



OFFICE OF THE AUDITOR GENERAL

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OPINION OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE SEYCHELLES INTERNATIONAL BUSINESS AUTHORITY FOR THE TWO MONTHS PERIOD ENDED 28 FEBRUARY 2014

Scope

I have audited the financial statements of the Seychelles International Business Authority for the two months period ended 28 February 2014, as set out on pages 1-8, prepared under the historical cost convention.

The Board is responsible for keeping proper books of accounts, preparation of the financial statements and the information they contain. In accordance with Section 11 of the Seychelles International Business Authority Act, 1994, it is my responsibility to form an independent opinion, based on my audit, on those statements and to report to the Board.

The audit was conducted in accordance with the International Organisation of the Supreme Audit Institutions (INTOSAI) auditing standards. The audit procedures included examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements as well as an assessment of accounting policies and significant estimates.

The audit was planned and conducted so as to obtain all information and explanations considered necessary to provide me with sufficient evidence to give a reasonable assurance that the financial statements are free of material misstatement, whether caused by fraud or other irregularity or error. The overall adequacy of the presentation of information in the financial statements was also evaluated in forming my opinion.

The audit opinion has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements fairly present the financial position of the Authority as at 28 February 2014 and the results of its operations and cash flows for the two months then ended.

Marc Benstrong
Auditor General

29 May 2015
Victoria

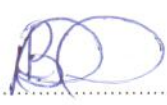
Seychelles International Business Authority

Balance Sheet

As at 28th February 2014

	Note:	(SR)	2014 (SR)	(SR)	(SR)	2013 (SR)	(SR)
Assets							
Fixed Assets							
Freehold Property	2		8,737,550			8,737,550	
Buildings and Others	2		9,117,294			9,453,694	
Investment Property	2		16,586,191			16,785,278	
Work in Progress	3		<u>2,302,366</u>	36,743,401		<u>1,947,895</u>	36,924,417
Current Assets							
Cash on Hand		1,072,980			1,013,775		
Cash at Bank	4	51,098,355			35,569,380		
Accounts Receivable	5	<u>6,032,067</u>	58,203,402		<u>6,278,024</u>	42,861,179	
Less:							
Current Liabilities							
Accounts Payable	6	<u>10,069,048</u>			<u>14,455,594</u>		
			10,069,048			14,455,594	
Net Current Assets				48,134,354			28,405,585
Total Assets				84,877,755			65,330,002
Represented By							
GOS Capital Fund	7		8,398,287			8,540,631	
Retained Earnings/(Loss)	8		<u>64,642,528</u>	73,040,815		<u>45,189,702</u>	53,730,333
Government Contributed Assets	9			8,715,700			8,715,700
				81,756,515			62,446,033
Gratuity & Compensation Reserve	10			3,121,240			2,883,969
				<u>84,877,755</u>			<u>65,330,002</u>


 Chief Executive Officer
 Date: 28/5/14


 Finance Manager
 Date: 20/5/2015

Accompanying Notes 1 - 18 form part of these accounts

Seychelles International Business Authority

Income and Expenditure Statement

For the Period Ending 28th February 2014

Income		2014		2013	
		(SR)	(SR)	(SR)	(SR)
Corporate and SITZ Fees	12	23,078,174		106,076,386	
Rental Income	13	1,776,773		7,159,755	
Other Income		51,890		587,147	
Amortisation of Capital Grant		142,344		854,063	
			<u>25,049,181</u>		<u>114,677,351</u>
Operating Expenses					
Personal Emoluments	14	2,875,047		17,562,316	
Office running Costs	15	1,514,217		7,800,161	
Marketing and Promotion	16	655,196		2,637,164	
Finance Charges	17	3,472		53,895	
Consultancy	18	172,826		1,238,015	
Depreciation		555,339		3,363,867	
Provision for Doubtful Debt		(11,400)		(226,859)	
Loss on Disposal of Assets		-		18,342	
Exchange Loss/(Gain)		(168,342)		7,903,353	
			<u>5,596,355</u>		<u>40,350,254</u>
Surplus for the Period			<u><u>19,452,826</u></u>		<u><u>74,327,097</u></u>



