

Report of the Directors and  
Financial Statements for the Year Ended 31 December 2017  
for  
L'Union Estate Company Limited

L'Union Estate Company Limited

Contents of the Financial Statements  
for the Year Ended 31 December 2017

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Statement of Profit or Loss	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Statement of Cash Flows	11
Notes to the Financial Statements	12
Income Statement Summaries	18

L'Union Estate Company Limited

Company Information  
for the Year Ended 31 December 2017

<b>DIRECTORS:</b>	Mr Frank Hoareau – Chairman Ms Corinne Delpech – Director Mr Damien Thesee – Director Mr Gerald Lablache – Director Mr Andreix Rosalie – Director
<b>SECRETARY:</b>	Ms Vania Toussaint
<b>REGISTERED OFFICE:</b>	L'Union Estate, La Digue, Seychelles
<b>REGISTERED NUMBER:</b>	969 (Seychelles)
<b>AUDITORS:</b>	Bhanderi & Co Chartered Certified Accountants Post Box: 796 Ocean Gate House, Room 13 Mahe Seychelles

## L'Union Estate Company Limited

### Report of the Directors for the Year Ended 31 December 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of agriculture, poultry, pig farming, tourism by way of collection of entrance fees from visitors of the estate and commercial renting.

#### **REVIEW OF BUSINESS**

As shown in the income statement the activities for the current year give the company net profit including provisions of SR 12,159,002 and after taxation.

#### **APPLICATION OF PROFIT AND REVENUE**

The result for the current year and revenue reserves from prior year gives the company a revenue deficit of SR 3,158,093.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2017.

#### **FIXED ASSETS**

Fixed asset addition during the year relates to property, plant & equipments and motor vehicles SR 1,774,797 and, computer software SR 17,303.

The carrying amount of property is 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**

The directors set out in the table below have held office during the whole of the period from 1 January 2017 to the date of this report.

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

Mr Frank Hoareau – Chairman (Appointed on 01/03/2018)  
Ms Corinne Delpech – Director (Appointed on 01/03/2018)  
Mr Damien Thesee – Director (Re-appointed on 01/03/2018)  
Mr Gerald Lablache – Director (Re-appointed on 01/03/2018)  
Mr Andreix Rosalie – Director (Re-appointed on 01/03/2018)  
Ms Rannie Jeanne - Chairman (Resigned on 28/02/2018)  
Mr Keddy Nibourette - Chief Executive Officer (Resigned on 28/02/2018)  
Ms Barbara Barallon - Director (Resigned on 28/02/2018)  
Ms Monica Figaro - Director (Resigned on 28/02/2018)  
Mr Robert Pool - Director (Resigned on 28/02/2018)  
Mr Ansley Constance - Director (Resigned on 28/02/2018)

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

L'Union Estate Company Limited

Report of the Directors  
for the Year Ended 31 December 2017

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

The directors are required to prepare financial statements for each financial year. The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- Disclose and explain any material departure from applicable accounting standards.

The Companies Act 1972 also requires the directors to keep adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The retiring auditors, Bhandari & co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



Mr Frank Hoareau – Chairman



Ms Corinne Delpech – Director



Mr Damien Thesee – Director



Mr Germain Blache – Director



Mr Andreu Rosalie – Director

17 October 2018

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## **Report of the Independent Auditors to the Members of L'Union Estate Company Limited**

### **Opinion**

We have audited the financial statements of L'Union Estate Company Limited for the year ended 31 December 2017 on pages six to seventeen. The Financial Statements have been prepared by management, under the historical cost convention and the financial reporting provision of the Seychelles Companies Act 1972.

