

SEYCHELLES PUBLIC TRANSPORT CORPORATION

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SEYCHELLES PUBLIC TRANSPORT CORPORATION

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CORPORATE INFORMATION - DECEMBER 31, 2021

CHIEF EXECUTIVE OFFICER : Patrick Vel (Chief Executive Officer)

DIRECTORS : Andy Moncherry (Chairman)
Patrick Vel (Chief Executive Officer)
Cecily Derjacques
Allan Killindo
Bernard Domingue
Siana Bistoquet

REGISTERED OFFICE : Victoria, Mahé,
Seychelles

PRINCIPAL PLACE OF BUSINESS : Victoria, Mahé,
Seychelles

AUDITORS : BDO Associates
Chartered Accountants
Seychelles

BANKERS : The Mauritius Commercial Bank (Seychelles) Limited
Absa Bank (Seychelles) Limited
Bank of Baroda Limited
Seychelles Commercial Bank Limited
Seychelles International Mercantile Banking Corporation Limited

DIRECTORS' REPORT - DECEMBER 31, 2021

The Directors are pleased to submit their report together with the audited financial statements of the Corporation for the year ended December 31, 2021.

PRINCIPAL ACTIVITY

The Corporation operates public transport on Mahé and Praslin and this has remained the same during the year under review.

RESULTS

	SR
Loss for the year	(3,694,217)
Retained earnings brought forward	<u>21,281,684</u>
Retained earning carried forward	<u><u>17,587,467</u></u>

PROPERTY AND EQUIPMENT

The property and equipment of the Corporation and the movements therein are detailed in Note 5 to the financial statements.

Property and equipment are stated at cost less accumulated depreciation. The Directors are of the opinion that the carrying amounts of the assets approximate their fair value and do not require any adjustments for impairment.

DIRECTORS

The Directors of the Corporation in office from the date of the last report to the date of this report, appointed under Section 5(1) of the Seychelles Public Transport Act, 1977 are:

Andy Moncherry (Chairman)
 Patrick Vel (Chief Executive Officer)
 Cecily Derjacques
 Allan Killindo
 Bernard Domingue
 Siana Bistoquet

None of the Directors held any interest in the share of the Corporation at the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Chief Executive Officer is responsible for the overall management of the affairs of the Corporation including its daily operations and the making of major investments and policy proposals to the Board of Directors for approval.

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and with the Seychelles Public Transport Corporation Act, 1977. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. The Directors have the general responsibility of safeguarding the assets, both owned by the Corporation and those that are held in trust and used by the Corporation.




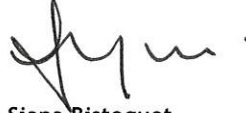
STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONT'D)

The Directors consider they have met their aforesaid responsibilities.

AUDITORS

The retiring auditors, Messrs. BDO Associates, being eligible offer themselves for re-appointment.

BOARD APPROVAL

 Patrick Vel Chief Executive Officer	 Andy Moncherry Chairman	 Allan Killindo Director
 Bernard Domingue Director	 Cecily Derjacques Director	 Siana Bistoquet Director

Date: 04 MAY 2022
Victoria, Seychelles

SEYCHELLES PUBLIC TRANSPORT CORPORATION

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of **Seychelles Public Transport Corporation** (hereafter referred to as the "Corporation") set out on pages 4 to 28 which comprise the Statement of Financial Position as at December 31, 2021, the Statement of Profit or Loss and Other comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Corporation as at December 31, 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards; Public Enterprise Monitoring Commission Act, 2013 and comply with the Seychelles Public Transport Corporation Act, 1977.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Seychelles Public Transport Corporation Act, 1977, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.



SEYCHELLES PUBLIC TRANSPORT CORPORATION

3(a)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



SEYCHELLES PUBLIC TRANSPORT CORPORATION

3(b)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D)

Report on Other Legal and Regulatory Requirements

Public Enterprise Monitoring Commission Act, 2013

We have no relationship with, or interests in, the Corporation, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Corporation as far as it appears from our examination of those records.

Other matter

This report is made solely to the members of **Seychelles Public Transport Corporation** (the "Corporation"), as a body, in terms of our engagement to conduct the audit on their behalf. Our audit work has been undertaken so that we might state to the Corporation's members those matters which 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 Corporation and Corporation's members as a body, for our audit work, for this report, or for the opinions we have formed.

