

# REPORT AND FINANCIAL STATEMENTS 2011

## SEYCHELLES POSTAL SERVICES LIMITED

*Liberty House, Victoria, Seychelles*

### Principal activities of the company

The principal activities during the year was that of providing postal services in Seychelles.

### Results

The company was incorporated during 2011 and has commenced business only from the 1<sup>st</sup> of June. It operates as an independent division of the company.

The profit is presented after charging depreciation and interest if any.

### Accumulated profit

The profit earned during the year has been carried over to the balance sheet and shown as accumulated profits.

### Fixed Assets

The Directors are of the opinion that the market or realisable value of the fixed assets as at 31<sup>st</sup> December 2011 does not differ substantially from the amounts at which they are included in the accounts at that date.

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No.	Name	Share
2.	Mr. Annie Dugasse	0
3.	Mr. Ernst Dies	0
4.	Mr. Jeffrey Dopley	0
5.	Mr. Ayub Guleman Adam	0
6.	Mr. Brijesh Jivan	0

## SEYCHELLES POSTAL SERVICES LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2011

The Directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 31<sup>st</sup> December 2011

#### Principal activities of the company

The principal activities during the year was that of providing postal services in Seychelles.

#### Results

The company was incorporated during 2011 and has commenced business only from the 1<sup>st</sup> of June. It operated as an independent entity from 1st January 2011 and as a division within the Ministry of Finance before that.

The profit as per the income statement for the year is SR 594,541/- after charging depreciation and interest if any.

#### Accumulated profit

The profit earned during the year has been carried over to the balance sheet and shown as accumulated profits.

#### Fixed Assets

The Directors are of the opinion that the market or saleable value of the fixed assets as at 31<sup>st</sup> December 2011 does not differ substantially from the amounts at which they are included in the accounts at that date.

#### Directors and their Interest in the company

The directors of the company during the year are:

No.	Names	Shares held
1	Ms. Marie Doreen Bradburn	0
2.	Ms. Annie Dugasse	0
3.	Mr. Errol Dias	0
4.	Mr. Jeffrey Dogley	0
5.	Mr. Ayub Suleman Adam	0
6.	Mr. Brijesh Jivan	0

No contract of significance was entered into by the company at any time during the year in which the directors had directly or indirectly, a material interest.

### Statement of Director's Responsibilities

The Directors are required to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for the period. In preparing those accounts, the directors are required to:

1. Prepare financial statements on the going concern basis unless it is inappropriate to assume continuance of business.
2. Select suitable accounting policies and then apply them consistently.
3. Make judgements and estimates that are reasonable and prudent, and
4. Disclose and explain any material departure from applicable accounting standards.

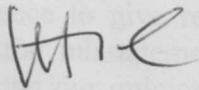
The Companies Act 1972 also requires the directors to keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They also have the general responsibility for taking reasonable steps to safeguard the assets of the company and detect fraud and other irregularities.

The Directors consider that they have met their responsibilities as set out in the Companies Act 1972.

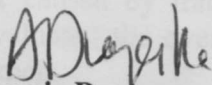
### Auditors

The retiring auditors are NN Associates who are eligible for re-appointment.

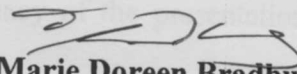
### DIRECTORS



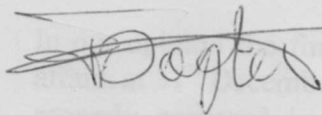
**Errol Dias**



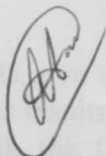
**Annie Dugasse**



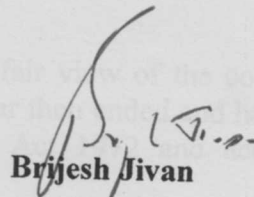
**Marie Doreen Bradburn**



**Jeffrey Dogley**



**Ayub Suleman Adam**



**Brijesh Jivan**

NN Associates  
Chartered Accountants

# NN ASSOCIATES

## Chartered Accountants

Room no. 202, Premier Building  
PO Box 1064, Victoria, Republic of Seychelles

Phone: 4611555 Fax 4611550

Mail : nassociates@seychelles.net

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### AUDITORS REPORT TO THE MEMBERS OF SEYCHELLES POSTAL SERVICES LIMITED

We have audited the financial statements of pages 4 - 5 which have been prepared under the historical cost convention and the accounting policies set out on pages 6-10