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

In our opinion except for the financial effect, mentioned under the Emphasis of matter the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Standards in Seychelles; and
- have been prepared in accordance with the requirements of the Companies Act 1972.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 the Seychelles, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the Companies Act 1972 require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Emphasis of matter**

- (a) During the course of the audit we have noticed that there were lack of internal system, controls and approval procedures of the company.
- (b) Due to the above we have carried out full substantive testing, our detail findings are mentioned in the management letter.
- (c) The company has made provisions relating to social security payable to Seychelles Revenue Commission and tax arrears, based on their assessment notice. The company has objected with Seychelles Revenue Commission relating to these balances, detail working relating to these provisions was not made available during the audit in order to justify the claim.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



**Report of the Independent Auditors to the Members of  
L'Union Estate Company Limited**

**Other information – Continued.....**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Opinion on other matters prescribed by the Seychelles Companies Act 1972**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 1972 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements in accordance with Generally Accepted Accounting Standards in Seychelles and in compliance with the Seychelles Companies Act, 1972, and satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Our 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Generally Accepted Accounting Standards in Seychelles will always detect a material misstatement when it exists. 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.



Bhanderi & Co.  
Chartered Certified Accountants  
& Registered Auditors  
17 October 2018

L'Union Estate Company Limited

Statement of Profit or Loss  
for the Year Ended 31 December 2017  
Financial statements are prepared in Seychelles Rupees

	Notes	31.12.17	31.12.16
<b>CONTINUING OPERATIONS</b>			
Revenue		21,735,576	18,093,059
Cost of sales		<u>(3,786,614)</u>	<u>(2,095,699)</u>
<b>GROSS PROFIT</b>		17,948,962	15,997,360
Other operating income		-	75,000
Administrative expenses		<u>(5,470,291)</u>	<u>(15,464,498)</u>
<b>OPERATING PROFIT</b>		12,478,671	607,862
Finance income	4	<u>2,500</u>	<u>12,000</u>
<b>PROFIT BEFORE INCOME TAX</b>	5	12,481,171	619,862
Income tax	6	<u>(322,169)</u>	<u>(136,664)</u>
<b>PROFIT FOR THE YEAR</b>		<u><u>12,159,002</u></u>	<u><u>483,198</u></u>

The notes form part of these financial statements



L'Union Estate Company Limited

Statement of Profit or Loss and Other Comprehensive Income  
for the Year Ended 31 December 2017

Financial statements are prepared in Seychelles Rupees

	31.12.17	31.12.16
<b>PROFIT FOR THE YEAR</b>	12,159,002	483,198
<b>OTHER COMPREHENSIVE INCOME</b>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><u>12,159,002</u></u>	<u><u>483,198</u></u>

The notes form part of these financial statements

L'Union Estate Company Limited (Registered number: 969)

Statement of Financial Position

31 December 2017


Financial statements are prepared in Seychelles Rupees

	Notes	31.12.17	31.12.16
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	7	165,523	190,922
Property, plant and equipment	8	12,130,436	11,488,615
Investments	9	25,000	25,000
		<u>12,320,959</u>	<u>11,704,537</u>
<b>CURRENT ASSETS</b>			
Inventories	10	1,623,471	950,979
Trade and other receivables	11	832,519	1,934,509
Tax receivable		1,200,709	-
Cash and cash equivalents	12	7,114,032	4,737,298
		<u>10,770,731</u>	<u>7,622,786</u>
<b>TOTAL ASSETS</b>		<u>23,091,690</u>	<u>19,327,323</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	13	7,292,500	7,292,500
Retained earnings	14	(3,158,093)	(15,317,095)
<b>TOTAL EQUITY</b>		<u>4,134,407</u>	<u>(8,024,595)</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	15	12,616,697	13,247,457
Pension liability	16	4,978,251	2,636,746
		<u>17,594,948</u>	<u>15,884,203</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	1,362,335	879,299
Tax payable		-	10,588,416
		<u>1,362,335</u>	<u>11,467,715</u>
<b>TOTAL LIABILITIES</b>		<u>18,957,283</u>	<u>27,351,918</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>23,091,690</u>	<u>19,327,323</u>

The financial statements were approved by the Board of Directors on 17 October 2018 and were signed on its behalf by:

