

**L'UNION ESTATE COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2015**

L'UNION ESTATE COMPANY LIMITED

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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## 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, 2015.

## PRINCIPAL ACTIVITY

The Company's principle activity is to cultivate land for vegetables and fruits and it is also engaged in poultry and pig farming. It is also 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 for the year	(5,594,208)
Government grant written back	445,456
Revenue deficit brought forward	(10,651,541)
Revenue deficit carried forward	<u>(15,800,293)</u>

## PROPERTY AND EQUIPMENT

Additions to property, plant and equipment of SR 1,152,370 comprised work in progress for jetty, equipment and motor vehicles. 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, 2015 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 February 25, 2016

Ms Rannie Jeanne  
 Mr Keddy Nibourette  
 Ms Barbara Barallon  
 Mr Damien Thesee  
 Mr Robert Pool  
 Mr Ansley Constance  
 Mr Gerard Lablache  
 Mr Andreix Rosalie  
 Ms Monica Figaro

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 (CONT'D)

Resigned effective December 25, 2015

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

## 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.

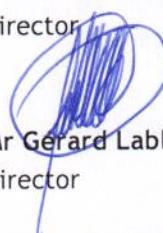
## BY ORDER OF THE BOARD

  
Ms Rannie Jeanne

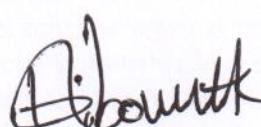
Chairman

  
Mr Damien Theseé

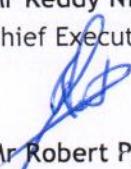
Director

  
Mr Gerard Lablache

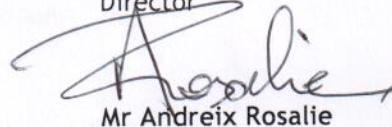
Director

  
Mr Keddy Nibourette

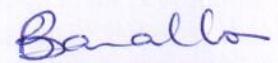
Chief Executive Officer

  
Mr Robert Pool

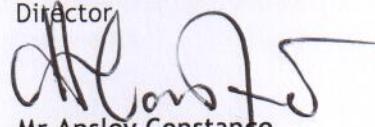
Director

  
Mr Andreix Rosalie

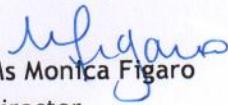
Director

  
Ms Barbara Barallon

Director

  
Mr Ansley Constance

Director

  
Ms Monica Figaro

Director

Dated: 05 APR 2018

Victoria, Seychelles

**L'UNION ESTATE COMPANY LIMITED**

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**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 16 which comprise the Balance Sheet at December 31, 2015, 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.

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

**L'UNION ESTATE COMPANY LIMITED**

3(a)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (Contd.)***Bases of Qualified Opinion*

Our opinion is qualified in respect of the followings:

(a) Inventories

The Company carried out a physical count in respect of the year ended 2015, for livestock and fertilisers, which we did not attend since not informed. A report was subsequently prepared and authorised by Management. The Company did not however, maintain any movement records thereafter December 31, 2015, making it difficult to enable roll back exercises at date of audit assignment. We also had to rely on Management's best estimates for valuation of livestock.

(b) Trade and other receivables

Verification of trade receivables was limited to receipts banked by the Company and to invoices raised payments against these bankings. Therefore, accruals concept was not observed. Therefore we could also not identify nor quantify any potential bad debts which may have required write off to the Income statement. Based on our audit procedures, we have estimated that the credit impairment as provided in the books for the Company of SR.1.8 million is insufficient and a further provision of SR.560,000 was required. Management is of the opinion no such adjustment is required.

(c) Trade and other payables

Verifications of trade payables and provisions were limited to payments made by the Company and invoices received from suppliers. Based on audit procedures carried out we estimated that the carrying amount of trade and other payables were overstated by SR.600,000.

(d) Business tax

since 2011. SRC has raised a "Default Tax Assessment" totalling SR.7.8 million for the years 2011 to 2013.

Tax provided for the year 2014 has been computed based on Company's existing records which could be incomplete and may be subject to adjustments. No tax provided for 2015 in view of the fact that the Company incurred loss.

