



GICC
Green Island Construction Company
Quality on time

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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GREEN ISLAND CONSTRUCTION COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016

The directors present herewith their report and audited financial statements of the company for the year ended 31 March 2016.

Activities

The company carries on the business of a building contractor.

Results

As shown in the statement of income on page 5, operating activities for the current period give the company a profit of R 10,660,255 after taxation.

Application of profits and revenue reserves

The results for the current year and revenue reserves from prior year give the company R 19,684,351 available for distribution.

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

Fixed assets

Major change to fixed assets in the year represents completion of staff camp extension as a cost of R 2.39 million.

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

Directors and their interest in the company

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

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

All the directors of the company are citizens of Seychelles.

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

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

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016

Statement of directors responsibilities

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

prepare financial statements on the going concern basis unless it is inappropriate to assume continuance of business;

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

disclose and explain any material departures from applicable accounting standards.

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

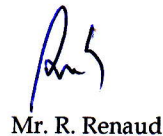
The directors consider they have met their responsibilities as set out in the Companies Act 1972.

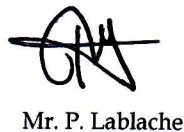
Auditors

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

DIRECTORS


Mr. G.M. Savy


Mr. R. Renaud


Mr. P. Lablache


Ms. S. Nalke


Mr. D. Dogley


Mr. P. Payet


Ms. L. Desaubin

8 July 2016



INDEPENDENT AUDITOR'S REPORT

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

We have audited the accompanying financial statements of Green Island Construction Company Limited on pages 4 to 14, which comprise the statement of financial position as at March 31, 2016, the statement of income – by nature of expense and retained earnings and cash flow statement for the year then ended, a four year financial summary and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management, under the historical cost convention and the financial reporting provisions of the Seychelles Companies Act 1972.

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and that these are in accordance with the accounting records maintained by the management. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion, the accompanying financial statements set out on pages 4 to 14 give a true and fair view of the financial position of Green Island Construction Company Limited as at March 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting provisions of the Seychelles Companies Act 1972.

Pool & Patel

POOL & PATEL
CHARTERED ACCOUNTANTS

8th July 2016

GREEN ISLAND CONSTRUCTION COMPANY LIMITED


Statement of financial position


Financial statements are prepared in Seychelles Rupees.


	Note	At 31 March	
		2016	2015
Assets			
Property, plant and equipment	15	19,183,716	20,873,755
Investments	9	100,000	100,000
Deferred income tax asset	10	546,443	200,846
Non-current assets		19,830,159	21,174,601
Taxation	10	-	1,237,782
Work in progress		-	2,395,647
Inventories	12	9,924,999	6,819,783
Trade and other receivables	13	32,659,009	33,863,843
Cash and cash equivalent		2,213,254	35,266
Current assets		44,797,262	44,352,321
Total assets		64,627,421	65,526,922
Share capital	11	100,000	100,000
Retained earnings		19,684,351	9,024,096
Equity		19,784,351	9,124,096
Liabilities			
Borrowings	17	3,858,781	5,566,836
Employee benefit obligations	14	218,891	98,945
Deferred tax liability	10	203,993	368,541
Non-current liabilities		4,281,665	6,034,322
Current tax liability	10	2,670,147	-
Trade and other payables	16	30,830,857	36,790,502
Borrowings	17	7,060,401	13,578,002
Current liabilities		40,561,405	50,368,504
Total liabilities		44,843,070	56,402,826
Total liabilities and equity		64,627,421	65,526,922


The notes on pages 7 to 14 are an integral part of these financial statements.