  
Mr Frank Hoateau – Chairman

  
Ms Corinne Delpech – Director

  
Mr Damien Thesee – Director

  
Mr Gerald L. Leveche – Director

  
Mr Andreix Rosalie – Director

The notes form part of these financial statements

L'Union Estate Company Limited

Statement of Changes in Equity  
for the Year Ended 31 December 2017

Financial statements are prepared in Seychelles Rupees

	Called up share capital	Retained earnings	Total equity
<b>Balance at 1 January 2016</b>	7,292,500	(15,800,293)	(8,507,793)
<b>Changes in equity</b>			
Total comprehensive income	<u>-</u>	<u>483,198</u>	<u>483,198</u>
<b>Balance at 31 December 2016</b>	<u>7,292,500</u>	<u>(15,317,095)</u>	<u>(8,024,595)</u>
<b>Changes in equity</b>			
Total comprehensive income	<u>-</u>	<u>12,159,002</u>	<u>12,159,002</u>
<b>Balance at 31 December 2017</b>	<u>7,292,500</u>	<u>(3,158,093)</u>	<u>4,134,407</u>

The notes form part of these financial statements

L'Union Estate Company Limited

Statement of Cash Flows

for the Year Ended 31 December 2017

Financial statements are prepared in Seychelles Rupees

	31.12.17	31.12.16
<b>Cash flows from operating activities</b>		
Cash generated from operations 1	5,367,368	2,884,203
Tax paid	<u>(1,201,034)</u>	<u>(136,664)</u>
Net cash from operating activities	<u>4,166,334</u>	<u>2,747,539</u>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(17,303)	(196,209)
Purchase of tangible fixed assets	(1,774,797)	(1,810,476)
Sale of tangible fixed assets	-	75,000
Dividends received	<u>2,500</u>	<u>12,000</u>
Net cash from investing activities	<u>(1,789,600)</u>	<u>(1,919,685)</u>
	_____	_____
<b>Increase in cash and cash equivalents</b>	2,376,734	827,854
<b>Cash and cash equivalents at beginning of year</b> 2	4,737,298	3,909,444
	_____	_____
<b>Cash and cash equivalents at end of year</b> 2	<u>7,114,032</u>	<u>4,737,298</u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows  
for the Year Ended 31 December 2017

Financial statements are prepared in Seychelles Rupees

1. **RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	31.12.17	31.12.16
Profit before income tax	12,481,171	619,862
Depreciation charges	1,175,678	834,820
Profit on disposal of fixed assets	-	(75,000)
Loss on assets written off	-	57,816
Movement in provision for Bad Debts	(294,068)	1,071,940
Retirement benefit obligation charge	2,486,774	196,750
Retirement benefit obligation paid	(145,269)	(351,167)
Business tax provision written off	(10,616,192)	-
Finance income	(2,500)	(12,000)
	<u>5,085,594</u>	<u>2,343,021</u>
Increase in inventories	(672,492)	(150,919)
Decrease in trade and other receivables	1,101,990	613,493
(Decrease)/increase in trade and other payables	<u>(147,724)</u>	<u>78,608</u>
<b>Cash generated from operations</b>	<u><u>5,367,368</u></u>	<u><u>2,884,203</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2017**

	31.12.17	1.1.17
Cash and cash equivalents	<u><u>7,114,032</u></u>	<u><u>4,737,298</u></u>

**Year ended 31 December 2016**

	31.12.16	1.1.16
Cash and cash equivalents	<u><u>4,737,298</u></u>	<u><u>3,909,444</u></u>

**1. STATUTORY INFORMATION**

L'Union Estate Company Limited is a private company, limited by shares, registered in Seychelles. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Seychelles Rupees (SCR).

**2. ACCOUNTING POLICIES**

**Basis of preparation**

The statements of the company are prepared in accordance with the requirement of the Seychelles Companies Act 1972 and the Generally Accepted Accounting Standard in Seychelles. They have been prepared under the historical cost convention.