Chief Executive Officer

Date: 20/05/15



Finance Manager

Date: 20/05/2015

Accompanying Notes 1 - 18 form part of these accounts

Seychelles International Business Authority

Statement of Cash Flows

For The Period Ending 28th February 2014

	2014		2013	
	(SR)	(SR)	(SR)	(SR)
Cash Flows from Operating Activities				
Operating Profit/(Loss)	19,452,826		74,327,097	
Depreciation Expenses	555,339		3,363,867	
Amortisation of Capital Grant	(142,344)		(854,063)	
Loss on Disposal of Assets	-		18,342	
(Increase) /Decrease in Accounts Receivable (including staff loans)	245,957		2,930,447	
Increase/(Decrease) in Accounts Payable	(4,386,546)		1,216,619	
Increase /(Decrease) in Gratuity and Compensation Reserve	237,272		669,168	
Net Cash Provided/(Used) by Operating Activities		15,962,504		81,671,477
Cash Flows from Investing Activities				
Purchase of Assets	(19,850)		(573,331)	
SITZ work In Progress	(354,474)		(958,371)	
Net Cash Used by Investing Activities		(374,324)		(1,531,702)
Cash Flows from Financing Activities				
Cash Surplus transferred to GOS as dividends		-		(150,942,047)
Net Cash Provided/(Used) by Financing Activities		-		(150,942,047)
Net Increase/(Decrease) in Cash		15,588,180		(70,802,272)
Cash as at 01st January 2014		<u>36,583,155</u>		<u>107,385,427</u>
Cash as at 28th February 2014		<u>52,171,335</u>		<u>36,583,155</u>



Chief Executive Officer

Date: 20/5/15



Finance Manager

Date: 20/05/2015

Seychelles International Business Authority

Fixed Assets and Depreciation Schedule - 01st January to 28th February 2014

Fixed Assets	Cost		Depreciation			Net book Value			
	01.01.2014	Additions	Disposal	28.02.2014	01.01.2014		For the Year	On Disposal	28.02.2014
Warehouses	36,668,266	-	-	36,668,266	15,950,861	244,455	-	16,195,316	20,472,950
Office Block	2,550,000	-	-	2,550,000	1,530,000	17,000	-	1,547,000	1,003,000
Utility Block	660,462	-	-	660,462	396,270	4,403	-	400,674	259,788
Fencing	637,788	-	-	637,788	620,611	1,108	-	621,719	16,069
Plant and Machinery	373,309	-	-	373,309	360,309	403	-	360,712	12,597
Office Equipment	4,020,413	-	-	4,020,413	2,965,225	83,590	-	3,048,815	971,598
Computers	2,021,395	-	-	2,021,396	1,711,466	38,630	-	1,750,096	271,300
Software	517,317	-	-	517,317	517,317	0	-	517,317	0
Furniture and Fittings	4,362,498	19,850	-	4,382,348	3,252,772	77,683	-	3,330,455	1,051,893
Vehicles	2,753,499	-	-	2,753,499	1,351,880	71,684	-	1,423,564	1,329,935
Other Assets	1,092,453	-	-	1,092,453	761,716	16,382	-	778,098	314,355
Total	55,657,399	19,850	-	55,677,251	29,418,427	555,339	-	29,973,766	25,703,485



Seychelles International Business Authority

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 28th FEBRUARY 2014

1. Accounting Policies

Seychelles International Business Authority was established as a Statutory Body under the Seychelles International Business Authority Act 1994 (Act 27 of 1994). Unless mentioned otherwise below, the Seychelles International Business Authority has been following the historical cost method of accounting.

2. Fixed Assets

2.1 Freehold Property

No depreciation has been charged on the value of the freehold property.

2.2 Other fixed Assets and Depreciation

The assets have been stated at cost less depreciation. The movement in fixed assets and depreciation are given in the SCHEDULE (P4/8) attached. Assets are depreciated on a straight-line basis with reference to the expected useful life of the assets concerned.

Depreciation is computed from the month after receipt of goods using the following principal annual rates. No depreciation is provided for in the month of disposal.

Building	4%
Office Structures / Improvement	10%
Plant and Machinery	10%
Fencing	10%
Office Equipment / Appliances	20%
Computers	25%
Furniture / Fixtures	20%
Vehicles	20%
Software	25%
Other Assets	25%

2.3 Investment Property

Investment property has been included in the accounts at cost less depreciation. The total floor area of Utility Buildings and Warehouses has been apportioned on the basis of the leased portion in relation to floor area occupied by SIBA. As at 28.02.2014, the net book value of Investment property is at **SR16,586,191** which represents approximately 80% of the total net book value of cost of buildings.