Directors

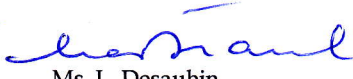

Mr. G.M. Savy


Mr. D. Dogley


Mr. R. Renaud


Mr. P. Payet


Mr. P. Lablache


Ms. L. Desaubin


Ms. S. Naiken

8 July 2016

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

Statement of income - by nature of expense and retained earnings

Financial statements are prepared in Seychelles Rupees

	Note	Year ended 31 March	
		2016	2015
Construction income		137,840,421	126,883,934
Direct outgoings	3	(87,596,413)	(87,446,149)
Employee salaries and benefits expense	5	(13,449,710)	(15,065,505)
Camp running expenses		(6,910,652)	(4,436,904)
Depreciation and amortisation	15	(4,265,778)	(3,242,426)
Exchange (losses)/ gains		484,995	972,775
Vehicle expenses		(2,307,681)	(3,110,438)
Rent		(1,759,390)	(1,547,572)
Management fees	18	-	(2,612,809)
Licence & insurance		(1,142,014)	(574,194)
Utilities		(2,603,994)	(1,920,575)
Other expenses	4	(1,369,772)	(1,253,865)
Operating profit		16,920,011	6,646,272
Finance income	6	-	1,644
Finance costs	7	(1,309,893)	(2,070,063)
Finance costs - net		(1,309,893)	(2,068,419)
Profit before income tax		15,610,118	4,577,853
Income tax expense	10	(4,949,863)	(1,669,479)
		10,660,255	2,908,374
Dividends		-	-
		10,660,255	2,908,374
Retained earnings 1 April		9,024,096	6,115,722
Retained earnings 31 March		19,684,351	9,024,096

The notes on pages 7 to 14 are an integral part of these financial statements.

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

Cash flow statement

Financial statements are prepared in Seychelles Rupees.

		As at 31 March	
	Note	2016	2015
Net cash inflow from operating activities			
Operating profit		15,610,118	4,577,853
Taxation paid	10	(1,552,078)	(2,987,616)
Depreciation	15	4,265,778	3,242,426
Changes in compensation liability	14	119,945	18,948
Finance cost	6 & 7	1,309,893	2,068,419
		19,753,656	6,920,030
Changes in working capital			
Decrease/(increase) in inventories	12	(3,105,216)	1,883,957
Work in progress financed	13	(4,521,069)	3,305,965
Credit given and prepaid services	13	15,566,045	(8,040,326)
Deposits against future works	16	10,427,096	(2,621,017)
Credit received	16	(26,226,883)	11,412,155
		11,893,629	12,860,764
Cash generated from operations			
Interest received	6	-	1,644
Interest paid	7	(1,309,893)	(2,070,063)
		10,583,736	10,792,345
Net cash from operating activities			
Cash flows from investing activities			
Payments to acquire fixed assets		(180,092)	(13,617,297)
		(180,092)	(13,617,297)
Net cash used in investing activities			

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

FOUR YEAR FINANCIAL SUMMARY - 31 MARCH 2016

Financial statements are prepared in Seychelles Rupees '000

	2016	2015	2014	2013
Statement of financial position				
Share capital				
Authorised	100	100	100	100
Issued and fully paid	100	100	100	100
Retained earnings	19,684	9,024	6,116	3,494
Bank loan	6,528	8,236	2,384	-
Net assets employed	26,312	17,360	8,600	3,594
Statement of income				
Turnover	137,840	126,884	157,632	73,245
Profit before taxation	15,610	4,577	4,776	5,642
Taxation	(4,950)	(1,669)	(2,154)	(2,148)
	10,660	2,908	2,622	3,494
Dividends	-	-	-	-
	10,660	2,908	2,622	3,494
Retained earnings - 1 April	9,024	6,116	3,494	-
Retained earnings - 31 March	19,684	9,024	6,116	3,494

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Financial statements are prepared in Seychelles Rupees

1 *Reporting entity*

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

The company carries on the business of building contractors.

2 *Summary of significant accounting policies*

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

2.1 *Basis of presentation*

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

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

2.2 *Functional and reporting currency*

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

2.3 *Impairment of financial assets*

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

2.4 *Foreign currency translation*

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

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

The Banks mid-rates for the period were:

Currency	Exchange rates at 31 March			Changes in percent (SR)	
	2016	2015	2014	2015-2016	2014-2015
US \$/SR	13.15	13.50	12.11	3%	-11%
Euro/SR	15.09	14.63	16.78	-3%	13%

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Financial statements are prepared in Seychelles Rupees

2.5 Property, plant and equipment

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

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

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

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

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

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

2.6 Inventories

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

2.7 Taxation

The tax expense for the period comprises of current business, corporate social responsibility 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.