Dated: 04 MAY 2022
Victoria, Seychelles


BDO ASSOCIATES
Chartered Accountants

STATEMENTS OF FINANCIAL POSITION - DECEMBER 31, 2021

	Notes	2021 SR	2020 SR
ASSETS			
Non-current asset			
Property and equipment	5	81,373,032	94,766,499
Current assets			
Inventories	6	21,589,527	23,215,123
Investment in financial assets	7	16,087,683	22,869,194
Trade and other receivables	8	6,462,156	6,272,456
Cash and cash equivalents	9	7,135,295	6,005,442
		<u>51,274,661</u>	<u>58,362,215</u>
Total assets		<u><u>132,647,693</u></u>	<u><u>153,128,714</u></u>
RESERVES AND LIABILITIES			
Reserves			
Capital grants	10	71,969,595	84,973,546
Retained earnings		17,587,467	21,281,684
		<u>89,557,062</u>	<u>106,255,230</u>
LIABILITIES			
Non-current liability			
Retirement benefit obligations	11	29,857,758	30,064,741
Current liabilities			
Bank overdraft	12	-	138,297
Trade and other payables	13	13,232,873	16,670,446
		<u>13,232,873</u>	<u>16,808,743</u>
Total liabilities		<u>43,090,631</u>	<u>46,873,484</u>
Total reserves and liabilities		<u><u>132,647,693</u></u>	<u><u>153,128,714</u></u>

These financial statements have been approved for issue by the Board of Directors on: 04 MAY 2022

Patrick Vel
Chief Executive Officer

Andy Moncherry
Chairman

Allan Killindo
Director

Bernard Domingue
Director

Cecily Derjacques
Director

Siana Bistoquet
Director

The notes on pages 8 to 28 form an integral part of these financial statements.
Auditor's report on pages 3 to 3(b).

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2021

	Notes	2021 SR	2020 SR
Revenue	2(h)	103,447,227	97,901,726
Operating expenses	14	<u>(50,286,638)</u>	<u>(46,730,933)</u>
Operating profit		53,160,589	51,170,793
Administrative expenses	14	(127,042,755)	(138,128,174)
Charge for allowance for credit losses	8(e)	(1,676,009)	(2,103,448)
Interest income - banks		412,171	1,089,891
Other income	16	<u>72,652,349</u>	<u>84,208,270</u>
Loss before foreign exchange movement		(2,493,655)	(3,762,668)
Foreign exchange movements		<u>(1,200,562)</u>	<u>1,190,521</u>
Loss for the year	17	<u>(3,694,217)</u>	<u>(2,572,147)</u>
Other comprehensive income:			
<i>Items that may be reclassified subsequently to Statement Profit or Loss:</i>			
Grant received during the year	10	1,955,117	1,606,767
Release to Statement of Profit or Loss			
- Depreciation charge	10	<u>(14,959,068)</u>	<u>(17,193,834)</u>
Total other comprehensive expense for the year		<u>(13,003,951)</u>	<u>(15,587,067)</u>
Total comprehensive expense for the year		<u>(16,698,168)</u>	<u>(18,159,214)</u>

The notes on pages 8 to 28 form an integral part of these financial statements.
Auditor's report on pages 3 to 3(b).

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2021

	Capital Grants	Retained earnings	Total
	SR	SR	SR
At January 1, 2021	84,973,546	21,281,684	106,255,230
Total comprehensive expense for the year	(13,003,951)	(3,694,217)	(16,698,168)
At December 31, 2021	<u>71,969,595</u>	<u>17,587,467</u>	<u>89,557,062</u>
At January 1, 2020	100,560,613	23,853,831	124,414,444
Total comprehensive expense for the year	(15,587,067)	(2,572,147)	(18,159,214)
At December 31, 2020	<u>84,973,546</u>	<u>21,281,684</u>	<u>106,255,230</u>

The notes on pages 8 to 28 form an integral part of these financial statements.
Auditor's report on pages 3 to 3(b).

