

Guava International Limited

FINANCIAL STATEMENTS

for the year ended
31 December 2013

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COMPANIES HOUSE

Company Registration No 3948528

Guava International Limited

COMPANY INFORMATION

DIRECTORS

G Kania
H P H Robinson
K Whitcraft
R P Lyon Taylor
D L Jones
C Crosetto
M D T Tennant

SECRETARY

P N Taylor

REGISTERED OFFICE

Astolat Business Park
Peasmarsh
Guildford
Surrey GU3 1NE

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey GU1 1UN

Guava International Limited

STRATEGIC REPORT

The directors have pleasure in submitting their Strategic Report for Guava International Limited for the year ended 31 December 2013. This strategic report is a new legal requirement following its introduction in August 2013 by way of amendment to the Companies Act 2006.

PRINCIPAL ACTIVITIES

The company's principal activity is the exporting and distribution of vehicles and vehicle spare parts and the operation of an approved repairer franchise in the UK.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Overview of business

The business showed continued growth through 2013, benefiting from further new product introductions from Jaguar Land Rover. The Range Rover Evoque more than sustained its strong rate of sales in 2012, and during the year was joined by the all new Range Rover and Range Rover Sport. Product-driven growth was supported by economic recovery in a number of markets for which Guava is responsible.

Risks and uncertainties

The principal risks concern the use of currencies and the implications of having the majority of the company's trade debtors overseas.

Currency risks are largely mitigated because vehicles are bought and sold in the same currency (US Dollars). Where appropriate the company enters into forward contracts to further eliminate any exposure to major currency movements.

Debtors are largely secured by guarantees thus eliminating credit risk.

Cash flow is monitored as part of the daily control routines and projections are considered regularly. The Board considers that appropriate facilities are available to be drawn upon as necessary.

Key performance indicators

The Board studies management accounts each month, considers any significant variations to forecasts and takes appropriate action if necessary.

The directors regularly monitor the performance of the company's dealers in each of the markets managed for Jaguar Land Rover.

Guava achieved its highest annual unit sales to date at 1,958 vehicles and Turnover of \$137,462,416 for vehicles, parts and service. Profit after tax for the year was \$3,151,438.

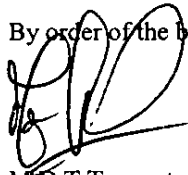
Guava International Limited

STRATEGIC REPORT

Future Development

Jaguar Land Rover's product offensive is set to accelerate in the years ahead. Following the highly successful launch of the Jaguar F-TYPE sports car, there will be a further two all-new products launched by Jaguar Land Rover in 2014. Jaguar is currently the world's fastest growing premium brand, and Guava is planning for a number of its Land Rover-only dealers to take on the Jaguar franchise and introduce the brand to new markets.

By order of the board



M D T Tennant
Director

23 May 2014

Guava International Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Guava International Limited for the year ended 31 December 2013

RESULTS AND DIVIDENDS

The Company's trading profit for the year, after taxation, was \$3,151,438 (2012 \$2,280,153)

A final dividend on the ordinary shares of \$Nil per share amounting to \$Nil (2012 \$1,450,067) was authorised and declared during the year

DIRECTORS

The following directors have held office since 1 January 2013

G Kama
H P H Robinson
K Whitcraft
R P Lyon Taylor
D L Jones
C Crosetto
M D T Tennant (appointed 19 September 2013)

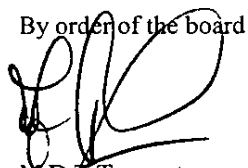
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

By order of the board



M D T Tennant
Director

23 May 2014

Guava International Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

Under company law 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business,

The directors are responsible for keeping 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 and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUAVA INTERNATIONAL LIMITED

We have audited the financial statements on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. 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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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.

