

2020 DEVELOPMENT (SEYCHELLES) LIMITED

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CORPORATE INFORMATION

| | |
|--------------------------------|---|
| DIRECTORS | : Barry Faure Sabrina Agathine Yves Choppy |
| REGISTERED OFFICE | : ICCS Building, 2nd Floor, Room 9 Victoria, Mahé Seychelles |
| PRINCIPAL PLACE OF BUSINESS | : Mahé Seychelles |
| AUDITORS | : BDO Associates Chartered Accountants Seychelles |
| BANKERS | : Bank of Baroda Barclays Bank (Seychelles) Limited Seychelles International Mercantile Banking Corporation Limited |

DIRECTORS' REPORT - DECEMBER 31, 2018

The Directors are pleased to present their report together with the audited financial statements of the Company for the year ended December 31, 2018.

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 | (4,510,959) |
| Revenue deficit brought forward | (1,644,049) |
| Revenue deficit carried forward | <u>(6,155,008)</u> |

DIVIDENDS

The Directors did not recommend any dividend for the year under review (2017 : Nil).

PROPERTY AND EQUIPMENT

Additions to property and equipment for the year under review amounted to SR 9.4m (2017: 11.2m) and comprised work in progress (WIP) and equipment.

The Directors are of the opinion that the carrying value of the property and equipment at December 31, 2018 approximates its fair value.

DIRECTORS AND DIRECTORS' INTEREST

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

| | <u>2018 & 2017</u> |
|------------------|------------------------|
| | Ordinary shares |
| Barry Faure | 1 |
| Sabrina Agathine | - |
| 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


Sabrina Agathine
Director

Yves Choppy
Director

Dated: 01 APR 2021
Victoria, Seychelles

2020 DEVELOPMENT (SEYCHELLES) LIMITED

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INDEPENDENT AUDITOR'S 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 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 Financial Statements

We have audited the attached financial statements of **2020 Development (Seychelles) Limited** set out on pages 4 to 17 which comprise the Balance Sheet at December 31, 2018 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(a) of the Directors' Report, the Board of Directors are responsible for preparation of the financial statements.

Auditor's 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 auditor's 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 considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting 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 qualified audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)

Qualified Opinion

In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion section, the financial statements on pages 4 to 17 give a true and fair view of the financial position of the Company at December 31, 2018 and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Standards.

Basis for Qualified Opinion

(i) Registration of plots

Included in the Income Statement is an amount of **SR 8.3m** (2017: SR 9.9m) relating to revenue from sale of plots. We were unable to obtain sufficient appropriate audit evidence from the Company's lawyers concerning the registration of these plots / date of submission to the Registry, which is our basis for revenue recognition on leases. Consequently, we were unable to determine whether any adjustments to the amount disclosed in the financial statements was required.

(ii) Accuracy of development costs of Ellipse Consultancy Ltd

We draw your attention to note 5(b) which explains that the Company incurred development costs amounting to **SR 36.7m** from Ellipse Consultancy Ltd during 2016 financial year. The Company appointed Ellipse Consultancy Ltd as "Technical advisor and negotiator of 2020 Development (Seychelles) Ltd for development of Ile Soleil. The agreement stated that payment to the Technical advisor was 28% of savings made between GIBB (Seychelles) quotation for development of Ile Soleil and actual costs incurred by UCPS for the work done.

Although a total liability of **SR 36.7m** was agreed by the Board (Minutes dated June 30, 2020), we could not obtain a confirmation from Ellipse Consultancy Ltd. Ellipse Consultancy invoiced the Company **SR 45.7m** for the same transaction. We were therefore unable to obtain reasonable assurance on accuracy of development costs for Ellipse Consultancy Ltd.

We were also unable to independently compute the 28% savings made due to lack of supporting evidence on development costs.

(iii) Unrecorded liabilities

As per the signed agreement between the Company and Ellipse Consultancy Ltd, the Company was liable to pay 10% per annum for all amounts that remained unpaid to Ellipse Consultancy Ltd. The interest expense recognised in the financial statements is based on the total liability determined by the Board, not as per invoiced amount. We were therefore unable to determine whether any adjustment to the amount disclosed in the financial statements is required.



2020 DEVELOPMENT (SEYCHELLES) LIMITED

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

Emphasis of Matter

Going concern

Without further qualifying our Opinion, we draw attention that the Company had a shareholders' deficit of **SR 6.1m** (2017: SR 1.6m). Notwithstanding the aforesaid, the financial statements have been prepared on a going concern basis as the Company has **SR 113.1m** (2017: SR 108.9m) worth of revenue deferred into the future and the Company will be able to meet its liabilities both current and contingent as and when they fall due.

Our opinion is not qualified in respect of the above.

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 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.

Public Enterprise Monitoring Commission Act, 2013

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

We have obtained all the information necessary for the purpose of our audit and are satisfied with the information received.

BDO ASSOCIATES
Chartered Accountants

Dated: 01 APR 2021
Victoria, Seychelles

2020 DEVELOPMENT (SEYCHELLES) LIMITED

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BALANCE SHEET AS AT DECEMBER 31, 2018

| | Notes | 2018 SR | Restated 2017 SR |
|---|----------------|--------------------|------------------------|
| ASSET | | | |
| Non-current asset | | | |
| Property and equipment | 5 | 100,071,573 | 99,051,406 |
| Current assets | | | |
| Trade and other receivables | 6 | 30,632,503 | 27,041,980 |
| Cash and cash equivalents | 7 | 2,957,284 | 9,799,051 |
| | | 33,589,787 | 36,841,031 |
| Total assets | | 133,661,360 | 135,892,437 |
| (DEFICIT) / EQUITY AND LIABILITIES | | | |
| Shareholders' equity / (deficit) | | | |
| Share capital | 8 | 10,000 | 10,000 |
| Revenue deficit | | (6,155,008) | (1,644,049) |
| | | (6,145,008) | (1,634,049) |
| LIABILITY | | | |
| Non Current liabilities | | | |
| Deferred revenue | 9 | 111,853,053 | 107,797,837 |
| Current liabilities | | | |
| Deposit from customers | 2(c)(iii) & 10 | 4,627,402 | 12,524,067 |
| Trade and other payables | 11 | 22,115,465 | 16,071,570 |
| Deferred revenue | 9 | 1,210,448 | 1,133,012 |
| | | 27,953,315 | 29,728,649 |
| Total equity and liability | | 133,661,360 | 135,892,437 |

These financial statements have been approved for issue by the Board of Directors on: 01 APR 2021


Barry Faure
Director


Yves Choppy
Director


Sabrina Agathine
Director

The notes on pages 8 to 17 form an integral part of these financial statements.
Auditors' report on pages 3 to 3(b).

