

**L'UNION ESTATE COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2012**

**L'UNION ESTATE COMPANY LIMITED**

**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

---

	<b>PAGE</b>
Directors' Report	1 - 2
Report of the Auditors	3 - 3(a)
Balance sheet	4
Income statement	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 14

## DIRECTORS' REPORT

The Directors are pleased to submit their report together with the audited financial statements of the Company for the financial year ended December 31, 2012.

## PRINCIPAL ACTIVITY

The Company's principle activity is to cultivate vegetables and fruits and it is also engaged in poultry and pig farming. It is further responsible for the up keep and maintenance of the Estate and charges a fee to overseas visitors to enjoy the use of the premises and there has been no change in this activity for the financial year under review.

## RESULTS

SR

Loss before tax	(914,093)
Tax charge	(6,429,532)
Loss for the year	<u>(7,343,625)</u>
Revenue deficit brought forward	(4,321,093)
Revenue deficit carried forward	<u>(11,664,718)</u>

## PROPERTY AND EQUIPMENT

Additions to property, plant and equipment of SR 241,225 comprised motor vehicles, equipments and buildings. There were no disposals during the year.

The Directors are of the opinion that the carrying value of the property and equipment at December 31, 2012 approximates their fair value at the end of reporting period.

## DIRECTORS AND DIRECTORS' INTERESTS

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

*Appointed effective December 1, 2012*

Ronald Cafrine  
 Keddy Nibourette  
 Marymonde Matatiken  
 Ansley Constance  
 Flavien Joubert  
 Damien Thesee  
 Allan Kilindo  
 Veronique Herminie

None of the Directors held any interest in the share of the Company at the date of this report.

DIRECTORS' REPORT (CONT'D)

DIRECTORS AND DIRECTORS' INTERESTS

*Resigned effective December 1, 2012*

Gregoire Payet

Antoine Moustache

Monica Figaro

Gretel Quatre

Jean-Paul D'Offay

Keddy Nibourette

Benjamin Rose

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.

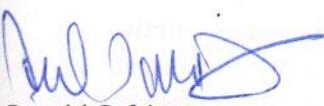
The Board is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Standards in Seychelles and in compliance with the Seychelles Companies Act, 1972. This responsibility includes: designing, implementing and maintaining internal 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 they have met their aforesaid responsibilities.

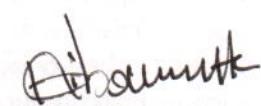
AUDITORS

The auditors BDO Associates, Seychelles retire and being eligible, offer themselves for re-appointment.

BY ORDER OF THE BOARD

  
Ronald Cafrine

Director

  
Keddy Nibourette

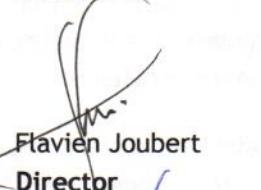
Director

  
Marymonde Matatiken

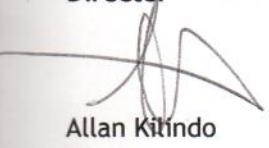
Director

  
Ansley Constance

Director

  
Flavien Joubert

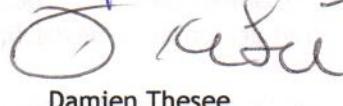
Director

  
Allan Kitindo

Director

  
Veronique Herminie

Director

  
Damien These

Director

Dated: 05 APR 2018

**L'UNION ESTATE COMPANY LIMITED**

3

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

This report is made solely to the members of L'Union Estate Company Limited (hereafter referred to as the 'Company'), as a body, in terms of our engagement to conduct the audit on their behalf. Our audit work has been undertaken so that we might state to the members those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body, for our audit work, for this report, or for the opinions we have formed.

**Report on the Financial Statements**

We have audited the attached financial statements of L'Union Estate Company Limited set out on pages 4 to 14 which comprise the Balance Sheet at December 31, 2012, the Statement of Profit or Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

**Board's Responsibility for the Financial Statements**

As stated on page 3 of the Director's Report, the Board of Directors is responsible for preparation of the financial statements.