Baker Tilly UK Audit LLP

CHRISTOPHER HURREN BA FCA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey GU1 1UN

2 June 2014

Guava International Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

	<i>Notes</i>	2013 \$	2012 \$
TURNOVER	1	137,462,416	119,435,110
Cost of sales		(123,067,015)	(106,901,229)
GROSS PROFIT		<u>14,395,401</u>	<u>12,533,881</u>
Administrative expenses		(10,157,063)	(9,200,671)
OPERATING PROFIT		<u>4,238,338</u>	<u>3,333,210</u>
Interest receivable and similar income		86,649	33,910
Interest payable and similar charges	2	(211,860)	(355,166)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>4,113,127</u>	<u>3,011,954</u>
Taxation on profit on ordinary activities	5	(961,689)	(731,801)
PROFIT FOR THE FINANCIAL YEAR	16	<u><u>3,151,438</u></u>	<u><u>2,280,153</u></u>

The operating profit for the year arises from the company's continuing operations

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss account

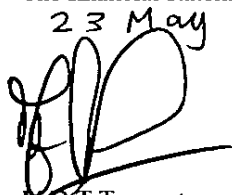
Guava International Limited

BALANCE SHEET (Company Registration Number 3948528)

31 December 2013

	<i>Notes</i>	2013 \$	2012 \$
FIXED ASSETS			
Investment in subsidiary	7	50,000	50,000
Tangible assets	8	5,737,975	5,876,098
		<u>5,787,975</u>	<u>5,926,098</u>
CURRENT ASSETS			
Stock	9	16,296,014	18,706,796
Debtors	10	33,114,382	26,941,646
Cash at bank and in hand		6,641,772	5,956,974
		<u>56,052,168</u>	<u>51,605,416</u>
CREDITORS Amounts falling due within one year	11	(50,011,050)	(48,489,016)
NET CURRENT ASSETS		<u>6,041,118</u>	<u>3,116,400</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,829,093	9,042,498
CREDITORS Amounts falling due after more than one year	12	(2,348,913)	(2,604,218)
Provisions for liabilities and charges	13	(144,513)	(254,051)
		<u>9,335,667</u>	<u>6,184,229</u>
CAPITAL AND RESERVES			
Called up share capital	14	16,643	16,643
Share premium account	15	522,130	522,130
Profit and loss account	15	8,796,894	5,645,456
SHAREHOLDERS' FUNDS	16	<u>9,335,667</u>	<u>6,184,229</u>

The financial statements on pages 7 to 21 were approved by the board of directors and authorised for issue on
23 May 2014 and are signed on its behalf by



M. T. Tennant
Director

Guava International Limited

CASH FLOW STATEMENT

for the year ended 31 December 2013

	<i>Notes</i>	2013 \$	2012 \$
Cash flow from operating activities	19a	10,093,295	(13,289,344)
Returns on investments and servicing of finance	19b	(125,211)	(321,256)
Taxation		(944,728)	(936,281)
Capital expenditure and financial investment	19c	(97,145)	(514,637)
Equity dividends paid		-	(1,999,980)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>8,926,211</u>	<u>(17,061,498)</u>
Financing	19d	(8,241,413)	7,698,844
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u>684,798</u>	<u>(9,362,654)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)

		\$	\$
Increase/(Decrease) in cash in the year		684,798	(9,362,654)
Cash outflow/(inflow) from changes in debt		8,241,413	(7,698,841)
MOVEMENT IN NET FUNDS/(DEBT) IN YEAR		<u>8,926,211</u>	<u>(17,061,495)</u>
NET (DEBT)/FUNDS AT BEGINNING OF YEAR		(4,894,344)	12,167,151
NET FUNDS/(DEBT) AT END OF YEAR	19e	<u>4,031,867</u>	<u>(4,894,344)</u>

Guava International Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards

The financial statements are presented in US Dollars (“\$”), which is the company’s functional currency since the company generates the majority of its cash flows in \$

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and/or services in the ordinary nature of the business and is recognised at point of collectability. Turnover is only recognised when the collection of the payment is reasonably assured. Turnover represents the value of goods sold and services provided to customers, net of Value Added Tax

DEPRECIATION

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for freehold land, evenly over their expected useful lives. It is calculated at the following rates

Freehold buildings	- 2% straight line basis
Plant & machinery	- 20% straight line basis
Motor vehicles	- 25% reducing balance basis
Fixtures and fittings	- 20% straight line basis
Computer equipment	- 25% straight line basis

CAPITALISATION OF INTEREST

The company adopts a policy of capitalising finance costs which are directly attributable to the construction of tangible fixed assets

STOCKS

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

FOREIGN CURRENCY

Assets and liabilities denominated in currencies other than \$ are translated at the rate of exchange ruling at the balance sheet date. The year-end rate has been used to translate such balances. Transactions in currencies other than \$ are translated at the rates of exchange prevailing on the dates of transactions or translated at the average rates for the period

Branches held in foreign currencies are translated using the closing rate method

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company’s taxable profit and its results as stated in the financial statements and that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

LEASED ASSETS

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account

Guava International Limited

ACCOUNTING POLICIES

LEASED ASSETS (Continued)

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of the capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

PENSION COSTS

Contributions to the company's defined contribution pension scheme and individual money purchase pension schemes are charged to the profit and loss account in the period in which they become payable.