3. Work in Progress

Work in Progress comprises the following:

- Consultancy Fee/ Structural Engineer Fees relating to the construction of new warehouses. Total paid as at 28.02.2014 – SR1,859,146
- Planning Fee and others. Total paid as at 28.02.2014 – SR443,220

4. Cash at Bank

	2014 (SR)	2013 (SR)
Seychelles Rupee Account Balance	10,915,407	3,232,228
US Dollar Account Balance	39,746,300	31,920,882
Euro Account Balance	436,648	416,270
Total	<u>51,098,355</u>	<u>35,569,380</u>

5. Accounts Receivable

Advance to Supplier	158,297	109,077
IBC & SITZ Fees Receivable	2,015,107	1,696,426
Staff loans	3,859,861	4,102,998
Other Receivables	229,072	611,193
Provision for Doubtful Debts	(230,270)	(241,670)
Total	<u>6,032,067</u>	<u>6,278,024</u>

6. Accounts Payable

These represent liabilities incurred during the course of the year for purchases, services and other obligations which are payable within a year.

IBC & SITZ Fees paid in advance:		
Advance from Customers	6,097,002	8,610,174
ITZ Rent Deposit	1,221,440	1,211,000
Corporate Tax	737,083	764,410
Provision For Audit Fee	90,000	75,000
Others	<u>1,923,523</u>	<u>3,795,010</u>
Total	<u>10,069,048</u>	<u>14,455,594</u>

7. Capital Fund

Capital Funds received from Government was treated as capital grant and transferred to income over the expected useful life of the asset to which they relate. As at 28.02.2014, the sum of *SR142,344* has been provided as amortisation of grant.

8. Retained Earnings

The movement in Retained Earnings is shown below:

Retained earnings as at 1.1.2014	45,189,702	121,804,652
Surplus for the year	19,452,826	74,327,097
Dividends paid	-	(150,942,047)
Retained earnings as at 28.02.2014	<u>64,642,528</u>	<u>45,189,702</u>

9. Government Contributed Assets

This represents the value of the land transferred to the Seychelles International Business Authority by the Government of Seychelles.

10. Gratuity and Compensation

Gratuity and Compensation for past years service has been calculated in accordance with Ministry of Administration & Manpower, Circular 9A of 1993 and 15 % of gross salary in the case of PSC and internal contract employees. The provision as at 28.02.2014, in this respect amounted to **SR.3,121,240**.

11. Foreign Currency Transactions

The foreign currency receipts and payments/expenditure are accounted for at the market mid rates as published by the CBS at the end of each previous month. End of period balances are recognised in the accounts at the CBS mid-rate of **SR12.1331 to 1 US. Dollar** and **SR16.6507 to 1 Euro**, as at end of 28th February 2014.

12. Income

Revenue from IBC Registration and Allied Services consists of the following:	Jan- Feb 2014 (SR)	2013 (SR)
IBC Registration Fees	4,238,955	25,005,701
IBC Annual Licence Fees	11,461,464	56,883,929
Other Licence Fees	3,717,907	5,521,188
Funds and Securities Fees	105,458	680,275
Insurance Fees	138,157	614,054
Other Services	<u>3,416,233</u>	<u>17,371,239</u>
Total	<u>23,078,174</u>	<u>106,076,386</u>

13. Rental Income

Rental Income from Investment Property	1,584,998	6,363,766
Outdoor Space rental	<u>191,775</u>	<u>795,989</u>
Total	<u>1,776,773</u>	<u>7,159,755</u>

14. Personnel Emoluments

Payroll expenses	2,143,845	13,301,500
Employer's Pension contribution	49,707	211,087
Honorarium-Board Members	42,000	294,660
- SITZ Employment Council	-	219,000
Income & Non-Monetary Benefits tax	369,698	2,169,233
Gratuity & compensation paid	<u>269,797</u>	<u>1,366,836</u>
Total	<u>2,875,047</u>	<u>17,562,316</u>

15. Office Running Costs

	2014 (SR)	2013 (SR)
Administration Costs	535,768	2,850,132
Communication Costs	215,462	1,291,721
Transport & Travelling Costs	93,264	498,318
Maintenance & Repairs	8,557	484,553
Training	228,400	1,564,216
General Expenses	<u>432,766</u>	<u>1,111,221</u>
Total	<u>1,514,217</u>	<u>7,800,161</u>

16. Educational Dissemination

Information Dissemination	336,855	1,502,330
Advertisement	318,341	974,130
DTA Negotiation Costs	-	<u>160,704</u>
Total	<u>655,196</u>	<u>2,637,164</u>

17. Finance Charges

Bank Charges	3,472	53,895
Total	<u>3,472</u>	<u>53,895</u>

18. Consultancy and Professional Costs

The consultancy cost comprises the following:

Local Legal Fees	16,500	270,348
Audit Fee	15,000	75,000
Professional Fees	141,326	799,212
Others		<u>93,455</u>
Total	<u>172,826</u>	<u>1,238,015</u>