



## DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

The directors of the company are responsible for the preparation of the financial statements.

Financial statements are prepared in accordance with generally accepted accounting principles.

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## GREEN ISLAND CONSTRUCTION COMPANY LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014

The directors present herewith their report and audited financial statements of the company for the year ended 31 March 2014.

#### **Activities**

The company carries on the business of a building contractor.

#### **Results**

As shown in the statement of income on page 5, operating activities for the current period give the company a profit of R 2,621,730 after taxation.

#### **Application of profits and revenue reserves**

The results for the current year and revenue reserves from prior year give the company R 6,115,722 available for distribution.

The directors do not propose to distribute any dividend for the year.

#### **Fixed assets**

There were no significant changes in fixed assets of the company during the year.

The carrying amounts of property, plant and equipment are reviewed to determine whether they are in excess of their market or recoverable amount at balance sheet date. If the carrying amount exceeds the recoverable amount, the asset is written down to the lower amount.

#### **Directors and their interest in the company**

The directors of the company during the period and their interests in accordance with the register maintained under Section 111 of the Companies Act 1972, were as follows:-

	SHARES HELD	
	1 January	31 December
Mr. G.M.Savy	0	0
Mr. P. Lablache	0	0
Mr. R. Renaud	0	0
Mr. D. Dogley	0	0
Ms. L. Desaubin	0	0
Ms. S. Renaud	0	0
Mr. P. Payet	0	0

All the directors of the company are citizens of Seychelles.

Mr. G. M. Savy retires from the board in accordance with Articles of Association and being eligible offer himself for re-election.

No contract of significance subsisted with the company at any time during the year in which the directors had directly or indirectly, a material interest.

**GREEN ISLAND CONSTRUCTION COMPANY LIMITED**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014**

***Statement of directors responsibilities***

The directors are required to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for the period. In preparing those accounts, the directors are required to:-

- prepare financial statements on the going concern basis unless it is inappropriate to assume continuance of business;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- disclose and explain any material departures from applicable accounting standards.

The Companies Act 1972 also requires the directors to keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They also have the general responsibility for taking reasonable steps to safeguard the assets of the company and detect fraud and other irregularities.

The directors consider they have met their responsibilities as set out in the Companies Act 1972.

***Auditors***

The retiring auditors are Pool & Patel who are eligible for re-appointment.

**DIRECTORS**



Mr. G.M. Savy



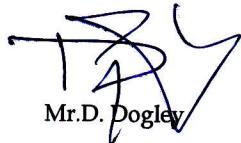
Mr. R. Renaud



Mr. P. Lablache



Ms. S. Renaud



Mr. D. Dogley



Mr. P. Payet



Ms. L. Desaubin

15 July 2014



## INDEPENDENT AUDITOR'S REPORT

### GREEN ISLAND CONSTRUCTION COMPANY LIMITED

We have audited the accompanying financial statements of Green Island Construction Company Limited on pages 4 to 11, which comprise the statement of financial position as at March 31, 2014, the statement of income – by nature of expense and retained earnings and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management, under the historical cost convention and the financial reporting provisions of the Seychelles Companies Act 1972.

This report is made solely for the Company's members as a body in accordance with Section 158 of the Companies Act 1972. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's Members as a body for our audit work, for this report or for the opinion we have formed.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for keeping proper accounting records and for the preparation of financial statements that give a true and fair view of the company's affairs in accordance with the financial reporting provisions of the Seychelles Companies Act 1972, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We have no relationship with or material interest in the company other than in our capacity as auditors and tax and business advisors and arms length dealings with the company in the ordinary course of business.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and that these are in accordance with the accounting records maintained by the management. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

#### **Opinion**

In our opinion, the accompanying financial statements set out on pages 4 to 11 give a true and fair view of the financial position of Green Island Construction Company Limited as at March 31, 2014, and of its financial performance and its cash flows for the period then ended in accordance with the financial reporting provisions of the Seychelles Companies Act 1972.

