Mr. Habieb El Mahdi- Auditor
01 Colonel Amirouche Bab Ezzouar / Alger Tél : 213 054 94 51 87
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AUDIT REPORT

-

CLOSING YEAR ON 31 DECEMBER 2014

SARL DERWENT SAND

SHARE CAPITAL OF **40 150 390.00 DA**

Head Office: lot Mohamed Boudiaf villa 172 ouled fayet
Alger- Algeria.

APRIL 2015

Mr. Habieb El Mahdi- Auditor
01 Colonel Amirouche Bab Ezzouar / Alger Tel: + 213 (0) 21 68 04 09/22/26
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Mandated and acting as
Auditor
of SARL DERWENT SAND

Algiers on 01/04/2015

Kind attention to the members of Ordinary General Meeting
of SARL DERWENT SAND

Subject: Auditor – Year **2014**

Members of the Assembly,

In execution of the mandate for the auditors which was entrusted to us by your General Meeting dated **14** October **2014**, and in accordance with the provisions of the commercial code and the law N° **10-01** dated **29/06/2010** related to the certified public accountant and auditor and chartered accountant and executive decree N°**11-202** dated **26/05/2011** fixing the norms of the auditor reports, conditions and deadlines of their transmission, we have the honor to present you our audit report on the financial statements of your company for the closing year, on **31/12/2014**.

This report regarding the results of our mission is composed of following parts:

Part I - The account certification reports and special reports required by the code of commerce and regulation;
Part II - The financial statements as on **31/12/2014** (Balance Sheet, CR, Cash flow table, variation of equity table, Annexes);

Available at your disposal, for any information you may request on the content of this report, we ask you to believe, the expression of our highest consideration.

RAJESH KUMAR
GERANT

Mr. HABIEB EL MAHDI
Auditor

Summary

Part I-

GENERAL REPORT

(CERTIFICATION OF ACCOUNTING REPORTS)

Mr. Habieb El Mahdi- Auditor
01 Colonel Amirouche Bab Ezzouar / Alger Tel: 213 054 94 51 87
Email: habieb.elmahdi@hotail.com

Mandated and acting as
Auditor
of SARL DERWENT SAND

Alger on 01/04/2015

Kind attention to the members of Ordinary General Meeting
of SARL DERWENT SAND

Subject: Certification of accounting reports for the closing year on **31/12/2014**

Gentlemen,

In execution of the mandate for the auditors which was entrusted to us by your General Meeting dated **14 October 2014**, we have the honor to report you the results of our work.

The annual accounts of the year 2014 was established and approved by the management of the company

Methods and techniques used:

We have examined the accounts of the Company **SARL DERWENT SAND** regarding the period from **01** January **2014** to **31** December **2014**.

The financial statements are presented in accordance with the provisions of the financial accounting system and the evaluation and presentation rules were not known for the change with regards to the previous year.

We conducted our audit in accordance with professional standards. Those standards require diligence implementation which enables to obtain **reasonable assurance** whether the financial statements **are free from material misstatement.**

As part of the audit work, we carried out audit verification that we have found useful. Thus, we examined the evidence supporting the data present in the accounts, on one hand, the accounting principles followed and the presentation method of the final accounts, on the other hand.

The financial statements for the fiscal year **2014** were presented with:

- Total income of the balance sheet...**1 767 380 174.75 DA**
- Gross Deficit Income...**285 777 279.69 DA**

Opinion on the accounts:

Considering the audit carried out, we consider it adequate to justify our opinion; we are able to certify that the financial statements as presented on pages 16, 17, 18, 19, 20 and 21 do not have to material misstatement likely to call into question the result for the year 2014. These accounts are deemed fair and accurate and fairly present the results of operations for the past year and the financial position and assets of your company at the end of this year under reserves to support the remarks mentioned in the technical report.

RAJESH KUMAR

GERANT

Mr. *HABIEB EL MAHDI*
Auditor

Part II-

SPECIAL REPORTS

Mr. Habieb El Mahdi- Auditor
01 Colonel Amirouche Bab Ezzouar / Alger Tel: 213 054 94 51 87
Email: habieb.elmahdi@hotail.com

Mandated and acting as
Auditor
of SARL DERWENT SAND

Alger on, 01/04/2015

Kind attention to the members of Ordinary General Meeting
of SARL DERWENT SAND

Subject: Opinion on management report
(ref. Article **584** of code of commerce and the article **23** of the law N°**10-01** dated **29/06/2010**).