(e) Contingent liabilities

The Company defaulted in payments with respect to social security, business tax, corporate social responsibility tax and tourism marketing tax. This has been estimated to SR14.5 million at the end of 2013 which are yet to be provided for since the Company intends to dispute those assessments and object to these.

L'UNION ESTATE COMPANY LIMITED

3(b)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (Contd.)

*Bases of Qualified Opinion (Cont'd)*

(f) Revenue

We noted that there were 31 entrance ticket books which had been used twice i.e., with same numbering and three receipts books which were missing completely. Furthermore, bankings for the entrance fees showed a shortfall of SR.330,000 when compared to revenue per receipts and actual amounts banked. The shortfall has been provided for in the financial statements but the Directors are of the opinion that the full amount will be recoverable since the staff are working with the Company and have all signed an agreement to repay their respective debts.

**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.

***Opinion***

Except for the financial effect, mentioned under the bases of qualified opinion paragraph, in respect of those financial areas had we been able to obtain sufficient appropriate audit evidence, in our opinion, the financial statements on pages 4 to 16 give a true and fair view of the financial position of the Company at December 31, 2015, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Standards in Seychelles and comply with the Companies Act, 1972.

**Going concern**

At December 31, 2015 the Company had shareholders' deficit of **SR.8.6 million** (2014: SR.3.4 million) and net current liabilities of **SR.16.3 million** (2014: SR.12.3 million) respectively.

**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.

*Our opinion is not qualified in this respect.*

## BALANCE SHEET AS AT DECEMBER 31, 2015

	Notes	2015 SR	Restated 2014 SR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	<b>10,565,488</b>	10,077,763
Investment	5	<b>25,000</b>	25,000
		<b><u>10,590,488</u></b>	<b><u>10,102,763</u></b>
<b>Current assets</b>			
Inventories	6	<b>800,060</b>	664,333
Trade and other receivables	7	<b>3,619,942</b>	2,609,562
Cash and cash equivalents		<b>3,909,444</b>	4,526,080
		<b><u>8,329,446</u></b>	<b><u>7,799,975</u></b>
<b>Total assets</b>		<b><u>18,919,934</u></b>	<b><u>17,902,738</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	<b>7,292,500</b>	7,292,500
Revenue deficit		<b>(15,800,293)</b>	<b>(10,651,541)</b>
		<b><u>(8,507,793)</u></b>	<b><u>(3,359,041)</u></b>
<b>Non-current liability</b>			
Retirement benefit obligation	9	<b>2,791,163</b>	754,130
Government grant	10	<b>-</b>	<b>445,456</b>
		<b><u>2,791,163</u></b>	<b><u>1,199,586</u></b>
<b>Current liabilities</b>			
Trade and other payables	11	<b>14,048,148</b>	9,473,777
Tax payable	12	<b>10,588,416</b>	<b>10,588,416</b>
		<b><u>24,636,564</u></b>	<b><u>20,062,193</u></b>
<b>Total equity and liabilities</b>		<b><u>18,919,934</u></b>	<b><u>17,902,738</u></b>

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

Ms Rannie Jeanne  
Chairman

Mr Damien Thesee  
Director

Mr Gerard Lablache  
Director

Mr Kddy Nibourette  
Chief Executive Officer

Mr Robert Pool  
Director

Mr Andreix Rosalie  
Director

Ms Barbara Barallon  
Director

Mr Ansley Constance  
Director

Ms Monica Figaro  
Director

The notes on pages 8 to 16 form an integral part of these financial statements.