STATEMENTS OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2021

	Notes	2021 SR	2020 SR
Cash flows from operating activities			
Loss for the year		(3,694,217)	(2,572,147)
<i>Adjustments for:</i>			
Depreciation on property and equipment	5(a)	17,459,023	17,453,450
Purchase of property and equipment through capital grant	5(b)/10	(1,955,117)	(1,606,767)
Exchange movement on financial assets	7(a)	902,927	(1,000,882)
Accrued interest	7(a)	(54,213)	(239,048)
Charge of provision for credit impairment	8(f)	1,676,009	2,103,448
Release of depreciation charge	10	(14,959,068)	(17,193,834)
Grant related to assets received	10	1,955,117	1,606,767
Charge for retirement benefit obligations	11	4,506,300	5,979,050
Gain on sale of motor vehicle	5/16	-	(3,000)
		<u>5,836,761</u>	<u>4,527,037</u>
<i>Changes in working capital</i>			
- Decrease / (Increase) in Inventories	6	1,625,596	(4,313,046)
- (Increase) / Decrease in trade and other receivables	8	(1,865,709)	914,986
- (Decrease) / Increase in trade and other payables	13	(3,437,573)	1,353,476
		<u>2,159,075</u>	<u>2,482,453</u>
Retirement benefit obligation paid	11	(4,713,283)	(3,165,401)
Net cash outflow from operating activities		<u>(2,554,208)</u>	<u>(682,948)</u>
Cash flow from investing activities			
Purchase of property and equipment	5(b)	(2,326,275)	(5,089,992)
Proceeds from sale of motor vehicle	16	-	3,000
Refund on work-in-progress	5	215,836	-
Purchase of investment in financial assets	7(a)	(216,650)	(618,957)
Proceeds from redemption of investment in financial assets	7(a)	6,149,447	4,684,313
Net cash inflow/(outflow) from investing activities		<u>3,822,358</u>	<u>(1,021,636)</u>
Net increase / (decrease) in cash and cash equivalents		<u>1,268,150</u>	<u>(1,704,584)</u>
Movement in cash and cash equivalents			
At January 1,		5,867,145	7,571,729
Increase / (Decrease) during the year		1,268,150	(1,704,584)
At December 31,	9(a)	<u>7,135,295</u>	<u>5,867,145</u>

The notes on pages 8 to 28 form an integral part of these financial statements.
Auditor's report on pages 3 to 3(b).

1. GENERAL INFORMATION

The Corporation is fully owned by the Government of Seychelles and is domiciled in Seychelles. Its head office is located at Victoria, Seychelles and so is its principal place of business.

The principal activity of the Corporation is as stated in the Directors' report on page 2.

These financial statements will be submitted for consideration and approval at the forthcoming Annual General Meeting.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements of **Seychelles Public Transport Corporation** ("the Corporation") have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the Public Enterprise Monitoring Commission Act, 2013 and Seychelles Public Transport Corporation Act, 1977. These financial statements have been prepared under the historical cost convention as modified by the application of fair value measurements required or allowed by relevant accounting standards. Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise judgement in the process of applying the Corporation's accounting policies. The areas involving higher degree of judgement and complexity or areas where assumptions are significant to the financial statements are disclosed in note 4.

New and amended standards and interpretations***New standards and amendments effective for annual periods beginning January 1, 2021***

The Corporation has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

□

i) *Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 & IFRS 16*

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**New and amended standards and interpretations (Cont'd)*****New standards and amendments effective for annual periods beginning January 1, 2021 (Cont'd)*****i) *Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 & IFRS 16 (Cont'd)***

- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Corporation. The Corporation intends to use the practical expedients in future periods if they become applicable.

ii) *Covid-19-Related Rent Concessions beyond June 30, 2021 Amendments to IFRS 16*

On May 28, 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until June 30, 2021, but as the impact of the Covid-19 pandemic is continuing, on March 31, 2021, the IASB extended the period of application of the practical expedient to June 30, 2022. The amendment applies to annual reporting periods beginning on or after April 1, 2021. However, the Corporation has not received Covid-19-related rent concessions.

New standards and amendments not yet effective at the reporting date

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Corporation has decided not to adopt early.

(i) The following amendments are effective for the period beginning January 1, 2022:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16); and
- References to Conceptual Framework (Amendments to IFRS 3).