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

| | Notes | 2018 SR | Restated 2017 SR |
|--------------------------------------|-------|--------------------|------------------------|
| Income | | | |
| Sale of property | 2(d) | 8,281,752 | 9,896,460 |
| Revenue from leased Property | 2(e) | 1,210,448 | 1,092,121 |
| | | <u>9,492,200</u> | <u>10,988,581</u> |
| Expenses | | | |
| Property developments costs expensed | 5(a) | 8,306,035 | 9,615,426 |
| Advertising and marketing expenses | | 11,834 | 29,930 |
| Professional fees | | 1,384,200 | 822,851 |
| Rent | | 180,000 | 180,000 |
| Directors' remuneration | | 119,882 | 171,208 |
| Salaries and wages | | 199,390 | 186,724 |
| Auditors' remuneration | | 57,500 | 34,500 |
| Depreciation | | 27,216 | 19,882 |
| Exchange losses | | 715,620 | 144,127 |
| Other operating expenses | | 3,001,482 | 2,452,431 |
| | | <u>14,003,159</u> | <u>13,657,079</u> |
| Loss for the year | | <u>(4,510,959)</u> | <u>(2,668,498)</u> |

The notes on pages 8 to 17 form an integral part of these financial statements.
Auditors' report on pages 3 to 3(b).

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2018

| | Note | Share capital SR | Revenue deficit SR | Total SR |
|--|------|------------------------|--------------------------|--------------|
| At January 1, 2017 | | 10,000 | (73,425,898) | (73,415,898) |
| Effect of prior period adjustment | 15 | - | 74,450,347 | 74,450,347 |
| As restated | | 10,000 | 1,024,449 | 1,034,449 |
| Loss for the year | | - | (2,668,498) | (2,668,498) |
| As previously reported | | - | (10,171,823) | (10,171,823) |
| Effect of unrecognised development costs (note 5(c)) | | - | 8,650,872 | 8,650,872 |
| At December 31, 2017 | | 10,000 | (1,644,049) | (1,634,049) |
| Loss for the year | | - | (4,510,959) | (4,510,959) |
| At December 31, 2018 | | 10,000 | (6,155,008) | (6,145,008) |

The notes on pages 8 to 17 form an integral part of these financial statements.
Auditors' report on pages 3 to 3(b).

CASH FLOW STATEMENT - YEAR ENDED DECEMBER 31, 2018

| | Notes | 2018 SR | Restated 2017 SR |
|---|-------|--------------------|------------------------|
| Cash flows from operating activities | | | |
| Loss for the year | | (4,510,959) | (2,668,498) |
| <i>Adjustments for:</i> | | | |
| Depreciation of property and equipment | 5 | 27,216 | 19,882 |
| Property developments costs expensed | 5(a) | 8,306,035 | 9,615,426 |
| | | <u>3,822,292</u> | <u>6,966,810</u> |
| <i>Changes in working capital:</i> | | | |
| - Increase in trade and other receivables | | (3,590,523) | (27,029,900) |
| - (Decrease) / Increase in deposit from customers | | (3,764,013) | 29,585,726 |
| - Decrease in trade and other payables | | 6,043,895 | 24,950,247 |
| Net cash inflow from operating activities | | <u>2,511,651</u> | <u>34,472,883</u> |
| Cash flow from investing activity | | | |
| Additions to property and equipment and Net cash outflow from investing activities | 5 | <u>(9,353,418)</u> | <u>(48,081,340)</u> |
| Cash flows from financing activity | | | |
| Grants received from Ministry of Finance and Net cash inflow from financing activity | 13 | <u>-</u> | <u>6,718,400</u> |
| Net decrease in cash and cash equivalents | | <u>(6,841,767)</u> | <u>(6,890,057)</u> |
| Movement in cash and cash equivalents | | | |
| At January 1, | | 9,799,051 | 16,689,108 |
| Decrease | | (6,841,767) | (6,890,057) |
| At December 31, | 7 | <u>2,957,284</u> | <u>9,799,051</u> |

The notes on pages 8 to 17 form an integral part of these financial statements.
Auditors' report on pages 3 to 3(b).

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 ICCS, 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 |

Properties in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Development costs capitalised are apportioned to Income Statement based on total development costs to match with expected revenue to be recognised on leases.

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) Trade and other receivables

Trade and other receivables are recognised initially at fair value less any provision for impairment. A provision for impairment of trade and 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.

(ii) Cash and cash equivalents

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

(iii) Deposit from customers

Deposits are from customers for 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) Revenue recognition

Revenue derived from sale of property is recognised upon registration and execution of sub-leases and sale of plots.

(e) Income from Operating Lease

Income from leased property is recognised as revenue on a straight-line basis over the period of the lease. Lease incentives granted are recognised as an integral party of the lease.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(f) Government grants**

Grants for revenue expenditure are netted against the cost incurred by the Company. Where retention of a government grant is dependent on the Company satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the Income Statement or netted against the cost incurred.

(g) 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.

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.

(h) 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 is considered to be low.

(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.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Deferred revenue

Long term leases are accounted for as deferred revenue and released to Income statement over the lease period. Should there be a change in circumstances, the life of lease may change and release to Income Statement will be impacted. These factors include the changes in the allocated time frame of the Company to operate. Management will assess these factors annually.

The split between current and non current of this balance is based on straight line basis.

