

GREEN TREE INVESTMENT COMPANY LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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GREEN TREE INVESTMENT COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

The directors present herewith their report and audited financial statements of the company for the year ended 31 March 2023.

Activities

The company carries on the business of:

- (i) An intermediary, with back to back agreements for constructing and providing finance for developing immovable properties
- (ii) Constructing, in phases, residential apartments for sale to returning graduates at concessional rates agreed with the Government of Seychelles.
- (iii) Constructing luxury residential apartments for sale to finance subsidised apartments sold to returning graduates.

Results

As shown in the statement of income on page 6, activities for the current year give the company a profit of SCR 4,813,824 (2022 - SCR 7,880,942) after taxation.

Application of profits and revenue reserves

The results for the current year and losses from prior year do not permit the company to distribute dividends.

Directors and their interest in the company

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

	SHARES HELD	
	1 April	31 March
Mr. G.M. Savy	-	-
Mr. P. Lablache	-	-
Mrs. S. Francis	-	-
Mr. P. Berlouis	-	-
Ms. A. Antat	-	-
Ms. A. Lebon	-	-
Mr. W. Confait	-	-
Mr. C. Lionnet	-	-
Mr. D. Matatiken	-	-

All directors of the company are citizens of Seychelles.

Mrs. S. Francis retires from the board in accordance with Articles of Association and being eligible offer herself 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.

Statement of directors responsibilities

The directors are required to prepare accounts for each financial period 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;

GREEN TREE INVESTMENT COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023

Statement of directors responsibilities (cont...)

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.

The financial statement are signed by the current directors of the company.

Auditors

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

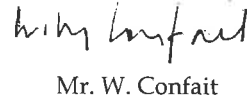
DIRECTORS



Mr. G.M. Savy



Mr. P. Lablache



Mr. W. Confait



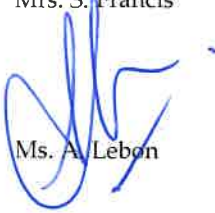
Mrs. S. Francis



Mr. P. Berlouis



Ms. A. Antat



Ms. A. Lebon



Mr. A. C. Lionnet



Mr. D. Matatiken

11 May 2023

INDEPENDENT AUDITOR'S REPORT

GREEN TREE INVESTMENT COMPANY LIMITED

Opinion

We have audited the financial statements of Green Tree Investment Company Limited set out on pages 5 to 12 which comprise the statement of financial position as 31 March 2023, the statement of income, and cash flow statement for the year then ended, a five year financial summary and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME's) and requirements of the Seychelles Companies Act, 1972.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other responsibilities in accordance with these requirements.

In common with businesses of similar size and organization, the company's system of control is dependent upon the close involvement of management who are also major shareholders. Where independent confirmation of the completeness of the accounting records was not available, we have accepted assurances from the management that their representations and the company's records accurately reflect all the transactions undertaken during the year.

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

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME's) and requirements 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.

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

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

Going concern consideration

To date the company has incurred losses of R 16.9 Mn and does not anticipate a surplus in excess of R 6.5 Mn upon sale of its inventory of its luxury units. Furthermore, it is anticipated that upon disposal of the 40 units under construction for graduates' apartments, the company will carry a loss of SCR 38.4 Mn, pending the construction and sale of 2 luxury blocks of apartments which are yet to be built.

Hence the company's ability to continue as a going concern is dependent upon disposing its inventory of its luxury units, ability to generate surpluses from upcoming sale of luxury apartments in progress and continued support of its parent(s).

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

INDEPENDENT AUDITOR'S REPORT (cont...)

GREEN TREE INVESTMENT COMPANY LIMITED

Auditor's responsibilities for the audit of the financial statements (cont..)

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ICAEW membership number of the engagement partner responsible for signing this independent auditors' report is 6813446.