(ii) The following amendments are effective for the period beginning January 1, 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- IFRS 17 Insurance Contracts (effective January 1, 2023) - In June 2020, the IASB issued amendments to IFRS 17, including a deferral of its effective date to January 1, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(b) Property and equipment**

Property and equipment are stated at historical cost less accumulated depreciation and any impairment in value. Historical cost consists of purchase cost, together with any incidental expenses of acquisition and installation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow and the cost can be reliably measured. Repairs and maintenance are charged to the statement of Profit or Loss during the period in which they are incurred.

Properties in the course of construction for production or administrative purposes are carried at cost less any recognised impairment loss. Cost includes professional fees and borrowing costs capitalised for qualifying assets. Depreciation of these assets on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on the straight line method to write off the cost of each asset to their residual values over their expected useful lives as follows:

	%
Buildings on leasehold land	2% - 20%
Furniture, fittings and equipment	10% - 50%
Vehicles and engines	12.5% - 20%

Land is not depreciated.

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its estimated recoverable amount.

Gains and losses on disposal of property and equipment are determined by comparing proceeds with carrying amount and are included in the Statement of Profit or Loss.

(c) Inventories

Inventories are stated at the lower of cost and net realisable value. In general cost is determined by the weighted average method. The inventories comprises spares parts which are used in the day to day running of the Corporation.

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. Provisions are made for obsolete inventories based on Management's appraisal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(d) Financial instruments****(i) Financial assets*****Recognition and derecognition***

Financial assets are recognised when the Corporation becomes a party to the contractual provisions of the respective instrument. Financial assets are derecognised when the right to receive cash flows from the asset has expired or has been transferred and the Corporation has transferred substantially all risks and rewards of ownership.

Classification and Measurement

The classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Corporation's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Corporation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

With the exception of trade receivables that do not contain a significant financing component or for which the Corporation has applied the practical expedient, the Corporation initially measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Corporation has applied the practical expedient are measured at the transaction price.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in Statement of Profit or Loss when the asset is derecognised, modified or impaired. The Corporation's financial assets at amortised cost includes trade and other receivables and cash and bank balances.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(d) Financial instruments (Cont'd)****(i) Financial assets (Cont'd)***Definition of default*

The Corporation considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Corporation, in full (without taking into account any collateral held by the Corporation).

Irrespective of the above analysis, the Corporation considers that default has occurred when a financial asset is more than 90 days past due unless the Corporation has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Impairment

The Corporation assesses, on a forward looking basis, the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Corporation applies the simplified approach to measure ECL which uses lifetime expected losses to be recognised from initial recognition of its trade receivables.

The ECL for other financial assets is applied using the general model.

Impairment losses are presented in the Statement of Profit or Loss.

No impairment was recognised for cash and cash equivalents and other receivables since the Directors are of the opinion that the amount is negligible.

Write-off policy

The Corporation writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Corporation's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit or Loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(d) Financial instruments (Cont'd)****(ii) Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method which has remained unchanged since previous period. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The main financial liabilities of the Corporation comprise borrowings and trade and other payables.

Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred.

Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit or Loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Corporation has an unconditional right to defer settlement of the liability for at least twelve months after the date of the reporting period.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when the Corporation has a legal enforceable right to set off the recognised amounts and the Corporation intends either to settle on a net basis, or to realise the asset and liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(e) Employee benefits****(i) Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

(ii) Defined contribution plans

A defined contribution plan is a pension plan under which the Corporation pays a fixed contribution into a separate entity. The Corporation has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employees service in the current and prior periods.

The Corporation and Seychellois employees contributes to the Seychelles Pension Fund (SPF). This is a pension scheme which was promulgated under the Seychelles Pension Fund Act, 2005.

(iii) Retirement benefits

The amendments to the Seychelles Employment Act in the year 1999 entitled one day wage for each completed month of service provided the employee has completed five years continuous service. The Corporation accrues this liability on a current basis and carries it to a provision account for payments to be made as and when they occur.

(f) Foreign currencies**(i) Functional and presentation currency**

Items included in the financial statements are measured using Seychelles Rupee, the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Corporation are presented in Seychelles Rupees, which is the Corporation's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(f) Foreign currencies (Cont'd)***(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on 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 Profit or Loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(g) Grants*(i) Capital grant*

Grants related to assets from the Government of Seychelles for acquisition of property and equipment received in form of donations is treated as deferred income by crediting capital grant, classified under equity in the Statement of Financial Position.