(ii) Allocation of development costs

These are costs incurred to develop Ile Soleil. Development costs have been apportioned based on estimated total costs to match with expected total revenue to be recognised on leases. Any change to development costs or revenue expected will affect amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2018

5. PROPERTY AND EQUIPMENT

| | Work-in-progress (WIP) | Equipment | Total |
|---|------------------------|-----------|--------------|
| | SR | SR | SR |
| COST | | | |
| At January 1, 2017 | | | |
| - As previously reported | - | 83,886 | 83,886 |
| - Effect of prior period adjustment (notes 5(b), (c) & (d)) | 97,449,451 | - | 97,449,451 |
| As restated | 97,449,451 | 83,886 | 97,533,337 |
| Cost of development costs expensed (Page 5) | (9,615,426) | - | (9,615,426) |
| - As previously charged in 2017 | (18,266,298) | - | (18,266,298) |
| - Reallocation estimate adjustment (Note 5(c)) | 8,650,872 | - | 8,650,872 |
| Additions | 11,173,113 | 15,525 | 11,188,638 |
| At December 31, 2017 | 99,007,138 | 99,411 | 99,106,549 |
| Additions | 9,309,418 | 44,000 | 9,353,418 |
| Cost of development costs expensed | (8,306,035) | - | (8,306,035) |
| At December 31, 2018 | 100,010,521 | 143,411 | 100,153,932 |
| ACCUMULATED DEPRECIATION | | | |
| At January 1, 2017 | - | 35,261 | 35,261 |
| Charge for the year | - | 19,882 | 19,882 |
| At December 31, 2017 | - | 55,143 | 55,143 |
| Charge for the year | - | 27,216 | 27,216 |
| At December 31, 2018 | - | 82,359 | 82,359 |
| NET BOOK VALUE | | | |
| At December 31, 2018 | 100,010,521 | 61,052 | 100,071,573 |
| At December 31, 2017 | 99,007,138 | 44,268 | 99,051,406 |

(a) DEVELOPMENT COSTS EXPENSED

On April 12, 2017, the Company was instructed by the Government through the Ministry of Habitat, Infrastructure and Land Transport, its main shareholder that upon completion and acceptance of roads and other utilities built on Ile Soleil, that these assets were to be handed over to the relevant Government Department and agencies responsible for regulating and operating these public infrastructure assets.

At December 31, 2018, total cumulative costs incurred effective 2014 amounted to SR 146.5m (Breakdown in Appendices A(1) to (5)), up to December 31, 2018. Since these costs incurred related also to development of plots under leases, Management decided to match these to leases executed and transferred to Owners upon yearly occurrence. Consequently since leases have been executed as from 2016, this "Matching concept" is now being recognised effective 2016. Therefore, costs have been apportioned based on total costs of SR 146.5m to match with expected revenue to be recognised on leases amounting to SR 167.4m (Refer to Appendices B(2) & B(3)). Consequently, amounts expensed for 2018 on leases executed were SR 8.3m (SR 9.5m/SR 167.4m*SR 146.5m) and 2017: SR 9.6m (SR 10.9m/SR 167.4m*SR 146.5m).

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2018

5. PROPERTY AND EQUIPMENT (CONT'D)

(b) UNRECOGNISED DEVELOPMENT COSTS

Development costs incurred by the Company during the financial year ended December 31, 2016 with a total cost of **SR 24.5m** (representing the difference between approved liability by the Board of SR 36.7m and amount of SR 12.2m) was booked based on invoiced amount from Ellipse Consultants Ltd to 2020 Development company. This amount was however omitted in 2016. Interest expense of SR 1.1m (10% per annum) on outstanding dues, effective 2017 were also accrued in these financial statements. These amounts were both adjusted retrospectively.

In March 2013, 2020 Development incurred an expenditure of **SR 3.3m** relating to transfer of intellectual property rights for plans from Voltaire Investment Ltd. That expense was also not recorded in the books and now corrected retrospectively.

Also at December 2016, the Director of Ellipse Consultancy owed 2020 Development Company an amount of SR 13m, for the purchase of Crystal Property (T1 plot) and in return, 2020 Development Company owed Ellipse Consultancy Ltd SR 25m.

An agreement was signed between both parties to set off the SR 13.0m owed by Ellipse Consultancy Ltd against what was due to it. Upon reclassification of Deferred revenue from deposits in 2017, a total amount of SR 81m (note 6(a)) was reclassified from deposits, but again did not take into account the offset of SR 13m. This has now been adjusted as below.

The above transactions were therefore adjusted retrospectively in these financial statements and the effect on the results of 2017 was as follows:

| Impact on Balance Sheet | SR |
|--|-------------------|
| Increase in work in progress (Ellipse & Voltaire costs) (note (b)) | 27,814,534 |
| Increase in trade payables (note 11) | 14,814,534 |
| Increase in deposits account (note 10) | <u>13,000,000</u> |

- (c) As a result of the above transaction, the allocation of development costs to match with revenue was adjusted, taking into effect total revenue of SR 167.4m and total project costs to date of SR 146.5m (note 5(a)). The effect of the adjustment on the results is shown below:

| Impact on Balance Sheet | SR |
|--|------------------|
| Increase in work in progress : Financial year 2016 (Appendix B(1)) | 69,634,917 |
| : Financial year 2017 (Appendix B(1)) | 8,650,872 |
| Decrease in revenue deficit : Financial year 2016 | 69,634,917 |
| : Financial year 2017 | <u>8,650,872</u> |

- (d) The total impact on work in progress amounted to **SR 97,449,451** (Appendix B(1)).

6. TRADE AND OTHER RECEIVABLES

| | 2018 | Restated 2017 |
|--|-------------------|-------------------|
| | SR | SR |
| Trade receivables | | |
| - As previously reported | 27,041,980 | 12,080 |
| - Effect of grossing up receivables (notes 6(a) & 9) | - | 27,030,000 |
| As restated | <u>27,041,980</u> | <u>27,042,080</u> |
| Movement in trade receivables | 2,395,274 | (100) |
| | <u>29,437,254</u> | <u>27,041,980</u> |
| Other receivables | 1,195,249 | - |
| | <u>30,632,503</u> | <u>27,041,980</u> |

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2018

6. TRADE AND OTHER RECEIVABLES (CONT'D)

- (a) The balance receivable related to amounts owed by a Buyer for the purchase of T1 plot, "Crystal Properties" on Parcel S9140 at Ile Soleil and which has been outstanding since 2016. The Buyer is also the Director of Ellipse Consultancy Ltd. The purchased price was effectively SR 108m but in the previous years' financial statements, this amount was accounted net of a receivable of SR 27m from Buyer (see note 9) (SR 81m). In 2018, the SR 27m receivable from Buyer was reclassified to Trade receivable and Deferred revenue grossed up by the same amount.
- (b) The carrying amounts of trade and other receivables approximate their amortised cost and are denominated in Seychelles Rupees and USD.

