue deficit	(127,072)	(122,463)	(85,304)	(86,918)	(87,390)
Balance Sheet					
Share capital and reserves	175,535	175,535	175,535	175,535	175,535
Revenue deficit	(127,072)	(122,463)	(85,304)	(86,918)	(87,390)
	48,463	53,072	90,231	88,617	88,145

NOT FOR PUBLICATION

BOIS DE ROSE INVESTMENT LIMITED

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	SR	SR
INCOME		
Revenue from contracts with customers	11,409,653	11,371,782
Other income	137,300	43,261
	11,546,953	11,415,043
OVERHEADS		
Advertising and promotion	67,742	35,415
Auditor's remuneration	46,000	46,000
Administrative expenses	650	7,261
Bank charges	2,611	3,538
Cleaning expenses	1,001,249	1,456,637
Consultancy fees	63,425	410,221
Donations	-	57,994
Electricity and water	1,213,386	1,955,104
Exchange gain	-	(280)
Other operating overheads	2,500	15,526
Insurance and licenses	150,996	120,870
Marketing and entertainment cost	34,700	16,000
Pension contribution	45,259	10,231
Printing and stationery	9,944	11,055
Repairs and maintenance	471,736	1,320,433
Salaries and wages	908,864	289,400
Security services	1,524,389	1,183,741
Staff training and welfare	750	-
Telephone and internet	520	390
	5,544,721	6,939,536
PROFIT FROM OPERATIONS		
Depreciation of property, plant and equipment	6,002,232	4,475,507
Amortisation on investment and leasehold property	(3,328,199)	(3,266,405)
LOSS BEFORE TAX	(6,384,287)	(5,552,046)
	(3,710,254)	(4,342,944)