
SAMOA PAINTS LIMITED
FINANCIAL STATEMENTS 31 MARCH 2015

Directors' Report

The directors' present the statement of financial position, income statement and statement of cash flows for the year ended 31 March 2015 and report as follows:

1. Directors

The directors of the company in office at the date of this report are:

Jalaj Dani

Jaideep Nandi

Swapnil Talekar

Vaatuitui Apete Meredith

2. State of Affairs

In the opinion of the directors the accompanying statement of financial position gives a true and fair view of the state of affairs of the company as at 31 March 2015 and the accompanying statement of income gives a true and fair view of the results of the company for the year ended 31 March 2015 and there were no significant changes in the state of affairs of the economic entity that occurred during the period not otherwise disclosed in this report.

3. Dividends

An interim dividend of \$90,000 was declared in March 2014 and was paid out in April 2014.

In May 2014 a final dividend for March 2014 of \$90,000 was declared and paid.

4. Retained profit

The amount of retained profit carried forward to next year is made up of:

Retained profit at beginning of the year	1,113,759
Net profit earned for the year	277,897
Dividend declared/paid	(90,000)
Retained profit carried forward to next year	1,301,655

5. Principal Activities

The principal activity of the company during the year relates to the production and sale of paints.

Signed in accordance with a resolution of the directors.

Director

Director

Independent Auditors' Report

TO THE MEMBERS OF SAMOA PAINTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Samoa Paints Limited, which comprise the statement of financial position as at 31 March 2015 and income statement, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' and Management's Responsibility for the Financial Statements

Directors and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for SMEs and with requirements of the Companies Act 2001 and such internal control as the directors and management determine 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 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 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 of financial statements that give a true and fair view 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 included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors and management, 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 opinion.

Opinion

In our opinion the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other legal and Regulatory Requirements

Opinion

In our opinion:

- (a) proper books of account have been kept by the Company, so far as it appears from our examination of those books; and
- (b) the financial statements are in agreement with the books of account; and
- (c) to the best of our knowledge and according to explanations given to us the financial statements give the information required by the Companies Act 2001 in the manner so required.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

I. esama Penn provides taxation services to the Company.

I. esama Penn Chartered Accountants
Apia, Samoa

Dated: 8th May 2015.

Income Statement

For the year ended 31st March, 2015

	Notes	2015 WS\$	2014 WS\$
Sales		2,464,602	2,364,815
Cost of sales		(1,448,773)	(1,464,193)
Gross profit		1,015,829	900,621
Less: Operating Expenses			
Audit fee - external		(7,572)	(10,417)
Doubtful debt		(26,743)	(5,391)
Directors' fees		(1,500)	(1,500)
Other administration expenses		(602,719)	(480,465)
*EBITDA		377,295	402,849
Less:			
Depreciation	9	(34,553)	(31,333)
Add: Other Income			
Interest income/(expense)		4,895	8,734
Exchange gain		21,497	29,117
Other income		-	25,000
**EAITDA		369,134	434,367
Income tax expense	10	(91,237)	(117,715)
Net profit for the year		277,897	316,652
Basic and Diluted earnings per share	12	3.09	3.52

*(Earnings Before Interest (Finance Cost), Tax, Depreciation and Amortization)

** (Earnings After Interest (Finance Cost), Tax, Depreciation and Amortization)

The relevant notes on pages 7 to 11 form part of this statement of income.

Statement of Financial Position

As At 31st March, 2015

	Notes	2015 WS\$	2014 WS\$
Assets			
Current assets			
Cash on hand and at bank		365,086	122,324
Term deposits		248,837	244,676
Stocks	6	647,053	658,699
Debtors	7	198,847	402,102
Other debtors and prepayments		4,950	8,139
Current tax assets	10	2,259	-
Total current assets		1,467,031	1,435,940
Non-current assets			
Property, plant and equipment	9	445,553	471,735
Deferred tax assets	10	29,053	8,996
Total non current assets		474,606	480,730
Total assets		1,941,637	1,916,670
Equity and liabilities			
Capital and reserves			
Issued capital	4	90,000	90,000
Asset revaluation reserve	5	287,934	287,934
Retained earnings		1,301,655	1,113,759
Total equity		1,679,589	1,491,693
Non-current liabilities		-	-
Current liabilities			
Creditors and accruals	8	262,048	290,717
Current tax payable	10	-	44,260
Provision for dividend		-	90,000
Total current liabilities		262,048	424,977
Total liabilities		262,048	424,977
Total equity and liabilities		1,941,637	1,916,670

The relevant notes on pages 7 to 11 form part of this statement of financial position.