Depreciation calculated on such assets is released from grants and credited to depreciation charge in the Statement of Profit or Loss until those assets are fully depreciated.

In the event that property and equipment acquired from grants are disposed of before they are fully depreciated, the carrying amount of such asset is reversed to the grant and gain or loss, if any, are recognised to the Statement of Profit or Loss.

(ii) Revenue grant

Grants related to income also received from the Government of Seychelles are presented as part of other income in the Statement of Profit or Loss.

(h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of consideration received.

Sale of services are recognised in the year in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of total services to be provided.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(i) Business tax**

The Corporation is exempt from tax as per paragraph 1 of the Second Schedule to Business Tax Act, 2009.

(j) Provisions

Provisions are recognised when the Corporation has a present or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

3. FINANCIAL RISK MANAGEMENT**3.1 Financial risk factors**

The Corporation's activity exposes it to a variety of financial risks, including: credit risk, liquidity risk, currency risk and interest rate risk.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Credit risk

The Corporation's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables, estimated by the Corporation's Management based on experience and the current economic environment.

The Corporation's sales are mostly on a cash basis and credit sales are made to customers with an appropriate credit history. Credit risk is therefore considered to be low.

(b) Liquidity risk

The Corporation manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities as applicable. Liquidity risk is considered as low.

(c) Currency risk

The Corporation is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to GB Pound Sterling, ZAR and US Dollar. Foreign exchange risk arises from commercial transactions and assets denominated in currencies other than the functional currency.

At December 31, 2021, if the Seychelles Rupee had weakened/strengthened by 5% against US Dollar with all variables held constant, profit for the year would have been **SR 28,634** (2020: SR 68,587) higher/lower, mainly as a result of foreign exchange losses/gains on translation of foreign currency monetary assets and liabilities as depicted in the table below:

	<u>2021</u>	<u>2020</u>
	SR	SR
Investment in financial assets	94,009	145,809
Trade and other payables	(122,643)	(214,396)
	<u>(28,634)</u>	<u>(68,587)</u>

3. FINANCIAL RISK MANAGEMENT (CONT'D)**3.1 Financial risk factors (Cont'd)****(d) Interest rate risk**

The Corporation have significant interest-bearing assets and income and operating cash flows from these assets are dependent of changes in market interest rates. Had interest rates weakened/strengthened by 5% during the year, loss for the year of the Corporation would have been higher/lower by SR 20,220 (2020: SR 54,495) higher/lower.

3.2 Fair value estimation

The face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Corporation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, in the financial statements, the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Calculation of Loss allowance

When measuring ECL the Corporation uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(b) Useful lives and residual values

Property and equipment are depreciated over their useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**4.1 Critical accounting estimates and assumptions (Cont'd)***(c) Impairment of other non financial assets*

At the end of each reporting period, Management reviews and assesses the carrying amounts of other assets and where relevant writes them down to their recoverable amounts based on best estimates.

(d) Retirement benefit obligations

The cost of defined benefit pension plans has been determined using the method as per the Seychelles Employment Act, 1995 and the Directors have estimated that the amount of liability provided will not be materially different had it been computed by an external Actuary.

(e) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Corporation's assets and liabilities are actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Corporation's views of possible near-term market changes that cannot be predicted with any certainty.

5. PROPERTY AND EQUIPMENT

(a) COST	Freehold land	Buildings on leasehold land	Vehicles and engines	Furniture, fittings and equipment	Capital work in progress	Total
	SR	SR	SR	SR	SR	SR
At January 1, 2020	75,000	51,887,404	186,087,196	41,255,148	3,408,524	282,713,272
Additions	-	784,560	-	2,228,237	3,683,962	6,696,759
Reclassification	-	1,494,287	-	399,984	(1,894,271)	-
Disposals	-	-	(1,140,513)	-	-	(1,140,513)
At December 31, 2020	75,000	54,166,251	184,946,683	43,883,369	5,198,215	288,269,518
Additions	-	2,865,492	-	1,291,350	124,550	4,281,392
Reclassification	-	2,334,352	-	252,000	(2,586,352)	-
Adjustments	-	-	-	-	(215,836)	(215,836)
At December 31, 2021	75,000	59,366,095	184,946,683	45,426,719	2,520,577	292,335,074
ACCUMULATED DEPRECIATION						
At January 1, 2020	-	23,655,042	132,403,299	21,131,741	-	177,190,082
Charge for the year	-	1,587,243	11,301,064	4,565,143	-	17,453,450
Disposal adjustment	-	-	(1,140,513)	-	-	(1,140,513)
At December 31, 2020	-	25,242,285	142,563,850	25,696,884	-	193,503,019
Charge for the year	-	1,741,162	11,061,409	4,656,452	-	17,459,023
At December 31, 2021	-	26,983,447	153,625,259	30,353,336	-	210,962,042
NET BOOK VALUE						
At December 31, 2021	75,000	32,382,648	31,321,424	15,073,383	2,520,577	81,373,032
At December 31, 2020	75,000	28,923,966	42,382,833	18,186,485	5,198,215	94,766,499