**Critical accounting judgements and key sources of estimation uncertainty**

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

**Revenue recognition**

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes and rebates.

Revenue of the company comprises the following:

- (i) Revenue from the sale of agriculture and animal products are recognised when significant risks and rewards of ownership are transferred to the buyer, the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- (ii) Revenue from entrance fees is recognised upon the actual sale of tickets to the visitors of the estate.
- (iii) Rental revenue and other income is recognised as and when it falls due unless recoverability is in doubt.

**Property, plant and equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment loss. 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 company adds to the carrying amount of an item of property, the cost of replacing parts 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 the statement of income during the period they are incurred



## 2. ACCOUNTING POLICIES - continued

### **Property, plant and equipment - continued**

Land is not depreciated. Depreciation on other assets is charged so as to allocate the costs of the assets less their residual value over their estimated useful lives. The depreciation policy is as follows;

Buildings	- 30 years
Plant & Equipment	- 8 years
Computer software	- 5 years
Motor Vehicles	- 4 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.

### **Inventories**

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### **Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

### **Foreign currencies**

The functional currency is the Seychelles Rupees as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income.

### **Employee benefit costs**

Seychelles Employment Act requires employees to be compensated upon retirement, resignation or on completion of five years or more of continuous service from date of their employment. The financial statements include liability accrued to the employee in full with the expense included as part employment costs.

### **Impairment of financial assets**

The carrying amounts of the financial assets are 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.

### **Provisions**

A liability or provision is recognised when there is 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. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017

Financial statements are prepared in Seychelles Rupees

3. **EMPLOYEES AND DIRECTORS**

	31.12.17	31.12.16
Wages and salaries	8,330,336	7,068,607
Social security costs	2,486,774	196,750
Other pension costs	<u>122,783</u>	<u>212,062</u>
	<u>10,939,893</u>	<u>7,477,419</u>

**Directors' fees and Allowances**

	31.12.17	31.12.16
Rannie Jeanne	39,984	19,992
Flavien Joubert	-	4,000
Allan Killindo	-	4,000
Marymonde Matatiken	-	4,000
Ronald Cafrine	-	7,000
Veronique Herminie	-	6,000
Barbara Barallon	26,656	24,435
Monica Figaro	26,656	17,771
Robert Pool	26,656	17,771
Ansley Constance	26,656	17,771
Gerald Lablache	31,987	18,659
Andreix Rosalie	26,656	20,436
Damien Thesee	<u>26,656</u>	<u>21,771</u>
	<u>231,907</u>	<u>183,606</u>

4. **NET FINANCE INCOME**

	31.12.17	31.12.16
Finance income:		
Dividend received	<u>2,500</u>	<u>12,000</u>

5. **PROFIT BEFORE INCOME TAX**

The profit before income tax is stated after charging/(crediting):

	31.12.17	31.12.16
Hire of equipment and labour	172,745	117,225
Depreciation - owned assets	1,132,976	829,533
Profit on disposal of fixed assets	-	(75,000)
Computer software amortisation	42,702	5,287
Auditors' remuneration	<u>416,906</u>	<u>207,000</u>

6. **INCOME TAX**

**Analysis of tax expense**

	31.12.17	31.12.16
Current tax:		
Tax	185,993	-
CSR and TMT Tax	<u>136,176</u>	<u>136,664</u>
Total tax expense in statement of profit or loss	<u>322,169</u>	<u>136,664</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017

Financial statements are prepared in Seychelles Rupees

7. INTANGIBLE ASSETS

	Computer software
<b>COST</b>	
At 1 January 2017	196,209
Additions	<u>17,303</u>
At 31 December 2017	<u>213,512</u>
<b>AMORTISATION</b>	
At 1 January 2017	5,287
Amortisation for year	<u>42,702</u>
At 31 December 2017	<u>47,989</u>
<b>NET BOOK VALUE</b>	
At 31 December 2017	<u>165,523</u>
At 31 December 2016	<u>190,922</u>