#### *Respective responsibilities of directors and auditors*

As described on page 1 - 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

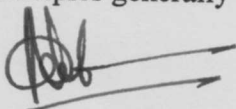
#### *Basis of opinion*

We conducted our audit in accordance with auditing procedures generally applied in Seychelles. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances and are consistently applied and disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### *Opinion*

In our opinion the financial statements give a true and fair view of the company's affairs at 31<sup>st</sup> December 2011 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1972 and accounting principles generally followed in Seychelles



NN Associates  
Chartered Accountants

Dated 3/12/12

SEYCHELLES POSTAL SERVICES LIMITED

Mahe, Seychelles

Income statement for the period ending 31st December 2011

Financial Accounts are prepared in Seychelles Rupees

	Notes	2,011
<b>Income</b>		
Revenue for the Year	2(f),5	9,776,099
Less : Operating Expenses	6	1,944,756
Add : Other Income		8,445
<b>Gross Operating Profit</b>		<b>7,839,788</b>
<b>Expenditure</b>		
Administration Expenses	8	6,957,262
Auditors Remuneration		26,498
Interest & Bank Charges	7	6,327
Foreign Exchange Loss/(Gain)		(207,439)
Depreciation	2(c)	462,599
<b>Total Expenditure</b>		<b>7,245,247</b>
<b>Net Profit/(Loss)</b>		<b>594,541</b>
Prior year's Profit / (loss)		0
Provision for tax		188,018
<b>Profit /(Loss) carried to Balance Sheet</b>		<b>406,524</b>



**SEYCHELLES POSTAL SERVICES LIMITED**

Mahe, Seychelles

**BALANCE SHEET AS AT 31ST DECEMBER 2011**

Financial Accounts are prepared in Seychelles Rupees

ASSETS	Notes	2011
Fixed Assets	2(c),9	8,253,853
Land	2(c)	5,030,000
Inventories	2(d)	7,510,399
Other current assets		210,601
Debtors		503,710
Prepayments		708,404
Cash & Bank Balance		7,826,828
		30,043,795

**LIABILITIES AND EQUITY**

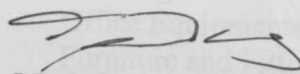
**Liabilities**

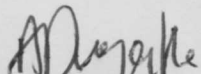
Employee Benefit Obligations	11	281,172	
Taxation provision		188,018	
Account Payable and Accruals	10	741,924	1,211,113

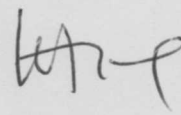
**Equity**

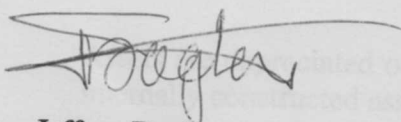
Capital Reserve			28,326,158
Share Capital	4		100,000
Accumulated Profit / (Loss)			406,524
			30,043,795

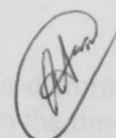
**DIRECTORS**

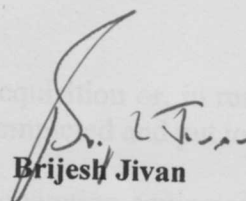
  
Marie Doreen Bradburn

  
Annie Dugas

  
Errol Dias

  
Jeffrey Dogley

  
Ayub Suleman Adam

  
Brijesh Jivan

## SEYCHELLES POSTAL SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2011

Financial Statements are prepared in Seychelles Rupees.

#### **1. General:**

Seychelles Postal Services Ltd. is a company domiciled in the Republic of Seychelles. The registered office of the company is located at Liberty House, Victoria, Seychelles. The principal place of business is also located at Liberty House, Victoria, Seychelles. For the year ended 31<sup>st</sup> December 2011, the principal activity of the company was providing postal services including but not limited to courier and parcel services.

#### **2. Significant Accounting Policies**

The significant accounting policies adopted in preparation of the financial statements of the company are set out below.

##### **(a) Statement of compliance.**

The financial statements are prepared in accordance with the requirement of the Seychelles Companies Act 1972.

##### **(b) Measurement basis and accounting policies applied.**

The measurement basis used is historical cost.

##### **(c) Property and equipment**

Items of property and equipment are stated at the lower of historical cost or recoverable amount, and are depreciated using the straight line method over their estimated useful lives.

The rates of depreciation used are based on the following useful lives:

Building	25 years
Office Equipments	5 years
Furniture and Fittings	5 years
Operating Equipments	5 years
Vehicles	5 years

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and put to use.

Expenditure on repairs or maintenance of property and operating equipment made to restore or maintain future economic benefits expected from the assets is recognised as an expense when incurred.

***(d) Stock***

Stock is carried at the lower of cost or net realisable value.