7. CASH AND CASH EQUIVALENTS

| | 2018 | 2017 |
|--------------|------------------|------------------|
| | SR | SR |
| Cash at bank | 2,956,228 | 9,798,372 |
| Cash in hand | 1,056 | 679 |
| | <u>2,957,284</u> | <u>9,799,051</u> |

8. SHARE CAPITAL

| | 2018 & 2017 |
|-------------------------------------|---------------|
| | SR |
| Authorised and issued share capital | |
| 100 ordinary shares of SR 100 each | <u>10,000</u> |

9. DEFERRED REVENUE

Restated

The movement in the "Deferred Revenue" is as follows:

| | 2018 | 2017 |
|---|--------------------|--------------------|
| | SR | SR |
| At January 1, | | |
| - As previously reported | 110,941,500 | - |
| - Effect of change in accounting policy (note 6(a)) | - | 81,090,000 |
| - Effect of change in accounting policy (note 9(b)) | - | 2,821,500 |
| - Effect of grossing up receivables (note 6(a)) | - | 27,030,000 |
| As Restated | <u>110,941,500</u> | <u>110,941,500</u> |
| Additions for the year | <u>5,343,100</u> | - |
| At December 31, | <u>116,284,600</u> | <u>110,941,500</u> |

Release to Income Statement / Retained earnings

| | | |
|---|------------------|------------------|
| At January 1, | | |
| - As previously reported | 2,010,651 | - |
| - Effect of change in accounting policy (note 6(a)) | - | 910,101 |
| - Effect of change in accounting policy (note 9(b)) | - | 8,429 |
| As Restated | <u>2,010,651</u> | <u>918,530</u> |
| Release to Income Statement | <u>1,210,448</u> | <u>1,092,121</u> |
| At December 31, | <u>3,221,099</u> | <u>2,010,651</u> |

Carrying amount

| | | |
|-----------------|--------------------|--------------------|
| At December 31, | <u>113,063,501</u> | <u>108,930,849</u> |
|-----------------|--------------------|--------------------|

Analysed as:

| | | |
|-------------|--------------------|--------------------|
| Non-current | 111,853,053 | 107,797,837 |
| Current | <u>1,210,448</u> | <u>1,133,012</u> |
| | <u>113,063,501</u> | <u>108,930,849</u> |

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2018

9. DEFERRED REVENUE (CONT'D)

- (a) The Company entered into a transaction with a Buyer with respect to "Crystal Properties" Parcel S 9140 at Ile Soleil as well as other commercial plots which were treated as operating leases. These Parcels were on an operating lease agreements with the lessee for a period of 99 years regarding Crystal properties and 69 years for the other commercial plots. The upfront payments for these leases have been accounted for as Deferred Revenue and the release to the Income Statement will be over the periods of the leases.

(b) DEFERRED REVENUE ON COMMERCIAL PLOTS

The Company changed its accounting policy in respect of two commercial plots sold in 2016. The plots were on operating leases of 69 years each. A total amount of SR 2,821,500 was received for these two plots and recognised as revenue in full during 2016 financial year. Effective 2017, the amount was reclassified to Deferred revenue in the Balance sheet with an annual release over 69 years to the Income Statement effective 2017.

This change in accounting policy has been corrected retrospectively by restating each of the impacted financial statement line items for the period ended December 31, 2017, as follows:

| | SR |
|--------------------------------------|-----------|
| Increase in revenue deficit | 2,821,500 |
| Increase in deferred revenue | 2,821,500 |
| Increase in deferred income | 8,429 |
| Decrease in deferred revenue account | 8,429 |

10. DEPOSITS FROM CUSTOMERS

| | 2018 | Restated 2017 |
|---|-------------|------------------|
| | SR | SR |
| At January 1, | | |
| - As previously reported | 12,524,067 | 89,966,220 |
| - Effect of change in accounting policy (note 6(a)) | - | (81,090,000) |
| - Effect of change in accounting policy (note 5(b)) | - | 13,000,000 |
| - Effect of change in accounting policy on grants (note 12) | - | (6,718,400) |
| As restated | 12,524,067 | 15,157,820 |
| Movements during the year | (7,896,665) | (2,633,753) |
| At December 31, | 4,627,402 | 12,524,067 |

11. TRADE AND OTHER PAYABLES

| | 2018 | Restated 2017 |
|--|-------------|------------------|
| | SR | SR |
| - As previously reported | 16,071,570 | 199,491 |
| - Restatement of trade payables | - | 15,962,081 |
| Unrecognised development costs - Ellipse Consultancy (note 5(b)) | - | 14,814,534 |
| Unrecorded finance costs (note 5(b)) | - | 1,147,547 |
| As restated | 16,071,570 | 16,161,572 |
| Movements during the year | (1,948,550) | (90,002) |
| Other payables | 7,992,445 | - |
| | 22,115,465 | 16,071,570 |

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2018

12. GRANTS RECEIVED

The Company received grants from the Government of Seychelles for development of Ile Soleil in tranches of SR 5,218,400 and SR 1,500,000 on June 27, 2013 and July 12, 2013 respectively. These amounts were accounted for under deposits. During 2018, the grants were released to Income Statement and the effect of the error has been accounted for retrospectively as follows:

| | <u>2017</u> SR |
|-----------------------------|-------------------|
| Decrease in Revenue deficit | 6,718,400 |
| Decrease in deposits | <u>6,718,400</u> |

13. CAPITAL COMMITMENTS

There were no capital commitments as at December 31, 2018 (2017: nil).

14. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2018 (2017: Nil).

15. FINANCIAL SUMMARY

| | 2018 | Restated 2017 | Restated 2016 | 2015* | 2014* |
|---|----------------|------------------|------------------|----------------|----------------|
| | SR'000 | SR'000 | SR'000 | SR'000 | SR'000 |
| Loss for the year | (4,511) | (2,668) | (72,899) | (1,125) | (773) |
| Revenue deficit brought forward | (1,644) | 1,024 | (2,575) | (1,450) | (677) |
| - Effect of prior year change (note 16) | - | - | 74,450 | - | - |
| Revenue deficit carried forward | <u>(6,155)</u> | <u>(1,644)</u> | <u>1,024</u> | <u>(2,575)</u> | <u>(1,450)</u> |
| SHAREHOLDERS' DEFICIT | | | | | |
| Share capital | 10 | 10 | 10 | 10 | 10 |
| Revenue deficit | (6,155) | (1,644) | 1,024 | (2,575) | (1,450) |
| | <u>(6,145)</u> | <u>(1,634)</u> | <u>1,034</u> | <u>(2,565)</u> | <u>(1,440)</u> |

* Figures for years 2014 and 2015 have not been restated to comply with the changes in accounting policies due to impracticability and costs out of proportion to the benefit of Stakeholders.