*Pool Patel*

**POOL & PATEL**  
**CHARTERED ACCOUNTANTS**  
15 July 2014

*Sampath*

*Patel*

# GREEN ISLAND CONSTRUCTION COMPANY LIMITED

## Statement of financial position

Financial statements are prepared in Seychelles Rupees.

		At 31 March	
	Note	2014	2013
<b>Assets</b>			
Property, plant and equipment	12	12,894,528	13,795,844
Deferred income tax asset	7	23,999	5,414
<b>Non-current assets</b>		<b>12,918,527</b>	<b>13,801,258</b>
Inventories	9	8,703,740	6,907,881
Trade and other receivables	10	38,969,624	29,753,667
Cash and cash equivalent		21,434	12,622
<b>Current assets</b>		<b>47,694,798</b>	<b>36,674,170</b>
<b>Total assets</b>		<b>60,613,325</b>	<b>50,475,428</b>
Share capital	8	100,000	100,000
Retained earnings		6,115,722	3,493,992
<b>Equity</b>		<b>6,215,722</b>	<b>3,593,992</b>
<b>Liabilities</b>			
Borrowings		604,234	0
Employee benefit obligations	11	79,997	16,406
Deferred tax liability	7	100,380	850,467
<b>Non-current liabilities</b>		<b>784,611</b>	<b>866,873</b>
Current tax liability	7	171,669	619,457
Trade and other payables	13	37,839,504	42,382,481
Borrowings	14	15,601,819	3,012,625
<b>Current liabilities</b>		<b>53,612,992</b>	<b>46,014,563</b>
<b>Total liabilities</b>		<b>54,397,603</b>	<b>46,881,436</b>
<b>Total liabilities and equity</b>		<b>60,613,325</b>	<b>50,475,428</b>

The notes on pages 7 to 12 are an integral part of these financial statements.

Directors

Mr. G.M. Sayy

Mr. D. Dogley

Mr. R. Renaud

Mr. P. Payet

Mr. P. Lablache

Ms. L. Desaubin

Ms. S. Renaud

15 July 2014

**GREEN ISLAND CONSTRUCTION COMPANY LIMITED**

**Statement of income - by nature of expense and retained earnings**

Financial statements are prepared in Seychelles Rupees

	Note	Year ended 31 March 2014	From incorporation to 31 March 2013
Construction income	3	157,632,206	73,244,865
Direct outgoings	5	(119,940,358)	(63,613,395)
Employee salaries and benefits expense		(15,755,665)	(2,700,116)
Camp running expenses		(2,984,018)	0
Depreciation and amortisation	12	(1,898,800)	(37,948)
Exchange (losses)/ gains		(10,028)	3,125,137
Vehicle expenses		(953,148)	(330,676)
Rent		(1,416,060)	(330,960)
Management fees		(702,600)	(114,070)
Licence & insurance	4	(1,521,010)	(3,471,918)
Other expenses			
<b>Operating profit</b>		<b>5,134,284</b>	<b>5,770,919</b>
<b>Finance costs</b>		<b>(358,553)</b>	<b>(128,805)</b>
Bank Interest			
<b>Profit before income tax</b>	7	<b>4,775,731</b>	<b>5,642,114</b>
Income tax expense		(2,154,001)	(2,148,122)
Dividends		2,621,730	3,493,992
		0	0
<b>Retained earnings 1 January</b>		<b>3,493,992</b>	<b>0</b>
<b>Retained earnings 31 December</b>		<b>6,115,722</b>	<b>3,493,992</b>

The notes on pages 7 to 12 are an integral part of these financial statements.

## GREEN ISLAND CONSTRUCTION COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Financial statements are prepared in Seychelles Rupees

#### 1 *Reporting entity*

Green Island Construction is a limited liability company incorporated and domiciled in the Seychelles. The address of the company's registered office is Maison La Rosiere, Mahe, Seychelles.

The company carries on the business of building contractors.