Pool Patel
POOL & PATEL
CHARTERED ACCOUNTANTS
11 May 2023

GREEN TREE INVESTMENT COMPANY LIMITED

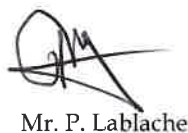
Statement of financial position

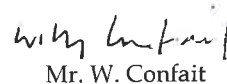
Financial statements are prepared in Seychelles Rupees

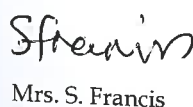
	Note	As at 31 March	
		2023	2022
Assets			
Work in progress	9	64,099,503	1,217,655
Lending	9	-	19,042,646
Non-current assets		64,099,503	20,260,301
Lending	9	17,670,019	18,046,643
Inventory	4	13,745,641	24,095,763
Trade & other receivables	6	2,890,903	17,641,950
Cash at bank		3,873,637	402,646
Current assets		38,180,200	60,187,002
Total assets		102,279,703	80,447,303
Liabilities			
Borrowings	8	52,294,911	49,429,893
Non-current liabilities		52,294,911	49,429,893
Borrowings	8	15,863,192	16,539,744
Trade and other payables	7	50,906,126	17,901,016
Current liabilities		66,769,318	34,440,760
Total liabilities		119,064,229	83,870,653
Share capital	5	100,000	100,000
Retained earnings		(16,884,526)	(21,698,350)
Equity loans	10	-	18,175,000
Equity		(16,784,526)	(3,423,350)
Total liabilities and equity		102,279,703	80,447,303

The notes on pages 9 to 12 are an integral part of these financial statements.


Mr. G.M. Savy


Mr. P. Lablache


Mr. W. Confait


Mrs. S. Francis


Mr. R. Berlouis


Ms. A. Antat


Ms. A. Lebon


Mr. C. Lionnet


Mr. D. Matatiken

11 May 2023

GREEN TREE INVESTMENT COMPANY LIMITED

Statement of income - by nature of expense and retained earnings
Financial statements are prepared in Seychelles Rupees

	Year ended 31 March	
	2023	2022
Sale of condominiums		
Income	15,049,030	26,787,610
Cost of sales	(10,350,133)	(18,000,230)
Commissions on sale	(259,000)	(559,250)
	4,439,897	8,228,130
Gross profit		
Administration fees	600,000	600,000
Contribution for overheads	360,000	360,000
Cost of maintaining condominiums	(253,823)	-
Cost of maintaining the company and legal costs	(149,926)	(78,842)
Insurances	(367,897)	(360,035)
Sundry income and other expenses	177,093	119,128
	4,805,344	8,868,381
Operating profit		
Bank loan interest paid	(2,864,690)	(4,760,722)
Interest reimbursed	2,873,170	3,773,283
	8,480	(987,439)
Finance income / (expense) - net		
	4,813,824	7,880,942
Profit before income tax		
Taxation	-	-
	4,813,824	7,880,942
Profit for the year		
Dividends	-	-
	4,813,824	7,880,942
Retained earnings 1 April	(21,698,350)	(29,579,292)
Retained earnings 31 March	(16,884,526)	(21,698,350)

The notes on pages 9 to 12 are an integral part of these financial statements.

GREEN TREE INVESTMENT COMPANY LIMITED

Cash flow statement

Financial statements are prepared in Seychelles Rupees.

	Note	As at 31 March	
		2023	2022
Cash flows from operating activities			
Profit for the year, adjusted for:		4,813,824	7,880,942
Profit on sale of condominiums		(4,698,908)	(8,228,130)
Finance costs - net		(8,480)	987,439
		106,436	640,251
Increase in debtors	6	(248,953)	(2,403,550)
Changes in related party balances	10	12,463,941	(28,002,619)
Increase/(decrease) in sundry creditors		3,986,169	(32,902)
Cash used in maintaining company		16,307,593	(29,798,820)
Deposits and proceeds from sale of apartments		47,354,030	25,202,258
Net cash generated from operating activities		63,661,623	(4,596,562)
Cash flows from investing activities			
Lending made		-	-
Investment in work in progress		(62,881,848)	(1,217,655)
Lending repaid with interest	9	21,542,440	21,542,440
Net cash generated from in investing activities		(41,339,408)	20,324,785
Cash flow from financing activities			
Loans received	10	35,707,106	16,587,803
Loan interest paid		(2,864,690)	(4,760,722)
Loans repaid	8	(51,693,640)	(29,689,710)
Net cash from/(used in) financing activities		(18,851,224)	(17,862,629)
Increase/(decrease) in cash and cash equivalents		3,470,991	(2,134,406)
Cash & cash equivalent at 1 April		402,646	2,537,052
Cash and cash equivalents 31 March		3,873,637	402,646