16. RECONCILIATION OF CHANGES IN ACCOUNTING POLICIES

The following table reconciles the relevant items of the statement of financial position as a result of prior year adjustments for years ended December 31, 2017 and 2016.

| | | December 31, 2017 | | | | December 31, 2016 | | | |
|---------------------------------|-----------------------|--|------------------|---|------------|--|------------------|---|-------------|
| Statement of financial position | Notes | Balance reported before prior year adjustments | Impact of change | Balance reported after prior year adjustments | | Balance reported before prior year adjustments | Impact of change | Balance reported after prior year adjustments | |
| | | | | SR | SR | | | SR | SR |
| Property and equipment | 5 & 5(c) | 79,211,896 | 8,650,872 | | 87,862,768 | 48,625 | 97,449,451 | | 97,498,076 |
| Trade and other receivables | 6 & 6(b) | - | - | | - | 12,080 | 27,030,000 | | 27,042,080 |
| Revenue deficit | 5(a), 5(c), 9(b) & 12 | 10,171,823 | (7,503,325) | | 2,668,498 | 73,425,898 | (74,450,347) | | (1,024,449) |
| Deferred revenue | 6(a), 9 & 9(b) | - | - | | - | - | 110,022,970 | | 110,022,970 |
| Deposit from customers | 5(b), 10 & 12 | - | - | | - | 89,966,220 | (74,808,400) | | 15,157,820 |
| Trade and other payables | 5(b) & 11 | - | - | | - | 199,491 | 15,962,081 | | 16,161,572 |

COST OF SALES AND WORK IN PROGRESS

APPENDIX A(1)

| Date | Supplier | Description | SCR | Total SCR |
|--|---|--|-----------|-------------------|
| Deferred Development expense-2013 (b/f) | | | | |
| 19/08/2014 | United Concrete Products (Seychelles) Limited | provision of utilities and infrastructure | 9,048,066 | 3,138,434 |
| 12/10/2014 | United Concrete Products (Seychelles) Limited | Contract Soleil 02 | 1,365,245 | |
| 14/01/2014 | Ellipse Consultancy Ltd | Contract Soleil 02 | 523,250 | |
| 12/03/2014 | GeoConsul Ltee | geotechnical investigation at Ile Soleil | 52,837 | |
| 09/05/2014 | Ellipse Consultancy Ltd | Consultancy | 161,000 | |
| 08/07/2014 | Ellipse Consultancy Ltd | Consultancy fees | 81,500 | |
| 21/08/2014 | Ellipse Consultancy Ltd | consultancy fees- July & August 2014 | 81,500 | |
| 30/10/2014 | Ellipse Consultancy Ltd | Consultancy fees | 39,400 | |
| 26/11/2014 | Ellipse Consultancy Ltd | consultancy fees- Nov 14 | 40,250 | |
| Total Property Development Expense-2014 | | | | 14,531,482 |
| 01/16/2015 | GIBB (Seychelles) Ltd | Invoice 14-75 Soleil 02: Claim 1; 5months (Jul-Nov 14) | 201,068 | 38,157,660 |
| 01/28/2015 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 7,639,645 | |
| 01/29/2015 | United Concrete Products (Seychelles) Limited | Contract NO.2 - Certificate #4 | 1,119,587 | |
| 02/03/2015 | United Concrete Products (Seychelles) Limited | Contract Soleil 02: Interim Payment Certificate 3 | 1,301,463 | |
| 04/07/2015 | United Concrete Products (Seychelles) Limited | Contract NO.2 - Certificate #5 | 2,490,462 | |
| 04/07/2015 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 1,712,521 | |
| 04/21/2015 | GIBB (Seychelles) Ltd | Provision of Utilities & Infrastructure | 313,647 | |
| 05/28/2015 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 1,600,395 | |
| 06/22/2015 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 3,350,254 | |
| 06/30/2015 | United Concrete Products (Seychelles) Limited | Contract No No2-Interim Payment Certificate 7 | 1,007,624 | |
| 07/06/2015 | Quarry Products Seychelles | Reclamation of meteo plot | 224,796 | |
| 07/20/2015 | GIBB (Seychelles) Ltd | Claim 02; Soleil 2 & Claim 01; Soleil 1 | 273,434 | |
| 08/12/2015 | GIBB (Seychelles) Ltd | Inv 15-17 Design fee | 378,025 | |
| 08/27/2015 | GIBB (Seychelles) Ltd | Provision of Utilities & Infrastructure | 182,289 | |
| 09/09/2015 | GIBB (Seychelles) Ltd | inv 15-21 Additional fee for design stage | 402,500 | |
| 09/11/2015 | GIBB (Seychelles) Ltd | Provision of Utilities & Infrastructure | 250,316 | |
| 09/11/2015 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 1,178,151 | |
| Development cost c/f | | | | |

COST OF SALES AND WORK IN PROGRESS

APPENDIX A(2)

| Date | Supplier | Description | SCR | Total SCR |
|--|---|---|-------------------|------------|
| Development cost b/f | | | | |
| 09/11/2015 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 2,215,895 | 38,157,660 |
| 09/11/2015 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 3,009,569 | |
| 10/22/2015 | GIBB (Seychelles) Ltd | Provision of Utilities & Infrastructure | 91,145 | |
| 10/29/2015 | Quarry Products Seychelles | Provision of Utilities & Infrastructure | 208,023 | |
| 11/06/2015 | GIBB (Seychelles) Ltd | Provision of Utilities & Infrastructure | 91,145 | |
| 11/10/2015 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 2,918,933 | |
| 11/10/2015 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 1,647,932 | |
| 11/30/2015 | GIBB (Seychelles) Ltd | Provision of Utilities & Infrastructure | 182,289 | |
| 12/23/2015 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 935,811 | |
| 12/23/2015 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 2,647,393 | |
| 01/28/2015 | Ellipse Consultancy Ltd | Consultancy fees- December 2014 | 40,250 | |
| 03/18/2015 | Ellipse Consultancy Ltd | Consultancy Jan & Feb 15 | 80,500 | |
| 04/23/2015 | Ellipse Consultancy Ltd | March & April Fees | 80,500 | |
| 06/02/2015 | Ellipse Consultancy Ltd | Consultancy April & May | 40,250 | |
| 08/12/2015 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 5,374,933 | |
| 09/03/2015 | Ellipse Consultancy Ltd | Jun, July & Aug 15 | 120,750 | |
| 11/03/2015 | Ellipse Consultancy Ltd | september; consultancy fees | 40,250 | |
| 12/29/2015 | Ellipse Consultancy Ltd | Consultancy fees Nov & Dec 15 | 80,500 | |
| Total Property Development Expense-2015 | | | 57,963,727 | |