Auditors' Report on pages 3, 3(a) & 3 (b)

	Notes	2015 SR	2014 SR
Turnover	2.2 (h)	2,856,604	3,067,665
Cost of sales		(1,784,810)	(2,192,184)
Gross profit		1,071,794	875,481
Other income		10,333,254	10,494,085
Dividend received		3,051	-
		11,408,099	11,369,566
Administrative and general expenses	13	(17,002,307)	(11,205,421)
(Loss)/Profit before tax	14	(5,594,208)	164,145
Tax	12	-	(50,000)
(Loss)/Profit for the year		(5,594,208)	114,145

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	Share capital SR	Revenue deficit SR	Total SR
At January 1, 2015		7,292,500	(10,651,541)	(3,359,041)
Loss for the year		-	(5,594,208)	(5,594,208)
Government grant written back	10	-	445,456	445,456
<b>At December 31, 2015</b>		<b>7,292,500</b>	<b>(15,800,293)</b>	<b>(8,507,793)</b>
<u>As previously stated</u>				
At January 1, 2014		7,292,500	(11,910,824)	(4,618,324)
Revaluation reserve written back	10 (a)		617,500	
<b>As restated at July 1, 2014</b>		<b>7,292,500</b>	<b>(11,293,324)</b>	<b>(4,618,324)</b>
Profit for the year		-	114,145	114,145
Release of government grant	10	-	527,638	527,638
<b>At December 31, 2014</b>		<b>7,292,500</b>	<b>(10,651,541)</b>	<b>(3,976,541)</b>

## STATEMENT OF CASH FLOW FOR YEAR ENDED DECEMBER 31, 2015

	Notes	2015 SR	2014 SR	Restated
<b>OPERATING ACTIVITIES</b>				
(Loss)/Profit before tax		(5,594,208)	164,145	
<i>Adjustment for:</i>				
- Depreciation	4	664,646	685,056	
- Net Increase in retirement benefit obligation provision	9	2,037,033	98,335	
Operating profit before working capital changes		(2,892,529)	947,536	
<i>Working capital changes:</i>				
Increase in inventories		(135,727)	-	
Increase in trade and other receivables		(1,010,380)	(1,415,659)	
Increase in trade and other payables		4,574,371	315,808	
<b>Net cash inflow/(outflow) from operating activities</b>		<b>535,735</b>	<b>(152,315)</b>	
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment and net cash outflow from investing activity	4	(1,152,371)	(1,377,327)	
<b>Net change in cash and cash equivalents</b>		<b>(616,636)</b>	<b>(1,529,642)</b>	
<i>Movements in cash and cash equivalents:</i>				
At January 1,		4,526,080	6,055,722	
Decrease		(616,636)	(1,529,642)	
<b>At December 31,</b>		<b>3,909,444</b>	<b>4,526,080</b>	
<i>Represented by:-</i>				
Cash in hand and at bank		<b>3,909,444</b>	<b>4,526,080</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.

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**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 currency.

**(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 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 upon invoicing and customers' 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) Government Grants**

The grants of the Company granted by the Government of Seychelles were amortised annually on a reducing balance at the rate of 10%. The rate applied reflected the average life of the property, plant and equipment. Grants have been fully written back during the year under review.

**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.

## 4. PROPERTY, PLANT &amp; EQUIPMENT

COST	Land and buildings	Plant and equipment	Motor vehicles	Capital work in progress	Total
	SR	SR	SR	SR	SR
At January 1, 2014	17,319,788	6,739,451	1,223,731	-	25,282,970
Additions	1,055,005	264,506	57,816	-	1,377,327
At December 31, 2014	<u>18,374,793</u>	<u>7,003,957</u>	<u>1,281,547</u>	-	<u>26,660,297</u>
Additions	-	129,467	615,269	407,635	1,152,371
At December 31, 2015	<u>18,374,793</u>	<u>7,133,424</u>	<u>1,896,816</u>	<u>407,635</u>	<u>27,812,668</u>
<u>ACCUMULATED DEPRECIATION</u>					
At January 1, 2014	9,603,212	5,156,908	1,137,358	-	15,897,478
Charge for the year	296,072	325,611	63,373	-	685,056
At December 31, 2014	<u>9,899,284</u>	<u>5,482,519</u>	<u>1,200,731</u>	-	<u>16,582,534</u>
Charge for the year	297,701	339,465	27,480	-	664,646
At December 31, 2015	<u>10,196,985</u>	<u>5,821,984</u>	<u>1,228,211</u>	-	<u>17,247,180</u>
<u>NET BOOK VALUES</u>					
At December 31, 2015	<u>8,177,808</u>	<u>1,311,440</u>	<u>668,605</u>	<u>407,635</u>	<u>10,565,488</u>
At December 31, 2014	<u>8,475,509</u>	<u>1,521,438</u>	<u>80,816</u>	-	<u>10,077,763</u>
					<u>2015 &amp; 2014</u>
					SR