GREEN TREE INVESTMENT COMPANY LIMITED

Five year financial summary - 31 March 2023

Financial statements are prepared in Seychelles Rupees

	2023	2022	2021	2020	2019
	SCR'000				
Statement of financial position					
Share capital					
Authorised	100	100	100	100	100
Issued and fully paid	100	100	100	100	100
Retained earnings	(16,884)	(21,698)	(29,579)	(13,352)	(12,934)
Borrowings	68,158	65,970	66,071	137,325	141,788
Net assets employed	51,374	44,372	36,592	124,073	128,954
Statement of income					
Turnover	15,000	27,747	54,892	14,510	14,510
Profit/(loss) before taxation	4,814	7,881	(16,227)	(418)	(13,366)
Taxation	-	-	-	-	-
	4,814	7,881	(16,227)	(418)	(13,366)
Dividends	-	-	-	-	-
	4,814	7,881	(16,227)	(418)	(13,366)
Retained earnings - 1 April	(21,698)	(29,579)	(13,352)	(12,934)	432
Retained earnings - 31 March	(16,884)	(21,698)	(29,579)	(13,352)	(12,934)

GREEN TREE INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Financial statements are prepared in Seychelles Rupees

1 Reporting entity

Green Tree Investment Company Limited 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:

- (i) Acting as an intermediary, with back to back agreement for constructing and providing finance for developing immovable properties.
- (ii) Constructing and disposing, in phases, residential apartments for sale.

2 Summary of significant accounting policies

The principal accounting policies applied in preparation of these financial statements are set out below.

2.1 Basis of presentation

The statements of Green Tree Investment Company Limited 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 Going concern

The financial statements are been prepared on the basis of the company being a going concern on the assumption that the shareholders will continue to fund working capital requirements, and will not demand repayment of their dues for a period of at least one year from the date of these financial statements.

If the company ceases to be a going concern, provision would have to be made to reduce the value of assets to their estimated recoverable amounts, and for any further liabilities that may arise in a winding up. In addition, fixed assets and long term liabilities will have to be reclassified as current assets and current liabilities.

2.4 Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the company has become party to the contractual provision of the financial instruments. Except where stated separately, the carrying amounts of the company's financial instruments approximate their fair value.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

Lendings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method.

Payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier. Other liabilities are stated at original debt less principal repayments and amortizations.

Loans and borrowings

After initial recognition, interest-bearing lendings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

GREEN TREE INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Financial statements are prepared in Seychelles Rupees

2 Summary of significant accounting policies (cont...)

2.3 Financial instruments (cont...)

Impairment and uncollectibility 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 statement of financial position. 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 income statement.

- For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised and;
- For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset; and
- For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Financial assets and liabilities are recognised on the statement of financial position when the company has become party to the contractual provision of the financial instruments. Except where stated separately, the carrying amounts of the company's financial instruments approximate their fair value.

2.5 Inventories

Inventory of completed apartments is stated at the lower of cost or net realisable value.

2.6 Taxation

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

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. However a deferred tax asset is only recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

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.

Deferred income tax asset not recognised in the financial statements represents:

	2023	2022
Arising from Business tax losses	4,270,154	5,473,610

2.7 Revenue recognition

In relation to the rendering of services, revenue is recognised as it accrues on a monthly basis.

In relation to sale of apartments, revenue is recognised upon formal sign off and handover of completed apartments.

2.8 Comparatives

Where necessary comparatives figures have been adjusted to conform to changes in presentation in the current year.