Cost is based on the first-in, first-out principle and includes expenditure incurred in acquiring the stocks and bringing them to their existing condition and location.

Net realisable value is the estimated selling price the stock would fetch in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

In the case of stamps, stock is carried at the cost price which includes cost of printing, transportation, delivery and related costs.

***(e) Borrowing Costs***

Borrowing costs, if any, are recognised as an expense in the period in which they are incurred.

***(f) Revenue Recognition***

In relation to sale of goods, revenue is recognised where the ownership has been transferred to the buyer and no significant uncertainties remain regarding the derivation of consideration, associated costs or the possible return of goods.

In relation to rendering services, revenue is recognised by reference to the state of completion of the transaction at the balance sheet date.

***(g) Compensation for continuous service***

The Employment (Amendment) Act 1999 requires employees to be compensated upon the resignation or retirement for continuous service from their date of original employment. A provision has been made for gratuity and compensation for length of service for all employees with the company.

***(h) Taxation***

Tax is recognised in profit and is calculated as laid down by the Business Tax Act 2009.

***3. Directors fee***

Directors fee paid during the year came to SR 259,078/-

***4. Authorised and Issued Capital***

1,000 ordinary shares of R.100/- each, being fully paid R 100,000



## 5. Revenue

Stamps			3,045,752	
International Services			1,115,702	
Franking Machine Services	Office Equipment	Furniture	1,835,303	Total
Postage Stamp fee		Fixtures	1,603,164	
Courier and others			1,674,038	
Boutique Sales			<u>502,140</u>	0
			<u>9,776,099</u>	8,943,255

## 6. Operating expenses:

Cost of sales			1,230,784	8,943,255
Mail Conveyance charges			<u>713,972</u>	0
			<u>1,944,756</u>	0

## 7. Interest & Bank Charges Paid / Payable

Interest on other facilities			-	689,402
Bank Charges			<u>6,327</u>	0
			<u>6,327</u>	8,253,853

## 8. Administration Expenses

Staff costs			4,827,223	
Transportation			288,475	
Insurance			27,993	
Licenses			9,772	
Printing & Stationery			257,020	
Telephone, Fax & Internet			88,613	
Electricity			226,287	
Water			2,417	
Entertainment			12,379	
Subscriptions			12,600	
Consultancy, Legal Fees & Secretarial fee			2,825	
Repairs & Maintenance			463,675	
Cleaning Services			203,003	
Postal Accessories			71,534	
Office Decor.			30,562	
Minor equipments			18,219	
General Expenses			35,384	
Advertisement & Sales Promotion			18,495	
Directors fees			46,200	
Rent			235,665	
Commissions Vendors			72,261	
Hire of Equipment:-Vending Machine/Others			<u>6,660</u>	
			<u>6,957,262</u>	

### 9. Fixed Assets

	Building	Office Equipment	Furniture Fittings	Motor Vehicle	Total
Balance b/f					0
Additions	6,700,000	692,762	78,493	1,472,000	8,943,255
Disposal					0
As at 31/12/11	6,700,000	692,762	78,493	1,472,000	8,943,255
Depreciation b/f					0
For the year	268,000	103,189	51,230	266,983	689,402
Disposal					0
As at 31/12/11	268,000	103,189	51,230	266,983	689,402
Book Value	6,432,000	589,573	27,263	1,205,017	8,253,853

### 10. Accounts Payable and Accruals

Accrued Expenses	348,443
Creditors	<u>393,481</u>
	<u>741,924</u>

### 11. Employee Compensation

All employees of the company as of 1<sup>st</sup> June 2011, were employees of the Postal Services Division till December 31<sup>st</sup> 2010 and then were employed by the independent postal entity from 1<sup>st</sup> January 2011 until 31<sup>st</sup> May 2011. No provision for compensation was provided by the independent entity.

However the company has calculated and provided compensation for each and every employee where applicable. Only the amount pertaining to the period from 1<sup>st</sup> June 2011 has been charged to the profit and loss account. The remainder has been set off against the capital reserve.

### 12. Capital Reserve

The company commenced operations as from the 1<sup>st</sup> of June 2011. There was no financial consideration paid for the takeover of the independent postal services entity. There was an amount shown as capital reserve in the balance sheet of the independent postal services entity on the takeover date. This represented the difference between the assets and liabilities taken over from the Ministry of Finance on the 1<sup>st</sup> of January 2011. This amount was taken over by the company and shown as capital reserve.

### *13. Capital commitments*

The directors were of the opinion that there were no capital commitments for the company on the balance sheet date.