**Auditors' Responsibility**

Our responsibility is to express an opinion on those financial statements based on our audit. We conducted our audit in accordance with Generally Accepted Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

Because of the matters described in the Basis of Disclaimer of opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**L'UNION ESTATE COMPANY LIMITED**

3(a)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (Contd.)***Basis of Disclaimer of Opinion*

We were unable to obtain sufficient audit evidence nor satisfy ourselves by alternative means on the following main financial statement areas:

Property, plant and equipment

We were unable to obtain a complete list of the properties and other fixed assets of the Company which agreed with the books of records. In the absence of such a list, we were unable to carry out proper audit procedures to confirm completeness, accuracy and existence of the assets. In addition the deeds of properties submitted to us was incomplete.

Inventories

We were not appointed Auditors of the Company until after December 2012 and therefore we could not attend the physical count in respect of the year ended 2012. However, no counts were performed and nor were there any list of inventories available which agreed with books records. We were also unable to carry out any rollback exercise since the Company did not keep any documents for purchase and issues transactions.

Trade and other receivables

We were given a list of trade and other receivables which tallied with books records. We however were unable to carry out proper audit procedures to verify whether the list was accurate or complete and responses from other audit tests like debtors circularisation were nil. We were therefore unable to assess provision for credit impairment and amount provided was based on Management's estimation at 60% of the balance.

Trade and other payables

We were also submitted with a list of trade and other payables but we were unable to substantiate the list to any suppliers' records and match to payments effected. We were therefore unable to ensure accuracy and completeness. Alternative tests to confirm existence of liabilities were also inconclusive and insufficient.

Government Grant

We were unable to check the carrying amount of the Government Grant since the amortisation in previous years were not in line with the accounting policy.

Turnover

Internal control procedures in respect of turnover assessed as weak and there exists high risks that turnover could be inaccurate and incomplete.

Business tax

The Company has not submitted any tax returns to the Seychelles Revenue Commission (SRC) since 2011. SRC has raised a "Default Tax Assessment" totalling SR.7.8 million for the years 2011 to 2014.

Tax provided for the year 2012 has been computed based on Company's existing records which could be incomplete and may be subject to adjustments.

**L'UNION ESTATE COMPANY LIMITED**

3(b)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (Contd.)***Basis of Disclaimer of Opinion (Continued)*Retirement benefit obligations

The Company has not been able to provide the details of payments released towards gratuity for the prior year. We could not ensure the full provision required has been made in the financial statements.

Contingent liabilities

The Company defaulted in payments with respect to social security and business tax. This has been estimated to SR26 million (inclusive of Business tax) at the end of 2012 which are yet to be provided for since the Company is disputing those assessments and intends to objects to them.

Going concern

At December 31, 2012 the Company had revenue deficit of SR.11 million (2011: SR.4.3 million) and net current liabilities of SR.11 million (2011: SR.4 million).

*Disclaimer of Opinion*

Because of the significance of matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

**Report on Other Legal Regulatory Requirements*****Companies Act, 1972***

We have no relationship with, or interests, in the Company other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

Other matters

The financial statements of the Company for the year ended December 31, 2011 were audited by another auditor and is yet to be signed.