COST OF SALES AND WORK IN PROGRESS

APPENDIX A(3)

| Date | Supplier | Description | SCR | Total SCR |
|--|---|---|-------------|-------------------|
| Development cost b/f | | | | |
| 28/01/2016 | GIBB (Seychelles) Ltd | Provision of Utilities & Infrastructure | 91,145 | 57,963,727 |
| 28/01/2016 | United Concrete Products (Seychelles) Limited | contract 02; IPC 13 | 740,651 | |
| 28/01/2016 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 857,930 | |
| 16/03/2016 | United Concrete Products (Seychelles) Limited | contract 02: IPC 14 | 1,691,903 | |
| 14/04/2016 | United Concrete Products (Seychelles) Limited | contract 02: IPC 15 | 2,075,384 | |
| 20/04/2016 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 1,352,134 | |
| 26/04/2016 | GIBB (Seychelles) Ltd | consultancy soleil 02 & 03 Inv. 16-09 feb 16 | 91,145 | |
| 26/04/2016 | GIBB (Seychelles) Ltd | consultancy soleil 02 & 03 Inv. 16-16 mar 16 | 91,145 | |
| 12/05/2016 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 4,148,499 | |
| 16/06/2016 | Lyra Vidot | compensation paid for road built on parcel of third party | 100,000 | |
| 20/06/2016 | United Concrete Products (Seychelles) Limited | contract 02, IPC no. 16 | 2,967,186 | |
| 22/06/2016 | Ellipse Consultancy Ltd | consultancy | 80,500 | |
| 01/08/2016 | United Concrete Products (Seychelles) Limited | consultancy | 3,877,692 | |
| 01/08/2016 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 1,138,960 | |
| 12/08/2016 | Ellipse Consultancy Ltd | consultancy | 33,530 | |
| 01/09/2016 | United Concrete Products (Seychelles) Limited | Anse aux pins bus station | 579,657 | |
| 01/09/2016 | United Concrete Products (Seychelles) Limited | Anse aux pins junction reclamation | 1,380,000 | |
| 29/09/2016 | United Concrete Products (Seychelles) Limited | contract 02 IPC 18 | 3,000,000 | |
| 17/10/2016 | Ellipse Consultancy Ltd | consultancy | 80,500 | |
| 02/11/2016 | Government of Seychelles | funds grant from GOS for anse aux pins bus stop | (1,846,026) | |
| 04/11/2016 | Eco Green | Landscaping contractor | 125,070 | |
| 14/11/2016 | United Concrete Products (Seychelles) Limited | Provision of Utilities & Infrastructure | 5,285,491 | |
| 02/12/2016 | Jean Paul Antoine | Excavation and transport of soil | 24,000 | |
| 21/12/2016 | Ellipse Consultancy Ltd | consultancy fees for 2016 | 80,500 | |
| 30/12/2016 | Ellipse Consultancy Ltd | consultancy fees for 2016 | 12,183,127 | |
| Total Deferred Development expense-2016 | | | | 98,193,847 |

COST OF SALES AND WORK IN PROGRESS

APPENDIX A(4)

| Date | Supplier | Description | SCR | Total SCR |
|---|---|--|-------------|-------------|
| Development cost b/f | | | | |
| 03/02/2017 | Eco Green | landscaping | 197,295 | 98,193,847 |
| 07/02/2017 | Flocel Adeline | hiring of excavator and truck for coral fill | 10,000 | |
| 09/02/2017 | United Concrete Products (Seychelles) Limited | infrastructural works for anse aux pins | 848,346 | |
| 10/02/2017 | United Concrete Products (Seychelles) Limited | infrastructural works for anse aux pins | 1,027,515 | |
| 06/03/2017 | Eco Green | completion of landscaping works | 310,035 | |
| 09/03/2017 | United Concrete Products (Seychelles) Limited | construction of bridge access road | 751,650 | |
| 09/03/2017 | United Concrete Products (Seychelles) Limited | construction of bridge access road | 1,147,699 | |
| 13/03/2017 | PUC | Electricity transformers for Ile Soleil | 871,492 | |
| 27/03/2017 | GIBB (Seychelles) Ltd | Design and supervision of landscaping work | 26,071 | |
| 27/03/2017 | GIBB (Seychelles) Ltd | Design of bases for street furniture | 4,654 | |
| 31/03/2017 | United Concrete Products (Seychelles) Limited | IPC 18 50% & IPC 20 50% | 2,203,298 | |
| 04/04/2017 | Eco Green | handing over payment and adjustment of 1st payment | 72,225 | |
| 31/05/2017 | GIBB (Seychelles) Ltd | Detailed design for AAP junction | 168,156 | |
| 06/06/2017 | United Concrete Products (Seychelles) Limited | IPC 20 50% final | 2,161,734 | |
| 24/07/2017 | Aquarpis Consultancy | Architectural & Engineering design cost | 32,750 | |
| 26/07/2017 | Jiangsu Jiuzhou Bridge Engineering | Bailey Bridge | 867,533 | |
| 26/07/2017 | Chongqing Arlau | Provision of Utilities & Infrastructure | 86,067 | |
| 14/08/2017 | United Concrete Products (Seychelles) Limited | Construction of Breakwater & Reclamation at AAP IPC 1. | 1,531,977 | |
| 22/09/2017 | Aquarpis Consultancy | Airfare / peridium for bridge inspection in China | 24,699 | |
| 27/09/2017 | Jiangsu Juizhou Bridge Co. | Bailey Bridge | 1,007,941 | |
| 27/09/2017 | Arlau Co. | Payment of outstanding balance for Ile Soleil garden furnitu | 16,518 | |
| 06/11/2017 | United Concrete Products (Seychelles) Limited | Construction of Breakwater & reclamation of land | 552,930 | |
| 14/11/2017 | Societe Seychellois de navigation | Bailey Bridge and Garden Furniture | 12,245 | |
| 20/11/2017 | Seychelles Revenue Commission | Bailey Bridge and Garden furniture | 332,921 | |
| 20/11/2017 | Land Marine | Handling costs for bridge and garden furniture containers | 17,500 | |
| 21/11/2017 | Societe Seychellois de navigation | Bridge and Garden furniture containers | 70,000 | |
| 21/11/2017 | Land Marine | Containers transportation costs to Ile Soleil | 17,750 | |
| Contribution SFA Soleil o6 | | | | |
| 18/10/2017 | Seychelles Fishing Authority | Payment from SFA for Soleil 06 IPC 1 | (1,531,977) | (1,665,911) |
| 26/12/2017 | Seychelles Fishing Authority | Contribution SFA Contract 06 IPC2 | | |
| Total Deferred Development expense-2017 | | | | |
| | | | | 109,366,960 |