On behalf of the Board

Director

Director

Statement of Changes in Equity

For the year ended 31st March 2015

	Share Capital	Asset Revaluation Reserve	Accumulated Profits	Total
	WS\$	WS\$	WS\$	WS\$
Balance at 31 March 2011	\$90,000	\$287,934	\$1,229,147	\$1,607,081
Net profit for the year			254,107	254,107
Dividends declared and paid			(360,000)	(360,000)
Balance at 31 March 2012	\$90,000	\$287,934	\$1,123,254	\$1,501,188
Net profit for the year			123,853	123,853
Dividends declared and paid			(180,000)	(180,000)
Balance at 31 March 2013	\$90,000	\$287,934	\$1,067,107	\$1,445,041
Net profit for the year			316,652	316,652
Dividends declared and paid			(270,000)	(270,000)
Balance at 31 March 2014	\$90,000	\$287,934	\$1,113,759	\$1,491,693
Net profit for the year			277,897	277,897
Dividends declared and paid			(90,000)	(90,000)
Balance at 31 March 2015	\$90,000	\$287,934	\$1,301,655	\$1,679,589

The relevant notes on pages 7 to 11 form part of this statement of changes in equity.

Statement of Cash Flows

for the year ended 31st March 2015

	2015 WS\$	2014 WS\$
CASH FLOWS FROM/(TO) OPERATING ACTIVITIES:		
Cash received from customers	2,670,841	2,111,354
Cash paid to suppliers, expenses and wages	(2,104,865)	(2,198,826)
Income tax paid	(157,075)	(1,038)
Other receipts	26,392	36,816
Net cash flows from operating activities	435,293	(51,694)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Receipts for sale of property, plant and equipment	-	25,000
Payments for purchases of property, plant and equipment	(8,370)	(97,282)
Net cash flows used in investing activities	(8,370)	(72,282)
CASH FLOWS FROM/(USED) IN FINANCING ACTIVITIES:		
Dividend declared and paid	(180,000)	(180,000)
Net cash flows used in financing activities	(180,000)	(180,000)
NET INCREASE/(DECREASE) IN CASH	246,923	(303,976)
CASH BALANCE AT BEGINNING OF YEAR	367,000	670,976
CASH BALANCE AT YEAR END	613,923	367,000
Represented by:		
Cash on hand	200	200
Cash at bank	364,886	122,124
Term Deposits	248,837	244,676
	613,923	367,000

The relevant notes on pages 7 to 11 form part of this statement of cash flows.

Notes to Financial Statements

For the year ended 31st March, 2015

1. HOLDING COMPANY

The company's ultimate holding company changed in November 2010 to Asian Paints International Ltd, a company incorporated in Mauritius, with its accounting records maintained in India.

2. ACCOUNTING POLICIES

(a) General

The accounts have been prepared on the basis of historical costs (with the exception of land and buildings which have been revalued in 1996) in accordance with International Financial Reporting Standards for SMEs. In 2011 the Directors resolved that no further revaluations will be adopted in line with IFRS for SMEs. Accrual accounting is used to match revenue and expenses. The accounting policies have been consistently applied by the company.

(b) Property, plant and equipment and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation.

Building, plant, motor vehicles, furniture and equipment are depreciated using the straight line method over their estimated useful lives.

Depreciation rates are:

Building	2% p.a
Plant, furniture, equipment and motor vehicles	20% p.a

(c) Stocks

Merchandise, manufactured goods and work in progress are valued at the lower of cost and net realisable value.

Cost is determined as follows:

Raw materials:

At invoice cost plus duty and other related costs of delivery to the company's premises using the weighted average method.

Manufactured stock: at direct cost of raw materials and labour plus production overheads.

(d) Foreign currencies

All amounts are expressed in Samoa tala. Transactions involving foreign currencies have been converted at rates ruling at the date of the transaction. Foreign balances at year end have been converted at rates approximating those ruling at that date. Gains and losses on exchange are taken to statement of income.