Gentlemen,

We have also performed in accordance with standards of the profession and the specific verifications required by law (Article 715 bis 4 of the Code of commerce) and regulations in force particularly the Article 23 of the Law No. 10-01 dated 29/06/2010

We have no comments to make on the accuracy and consistency of information provided in the Manager's management report and in the documents sent to the owners on the financial situation with the financial statements as on 31/12/2014.

GERANT

Mr. ***HABIEB EL MAHDI***
Auditor

Mr. Habieb El Mahdi- Auditor
01 Colonel Amirouche Bab Ezzouar / Alger Tel: 213 054 94 51 87
Email: habieb.elmahdi@hotail.com

Mandated and acting as
Auditor
of SARL DERWENT SAND

Alger on 01/04/2015

Kind attention to the members of Ordinary General Meeting of SARL DERWENT SAND

Subject: Special report on regulated agreements.
(ref. Article **628** of code of commerce and the article **25** of the law N°**10-01** dated **29/06/2010** and the article **2** of the Executive decree N°**11-202** dated **26/05/2011**).

Gentlemen,

Pursuant of provisions quoted above, we have the honor to inform you, that during our audit, we were not aware of the agreements mentioned in the said article.

GERANT

Mr. HABIEB EL MAHDI

Auditor

APPENDICES

SARL DERWENT SAND

BALANCE SHEET ASSETS

LABEL	GROSS	DEPRECIATION	NET 2014	NET 2013
NON CURRENT ASSETS				
Intangible Assets	281 000.00	93 183.34	187 816.66	0
Tangible Assets				
Other tangible Assets	17 059 910.46	9 859 942.06	7 199 968.40	4 057 433.28
Concession Assess				
Financial Assets				
Loans and other financial assets N/C	3 062 842.02	0	3 062 842.02	3 062 842.02
Deferred tax assets	85 200.00	0	85 200.00	85 200.00
TOTAL NON CURRENT ASSETS	**20 488 952.48**	**9 953 125.40**	**10 535 827.08**	**7 205 475.30**
CURRENT ASSETS				
Stocks and works	1 069 258 699.05	1 099 199.55	1 068 159 499.50	612 810 250.02
Receivable and related jobs				
Clients	406 467 654.69	51 646 567.39	354 821 087.30	215 022 075.65
Other receivables	95 859 309.78	0	95 859 309.78	14 570 783.61
Taxes and similar	179 254 921.23	0	179 254 921.23	116 012 071.89
Cash and equivalent				
Treasury	58 749 529.86	0	58 749 529.86	758 964.02
TOTAL CURRENT ASSETS	**1 809 590 114.61**	**52 745 766.94**	**1 756 844 347.67**	**959 174 145.19**
TOTAL ASSETS	**1 830 079 067.09**	**62 698 892.34**	**1 767 380 174.75**	**966 379 620.49**

SARL DERWENT SAND

BALANCE SHEET LIABILITIES

SECTION	2014	2013
SHARE CAPITAL		
CAPITAL ISSUED	40 150 390.00	26 650 000.00
Bonus and Reserves - Consolidated reserves (1)	2 665 000.00	2 665 000.00
Net income - Net income of the group (1)	-285 777 279.69	-112 825 295.41
Other share capital – retained earnings	180 971 000.08	-130 325 744.51
TOTAL I	**-61 990 889.61**	**-213 836 039.92**
NON CURRENT LIABILITIES		
CURRENT LIABILITIES :		
Suppliers and payable accounts	727 031 072.19	251 640 190.46
Taxes	1 397 575.92	1 410 504.92
Other debts	11 407 011.97	191 337 819.91
Cash liability	1 089 535 404.29	735 827 145.12
TOTAL III	**1 829 371 064.37**	**1 180 215 660.41**
TOTAL LIABILITY (I+II+III)	**1 767 380 174.75**	**966 379 620.49**