Freehold land and buildings at cost is analysed as follows:

Freehold land  
Buildings

1,517,086  
16,857,707  
18,374,793

## 5. INVESTMENT

	2015 & 2014
	SR
Shares in Seychelles Commercial Bank Limited	<u>25,000</u>

## 6. INVENTORIES

	2015	2014
	SR	SR
Inventories	<u>800,060</u>	<u>664,333</u>

Inventories comprising livestock and consumables have been valued based on Management's best estimates. Management is also of the opinion that no provision is required for obsolescence in view of the nature of inventories which is mostly livestock.

## 7. TRADE RECEIVABLE

	2015	2014
	SR	SR
Trade receivable	3,265,570	2,702,408
Provision for credit impairment	(1,840,000)	(1,840,000)
Net Trade Receivables	<u>1,425,570</u>	<u>862,408</u>
Land proceeds receivable	90,000	90,000
Deposits & advances	<u>2,104,372</u>	<u>1,657,154</u>
	<u>3,619,942</u>	<u>2,609,562</u>

## 8. AUTHORISED AND ISSUED SHARE CAPITAL

	2015 & 2014
	SR
72,925 ordinary shares of SR 100 each	<u>7,292,500</u>

## 9. RETIREMENT BENEFIT OBLIGATION

	2015	2014
	SR	SR
At January 1,	754,130	655,795
Charge for the year	2,182,857	178,453
Paid during the year	(145,824)	(80,118)
At December 31,	<u>2,791,163</u>	<u>754,130</u>

## 10. GOVERNMENT GRANT

Movements are as follows	Restated	
	2015	2014
	SR	SR
At January , 1		
- As previously Stated	445,456	1,590,594
- Prior year adjustment (note (a))	-	(617,500)
	<u>445,456</u>	<u>973,094</u>
As restated	445,456	973,094
Write back / release during the year	(445,456)	(527,638)
At December, 31	-	<u>445,456</u>

(a) The prior year adjustment resulted from a wrong reclassification as Government Grant of a prior year capital reserve resulting from revaluation of asset. This capital reserve could not be substantiated and therefore has been written back as a prior year adjustment.

## 11. TRADE AND OTHER PAYABLES

	2015	2014
	SR	SR
Trade payables	614,289	614,289
Accruals	839,467	530,162
Miscellaneous Provisions	261,897	275,676
Deferred land proceeds	482,500	459,500
VAT Payable	4,255,845	-
Social security payable	7,594,150	7,594,150
	<u>14,048,148</u>	<u>9,473,777</u>

## 12. TAX PAYABLE

	2015	2014
	SR	SR
At January 1,	10,588,416	10,538,416
Charge for the year	-	50,000
At December 31,	<u>10,588,416</u>	<u>10,588,416</u>

## 13. ADMINISTRATIVE EXPENSES

	2015	2014
	SR	SR
Salaries and wages	9,068,829	7,350,830
Directors' fees (note (a))	505,056	520,336
Administrative expenses	6,373,316	2,975,577
Reversal/Provision for credit impairment	(5,000)	6,208
Repairs and maintenance	1,059,106	352,470
	<u>17,001,307</u>	<u>11,205,421</u>

(a) Directors' fees are listed below:

Flavien Joubert	24,000	30,000
Damien These	24,000	30,000
Allan Killindo	24,000	30,000
Marymonde Matatiken	24,000	37,000
Ronald Cafrine	42,000	39,336
Veronique Herminie	36,000	30,000
Ansley Constance	-	24,000
Keddy Nibourette (Salary)	<u>331,056</u>	<u>300,000</u>
	<u>505,056</u>	<u>520,336</u>

## 14. (LOSS)/PROFIT BEFORE TAX

	2015	2014
	SR	SR
<i>This is arrived at after charging:</i>		
Auditors' remuneration	207,000	207,000
Depreciation (note 5)	664,646	685,056
Directors' remuneration (note 13 (a))	<u>505,056</u>	<u>520,336</u>

## 15. CONTINGENT LIABILITIES

The company has defaulted in payments with respect to Social Security, business tax, corporate social responsibility and tourism and marketing tax. The penalties and surcharges on the same has been estimated at SR.14.5 million since the year 2013.