  
**BDO ASSOCIATES**  
*Chartered Accountants*

Dated: 05 APR 2018

Victoria, Seychelles

## BALANCE SHEET AS AT DECEMBER 31, 2012

	<u>Notes</u>	2012 SR	2011 SR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	<b>9,493,292</b>	9,853,717
Investment	5	<b>25,000</b>	25,000
		<b>9,518,292</b>	<b>9,878,717</b>
<b>Current assets</b>			
Inventories	6	<b>645,333</b>	645,333
Trade and other receivables	7	<b>1,373,154</b>	2,052,170
Cash and cash equivalents		<b>3,414,434</b>	<b>2,978,983</b>
		<b>5,432,921</b>	<b>5,676,486</b>
<b>Total assets</b>		<b>14,951,213</b>	<b>15,555,203</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	<b>7,292,500</b>	7,292,500
Revenue deficit		<b>(11,013,313)</b>	<b>(4,321,093)</b>
		<b>(3,720,813)</b>	<b>2,971,407</b>
<b>Non-current liability</b>			
Government grant	9	<b>2,176,859</b>	2,828,264
<b>Current liabilities</b>			
Trade and other payables	10	<b>6,094,289</b>	5,778,291
Tax payable	11	<b>9,738,416</b>	3,308,884
Retirement benefit obligations	12	<b>662,462</b>	649,295
Bank overdraft		-	19,062
		<b>16,495,167</b>	<b>9,755,532</b>
<b>Total equity and liabilities</b>		<b>14,951,213</b>	<b>15,555,203</b>

These financial statements have been approved for issue by the Board of Directors on 05 APR 2018

Ronald Cafrine  
Director

Ansley Constance  
Director

Allan Kilindo  
Director

Keddy Nibourette  
Director

Flavien Joubert  
Director

Veronique Herminie  
Director

Marymonde Matatiken  
Director

Damien Theseé  
Director

## INCOME STATEMENT - YEAR ENDED DECEMBER 31, 2012

	Notes	2012 SR	2011 SR
Turnover	2.2(h)	11,475,311	10,796,287
Cost of sales		(1,862,687)	(2,130,209)
<b>Gross profit</b>		<b>9,612,624</b>	<b>8,666,078</b>
Other income		990,910	1,021,172
Dividend received		1,250	-
Profit on disposal of land		4,525	210,000
		<b>10,609,309</b>	<b>9,897,250</b>
Administrative and general expenses	13	(11,523,402)	(8,187,373)
(Loss)/Profit before tax	14	(914,093)	1,709,877
Tax	15	(6,429,532)	(1,648,540)
(Loss)/profit for the year		<b>(7,343,625)</b>	<b>61,337</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2012

	Share capital SR	Revenue deficit SR	Total SR
At January 1, 2012	7,292,500	(4,321,093)	2,971,407
Loss for the year	-	(7,343,625)	(7,343,625)
Profit and loss appropriation account	-	651,405	651,405
At December 31, 2012	<u>7,292,500</u>	<u>(11,013,313)</u>	<u>(3,720,813)</u>
At January 1, 2011	7,292,500	(4,589,576)	2,702,924
Profit for the year	-	61,337	61,337
Profit and loss appropriation account	-	207,146	207,146
At December 31, 2011	<u>7,292,500</u>	<u>(4,321,093)</u>	<u>2,971,407</u>

## STATEMENT OF CASH FLOW FOR YEAR ENDED DECEMBER 31, 2012

	Notes	2012 SR	2011 SR
<b>OPERATING ACTIVITIES</b>			
(Loss)/profit before tax		(914,093)	1,709,877
<i>Adjustment for:</i>			
- Depreciation	5	601,650	680,305
- Profit on disposal of land		(4,525)	(210,000)
- Increase/(decrease) in retirement benefit obligation provision	13	13,167	(78,885)
Operating profit before working capital changes		(303,801)	2,101,297
<i>Working capital changes:-</i>			
Increase in inventories		-	(7,509)
Decrease/(Increase) in trade and other receivables		679,016	(782,063)
Increase/(decrease) in trade and other payables		315,998	(1,029,709)
Cash generated from operations		691,213	282,016
Increase in tax payable		-	1,648,540
<b>Net cash inflow from operating activities</b>		<b>691,213</b>	<b>1,930,556</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	5	(241,225)	(432,923)
Increase in investment		-	(25,000)
Proceeds from disposal of land		4,525	210,000
<b>Net cash outflow from Investing activities</b>		<b>(236,700)</b>	<b>(247,923)</b>
<b>Net change in cash and cash equivalents</b>		<b>454,513</b>	<b>1,682,633</b>
<b>Movements in cash and cash equivalents:</b>			
At January 1,		2,959,921	1,277,288
Increase		454,513	1,682,633
<b>At December 31,</b>		<b>3,414,434</b>	<b>2,959,921</b>
<b>Represented by:-</b>			
Cash in hand and at bank		3,414,434	2,978,983
Bank overdraft		-	(19,062)
		<b>3,414,434</b>	<b>2,959,921</b>