INCOME STATEMENT/NATURE

LABEL	2014	2013
Sales and related products	755 030 127.07	242 408 971.21
I-PRODUCTION OF THE YEAR	**755 030 127.07**	**242 408 971.21**
Purchases	-711 532 438.61	-260 665 526.05
External Services and other consumption	-112 480 849.86	-39 951 609.44
II-CONSUMPTION FOR THE YEAR	**-824 013 288.47**	**-300 617 135.49**
III-VALUE ADDED OPERATIONS (I-II)	**-68 983 161.40**	**-58 208 164.28**
Personnel expenses	-18 309 956.29	-10 849 195.78
Taxes and other payments	-12 797 306.40	-3 759 251.80
IV-GROSS OPERATING SURPLUS	**-100 090 424.09**	**-72 816 611.86**
Other operational income	89 947.43	102 639.32
Other operational expenses	-54 337 504.54	-10 446 310.65
Depreciation, amortization and impairment	-41 891 587.91	-3 067 523.67
Reversal of impairment losses and provisions	1 886 709.76	13 876 443.51
V- OPERATING INCOME	**-194 342 859.35**	**-72 351 363.35**
Financial income	824 556.99	774 531.34
Financial expenses	-92 277 933.82	-41 248 463.40
VI-FINANCIALINCOME	**-91 453 376.83**	**-40 473 932.06**
VII-INCOME BEFORE TAXES (V+VI)	**-285 796 236.18**	**-112 825 295.41**
Taxes payable on the income	-6 000.00	0
TOTAL INCOME FROM ACTIVITIES	**757 831 341.25**	**257 162 585.38**
TOTAL EXPENSES FROM ACTIVITIES	**-1 043 633 577.43**	**-369 987 880.79**
VIII- NET INCOME FROM ORDINARY ACTIVITIES	**-285 802 236.18**	**-112 825 295.41**
Extraordinary items (income) (to be specified)	24 956.49	0
IX-EXTRAORDINARY INCOME	**24 956.49**	**0**
X-NET INCOME FOR THE YEAR	**-285 777 279.69**	**-112 825 295.41**

VARIATION TABLE OF EQUITY

LABEL	Share capital	Reevaluation difference	Reserves And income
Balance as on 31 December 2012	**26 650 000.00**	**0.00**	**-127 660 744.51**
Change in 2013 accounting method	0.00	0.00	0.00
Correction of 2013 significant errors	0.00	0.00	0.00
Reevaluation of 2013 assets	0.00	0.00	0.00
Profits or losses not accounted in the 2013 income statement	0.00	0.00	0.00
Dividend paid in 2013	0.00	0.00	0.00
Capital increase in 2013	0,00	0.00	00
Net income of the year 2013	0,00	0,00	-112 825 2951
Balance as on 31 December 2013	**26 650 000.00**	**0.00**	**-240 486 039.92**
Change in 2014 accounting method	0.00	0.00	0.00
Correction of 2014 significant errors	0.00	0.00	0.00
Reevaluation of 2014 assets	0.00	0.00	0.00
Profits or losses not accounted in the 2014 income statement	0.00	0.00	0.00
Dividend paid in 2014	0.00	0.00	0.00
Capital increase in 2014	13 500 390.00	0.00	424 122 040.00
Net income of the year 2014	0.00	0.00	-285777 269.69
Balance as on 31 December 2014	**40 150 390.00**	**0.00**	**-102 141 279.61**

SARL DERWENT SAND

CASH FLOW TABLE

LABEL	2014	2013
Cash flow from operating activities		
Cash receipts from customers	732 879 707.34	191 835 505.57
Payments to suppliers and employees	-1 168 674 479.26	-642 294 057.33
Interest and other financial expenses paid	-105 909 119.11	-49 950 816.28
Taxes on paid income	-10 500.00	-9 500.00
Operations with pending classification (47) !!!!	**-4 705 451.44**	**0**
Cash flow before extraordinary items	-546 419 842.47	-500 418 868.04
Cash flow related to extraordinary items	-366 568.79	-406 280.33
Net cash flow coming from operational activities (A)	**-546 786 411.26**	**-500 825 148.37**
Net cash flow coming from investment activities		
Disbursements for acquisitions of intangible or tangible assets	-5 294 475.46	-1 150 000.00
Proceeds from the disposal of intangible or tangible assets		
Disbursements for acquisitions of financial assets	-6 000 000.00	-2 101 060.00
Proceeds from the disposal of financial assets	6 000 000.00	0
Interest received from financial investment	824 556.99	774 531.34
Dividends and share income received		
Net cash flow coming from investment activities (B)	**-4 469 918.47**	**-2 476 528.66**
Cash flow from financing activities		
Receipts from issuing the shares		
Dividends and other distributions made		
Proceeds from borrowings	255 538 636.40	183 079 800.00
Repayment from borrowing or other similar debts		
Net Cash flow from financing activities (C)	**255 538 636.40**	**183 079 800.00**
Impact of changes in exchange rate on cash and equivalent		
Change in cash for the period (A+B+C)	**-295 717 693.33**	**-320 221 877.03**
Cash or equivalent at the start of the year	**-735 068 181.10**	**-414 846 304.07**
Cash or equivalent at the end of the year	**-1 030 785 874.43**	**-735 068 181.10**
Change in cash for the period	**-295 717 693.33**	**-320 221 877.03**
Reconciliation with accounting profit/income	**-9 940 413.64**	**-207 396 581.62**