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

5. PROPERTY AND EQUIPMENT

- (b) Out of total additions of SR 4.3m for the year 2021, an amount of SR 2.0m was funded through Government Grant, (2020: SR 1.6m) (note 10). Therefore additions through the Corporation's funds were SR 2.3m for 2021 (2020: SR 5.1m).
- (c) Depreciation has been charged to operating expenses (note 14).

6. INVENTORIES

	2021	2020
	SR	SR
Vehicles spares	9,180,520	10,616,811
Consumables, loose tools and operating supplies	12,409,007	12,598,312
	<u>21,589,527</u>	<u>23,215,123</u>

- (a) The cost of inventories recognised as expense and included in cost of sales amounted to SR 32.8m (2020: SR 29.3m) (note 14).
- (b) The Directors have estimated that no impairment is required in respect of inventories and no spares are required to be recognised as equipment as per the requirements of IAS 16.

7. INVESTMENT IN FINANCIAL ASSETS

	2021	2020
	SR	SR
Seychelles Commercial Bank Limited - Fixed deposits at cost	5,916,922	11,694,025
Absa Bank (Seychelles) Limited - Fixed deposits at cost	10,170,761	11,175,169
At December 31,	<u>16,087,683</u>	<u>22,869,194</u>

- (a) The movement in financial assets at amortised cost is as follows:

	2021	2020
	SR	SR
At January 1,	22,869,194	25,694,620
Additions during the year	216,650	618,957
Redemptions during the year	(6,149,447)	(4,684,313)
Exchange movement	(902,927)	1,000,882
Interest accrued	54,213	239,048
At December 31,	<u>16,087,683</u>	<u>22,869,194</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

7. INVESTMENT IN FINANCIAL ASSETS (CONT'D)

(b) Interest on financial assets at amortised cost are as follows:

	Maturity	Amount	2021	2020
		SR	%	%
Seychelles Commercial Bank	08.03.22	5,753,288	2.80	2.52
Seychelles Commercial Bank	17.02.21	5,753,288	Nil	2.52
Seychelles Commercial Bank *	Guarantee	163,634	N/A	N/A
Absa (Seychelles) Ltd	21.05.21	7,506,576	Nil	1.49
Absa (Seychelles) Ltd	28.02.22	7,723,226	0.25	Nil
Absa (Seychelles) Ltd	Collateral	513,141	N/A	N/A
Absa (Seychelles) Ltd	Local CFC Corporate	USD 705	N/A	N/A
Absa (Seychelles) Ltd *	Collateral	USD 132,000	N/A	N/A

* These amounts are held by the banks as guarantees.

(c) Financial assets at amortised costs are denominated in the following currencies:

	2021	2020
	SR	SR
Seychelles Rupee	14,207,503	19,953,022
US Dollar	1,880,180	2,916,172
	<u>16,087,683</u>	<u>22,869,194</u>

8. TRADE AND OTHER RECEIVABLES

	2021	2020
	SR	SR
Trade receivables	9,027,364	7,363,817
less: provision for impairment (notes 8(d), 8(e) & 8(f))	(4,094,315)	(2,418,306)
	<u>4,933,049</u>	<u>4,945,511</u>
Prepayments	828,145	560,884
Receivables in respect of cash defalcation	10,772	2,168
Deposits and advances	504,749	586,496
Other receivables	185,441	177,397
	<u>6,462,156</u>	<u>6,272,456</u>

(b) The carrying values of trade and other receivables measured at amortised cost approximates their fair value.