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold property	Work in progress	Plant and machinery	Motor vehicles	Totals
<b>COST</b>					
At 1 January 2017	18,545,717	1,987,635	7,215,977	1,477,492	29,226,821
Additions	41,980	417,267	507,822	807,728	1,774,797
Reclassification/transfer	<u>2,349,901</u>	<u>(2,349,901)</u>	-	-	-
At 31 December 2017	<u>20,937,598</u>	<u>55,001</u>	<u>7,723,799</u>	<u>2,285,220</u>	<u>31,001,618</u>
<b>DEPRECIATION</b>					
At 1 January 2017	10,540,695	-	6,153,990	1,043,521	17,738,206
Charge for year	<u>384,260</u>	-	<u>392,967</u>	<u>355,749</u>	<u>1,132,976</u>
At 31 December 2017	<u>10,924,955</u>	-	<u>6,546,957</u>	<u>1,399,270</u>	<u>18,871,182</u>
<b>NET BOOK VALUE</b>					
At 31 December 2017	<u>10,012,643</u>	<u>55,001</u>	<u>1,176,842</u>	<u>885,950</u>	<u>12,130,436</u>
At 31 December 2016	<u>8,005,022</u>	<u>1,987,635</u>	<u>1,061,987</u>	<u>433,971</u>	<u>11,488,615</u>

Freehold land and building at cost is analysed as follows:

	31.12.17	31.12.16
Freehold Land	1,517,086	1,517,086
Building	<u>19,420,512</u>	<u>17,028,631</u>
Total cost of Freehold land and Building	<u>20,937,598</u>	<u>18,545,717</u>

9. **INVESTMENTS**

	Unlisted investment
<b>COST</b>	
At 1 January 2017 and 31 December 2017	<u>25,000</u>
<b>NET BOOK VALUE</b>	
At 31 December 2017	<u>25,000</u>
At 31 December 2016	<u>25,000</u>

Company holds investment of 250 shares of SR 100 each with Seychelles Commercial Bank Limited.

10. **INVENTORIES**

	31.12.17	31.12.16
Stocks	<u>1,623,471</u>	<u>950,979</u>

Inventory includes animal live stock, goods in main store, agricultural seeds, fertilisers and pesticides and other construction materials.

Inventories are valued at the lower of cost and net realisable value.

11. **TRADE AND OTHER RECEIVABLES**

	31.12.17	31.12.16
Current:		
Trade debtors	1,860,106	3,460,983
Provision for Bad Debts	(1,425,499)	(2,911,940)
Other debtors	354,613	1,385,466
Prepayments	<u>43,299</u>	<u>-</u>
	<u>832,519</u>	<u>1,934,509</u>

12. **CASH AND CASH EQUIVALENTS**

	31.12.17	31.12.16
Cash in hand	273,275	7,449
Bank accounts	<u>6,840,757</u>	<u>4,729,849</u>
	<u>7,114,032</u>	<u>4,737,298</u>

13. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			31.12.17	31.12.16
Number:	Class:	Nominal value:		
72,925	Ordinary shares	SR 100	<u>7,292,500</u>	<u>7,292,500</u>

L'Union Estate Company Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017

Financial statements are prepared in Seychelles Rupees

14. **RESERVES**

	Retained earnings
At 1 January 2017	(15,317,095)
Profit for the year	<u>12,159,002</u>
At 31 December 2017	<u>(3,158,093)</u>

15. **TRADE AND OTHER PAYABLES**

	31.12.17	31.12.16
Current:		
Accrued expenses	1,176,633	879,299
VAT	<u>185,702</u>	<u>-</u>
	<u>1,362,335</u>	<u>879,299</u>
Non-current:		
Other provisions	-	148,260
Deferred land proceeds	-	482,500
Social security payable	6,280,701	6,280,701
Tax arrears payable	<u>6,335,996</u>	<u>6,335,996</u>
	<u>12,616,697</u>	<u>13,247,457</u>
Aggregate amounts	<u>13,979,032</u>	<u>14,126,756</u>