## 1. GENERAL INFORMATION

L'Union Estate Company Limited is a limited liability company, incorporated and domiciled in Seychelles. The principal activities of the Company have remained unchanged since the previous year and is as stated on page 1.

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

## 2. PRINCIPAL 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.

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

### 2.2 Summary of significant accounting policies

#### (a) Property, plant & equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation. Land is stated at cost.

The cost of an asset comprises its purchase price and any attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs is charged to the income statement.

Any revaluation surplus is credited to the assets revaluation reserve included in the equity section of the balance sheet, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Motor Vehicle	4 years
Equipment	8 years
Furniture and fittings	8 years
Computer software	5 years
Buildings	30 years

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the income statement.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.2 Summary of significant accounting policies (Cont'd.)****(b) Foreign currencies****(i) Functional and presentation currency**

Items included in the financial statements are measured in the currency of the primary economic environment in which the Company operates. The financial statements are presented in Seychelles Rupee (SR) which is the Company's functional and presentation

**(ii) Transactions and balances**

Foreign currency transactions are translated in the Seychelles Rupee using the exchange rates ruling on the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Income Statement. Monetary assets and liabilities, represented in foreign currency, are translated into Seychelles Rupee using the exchange rates ruling on the balance sheet date.

Non-monetary assets which are denominated in a currency other than the Seychelles Rupee are translated at exchange rates prevailing at the date these assets were recognised in the Financial Statements.

**(c) Inventories**

Inventories are valued at the lower of costs or net realizable value. Costs incurred in bringing each product to its present condition and location, are accounted for as follows:

**Raw materials** : purchase costs on a first in first out basis;

**Finished goods** : costs of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

**(d) Financial instruments**

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

Financial instruments of the Company comprise of following:

**(i) Trade and other receivables**

Trade and other receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when the collection of the amount is no longer probable. Bad debts are written off when in the judgement of the management, there is no prospect of recovery.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.2 Summary of significant accounting policies (Cont'd.)****(d) Financial instruments (Cont'd.)*****(ii) Cash and cash equivalents***

Cash comprises of cash in hand and 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, against which bank overdrafts, if any, are deducted.

***(iii) Trade and other payables***

Trade payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received. The carrying amount of trade payables is assumed to approximate its amortised cost.

**(e) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**(f) Impairment**

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

**(g) Tax**

Current tax is the expected amount of business tax payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date. No provision is made for deferred tax.

**(h) Revenue**

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue is recognised upon amounts invoiced and customer acceptance, net of discounts.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)****2.2 Summary of significant accounting policies (Cont'd.)****(h) Revenue (Cont'd)**

Revenue of the company comprises the following:

- (i) Revenue on sale of agricultural and animal products are recognised when invoiced and customer acceptance, net of discounts.
- (ii) Revenue on entrance fees is recognised upon sale of tickets to the tourists.
- (iii) Rental income is recognised as and when it falls due unless collection is in doubt, in which case it is recognised on receipt basis.

**(j) Retirement benefit obligations**

The retirement benefit obligation represents the gratuity and compensation payable to the employees of the Company at year end. The Management is of the opinion that not the full retirement benefit obligations liability will crystallise during a financial year; therefore, an estimated percentage of 35% was applied to the full provision for the year. The rate applied reflects a combination of the following factor which includes the employees' turnover rate, the historical amount paid in a given year and management estimates.

**(k) Grants**

The grants of the company has been amortised annually on a reducing balance at the rate of 10%. The rate applied reflects the average life of the property, plant and equipments.