#### 2 *Summary of significant accounting policies*

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

##### 2.1 *Basis of presentation*

The statements of Green Island Construction Ltd are prepared in accordance with the requirements of the Seychelles Companies Act, 1972 and the International Financial reporting Standard for Small and Medium-sized Entities (IFRS for SME's). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS for SME's requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. Areas involving a high degree of judgement and where assumptions and estimations are significant to the financial statements are disclosed in the notes.

##### 2.2 *Functional and reporting currency*

The financial statements are presented in the Seychelles Rupee, which is the reporting currency under the Companies Act, 1972.

##### 2.3 *Impairment of financial assets*

The carrying amounts of the financial assets is reviewed by the directors periodically to determine whether it is in excess of its market or recoverable amount in the balance sheet. If there is any evidence of other than a temporary impairment in the carrying amount of an asset, it is written down to its fair value or recoverable amount and the loss recognised in the statement of income.

##### 2.4 *Foreign currency translation*

Foreign currency transactions are translated in the Seychelles Rupee at the rate of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income within "finance income or costs".

The Banks mid-rates for the period were:

Currency	Exchange rates at 31 March			Changes in percent	
	2014	2013	2012	2013-2014	2012-2013
US \$	12.11	11.99	14.27	-1%	16%
Euro	16.78	15.33	19.14	-9%	20%

## GREEN ISLAND CONSTRUCTION COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Financial statements are prepared in Seychelles Rupees

#### 2.5 *Property, plant and equipment*

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner indicated by the management. The cost of property constructed by the company includes cost of material and labour.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when cost is incurred if the replacement part is expected to provide future benefits to the company. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. The estimated useful lives range as follows:

Building	10 years
Plant and equipment	5 years
Motor vehicles	4 years
Computers	5 years
Tools	5 years

The assets residual values and depreciation methods are reviewed, and adjusted prospectively, if there is an indication or a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other income or expenses" in the statement of income.

#### 2.6 *Inventories*

Inventories are stated at an estimation of the lower of cost and estimated selling price less costs to complete and sell.

#### 2.7 *Taxation*

The tax expense for the period comprises of current and deferred tax.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and unused tax losses or tax credits.

The current income tax charge and deferred tax is calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the reporting date.

#### 2.8 *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

#### 2.9 *Trade receivables*

Trade receivables are initially recognised at the transaction price. 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 original terms of the receivables.

**GREEN ISLAND CONSTRUCTION COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

Financial statements are prepared in Seychelles Rupees

**2.10 Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit and loss account on a straight line basis over the period of the lease.

**2.11 Revenue recognition**

In relation to the rendering of services, revenue is recognised by reference to the state of completion of the transaction at the balance sheet date.

Retention withheld by clients is recognised in the income statement when received by the company.

**3 Direct outgoings**

<b>Analysis of expenses by category</b>	<b>2014</b>	<b>2013</b>
Materials	96,443,574	24,842,649
Labour	23,496,784	6,420,698
Sub contractor	0	32,350,048
<b>Total</b>	<b>119,940,358</b>	<b>63,613,395</b>

**4 Other expenses**

	<b>2014</b>	<b>2013</b>
Repairs& maintenance	212,398	0
Legal & professional	137,847	10,968
Project costs written off	0	131,293
Printing & stationery	205,133	520,111
Travelling and accommodation	102,682	368,833
Utilities	256,775	772,512
Communication	301,744	792,070
Other	304,431	876,131
<b>Total other expenses</b>	<b>1,521,010</b>	<b>3,471,918</b>

**5 Employee salaries and benefits expense**

	<b>2014</b>	<b>2013</b>
Wages and salaries	38,533,676	9,606,623
Pension costs	28,458	2,934
Employee benefits obligation (Note 11)	63,591	16,406
Staff welfare	2,326,637	87,037
Recharges from IDC	0	2,080,444
Work permit	2,178,935	225,975
Transfer to direct outgoings	(27,375,632)	(9,319,303)
<b>Total administration salaries</b>	<b>15,755,665</b>	<b>2,700,116</b>