TABLES PRESENT IN THE APPENDIX

EVOLUTION OF FIXED ASSETS AND NON CURRENT FINANCIAL ASSETS

Sections and items	Notes	Gross value at the opening of the year	Increase in the year	Reduction in the year	Gross value at the closing of the year
Intangible Assets	A1	90 000.00	191 000.00		281 000.00
Tangible Assets	B1	11 747 306.52	7 545 108.13		17 059 910.46
Investments					
Assets in progress					
Other non-current financial assets	C1	3 062 842.02	42 600 000.00		3 062 842.02

A1-Represents the acquisition of PC COMPTA computer software.
B1-The increase recorded is related to new acquisitions for the operating period.
C1 Represents securities for submission and guarantee deposits from shipping companies

Depreciation table

Sections and items	Notes	Depreciation accumulated at the start of the year	Increase in Depreciation for the year	Reduction in released elements	Depreciation accumulated at the end of the year
Goodwill					
Intangible Assets	A2	90 000.00	3 183.33		93 183.33
Tangible Assets	B2	7 689 873.24	2 170 068.50		9 859 941.74
Investments					
Other non-current financial assets					

B2-Represents depreciation of automotive equipment, furniture and office equipment, computer hardware and equipment.
Depreciation method applied (linear)

Other supplies

Sections and items	Notes	STOCK AT THE START OF THE YEAR	MVT DEBIT	MVT CREDIT	STOCK AT THE END OF THE YEAR
Stocks	A3	612 810 250.02	1410 091 254.26	954 742 004.77	1068 159499.51

A3-Represents the Goods value
Permanent inventory method applied.

TABLE OF PROVISIONS

Sections and items	Notes		Depreciation for the year	Recovery for the year	
CURRENT LIABILITIES PROVISION					
Provisions for bad debts			10 750 128.89		
Provisions for the accounting firm			1 755 000.00		
Provisions for foreign exchange losses	A4		24 655 901.07		
Other provisions related to the staff	A5		658 106.24		
Provisions for CAC 2014			800 000.00		
TOTAL			**38 619 136.20**	**0.00**	

A4-Represents the difference of payments in 2014 import records paid in 2015
A5- Represents the provision of holidays to be paid.

MATURITY OF RECEIVABLES AND LIABILITIES AT END OF YEAR

Sections and items	Notes	In one year	More than one year and less than 5 years	More than 5 years	Total
RECEIVABLES					
Loans					
Clients					
Taxes	A6	63 242 849.34	116 012 071.89		179 254 921.23
Other receivables	B6	81 288 526.71	14 570 783.61		95 859 309.78
TOTAL		144 531 375.51	130 582 855.50	0.00	275 114 231.01
DEBTS					
Loans					
Other debts	B7				11 407 011.97
Taxes	C7	597 581.93	799 993.99		1 397 575.92
Suppliers and related accounts	D7	475 390 881.73	251 640 190.46		727 031 072.19
TOTAL		475 988 463.66	252 440 184.45	0.00	739 835 660.08

A6-This item includes VAT paid on purchases and services (31 186 002.89) and the tax for a value of (157 488 306 DA) and IBS prepayment amount

B6-The balance consists of salary advances (560 487.95), advances on services (26 318 773.74), pending expenditure (57 9 451.93), advances to the suppliers (64 543 226.90) and expenses recorded for advances (3857 369.26).

C7-TAP Represents TAP tax of December and apprenticeship tax and stamps duties on sales in December 2014 and IBS.

B7-Represents salaries and Social Security deductions and IRG on wages, client advances and current accounts of associates 5,930 405.87

D7-Classifies the suppliers, accrued expenses, miscellaneous expenses and bills receivable