**3. SIGNIFICANT ACCOUNTING ESTIMATES**

The preparation of financial statements requires the use of certain critical estimates and judgements that affect the application of Association's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

There were no significant assumptions made concerning the future or the source of estimation uncertainty that have been identified as giving rise to a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

## 4. PROPERTY, PLANT &amp; EQUIPMENT

	Land and buildings	Plant and equipment	Motor vehicles	Total
	SR	SR	SR	SR
<b>COST</b>				
At January 1, 2011	16,672,359	6,367,775	991,106	24,031,240
Additions	284,754	148,169	-	432,923
<b>At December 31, 2011</b>	<b>16,957,113</b>	<b>6,515,944</b>	<b>991,106</b>	<b>24,464,163</b>
Additions	5,750	2,850	232,625	241,225
<b>At December 31, 2012</b>	<b>16,962,863</b>	<b>6,518,794</b>	<b>1,223,731</b>	<b>24,705,388</b>

ACCUMULATED DEPRECIATION

At January 1, 2011	8,787,034	4,184,143	958,964	13,930,141
Charge for the year	262,128	386,035	32,142	680,305
<b>At December 31, 2011</b>	<b>9,049,162</b>	<b>4,570,178</b>	<b>991,106</b>	<b>14,610,446</b>
Charge for the year	275,460	280,721	45,469	601,650
<b>At December 31, 2012</b>	<b>9,324,622</b>	<b>4,850,899</b>	<b>1,036,575</b>	<b>15,212,096</b>

NET BOOK VALUES

<b>At December 31, 2012</b>	<b>7,638,241</b>	<b>1,667,895</b>	<b>187,156</b>	<b>9,493,292</b>
<b>At December 31, 2011</b>	<b>7,907,951</b>	<b>1,945,766</b>	<b>-</b>	<b>9,853,717</b>

Freehold land and buildings at cost is analysed as follows:

	2012	2011
	SR	SR
Freehold land	1,517,086	1,517,086
Buildings	15,445,777	15,440,027
	<b>16,962,863</b>	<b>16,957,113</b>

## 5. INVESTMENT

	2012 & 2011
	SR
Investment in shares of Seychelles Commercial Bank Limited	<b>25,000</b>

## 6. INVENTORIES

	2012 & 2011
	SR
Inventories	<b>645,333</b>

## 7. TRADE AND OTHER RECEIVABLE

	2012	2011
	SR	SR
Trade receivable	3,109,874	1,947,990
Land proceeds receivable	90,000	90,000
Deposits & advances	13,280	14,180
Bad debt provision	(1,840,000)	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

## 8. AUTHORISED AND ISSUED SHARE CAPITAL

	2012 & 2011
	SR
72,925 ordinary shares of SR 100 each	<u>7,292,500</u>

## 9. GOVERNMENT GRANT

	2012	2011
	SR	SR
At January 1,	2,828,264	3,552,048
Release during the year	(651,405)	(723,784)
At December 31,	<u>2,176,859</u>	<u>2,828,264</u>

## 10. TRADE AND OTHER PAYABLES

	2012	2011
	SR	SR
Trade payables	723,246	613,933
Accruals	195,500	59,290
Miscellaneous Provisions	124,130	53,655
Deferred land proceeds	452,500	452,500
Social security payable	<u>4,598,913</u>	<u>4,598,913</u>
	<u>6,094,289</u>	<u>5,778,291</u>

## 11. TAX PAYABLE

	2012	2011
	SR	SR
At January 1,	3,308,884	1,660,344
Charge for the year	6,429,532	1,648,540
At December 31,	<u>9,738,416</u>	<u>3,308,884</u>

## 12. RETIREMENT BENEFIT OBLIGATIONS

	2012	2011
	SR	SR
At January 1,	649,295	728,180
Provision made during the year	183,236	294,422
Paid during the year	(170,069)	(373,307)
At December 31,	<u>662,462</u>	<u>649,295</u>