16. **EMPLOYEE BENEFIT OBLIGATIONS**

Changes in the present value of the employee benefit obligation are as follows:

	Employee Benefit Obligation	
	31.12.17	31.12.16
Opening employee benefit obligation	2,636,746	2,791,163
Current service cost	2,486,774	196,750
Benefits paid during the year	<u>(145,269)</u>	<u>(351,167)</u>
	<u>4,978,251</u>	<u>2,636,746</u>

17. **CONTINGENT LIABILITIES**

The directors are not aware of any outstanding contingent liabilities as at 31 December 2017.

18. **CAPITAL COMMITMENTS**

There were no capital commitments, either contracted for or approved by the directors but not contracted for as at 31 December 2017.

19. **COMPARATIVE FIGURES**

The comparative figures are audited by another firm of accountants.

L'Union Estate Company Limited

Income Statement Summaries

for the Year Ended 31 December 2017

Financial statements are prepared in Seychelles Rupees

	31.12.17	31.12.16
<b>REVENUE</b>		
Sale of Farm products	3,501,345	2,262,637
Entrance fees collection	15,911,342	13,241,033
Rental Income	1,843,150	1,500,289
Excavation fees	187,587	428,083
Pumping fees	19,200	-
Other Income	<u>272,952</u>	<u>661,017</u>
	<u>21,735,576</u>	<u>18,093,059</u>
<b>COST OF SALES</b>		
Opening stock	950,979	800,060
Cost of sales farm products	3,343,278	2,246,618
Cost of sales farm salaries	986,655	-
Cost of sales excavation	129,173	-
Closing stock	<u>(1,623,471)</u>	<u>(950,979)</u>
	<u>3,786,614</u>	<u>2,095,699</u>
<b>OTHER OPERATING INCOME</b>		
Profit on sale of tangible fixed assets	<u>-</u>	<u>75,000</u>
	<u>-</u>	<u>75,000</u>
<b>FINANCE INCOME</b>		
Dividend received	<u>2,500</u>	<u>12,000</u>
	<u>2,500</u>	<u>12,000</u>

This page does not form part of the statutory financial statements



L'Union Estate Company Limited

Income Statement Summaries

for the Year Ended 31 December 2017

Financial statements are prepared in Seychelles Rupees

	31.12.17	31.12.16
<b>ADMINISTRATIVE EXPENSES</b>		
Utilities	474,054	443,687
Directors' fees	231,907	183,606
Staff salaries & wages	8,101,347	6,885,001
Gratuity and Compensation	2,486,774	196,750
Pension employer contribution	119,865	212,062
Hire of Equipment and Labour	172,745	117,225
Other staff cost	135,850	139,448
Telephone and Internet charges	173,127	152,760
Post and stationery	163,354	80,859
Advertising and Promotions	56,469	52,775
Travelling & subsistence	229,411	228,013
Motor and fuel expenses	7,130	149,118
VAT on Income	-	2,080,151
Licences and insurance	82,220	61,614
Transportation expenses	233,462	218,291
Repairs and renewals	965,517	781,699
Tools and equipment	462,986	245,275
Cleaning expenses	36,523	27,036
Staff welfare expenses	145,426	65,792
Sundry expenses	33,620	289,233
Survey fees	159,750	-
Legal and professional fees	114,000	136,080
GOP expenses	22,500	247,703
Auditors' remuneration	416,906	207,000
Donations	54,865	-
Amortisation of intangible fixed assets	42,702	5,287
Depreciation of tangible fixed assets	1,132,976	829,533
Entertainment	103,796	333,431
Bad debts written off	1,635,112	1,071,940
Provision for bad debts	(1,486,440)	-
Reversal of long O/S balances	(442,740)	-
Business Tax Provision	(10,616,192)	-
Bank charges	21,269	23,129
	<u>5,470,291</u>	<u>15,464,498</u>