GOING CONCERN

The directors consider forecasts of trading and cash flows for a period of at least twelve months and are satisfied that these show the company will continue to be a going concern for the foreseeable future and have therefore prepared the financial statements on this basis.

CONSOLIDATION

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 401 of the Companies Act 2006 not to prepare consolidated financial statements.

INVESTMENTS

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Guava International Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2013

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover is wholly attributable to the principal activity of the company

Income arose in the following geographical markets

	2013	2012
	\$	\$
United Kingdom	2,743,310	3,059,600
Asia	78,002,258	65,172,005
Other	56,716,848	51,203,505
	<u>137,462,416</u>	<u>119,435,110</u>

2 INTEREST PAYABLE

	2013	2012
	\$	\$
On parent company loan	167,111	301,932
On bank loan	43,477	53,234
Interest on unpaid tax	1,272	-
	<u>211,860</u>	<u>355,166</u>

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013	2012
	\$	\$
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation of tangible fixed assets	235,268	266,867
Profit on disposal of tangible fixed assets	-	(414)
Operating lease rentals		
Plant and machinery	34,114	43,639
Land and buildings	325,886	386,278
Audit services		
- statutory audit	24,256	22,980
- other services	2,180	2,023
	<u>601,704</u>	<u>680,707</u>

Guava International Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2013

4	EMPLOYEES	2013 No	2012 No
	The average monthly number of employees (including directors) during the year was		
	Sales and administration	81	80
		<u> </u>	<u> </u>
		2013 \$	2012 \$
	Staff costs for the above employees		
	Wages and salaries	4,337,062	4,227,108
	Social security costs	338,322	377,085
	Other pension costs	71,269	67,497
		<u>4,746,653</u>	<u>4,671,690</u>
		<u> </u>	<u> </u>
	DIRECTORS' REMUNERATION	2013 \$	2012 \$
	Directors' emoluments	479,553	452,971
	Company contributions to defined contribution pension scheme	10,961	10,805
		<u>490,514</u>	<u>463,776</u>
		<u> </u>	<u> </u>

There were 2 directors in the company's defined contribution pension scheme during the year (2012 1)

Directors' emoluments disclosed above include the following payments to the highest paid director

	2013 \$	2012 \$
Emoluments	199,683	204,749
Company contributions to money purchase pension scheme	10,199	9,973
	<u>209,882</u>	<u>214,722</u>
	<u> </u>	<u> </u>

Guava International Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

5	TAXATION	2013 \$	2012 \$
	UK Corporation tax		
	UK Corporation tax on profits of the year	953,722	772,767
	Adjustment for prior years	117,505	(470)
	 Total current tax	<u>1,071,227</u>	<u>772,297</u>
	Deferred taxation		
	Origination and reversal of timing differences	(76,139)	(16,094)
	Adjustment in respect of previous years	-	10,076
	Effect of changes in tax rates and laws	(33,399)	(34,478)
	 Total deferred tax	<u>(109,538)</u>	<u>(40,496)</u>
	 Tax on profit on ordinary activities	<u>961,689</u>	<u>731,801</u>
		2013 \$	2012 \$
	Factors affecting tax charge for year		
	The tax assessed for the year differs from the standard rate of corporation tax in the UK of 23% (2012 24%) as explained below		
	Profit on ordinary activities before tax	4,113,127	3,011,954
	 Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012 24%)	<u>946,019</u>	<u>722,869</u>
	Effects of		
	Expenses not deductible for tax purposes	15,875	18,118
	Capital allowances for year in excess of depreciation	4,834	16,739
	Other timing differences	(23,123)	(646)
	Adjustment for prior years	117,505	(470)
	Difference in tax rate	10,117	15,686
	Other adjustments	-	1
	 Current tax charge for year	<u>1,071,227</u>	<u>772,297</u>
	 Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) followed by a further reduction to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly.		
6	DIVIDENDS	2013 \$	2012 \$
	Ordinary shares		
	Interim paid of \$Nil (2012 \$137.33) per share	Nil	1,450,067