## 13. ADMINISTRATIVE EXPENSES

	2012	2011
	SR	SR
Salaries and wages	5,145,835	5,345,799
Directors' fees (note (a))	165,500	123,315
Administrative expenses	4,236,966	1,697,995
Provision for bad debts	1,840,000	-
Repairs and maintenance	<u>135,101</u>	<u>1,020,264</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

## 13. ADMINISTRATIVE EXPENSES (CONT'D)

(a) Directors' fees are listed below:

	2012	2011
	SR	SR
Gregoire Payet	31,500	17,500
Antoine Moustache	38,500	23,660
Merline Volcere	33,000	24,825
Monica Figaro	3,000	16,160
Jean-Paul D'Offay	22,000	10,000
Benjamin Rose	22,000	10,000
Allain Kilindo	2,000	-
Ansley Constance	2,000	-
Damien Thesee	2,000	-
Flavien Joubert	2,000	-
Marymonde Matatiken	2,000	-
Ronald Cafrine	3,500	-
Veronique Herminie	2,000	-
Francoise Shroff	-	8,850
Gretel Quatre	-	6,160
Priscila Payet	-	6,160
	<u>165,500</u>	<u>123,315</u>

## 14. (LOSS)/PROFIT BEFORE TAX

	2012	2011
	SR	SR
<i>This is arrived at after charging/(crediting):</i>		
Auditors' remuneration	180,000	65,500
Depreciation (note 5)	601,651	680,305
Directors' remuneration (note 13 (a))	<u>165,500</u>	<u>123,315</u>

## 15. TAX

	2012	2011
	SR	SR
<i>Current year tax provision</i>		
	350,000	1,648,540
Prior year taxes (Per Seychelles Revenue Commission's confirmation)	6,079,532	-
Total tax provision	<u>6,429,532</u>	<u>1,648,540</u>

## 16. CONTINGENT LIABILITIES

The company has defaulted in payments with respect to Social Security and business tax. The penalties and surcharges on the same has been estimated at SR.6 million, at balance date.

## DETAILED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

	2012 SR	2011 SR
Agricultural income	3,019,776	2,994,005
Cost of sales:		
Opening stock	645,333	637,823
Purchases	1,862,687	2,137,719
	2,508,020	2,775,542
	(645,333)	(645,333)
Closing stock	1,862,687	2,130,209
<b>Gross Profit</b>	<b>1,157,089</b>	<b>863,796</b>
Other Income:		
Rental Income	763,100	656,800
Wedding fee	227,810	342,772
Entrance fee	8,455,535	7,802,282
Landing fee	-	21,600
Profit on disposal of land	4,525	210,000
Dividend received	1,250	-
<b>Gross profit - Agricultural produce and others</b>	<b>10,609,309</b>	<b>9,897,250</b>
<b>Overheads:</b>		
Salaries and wages	4,759,630	4,905,938
Directors remuneration	165,500	123,315
Pension contributions	125,660	67,782
Staff traveling	39,746	36,112
Compensation and leave pay	183,236	310,202
Other staff costs	37,563	25,765
Printing and stationery	64,165	5,115
Telephone and fax	28,938	27,826
Licenses	750	1,500
Legal and professionals fees	311,400	60,000
Insurance	7,312	201
Electricity and water	188,311	258,347
Fuel and oil	192,560	176,985
Freight transport	115,680	140,513
Sundry expenses	535,268	195,500
Audit Fee	154,448	65,500
Provision for bad debts	1,840,000	-
Hire of labour	68,725	434,854
Hire of Equipment	12,800	531,550
Building and equipment repair	53,576	53,860
Bank charges	11,483	3,703
Depreciation	601,651	680,305
Sponsorship & Donation	2,025,000	82,500
<b>Total expenses</b>	<b>11,523,402</b>	<b>8,187,373</b>
<b>Net (loss)/profit before tax</b>	<b>(914,093)</b>	<b>1,709,877</b>