(c) The carrying amount of the Corporation's trade and other receivables are denominated in Seychelles Rupees.

8. TRADE AND OTHER RECEIVABLES (CONT'D)**(d) Credit Loss Allowances**

The Corporation measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Corporation writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. The average credit period on trade receivables is 30 days. No interest is charged on outstanding trade receivables.

The following table details the risk profile of Trade receivables based on the Corporation's provision matrix. The customers of the Corporation have been classified into only one group based on similar credit risk, characteristics and as detailed below:

8. TRADE AND OTHER RECEIVABLES (CONT'D)

(d) Credit Loss Allowances (Cont'd)

(i) At December 31, 2021

	Trade Receivables-days past due			Total
	< 30 days	31-60 days	61-90 days	
Estimated gross carrying amount at default (SR)	3,236,648	403,532	258,346	5,128,838
Expected credit loss rate (%)	14.21%	16.28%	33.56%	67.89%
Lifetime expected credit losses (SR)	460,046	65,708	86,696	3,481,865

(ii) At December 31, 2020

	Trade Receivables-days past due			Total
	< 30 days	31-60 days	61-90 days	
Estimated gross carrying amount at default (SR)	1,660,647	333,086	98,553	4,925,975
Expected credit loss rate (%)	5.12%	6.63%	15.03%	39.60%
Lifetime expected credit losses (SR)	85,018	22,093	14,815	1,950,825

2,418,306

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

8. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) Movement in allowance for credit loss

	2021	2020
	SR	SR
At January 1,	2,418,306	314,858
Charge during the year (page 5)	1,676,009	2,103,448
At December 31,	4,094,315	2,418,306

(f) *Sensitivity analysis*

If the ECL rates on trade receivables above 90 days past due had been 5% higher / (lower) as of December 2021, the loss allowance would have been **SR 204,716** higher (2020: SR 120,915).

(g) Short term staff loans are offset against their monthly salaries and risk of default has been estimated by the Directors as negligible.

(h) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Corporation does not hold any collaterals as securities.

9. CASH AND CASH EQUIVALENTS

	2021	2020
	SR	SR
Cash in hand	20,000	20,000
Cash at bank	7,115,295	5,985,442
	7,135,295	6,005,442

(a) For the purpose of Statement of Cash Flows, cash and cash equivalents comprise of the following at the end of the reporting period:

	2021	2020
	SR	SR
Cash and bank balances	7,135,295	6,005,442
Bank overdraft (note 12)	-	(138,297)
	7,135,295	5,867,145

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

10. CAPITAL GRANTS

	2021	2020
	SR	SR
<u>Grants related to assets:</u>		
At January 1,	84,973,546	100,560,613
Grant received during the year		
- Assets purchased in 2021 (notes 5(b) and 20)	1,955,117	-
- Assets purchased in 2020 (notes 5(b) and 20)	-	1,606,767
Release to Statement of Profit or Loss		
- Depreciation charge (note 14)	(14,959,068)	(17,193,834)
At December 31,	71,969,595	84,973,546

11. RETIREMENT BENEFIT OBLIGATIONS

(a) Other post retirement benefits

Other post retirement benefits comprised mainly retirement gratuity and compensation payable under the Employment Act. Movement during the year was as follows:

	2021	2020
	SR	SR
At January 1,	30,064,741	27,251,092
Charge for the year (note 15(a))	4,506,300	5,979,050
Paid during the year	(4,713,283)	(3,165,401)
At December 31,	29,857,758	30,064,741

12. BORROWING

	2021	2020
	SR	SR
Bank overdraft (note 12(a))	-	138,297

- (a) The overdraft facility from Absa Bank (Seychelles) Limited was unsecured. The facility granted amounted to SR 4,000,000 and accrued interest of 10% as at December 31, 2020. A penalty rate of 22% was charged on all amounts in excess of the approved limit.