COST OF SALES AND WORK IN PROGRESS

APPENDIX A(5)

| Date | Supplier | Description | SCR | Total SCR |
|------|----------|-------------|-----|-----------|
|------|----------|-------------|-----|-----------|

Total deferred development costs (2014-2017)

109,366,960

Represented by the following Suppliers:

Opening balance at beginning of 2014
 United Concrete Products (Seychelles) Limited
 Ellipse Consultancy Ltd
 Others
 Total deferred development costs

| |
|--------------------|
| 3,138,434 |
| 89,884,512 |
| 13,868,057 |
| 2,475,957 |
| <u>109,366,960</u> |

Additional costs incurred in 2018-per Supplier

37,123,953

Bridge - Material
 Consultancy - Ellipse
 Consultancy - GIBBS
 Consultancy - Voltaire Investments
 Other Costs - Infrastructure and utility Development
 STP Plant
 Bridge - Other Exp
 Bridge Contractor - Blackstone (Pty) Ltd - Labour n Eqpt
 UCPS - Contract 2
 UCPS - Contract 3
 UCPS Other Contracts

| |
|--------------------|
| 96,639 |
| 24,475,474 |
| 400,000 |
| 3,339,061 |
| 67,600 |
| 589,727 |
| 611,826 |
| 1,058,000 |
| 4,286,738 |
| 3,332,157 |
| <u>(1,133,269)</u> |

Total costs to date (Construction is assumed complete)

146,490,913

ALLOCATION OF SALES AND WORK IN PROGRESS

APPENDIX B(1)

ALLOCATION OF WORK IN PROGRESS

SCR

Gross revenue for 2020 Ile Soleil Project

Total revenue from leases (excluding T1 plot) (Refer to Appendix A(7))
Revenue from T1 (8,000,000 *13.5)

A

167,410,921

59,290,921

108,120,000

Total development costs

B

146,490,913

Annual revenue recognised

FY 2016

32,637,361

FY 2017

10,988,581

FY 2018

9,492,200

Allocation of development costs

('FY 2016/A)*B

28,558,930

('FY 2017/A)*B

9,615,426

('FY 2018/A)*B

8,306,035

Effect of revising development costs

As previously recognised in 2016

98,193,847

Revised amount for 2016

28,558,930

Amount adjusted in Retained earnings and PPE note

69,634,917

As previously recognised in 2017

18,266,298

Revised amount for 2017

9,615,426

Amount adjusted in Retained earnings and PPE note

8,650,872

Development costs expensed in 2018

8,306,035

ALLOCATION OF SALES AND WORK IN PROGRESS - LEASES (CONT'D)

APPENDIX B(2)

| Plot | Parcel No | Name of client | Document Executed | Period of lease (years) | Class | Consideration (SR) | Allotment Date | Date title received | Registration of lease |
|------|-----------|---------------------------------|-------------------|-------------------------|-------------|--------------------|----------------|---------------------|-----------------------|
| R19 | S9173 | Nichol Latulippe | Lease | | Residential | 467,640 | 16-Apr-14 | 05.12.2014 | 2016 |
| R20 | S9175 | Norria JD Fred & Julia Cultreri | Lease | | Residential | 372,600 | 16-Apr-14 | 05.12.2014 | 2016 |
| R21 | S9176 | Mike and Jill Gappy | Lease | | Residential | 276,480 | 3-Mar-15 | 05.12.2014 | 2016 |
| R22 | S9177 | France De Sylva | Lease | | Residential | 335,880 | 16-Apr-14 | 05.12.2014 | 2016 |
| R23 | S9178 | Nisset Chang Time | Lease | | Residential | 388,800 | 16-Apr-14 | 05.12.2014 | 2016 |
| R24 | S9179 | David Esparon | Lease | | Residential | 368,280 | 16-Apr-14 | 05.12.2014 | 2016 |
| R25 | S9180 | Nabil Surman | Lease | | Residential | 344,520 | 16-Apr-14 | 05.12.2014 | 2016 |
| R26 | S9170 | Neil Valmont & Celine Payet-Va | Lease | | Residential | 643,680 | 16-Apr-14 | 05.12.2014 | 2016 |
| R27 | S9171 | Caroline Richardson White | Lease | | Residential | 502,200 | 16-Apr-14 | 05.12.2014 | 2018 |
| R29 | S9181 | Sarka Viktorova | Lease | | Residential | 521,640 | 16-Apr-14 | 05.12.2014 | 2016 |
| R28 | S9182 | Natasha De St Maurice | Lease | | Residential | 660,960 | 24-Sep-15 | 05.12.2014 | 2018 |
| R30 | S9183 | Marie-Josée Durup | Lease | | Residential | 590,760 | 28-Apr-16 | 05.12.2014 | 2017 |
| R31 | S9185 | Anna-Belle Reddy | Lease | | Residential | 636,120 | 4-Dec-14 | 05.12.2014 | 2016 |
| R32 | S9188 | Winsley Felix & Lorna Julitta F | Lease | | Residential | 484,920 | 16-Apr-14 | 05.12.2014 | 2018 |
| R33 | S9191 | Dagma Cadeau | Lease | | Residential | 506,520 | 16-Apr-14 | 05.12.2014 | 2017 |
| R34 | S9169 | Jean-Marc Matombe | Lease | | Residential | 763,140 | 16-Apr-14 | 05.12.2014 | 2016 |
| R35 | S9172 | Floren Guy Low | Lease | | Residential | 535,440 | 5-Aug-14 | 05.12.2014 | 2016 |
| R36 | S9174 | Juliette Butler Hoareau | Lease | | Residential | 463,680 | 16-Apr-14 | 05.12.2014 | 2016 |
| R37 | S9184 | Rand Alkayem | Lease | | Residential | 869,400 | 16-Apr-14 | 05.12.2014 | 2016 |
| R38 | S9186 | Daniel Mancienne | Lease | | Residential | 701,000 | 12-Sep-18 | 05.12.2014 | 2016 |
| R39 | S9187 | Jim Louis | Lease | | Residential | 651,360 | 16-Apr-14 | 05.12.2014 | 2016 |
| R40 | S9189 | Brigitte & Denis Esparon | Lease | | Residential | 565,800 | 16-Apr-14 | 05.12.2014 | 2016 |
| R41 | S9190 | Sanjay Naidoo | Lease | | Residential | 518,880 | 10-Jun-17 | 05.12.2014 | 2016 |
| R42 | S9210 | Marie-Laure Low | Lease | | Residential | 420,900 | 5-Aug-14 | 05.12.2014 | 2016 |
| R43 | S9200 | Alan Daniel Low | Lease | | Residential | 510,600 | 5-Aug-14 | 05.12.2014 | 2016 |
| R44 | S9199 | Ahmed Raza | Lease | | Residential | 495,420 | 16-Apr-14 | 05.12.2014 | 2016 |
| R45 | S9198 | Dino Ernesta & Beverly William | Lease | | Residential | 459,540 | 16-Apr-14 | 05.12.2014 | 2016 |
| R46 | S9201 | Effie and Philip Michel | Lease | | Residential | 411,240 | 16-Apr-14 | 05.12.2014 | 2016 |
| R47 | S9202 | Venkatesan Ragupathy | Lease | | Residential | 378,120 | 16-Apr-14 | 05.12.2014 | 2016 |
| | | | | | | 14,845,520 | | | |