## 16. PRIOR YEAR ADJUSTMENT

	2014
	SR
<i>Impact on Balance Sheet</i>	
Balance sheet: - Government grant	(617,500)
Revenue Deficit: - Revaluation reserve	<u>617,500</u>

## 17. CAPITAL COMMITMENTS

There were no capital commitments as at December 31, 2015 (2014 : Nil).

## 18. FINANCIAL SUMMARY

	Restated				
	2015 SR'000	2014 SR'000	2013 * SR'000	2012 * SR'000	2011 * SR'000
(Loss)/Profit before tax	(5,594)	163	(684)	(914)	1,710
Tax	-	(50)	(800)	(6,430)	(1,649)
(Loss)/Profit for the year	(5,594)	113	(1,484)	(7,344)	61
Revaluation reserve written back	-	618	-	-	-
Government Grant written back / amortisation	445	528	586	652	207
Revenue deficit brought forward	(10,652)	(11,911)	(11,013)	(4,321)	(4,589)
Revenue deficit carried forward	<u>(15,801)</u>	<u>(10,652)</u>	<u>(11,911)</u>	<u>(11,013)</u>	<u>(4,321)</u>
Equity:					
Share capital	7,293	7,293	7,293	7,293	7,293
Revenue deficit	<u>(15,801)</u>	<u>(10,652)</u>	<u>(11,911)</u>	<u>(11,013)</u>	<u>(4,321)</u>
	<u>(8,508)</u>	<u>(3,359)</u>	<u>(4,618)</u>	<u>(3,720)</u>	<u>2,972</u>

\* The years 2011 to 2013 have not been adjusted to show the impact of the prior year adjustment due to reason of practicability.

## L'UNION ESTATE COMPANY LIMITED

NOT FOR PUBLICATION

## DETAILED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

	2,015 SR	2014 SR
Agricultural income	2,856,604	3,067,665
Cost of sales:		
Opening stock	664,333	664,333
Purchases	<u>1,920,537</u>	<u>2,192,184</u>
	2,584,870	2,856,517
Closing stock	<u>(800,060)</u>	<u>(664,333)</u>
	1,784,810	2,192,184
Gross Profit	1,071,794	875,481
Other Income:		
Rental and other income	1,391,965	871,325
Income from tourism activity	8,941,289	9,622,760
Dividend received	3,051	-
Gross profit - Agricultural produce and others	<u>11,408,099</u>	<u>11,369,566</u>
Overheads:		
Salaries and wages	6,542,010	6,633,527
Directors remuneration	175,000	220,336
Pension contributions	106,007	100,643
Staff traveling	240,369	229,954
Gratuity and compensation provision	2,182,857	413,342
Other staff costs	328,642	273,364
Entertainment	167,205	226,410
Office supplies, cleaning and safety equipment	733,319	313,409
Printing and stationery	83,427	90,193
Telephone and fax	110,334	92,363
Licenses	-	8,821
Advertisement	59,103	35,199
Legal and professionals fees	78,600	260,727
Insurance	32,579	36,830
Electricity and water	422,060	368,002
Fuel and oil	280,089	325,289
Freight and transport	412,641	132,987
Sundry expenses	199,054	49,476
Audit Fee	207,000	180,000
Provision for bad debts	(5,000)	6,208
Hire of labour	61,700	79,942
Hire of Equipment	9,710	15,140
Building and equipment repair	987,696	257,388
Bank charges	23,701	22,898
VAT, CSR & TMT taxes	2,833,336	115,145
Depreciation	664,646	685,056
Sponsorship & Donation	66,222	32,772
Total expenses	<u>17,002,307</u>	<u>11,205,421</u>
Net (loss)/profit before tax	<u>(5,594,208)</u>	<u>164,145</u>