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

2.8 Cash and cash equivalents

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

2.9 Trade receivables

Trade receivables are initially recognised at the transaction price. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to original terms of the receivables.

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Financial statements are prepared in Seychelles Rupees

2.10 Leases

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

2.11 Revenue recognition

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

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

3 Direct outgoings

Analysis of expenses by category	2016	2015
Materials	69,048,657	63,384,826
Labour	18,547,756	24,061,323
Total	87,596,413	87,446,149

4 Other expenses

	2016	2015
Repairs & maintenance	228,654	386,174
Legal & professional	-	14,000
Printing & stationery	174,202	192,399
Travelling and accommodation	189,625	174,395
Communication	378,873	313,715
Other	398,418	173,182
Total other expenses	1,369,772	1,253,865

5 Employee salaries and benefits expense

	2016	2015
Wages and salaries	29,713,446	26,263,603
Pension costs	37,323	40,699
Employee benefits obligation (Note 11)	174,318	58,380
Staff welfare	1,914,778	2,999,900
Work permit	986,242	2,002,894
Transfer to direct outgoings	(19,376,397)	(16,299,971)
Total administration salaries	13,449,710	15,065,505

6 Finance income

	2016	2015
Interest	-	1,644

7 Finance costs

	2016	2015
Interest on bank overdraft	348,608	1,052,170
Interest on loan	961,285	1,017,893
Total	1,309,893	2,070,063

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Financial statements are prepared in Seychelles Rupees

8 Profit for the year

	2016	2015
Profit for the year has been arrived at after charging/(crediting):		
Auditors remuneration	145,000	130,000
Depreciation (note 15)	4,265,778	3,242,426
Rents paid	1,759,390	1,547,572

9 Investments

Investments are stated at historical less any accumulated impairment losses in the following unquoted companies, incorporated in the Seychelles.

	% Holding	2016	2015
Green Tree Investment Company Limited	100	100,000	100,000

10 Taxation

10.1 Current tax	Statement of financial position		Statement of income	
	2016	2015	2016	2015
Balance due from prior year	(1,237,782)	171,669	-	-
Paid/refund received for prior year	-	(100,341)	-	-
Provision for the year	4,768,215	923,713	4,768,215	923,713
Deduction at source paid for current year	(360,286)	(1,832,823)	-	-
Provisionally paid for current year	(500,000)	(400,000)	-	-
Total	2,670,147	(1,237,782)	4,768,215	923,713
10.2 Corporate social responsibility tax	-	-	691,793	654,452
10.3 Deferred tax asset				
Employee compensation obligation	65,667	29,685	(35,982)	(5,686)
Deferred due to tax depreciation	480,776	171,161	(309,615)	(171,161)
Total	546,443	200,846	(345,597)	(176,847)
10.4 Deferred tax liability				
Deferred due to tax depreciation	-	-	-	(29,286)
Unrealised exchange differences	203,993	368,541	(164,548)	297,447
Total	203,993	368,541	(164,548)	268,161
Total			(510,145)	91,314
Total income tax expense			4,949,863	1,669,479

11 Authorised & issued capital

	2016	2015
Authorised and issued and fully paid 100 shares of R 1,000 each	100,000	100,000

12 Inventories

	2016	2015
Blocks & cement	-	174,050
Timber & plywood	2,049,200	2,134,752
Weld mesh & Steel	235,650	579,831
Pipes & fittings	358,913	599,465
Tiles, tiles skirting	1,278,138	502,308
Cables & cable trays	332,788	-
Paint & varnish	683,406	-
Sundry	4,986,904	2,829,377
Total	9,924,999	6,819,783

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Financial statements are prepared in Seychelles Rupees

13 Trade and other receivables

	2016	2015
Completed work awaiting certification or invoicing	5,202,838	681,769
Receivable for work certified or invoiced	25,219,142	22,094,890
Prepaid goods and credit with suppliers	1,131,678	8,969,111
Prepayments and other receivables	1,105,351	2,118,073
Receivable from related party	-	-
Total	32,659,009	33,863,843