Guava International Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

7	INVESTMENTS	\$
	1 January 2013	50,000
	Additions	-
	31 December 2013	<u>50,000</u>

The investment is 99.975% of the ordinary issued share capital of RMA Group (Sub Sahara Africa) Limited a company incorporated in The Republic of Kenya that provides dealer support. As at 31 December 2013 the company had aggregate capital and reserves of \$66,311 (2012 \$59,320) and during the year ended 31 December 2013 made of profit of \$6,991 (2012 \$9,320)

8 TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Fixtures and fittings</i>	<i>Computer equipment</i>	<i>Total</i>
	\$	\$	\$	\$	\$	\$
Cost						
1 January 2013	6,002,469	412,108	42,585	202,051	359,678	7,018,891
Additions	6,574	43,066	-	-	47,505	97,145
Disposals	-	-	-	-	-	-
31 December 2013	<u>6,009,043</u>	<u>455,174</u>	<u>42,585</u>	<u>202,051</u>	<u>407,183</u>	<u>7,116,036</u>
Depreciation						
1 January 2013	486,910	316,220	23,140	97,652	218,871	1,142,793
Charged in the year	99,121	31,712	6,884	29,302	68,249	235,268
Disposals	-	-	-	-	-	-
31 December 2013	<u>586,031</u>	<u>347,932</u>	<u>30,024</u>	<u>126,954</u>	<u>287,120</u>	<u>1,378,061</u>
Net book value						
31 December 2013	<u>5,423,012</u>	<u>107,242</u>	<u>12,561</u>	<u>75,097</u>	<u>120,062</u>	<u>5,737,975</u>
31 December 2012	<u>5,515,559</u>	<u>95,888</u>	<u>19,445</u>	<u>104,399</u>	<u>140,807</u>	<u>5,876,098</u>

9	STOCKS AND WORK IN PROGRESS	2013	2012
		\$	\$
	Finished goods and goods for resale	<u>16,296,014</u>	<u>18,706,796</u>

There is no material difference between the replacement cost of stocks and the amounts stated above

Guava International Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2013

10	DEBTORS	2013 \$	2012 \$
	Trade debtors	9,201,645	8,632,020
	Amounts due from group undertakings	20,018,380	14,636,415
	Other debtors	3,538,412	3,324,746
	Prepayments and accrued income	355,945	348,465
		<u>33,114,382</u>	<u>26,941,646</u>
	All amounts shown under debtors fall due for payment within one year		
11	CREDITORS Amounts falling due within one year	2013 \$	2012 \$
	Bank loans	260,992	274,128
	Trade creditors	41,921,044	29,594,390
	Amounts due to group undertakings	665,615	1,337,669
	Parent company loan	-	7,972,972
	Corporation tax	431,124	285,983
	Other taxation and social security costs	-	8,560
	Other creditors	462,466	1,473,190
	Accruals and deferred income	6,269,809	7,542,124
		<u>50,011,050</u>	<u>48,489,016</u>
12	CREDITORS Amounts falling due in more than one year	2013 \$	2012 \$
	Bank loans	2,348,913	2,604,218
		<u>2,348,913</u>	<u>2,604,218</u>
		2013 \$	2012 \$
	Maturity of debt		
	In one year or less	260,992	274,128
	In more than one year but not more than two years	260,992	274,128
	In more than two years but not more than five years	2,087,921	822,385
	In more than five years	-	1,507,705
		<u>2,609,905</u>	<u>2,878,346</u>

The bank loan is secured by fixed and floating charges over the company's land and buildings and other assets. The loan is repayable by monthly installments and bears interest at US\$ LIBOR plus 2.25% per annum.