**6 Profit for the year**

	<b>2014</b>	<b>2013</b>
Profit for the year has been arrived at after charging/(crediting):		
Auditors remuneration	130,000	125,000
Depreciation	1,898,800	37,948
Rents paid	1,416,060	330,960
<b>Total</b>	<b>3,444,860</b>	<b>493,908</b>

**GREEN ISLAND CONSTRUCTION COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

Financial statements are prepared in Seychelles Rupees

**7 Taxation**

	Statement of financial position		Statement of income	
	2014	2013	2014	2013
<b>7.1 Current tax</b>				
Balance due from prior year	619,457	0	0	0
Paid/refund received for prior year	(619,457)	0	0	0
Provision for the year	2,162,975	936,845	2,162,975	936,845
Deduction at source paid for current year	(1,491,306)	(317,388)	0	0
Provisionally paid for current year	(500,000)	0	0	0
<b>Total</b>	<b>171,669</b>	<b>619,457</b>	<b>2,162,975</b>	<b>936,845</b>
<b>7.2 Deferred tax asset</b>				
Employee compensation obligation	23,999	5,414	(18,585)	(5,414)
<b>7.3 Deferred tax liability</b>				
Deferred due to accelerated tax depreciation	29,286	79,602	(50,316)	79,602
Unrealised exchange differences	71,094	770,865	(699,771)	770,865
<b>Total</b>	<b>100,380</b>	<b>850,467</b>	<b>(750,087)</b>	<b>850,467</b>
<b>Total deferred tax expense</b>			<b>(768,672)</b>	<b>845,053</b>
<b>7.4 Corporate social responsibility tax</b>			<b>759,698</b>	<b>366,224</b>
<b>Total income tax expense</b>			<b>2,154,001</b>	<b>2,148,122</b>

**8 Authorised & issued capital**

	2014	2013
Authorised and issued and fully paid 100 shares of R 1,000 each	100,000	100,000

**9 Inventories**

	2014	2013
Blocks & cement	459,707	329,773
Timber & plywood	2,695,882	843,880
Weld mesh & Steel	536,042	315,286
Pipes & fittings	1,460,865	5,186,824
Food stock	1,321,530	0
Tiles, tiles skirting	721,378	0
Flexible conduits	781,190	0
Sundry	727,146	232,118
<b>Total</b>	<b>8,703,740</b>	<b>6,907,881</b>

**10 Trade and other receivables**

	2014	2013
Completed work awaiting certification or invoicing	3,987,734	8,472,058
Receivable for work certified or invoiced	32,949,277	10,517,394
Prepaid goods and credit with suppliers	1,067,443	6,542,292
GST refund receivable	0	3,031,229
Prepayments and other receivables	965,170	1,190,694
<b>Total</b>	<b>38,969,624</b>	<b>29,753,667</b>

Work in progress is estimated by reference to amount spent on potential contracts as at year end.

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Financial statements are prepared in Seychelles Rupees

**11 Employee benefit obligations**

	2014	2013
1 January	16,406	0
Benefits paid	0	16,406
Current service cost	63,591	0
<b>Total</b>	<b>79,997</b>	<b>16,406</b>

Employment Amendment Act (1999) requires employees to be compensated upon retirement or resignation for continuous service from their date of original employment.