14 Employee benefit obligations

	2016	2015
1 January	98,945	79,997
Benefits paid	(54,372)	(39,432)
Current service cost	174,318	58,380
Total	218,891	98,945

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

15 Property, plant and equipment

	Building	Plant / Machinery & Tools/ Furniture & fittings	Motor Vehicles	Computers/ Electrical equipment	Total
Cost					
At 1 April 2015	12,650,035	7,996,982	4,724,020	681,889	26,052,926
Additions	2,449,774	-	-	125,965	2,575,739
Disposal	-	-	-	-	-
At 31 March 2016	15,099,809	7,996,982	4,724,020	807,854	28,628,665
Accumulated depreciation and impairment					
At 1 April 2015	1,936,583	1,439,852	1,596,177	206,562	5,179,174
Annual depreciation	1,569,291	1,603,778	947,393	145,316	4,265,778
Disposals	-	-	-	-	-
At 31 March 2016	3,505,874	3,043,630	2,543,570	351,878	9,444,952
Carrying amount					
At 1 April 2015	10,713,452	6,557,130	3,127,843	475,327	20,873,755
At 31 March 2016	11,593,935	4,953,352	2,180,450	455,976	19,183,716

16 Trade and other payables

	2016	2015
Contract advance from related party	3,848,119	46,035
Contract advances	13,581,475	3,154,379
Trade creditors	5,101,745	20,620,472
Sundry creditors and accruals	8,299,518	12,969,616
Total	30,830,857	36,790,502

17 Borrowings

	2016	2015
Non current		
Bank loans	3,858,781	5,566,836
Current		
Bank loans	2,669,340	2,669,340
Bank overdraft	4,391,061	10,908,662
Total	7,060,401	13,578,002

GREEN ISLAND CONSTRUCTION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Financial statements are prepared in Seychelles Rupees

17.1 Repayments

	2015	2015
Repayable within 1 year	7,060,401	13,578,002
Repayable later than 1 year and no later than 5 years	3,858,781	5,566,836
Total	10,919,182	19,144,838

The banking facilities are secured by first line floating charge over the company's present and future assets, corporate guarantee of the parent company for R5 million and US\$ 1.44 million supported by floating charge over the company's assets for R10 million and all insurance policies assigned to the bank.

The loan is repayable at a rate of R 222,445 per month and bears interest at a rate of 13% per annum.

17.2 Currency profile

	2016	2015
US \$	4,391,061	6,548,706
Seychelles R	6,528,121	12,596,132
Total	10,919,182	19,144,838

17.3 Finance cost profile

	2016	2015
3 months Libor + 5% (average 5.24%)	4,391,061	6,548,706
Lending rate + 3% (Average 10%)	6,528,121	12,596,132
Total	10,919,182	19,144,838

18 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.

18.1 Services provided by parent company

	2016	2015
Composite management	-	2,612,809

18.2 Services provided to related parties

	2016	2015
Construction work done for ultimate parent	23,026,946	74,153,453
Construction work done for subsidiary	47,383,476	40,798,110
Total	70,410,422	114,951,563

18 Year end balances

	2016	2015
Due from/(to) parent company	(3,946,360)	9,066,704
Due to subsidiary	98,241	(9,112,740)
Total	(3,848,119)	(46,036)

18.4 Parent and other controlling interests

The company is a wholly owned subsidiary of the Islands Development Company Limited, incorporated in the Seychelles with the ultimate parent being the Seychelles Government.

18.4 Directors emoluments, pensions or compensation

	Salary for Management		Fees, Pensions & Others	
	2016	2015	2016	2015
P.Lablache	-	-	43,384	42,360
P.Payet	-	-	21,883	21,180
L.Desaubin	-	-	21,883	21,180
D.Dogley	-	-	12,765	21,180
S.Naiken	-	-	21,883	21,180
Total	-	-	121,798	127,080

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Financial statements are prepared in Seychelles Rupees

19 *Commitments*

19.1 *Operating lease commitments - company as a lessee*

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

20 *Contingencies*

The directors are not aware of any outstanding contingent liabilities at 31 March 2016.