Guava International Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2013

13	PROVISION FOR LIABILITIES AND CHARGES		Deferred taxation \$
	1 January 2013		254,051
	Credited to profit and loss account		(109,538)
	31 December 2013		<u>144,513</u>
		2013	2012
		\$	\$
	Deferred taxation		
	Accelerated capital allowances	218,452	256,055
	Other timing differences	(73,939)	(2,004)
		<u>144,513</u>	<u>254,051</u>
14	SHARE CAPITAL	2013	2012
		\$	\$
	Allotted, called up and fully paid 10,559 Ordinary shares of £1 each	16,643	16,643
15	RESERVES	Share premium account \$	Profit and loss account \$
	1 January 2013	522,130	5,645,456
	Profit for the year	-	3,151,438
	Dividends	-	-
	31 December 2013	<u>522,130</u>	<u>8,796,894</u>
16	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2013	2012
		\$	\$
	Profit for the year	3,151,438	2,280,153
	Dividends	-	(1,450,067)
	Net movement in shareholders' funds	<u>3,151,438</u>	<u>830,086</u>
	Opening shareholders' funds	6,184,229	5,354,143
	Closing shareholders' funds	<u>9,335,667</u>	<u>6,184,229</u>

Guava International Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2013

17 PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to \$71,269 (2012 \$66,665). No contributions were made to the personal money purchase pension schemes of any employees during the period (2012 1 employee, \$832). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

18 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows

	2013	2012
	\$	\$
Land and buildings		
expiring within one year	153,701	109,895
expiring between 2 and 5 years	-	117,292
Plant and machinery		
expiring within one year	10,384	1,792
expiring between 2 and 5 years	9,763	14,824
	<u> </u>	<u> </u>

19 CASH FLOWS

a Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2013	2012
	\$	\$
Operating profit	4,238,338	3,333,210
Depreciation of tangible fixed assets	235,268	266,867
Profit on sale of tangible fixed assets	-	(441)
Decrease in stocks	2,410,782	5,359,454
Increase in debtors	(6,172,736)	(3,401,313)
Increase/(Decrease) in creditors	9,381,643	(18,847,121)
	<u> </u>	<u> </u>
Net cash inflow/(outflow) from operating activities	10,093,295	(13,289,344)
	<u> </u>	<u> </u>

b

	2013	2012
	\$	\$
Returns on investments and servicing of finance		
Interest received	86,649	33,910
Interest paid	(211,860)	(355,166)
	<u> </u>	<u> </u>
	(125,211)	(321,256)
	<u> </u>	<u> </u>

Guava International Limited
DETAILED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

19	CASH FLOWS (Continued)	2013	2012
		\$	\$
c	Capital expenditure and financial investment		
	Payments to acquire tangible fixed assets	(97,145)	(515,078)
	Proceeds on sale of fixed assets	-	441
	Payments to acquire tangible fixed assets	<u>(97,145)</u>	<u>(514,637)</u>
		2013	2012
		\$	\$
d	Financing		
	Loans received	2,609,905	7,972,972
	Loans repaid	(10,851,318)	(274,128)
		<u>(8,241,413)</u>	<u>7,698,844</u>

e	Analysis of net funds/(debt)	At 1 January 2013 \$	Cash flow \$	Other non-cash changes \$	At 31 December 2013 \$
	Cash at bank and in hand	5,956,974	684,798	-	6,641,772
	Debt due within one year	(8,247,100)	7,986,108	-	(260,992)
	Debt due after one year	(2,604,218)	255,305	-	(2,348,913)
	Total	<u>(4,894,344)</u>	<u>8,926,211</u>	<u>-</u>	<u>4,031,867</u>

20 RELATED PARTY TRANSACTIONS

During the year the company owed, or were owed, the following amounts from related parties, as related by common control and/or common directors

	2013	2012
	\$	\$
Amounts owed by related parties		
Asia Trade and Commodities Ltd	6,891	126,036
Caspian Motors LLP	10,016,258	7,125,733
City Automobiles Co Ltd	387,792	(156,390)
Global Fleet Sales Ltd	-	329,308
Lao Ford City Co Ltd	3,308,432	1,735,036
LR Afghanistan	191,378	3,444
RMA (HK) Ltd	2,955,673	3,973,203
RMA (Liberia) Ltd	874,773	1,184,504
RMA Automotive Co Ltd	200,649	300,460
RMA Group (Sub Sahara Africa)	344,640	13,734
RMA ME	-	1,347
RMA Motors Kenya	589,285	-
RMA Cambodia	1,142,609	-
	<u>20,018,380</u>	<u>14,636,415</u>