13. TRADE AND OTHER PAYABLES

	2021	2020
	SR	SR
Trade payables	4,515,237	7,025,097
Amount received in advance	1,281,853	1,226,851
Other payables and accruals	7,435,783	8,418,498
	13,232,873	16,670,446

- (a) The carrying amounts of 'trade and other payables' approximate their amortised costs.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

13. TRADE AND OTHER PAYABLES (CONT'D)

(b) The carrying amounts of trade and other payables are denominated in the following currencies:

	2021	2020
	SR	SR
Seychelles Rupee	9,942,590	11,482,407
US Dollar	2,452,862	4,287,921
Others	837,421	900,118
	<u>13,232,873</u>	<u>16,670,446</u>

14. EXPENSES BY NATURE

	2021	2020
	SR	SR
Cost of inventories recognised as expense (note 6(a))	32,827,615	29,277,483
Depreciation charge (note 5)	17,459,023	17,453,450
- Depreciation of assets acquired through Grants (note 10)	14,959,068	17,193,834
- Depreciation charge on other assets	2,499,955	259,616
Electricity and water expenses	3,814,142	3,933,983
Employee benefit expenses (note 15)	105,275,484	114,412,469
Insurance and licence costs	2,885,620	3,265,084
Other expenses	3,445,524	2,959,084
Premises and equipment maintenance	3,730,349	5,198,918
Directors' remuneration (note 17(a))	132,160	205,440
Professional fees	1,017,816	1,087,229
Security expenses	5,034,160	4,976,425
Telephone charges	1,707,500	2,089,542
	<u>177,329,393</u>	<u>184,859,107</u>

Analysed as:

	2021	2020
	SR	SR
- Operating expenses	50,286,638	46,730,933
- Administrative expenses	127,042,755	138,128,174
	<u>177,329,393</u>	<u>184,859,107</u>

15. EMPLOYEE BENEFIT EXPENSES

	2021	2020
	SR	SR
Wages and salaries	93,287,131	99,326,016
Provision for retirement benefit obligations (note 11)	4,506,300	5,979,050
Pension costs	4,932,777	5,129,057
Other staff costs	2,549,276	3,978,346
	<u>105,275,484</u>	<u>114,412,469</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

16. OTHER INCOME

	2021	2020
	SR	SR
Rental income	710,625	2,665,532
Profit from sale of motor vehicle	-	3,000
Advertising income	1,165,241	857,592
Income from repairs	251,539	244,547
Grant received from Government of Seychelles (note 20)	70,000,000	79,797,244
Insurance claims	51,059	-
Sundry income	473,885	640,355
	<u>72,652,349</u>	<u>84,208,270</u>

17. LOSS FOR THE YEAR

Loss for the year is arrived at after crediting and charging the following:

	2021	2020
	SR	SR
<i>crediting:</i>		
Interest income	412,171	1,089,891
Rental income	710,625	2,665,532
<i>and charging:</i>		
Depreciation on property and equipment (note 5)	17,459,023	17,453,450
Directors' remuneration (note 17(a))	132,160	205,440
Auditor's remuneration	224,250	224,250
Rentals	1,746,000	1,746,000

(a) Directors' remuneration:

	2021	2020
	SR	SR
Andy Moncherry	56,640	66,480
Allan Killindo	37,760	-
Bernard Domingue*	-	-
Cecily Derjacques	37,760	46,320
Siana Bistoquet	-	-
Alone Edmond	-	46,320
Marilyn Reginald	-	46,320
	<u>132,160</u>	<u>205,440</u>

* The Board members Siana Bistoquet and Bernard Domingue who was entitled to SR 37,760 each, did not exercise their rights. They advised that they will serve the Board at no cost. No expense incurred nor any provision made for these Boards members for the year under review.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2021

18. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	<u>2021</u>	<u>2020</u>
	SR	SR
Property development	-	4,455
Equipment	<u>15,000</u>	<u>-</u>
	<u>15,000</u>	<u>4,455</u>

19. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2021 (2020: Nil).

20. RELATED PARTY TRANSACTIONS

	<u>2021</u>	<u>2020</u>
	SR	SR
Directors' remuneration	132,160	205,440
Grant received from the Government of Seychelles		
- Capital grant (note 10)	1,955,117	1,606,767
- Revenue grant (note 16)	<u>70,000,000</u>	<u>79,797,244</u>

The above transactions have been made at arm's length, on normal commercial terms and in the ordinary course of business.

(a) Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. There has been no guarantees provided for any related party payables.

(b) Key management personnel compensation

	<u>2021</u>	<u>2020</u>
	SR	SR
Salaries and short term benefits	864,252	864,252
End of contract payment	-	259,276
	<u>864,252</u>	<u>1,123,528</u>