(e) Taxation

Income tax expense on the profit for the year comprises current tax and deferred tax. Income tax expenses is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used for taxation purposes. Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities that affect neither accounting nor taxable profit, to the extent that they will probably not reverse in the future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that have been enacted or substantively enacted at the balance sheet date that are expected to apply when the liability is settled or the asset is realised.

(f) Trade and other debtors

Trade and other debtors are stated at their cost less impairment losses. The carrying amount of these assets is reviewed at each balance date to determine whether there is any indication of impairment. An impairment loss (doubtful debts) is recognised whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. All impairment losses are recognised in the statement of income.

(g) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances. Bank overdrafts that are repayable on demand as per parent company form an integral part of the Company's cash management.

(h) Revenue recognition

Revenue from sales of traded and manufactured finished goods is recognised in the statement of income on an accrual basis. Revenue from the sale of goods is recognised in the statement of income when

Notes to Financial Statements

For the year ended 31st March, 2015

significant risks and rewards of ownership have been transferred to the customer. Revenue from services is recognised on rendering of services. Interest income is recognised on the time proportion basis .

3. SEGMENT REPORTING

Based on the management approach; revenue, cost of sales and personnel costs comprises of paint sales (traded and manufactured finished goods) and sundry sales. Effectively one product.

4. SHARE CAPITAL

	2015 WS\$	2014 WS\$
Authorised issued and fully paid 90,000 ordinary shares of \$1 each	90,000	90,000

5. ASSET REVALUATION RESERVE

This relates to the valuation of the company land and building carried out by the licensed public valuer, Elon Betham and Associates Limited on 7 June 1995 and accepted by the directors for incorporation into the books at 31 March 1996. In 2011 the directors resolved that no more revaluations will be adopted in line with the IRFS for SMEs.

	2015 WS\$	2014 WS\$
Balance at period end	287,934	287,934

Another valuation of the company's land and buildings done in December 2001 showed a valuation of \$877,000.

6. STOCKS

	2015 WS\$	2014 WS\$
Raw materials	602,594	537,024
Finished goods	144,333	186,666
	746,927	723,690
Less: provision for obsolete stock	(99,873)	(64,991)
	647,053	658,699
Movement in Provision for stock		
Opening balance	64,991	66,247
Charge for the year	34,882	(1,256)
Balance at year end	99,873	64,991

7. DEBTORS

	2015 WS\$	2014 WS\$
Trade debtors	230,981	407,493
Less: provision for doubtful debts	(32,134)	(5,391)
	198,847	402,102
The ageing analysis of trade debtors at year end is as follows:		
0 - 30 days	70,213	146,363
31 - 60 days	46,338	135,787
61 - 365 days - Past due, not impaired	109,471	119,952
61 - 365 days - Considered impaired	4,959	5,391
	230,981	407,493
Less: provision for obsolete stock	(32,134)	(5,391)
	198,847	402,102

8. CREDITORS

	2015 WS\$	2014 WS\$
Trade creditors - related parties	158,065	107,953
- others	19,442	1,009
Accrued expenses- related parties	18,021	86,243
- others	51,989	65,297
VAGST payable	14,531	30,215
	262,048	290,717

Notes to Financial Statements

For the year ended 31st March, 2015

9. PROPERTY, PLANT AND EQUIPMENT

Year: 2015

COST	Opening	Addition	Disposal	Ending
Freehold land	263,000			263,000
Buildings	335,554			335,554
Plant, motor vehicles, furniture and equipment	721,336	8,370		729,706
Intangible Asset	73,771			73,771
	\$1,393,661	\$8,370	-	\$1,402,033

ACCUMULATED DEPRECIATION	Depreciation	Disposal	Ending	WDV
Freehold land	-		-	
Buildings	242,568	4,654	247,222	
Plant, motor vehicles, furniture and equipment	624,428	22,903	647,331	
Intangible Asset	54,931	6,996	61,927	
	\$921,927	\$34,553	-	\$956,480
				\$445,553

Year: 2014

COST	Opening	Addition	Disposal	Ending
Freehold land	263,000			263,000
Buildings	335,554			335,554
Plant, motor vehicles, furniture and equipment	722,537	97,283	(98,484)	721,336
Intangible asset	73,771			73,771
	\$1,394,862	\$97,283	(98,484)	\$1,393,661