ALLOCATION OF SALES AND WORK IN PROGRESS - LEASES (CONT'D)

APPENDIX B(3)

| Plot | Parcel No | Name of client | Document executed | Period of lease (years) | Class | Consideration (SR) | Allotment date | Date title received | Registration of lease |
|--|-------------|---------------------------------|-------------------|-------------------------|-------------|--------------------|----------------|---------------------|-----------------------|
| | Balance b/f | | | | | 14,845,520 | | | |
| C1 | S9203 | Nikolas Ahmed Droz | Sub-lease | 69.00 | Commercial | 1,500,000 | 16-Apr-14 | 05.12.2014 | 2018 |
| C2 | S9145 | Didier Laporte | Sub-lease | 69.00 | Commercial | 1,200,000 | 16-Apr-14 | 05.12.2014 | 2018 |
| C3 | S9146 | Luminous Trading | Sub - lease | 69.00 | Commercial | 1,100,250 | 30-Jan-17 | 05.12.2014 | 2018 |
| C4 | S9147 | Chez Deenu | Sub-lease | 69.00 | Commercial | 1,435,500 | 4-Aug-14 | 05.12.2014 | 2016 |
| C5 | S9148 | Dona Wallin | Sub-lease | 69.00 | Commercial | 1,386,000 | 16-Apr-14 | 05.12.2014 | 2016 |
| C6 | S9149 | Cocoon Pty Ltd | Sub-lease | 69.00 | Commercial | 1,542,850 | 27-Nov-14 | 05.12.2014 | 2018 |
| C7 | S9150 | David Morel and Christian Dagn | Sub-lease | 69.00 | Residential | 5,000,000 | 22-Jun-17 | 05.12.2014 | 2019 |
| R1 | S9154 | Ai Qui Wang | Lease | | Residential | 1,638,000 | 29-Oct-14 | 05.12.2014 | 2016 |
| R2 | S9155 | Nikkey Ltd | Lease | | Residential | 1,576,000 | 6-Jun-15 | 05.12.2014 | 2016 |
| R3 | S9156 | Muriel Krischek | Lease | | Residential | 1,342,000 | 6-Nov-15 | 05.12.2014 | 2018 |
| R4 | S9157 | Donald Ernesta | Lease | | Residential | 1,368,840 | 16-Apr-14 | 05.12.2014 | 2016 |
| R6 | S9152 | Kasi Trading | lease | | Residential | 1,801,000 | 16-Apr-14 | 05.12.2014 | 2017 |
| R7 | S9153 | Serge Monthly | Lease | | Residential | 1,182,300 | 5-Aug-14 | 05.12.2014 | 2018 |
| R8 | S9159 | Mahmoud Alkayem | Lease | | Residential | 1,884,238 | 16-Apr-14 | 05.12.2014 | 2016 |
| R9 | S9160 | Mahmoud Alkayem | Lease | | Residential | 1,989,603 | 16-Apr-14 | 05.12.2014 | 2016 |
| R10 | S9161 | Woodwork (pty) ltd | Lease | | Residential | 1,730,000 | 16-Apr-14 | 05.12.2014 | 2016 |
| R11 | S9162 | Sahaj Holdings Pty Ltd | Lease | | Residential | 1,800,000 | 16-Apr-14 | 05.12.2014 | 2016 |
| R12 | S9163 | Sahaj Holdings Pty Ltd | Lease | | Residential | 1,750,000 | 16-Apr-14 | 05.12.2014 | 2016 |
| R13 | S9164 | Ai Qui Wang | Lease | | Residential | 1,950,000 | 3-Aug-17 | 05.12.2014 | 2016 |
| R14 | S9165 | Serge Monthly | Lease | | Residential | 1,503,600 | 16-Apr-14 | 05.12.2014 | 2017 |
| R15 | S9166 | Ahwan Estate | Lease | | Residential | 2,560,820 | 16-Apr-14 | 05.12.2014 | 2016 |
| R16 | S9167 | Dona Wallin, Filip Walling & Al | Lease | | Residential | 2,204,400 | 16-Apr-14 | 05.12.2014 | 2018 |
| R17/18 | S9208 & S9 | ATC investments | Lease | | Residential | 5,000,000 | 2-Aug-16 | 05.12.2014 | 2017 |
| | | | | | | 59,290,921 | | | |
| | S9140 | Crystal Properties | Lease | 99.00 | | USD 8,000,000 | | 01.10.2015 | 2016 |
| Total revenue from leases excluding Crystal Properties | | | | | | 59,290,921 | | | |
| Revenue from Crystal Properties at 13.515 | | | | | | 108,120,000 | | | |
| Total expected revenue | | | | | | 167,410,921 | | | |