**12 Property, plant and equipment**

	Building	Plant / Machinery & Tools/ Furniture & fittings	Motor Vehicles	Computers/ Electrical equipment	Total
<b>Cost</b>					
At 1 April 2013	9,650,035	898,160	3,197,711	87,886	13,833,792
Additions	0	243,210	179,040	575,234	997,484
Disposal	0	0	0	0	0
<b>At 31 March 2014</b>	<b>9,650,035</b>	<b>1,141,370</b>	<b>3,376,751</b>	<b>663,120</b>	<b>14,831,276</b>
<b>Accumulated depreciation and impairment</b>					
At 1 April 2013	0	0	36,792	1,156	37,948
Annual depreciation	965,004	204,735	657,397	71,664	1,898,800
Disposals	0	0	0	0	0
<b>At 31 March 2014</b>	<b>965,004</b>	<b>204,735</b>	<b>694,189</b>	<b>72,820</b>	<b>1,936,748</b>
<b>Carrying amount</b>					
At 1 April 2013	9,650,035	898,160	3,160,919	86,730	13,795,844
<b>At 31 March 2014</b>	<b>8,685,031</b>	<b>936,635</b>	<b>2,682,562</b>	<b>590,300</b>	<b>12,894,528</b>

**13 Trade and other payables**

	2014	2013
Payable to related parties (Note 15)	9,681,035	6,189,994
Contract advances	5,775,394	24,818,717
Trade creditors	12,373,003	8,185,042
Sundry creditors and accruals	10,010,072	2,822,504
<b>Total</b>	<b>37,839,504</b>	<b>42,016,257</b>

**14 Borrowings**

	2014	2013
<b>Non current</b>		
Bank	13,822,259	3,012,625
Shareholders loans	2,383,794	0
<b>Total</b>	<b>16,206,053</b>	<b>3,012,625</b>
<b>Current</b>		
Bank loans	1,779,560	0
Bank overdraft	13,822,259	3,012,625
<b>Total</b>	<b>15,601,819</b>	<b>3,012,625</b>

The loans are secured by a first line floating charge over the company's present & future assets & Corporate guarantee of Islands Development Company Limited.

**GREEN ISLAND CONSTRUCTION COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**  
**Financial statements are prepared in Seychelles Rupees**

**14.1 Repayments**

	<b>2014</b>	<b>2013</b>
Repayable within 1 year	15,601,819	3,012,625
Repayable later than 1 year and no later than 5 years	604,234	0
<b>Total</b>	<b>16,206,053</b>	<b>3,012,625</b>

**14.2 Currency profile**

	<b>2014</b>	<b>2013</b>
US \$	11,312,637	2,726,117
Seychelles R	4,893,416	286,508
<b>Total</b>	<b>16,206,053</b>	<b>3,012,625</b>

**14.3 Finance cost profile**

	<b>2014</b>	<b>2013</b>
3 months Libor + 5% (average 5.24%)	11,312,637	2,726,117
Lending rate + 3% (Average 10%)	4,893,416	286,508
<b>Total</b>	<b>16,206,053</b>	<b>3,012,625</b>

**15 Related parties and transactions**

These relate to shareholders, directors and senior management of the company and the companies of which they are principal owners or directors. Pricing policies and terms of these transactions are considered by the Directors to have been conducted at an arms length unless stated otherwise below.

**15.1 Services provided by parent company**

	<b>2014</b>	<b>2013</b>
Management's time	0	2,080,444
Use of infrastructure & construction machineries	0	2,080,444
Printing & stationeries	0	520,111
Use of guest house & others	0	260,055
Use of vehicles	0	260,055
Composite management fee	7,317,235	0
<b>Total</b>	<b>7,317,235</b>	<b>5,201,109</b>

**15.2 Year end balances**

	<b>2014</b>	<b>2013</b>
Due to parent company	9,681,035	6,189,994

**15.3 Parent and other controlling interests**

The company is a wholly owned subsidiary of the Islands Development Company Limited, incorporated in the Seychelles.

**15.4 Directors emoluments, pensions or compensation**

No payments were made in the period for directors emoluments, pensions or compensation.

**16 Commitments**

**16.1 Capital commitments**

There were no capital commitments, either contracted for or approved by directors as at 31 March 2014.

**16.2 Operating lease commitments - company as a lessee**

The company leases office spaces under short term leases of 2 years which may be renewed subject to satisfactory negotiations for an extension. There is no purchase option in the lease.

**17 Contingencies**

The directors are not aware of any outstanding contingent liabilities at 31 March 2014.