3 Profit/(loss) for the year

	2023	2022
Profit/(Loss) for the year has been arrived at after charging:		
Audit fees	65,000	57,500

4 Inventory

	2023	2022
Apartments available for sale	13,745,641	24,095,763

5 Authorised & issued capital

	2023	2022
Authorised, issued and fully paid 1,000 shares of R 100 each	100,000	100,000

GREEN TREE INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Financial statements are prepared in Seychelles Rupees

6 Trade and other receivables

	2023	2022
Lending instalment outstanding	-	2,156,484
Deposit to contractor/ immediate parent	-	15,000,000
Statutory receivable	2,248,564	-
Sundry receivables & prepayments	642,339	485,466
Total	2,890,903	17,641,950

7 Trade and other payables

	2023	2022
Related parties (note 10)	12,824,126	15,460,185
Retentions on work in progress	4,423,926	-
Accruals	1,353,074	2,440,831
Deposits received for purchase of condominiums	32,305,000	-
Total	50,906,126	17,901,016

8 Borrowings

	2023	2022
Bank loans	68,158,103	65,969,637

Repayments

	2023	2022
Repayable within 1 year	15,863,192	16,539,744
Repayable later than 1 year and no later than 5 years	52,294,911	49,429,893
Total	68,158,103	65,969,637

The banking facilities are secured by first line charges on the leasehold properties title V18455 for SCR 104,580,505 and title V1270 for SCR 4,696,332, corporate guarantee of IDC for SCR 109,300,000, assignment of proceeds from Ministry of Finance, Trade & Investment (MOF) by the company with confirmation of MOF to be included in the national budget.

9 Lending

Projects constructed and financed

Projects constructed and converted to lending under a financial lease are as follows:

Ministry of Land Use - Independence House:

Anticipated duration of lease remaining	10 months
Commencement date	Dec, 2015
Monthly rental (subject to change in loan interest rates)	1,795,203
Implicit interest rate for 2022/2023	7.50%
Gross investment in lease	155,499,108
Fair value of lease on commencement date	111,569,183
Unearned finance income at 31 March 2023	622,551

Repayments

The future minimum discounted repayments at 31 March 2023, under a non cancellable financial lease, are as follows:

	2023	2022
Repayable within 1 year	17,670,019	18,046,643
Repayable later than 1 year and no later than 5 years	-	19,042,646
Total	17,670,019	37,089,289

The lending is subject to interest which mirrors the rate on borrowings.

GREEN TREE INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Financial statements are prepared in Seychelles Rupees

9 Lending/ repayments (cont...)

Projects under construction

The company has commenced renovations of the National Library Building which is expected to cost Scr 90 m and has also been awarded the construction of the Seychelles Revenue Commission (SRC) building estimated to cost of Scr 232m.

Work in Progress at 31 March comprises of:

	2023	2022
Condominium - Phase 4	19,982,837	-
National Library	41,769,636	1,217,655
SRC Building	2,347,030	-
Total	64,099,503	1,217,655

The financing of the projects has been secured by bank loans of similar amounts which are repayable over 10 years, with a grace period of 18 and 24 months for the construction and renovations period. The loans will bear interest at a discount of 0.5% below the bank's prime lending rate.

Besides securities mentioned in note 8 borrowings for the Library renovations and SRC building are secured by a first line fixed charge on leasehold properties on which the SRC building will be situated.

As security, the company holds leasehold rights over land where a project is situate, which is surrendered at no cost upon repayment of the lending, which lasso coincides with repayment of the borrowing for the project.

10 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.

Parent and other controlling interests

The company is a wholly owned subsidiary of Green Island Construction Company Limited with the ultimate parent being Island Development Company Limited, both incorporated in the Seychelles.

Year end balances

	2023	2022
Equity loans		
Loan from ultimate parent	-	8,000,000
Loan from immediate parent	-	10,175,000
	-	18,175,000

There are no specific repayment terms for loans from the parent companies, which are made free of interest.

Current liabilities		
Due to ultimate parent	369,747	-
Due to parent company	12,454,378	15,460,185
	12,824,125	15,460,185

Current assets		
Due from ultimate parent	-	184,029

Services provided by parent company

Construction work done	62,881,848	1,217,655
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All construction on behalf of the company is undertaken by its immediate parent.

11 Commitments

The company had no capital commitments at 31 March 2023, either contracted or approved by the directors but not contracted.

12 Contingencies

The directors are not aware of any contingent liabilities as at 31 March 2023.