ACCUMULATED DEPRECIATION	Depreciation	Disposal	Ending	WDV
Freehold land	-		-	
Buildings	236,315	6,253	242,568	
Plant, motor vehicles, furniture and equipment	704,867	18,045	98,484	624,428
Intangible asset	47,896	7,035		54,931
	\$989,078	\$31,333	98,484	\$921,927
				\$471,735

Notes to Financial Statements

For the year ended 31st March, 2015

10. TAXATION

	2015	2014
a) Income tax expense:		
Profit before income tax	369,134	434,367
Prima facie income tax on operating results at 27%	99,666	117,278
Permanent differences	392	437
Movement in deferred tax	(8,821)	-
Income tax expenses	91,237	117,715
Comprising:		
Tax currently payable	111,597	114,480
Deferred income tax expense of temporary differences	(20,047)	3,235
Prior year underprovision	(313)	-
	91,237	117,715
b) Income tax (payable/refundable)		
Balance brought forward	(44,260)	69,187
Payments during the year	157,806	1,038
Tax currently payable	(111,597)	(114,480)
Tax credit adjustment	310	(5)
Tax credit/(payable)	2,259	(44,260)
c) Deferred tax assets/ (liabilities):		
Deferred tax assets and liabilities are attributable to the following:		
Provision for doubtful debts, obsolete stocks and long service leave not currently deductible	61,624	19,003
Differences in depreciation and amortisation of property, plant and equipment for accounting and income tax purposes	(32,571)	(10,007)
	29,053	8,996

11. RELATED PARTY TRANSACTIONS

	2015	2014
These transactions are made on normal commercial terms:-		
Payment to key management staff	243,649	175,353
Dividend	180,000	270,000
Directors' fees - sitting allowances	1,500	1,500
Royalty	70,562	67,147
Purchase of raw materials	294,008	33,152

12. EARNINGS PER SHARE

	2015	2014
Net profit/(loss) attributable to ordinary shareholders	277,897	316,652
Weighted average number of ordinary shares	90,000	90,000
Basic / diluted earnings per share	3.09	3.52

13. FREQUENCY OF REPORTING

The current financial statements is from April 2014 to March 2015.

14. SUBSEQUENT EVENTS

The directors are not aware of any events subsequent to balance date which may have a material effect on the financial statements as at 31 March 2015.

15. CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities to balance date which may have a material effect on the financial statements as at 31 March 2015 (31 March 2014: \$Nil)

16. CAPITAL COMMITMENTS

The directors are not aware of any capital commitments at balance date. (31 March 2014: \$Nil)

17. FINANCIAL INSTRUMENTS

Exposure to credit, interest rate and currency risk arises in the normal course of the company's business.

Credit Risk

Management has a credit policy in place and the exposure to credit risk is monitored on an on going basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The company does not require collateral in respect of these financial assets.

Investments are allowed only in liquid securities with counterparties that have a credit rating equal or better than the company.

At balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Foreign Currency Risk

The company incurs foreign currency risk on purchases denominated in a currency other than Tala. The currencies giving rise to this risk are primarily the Australian, New Zealand and US Dollar.

In respect of other monetary assets and liabilities held in currencies other than Tala the company ensures that the net exposure is kept to an acceptable level, by buying and selling foreign currencies at spot rates where necessary to address short-term imbalances. Foreign exchange contracts at year end amount to AUD\$NIL (2013: AUD \$NIL)

Fair Value

At balance date the fair value of financial instruments was equal to their carrying values.

18. GENERAL

The company is incorporated and operates solely in Samoa. Its principal activity is the production and sale of paint under its trading name of Taubmans Samoa.

Detailed Income Statement

For the year ended 31st March, 2015

INCOME	2015 WS\$	2014 WS\$
Gross profit	1,015,829	900,621
Interest received	4,895	8,734
Exchange gain	21,497	29,117
Sundry income		25,000
TOTAL INCOME	1,042,220	963,472
EXPENSES		
Audit fees- external	7,572	10,417
Doubtful debt	26,743	5,391
Directors fees	1,500	1,500
Depreciation	34,553	31,333
	70,368	48,640
Other Administration expenses		
Administration expenses	92,856	84,889
Bank charges	1,959	1,711
Employee costs	407,087	323,502
Manufacturing expenses	19,523	11,928
Selling and distribution expenses	10,732	18,788
Service fees and royalty	70,562	39,647
Total Other Administration Expenses	602,719	480,465
TOTAL EXPENSES	673,087	529,105
OPERATING PROFIT	369,134	434,366