

# **Public Enterprises**

## **Annual Report 2018**

**October 2019**



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## ABBREVIATIONS AND ACRONYMS

AFD	Agence Française de Développement
AFS	Annual Financial Statements
AS	Air Seychelles Limited
BADEA	Arab Bank for Economic Development in Africa
BDRI	Bois de Rose Investment Limited
CBS	Central Bank of Seychelles
DBS	Development Bank of Seychelles
EIB	European Investment Bank
EUR	Euro
FSA	Financial Services Authority
GBP	British pound sterling
GDP	Gross Domestic Product
GICC	Green Island Construction Company Limited
GOIC	Green Oak Investment Company Limited
GOS	Government of Seychelles
GTIC	Green Tree Investment Company Limited
HFC	Housing Finance Company Limited
IDC	Islands Development Company Limited
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
I'UE	L'Union Estate Limited
MEECC	Ministry of Environment, Energy and Climate Change
MHILT	Ministry of Habitat, Infrastructure, and Land Transport
MoFTIEP	Ministry of Finance, Trade, Investment and Economic Planning
MoTCAPM	Ministry for Tourism, Civil Aviation, Ports and Marine
bnSCR	Billion Seychelles Rupees
mSCR	Million Seychelles Rupees
mUSD	Million US dollar
NISA	National Information Services Agency
OICL	Opportunity Investment Company Limited
OVP	Office of the Vice-President
PDEE	Paradis des Enfants Entertainment Limited
PE	Public Enterprise
PEMC	Public Enterprise Monitoring Commission
PMC	Property Management Corporation
PS	Petro Seychelles Limited
PUC	Public Utilities Corporation
QFA	Quasi-Fiscal Activity
ROA	Return on Assets
ROCE	Return on Capital Employed
ROE	Return on Equity
SCAA	Seychelles Civil Aviation Authority
SCB	Seychelles Commercial Bank Limited
SCI	Statement of Corporate Intent
SCR	Seychelles Rupee
SEYPEC	Seychelles Petroleum Company Limited

SIMBC	Seychelles International Mercantile Banking Corporation Limited (Nouvobanq)
SPF	Seychelles Pension Fund
SPA	Seychelles Ports Authority
SPS	Seychelles Postal Services Limited
SPTC	Seychelles Public Transport Corporation
SRC	Seychelles Revenue Commission
SSI	Société Seychelloise d'Investissement Limited
STC	Seychelles Trading Company Limited
2020 DC	2020 Development (Seychelles) Limited

**Table 1. Yearly average exchange rates**

<b>Indicator</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
USD/SCR	12.0577	12.7527	13.3096	13.3194	13.6481	13.9115

## EXECUTIVE SUMMARY

The PE sector recorded an 11% lower aggregate net profit for the year 2018 compared to the year 2017. Amongst the four PE sub-sectors, the Services and development Sector recorded the highest aggregate net profit (mSCR 438), surpassing the Energy Sector (mSCR 224) which had recorded the greatest net profit for the year 2017 and the Financial Sector (mSCR 418) which recorded the greatest net profit for the year 2016. The Transport Sector was the least profitable sector for 2018 and reported a 6% decrease in aggregate net profit from 2017 to 2018.<sup>1</sup>

The overall PE financial performance and major trends of the PE sector in 2018 are as follows:

- The highest financial transactions between the Government of Seychelles (GoS) and PEs were in the form of dividends paid by PEs (mSCR 440), followed by subsidies to PEs (mSCR 340). Eight PEs received subsidies from GoS, namely the Public Utilities Corporation (PUC), Seychelles Public Transport Corporation (SPTC), Air Seychelles Ltd (Air Seychelles), Property Management Corporation (PMC), Development Bank of Seychelles (DBS), Islands Development Company Ltd (IDC), Seychelles Postal Services Ltd (SPS) and Paradis des Enfants Entertainment Ltd (PDEE).
- Tax amounting to mSCR 333 was expensed by PEs, with the Seychelles International Mercantile Banking Corporation Ltd (SIMBC)- trading as Nouvobanq- expensing the highest amount followed by the Seychelles Petroleum Company Ltd (SEYPEC).
- Two PEs had outstanding loans from GoS amounting to mSCR 173 in 2018, namely DBS and Seychelles Trading Company Ltd (STC).
- Total annual effect of Quasi-Fiscal Activities (QFAs)<sup>2</sup> of PEs amounted to mSCR 438, with mSCR 47 being directly compensated for from the national budget.
- The aggregate asset base of the PE sector amounted to bnSCR 28, representing 127% of the nominal Gross Domestic Product (GDP) and 6% growth in contrast with the 2017 total asset base.
- The Return On Assets (ROA) ratio for the Energy Sector, Financial Sector and Services and development Sector recorded a decrease for the year under review.
- Aggregate liabilities of the PEs for the year 2018 amounted to bnSCR 12.3, representing 56% of nominal GDP and 7% increase from 2017.
- The highest borrowings of the PE sector at December 31, 2018 were held by PUC followed by DBS with an amount of mSCR 645 and mSCR 433 respectively.

The ownership and oversight framework of PEs in Seychelles remained a concern for the year under review. There is fragmented oversight of the sector by the Public Enterprise Monitoring Commission

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<sup>1</sup> The data excludes Air Seychelles Ltd, Bois de Rose Investment Ltd, Paradis des Enfants Entertainment Ltd and 2020 Development Company Ltd, as their Annual Financial Statements (AFS) for 2018 had not been submitted to the Commission by the reporting date (01.09.2019).

<sup>2</sup> A Quasi-Fiscal Activity (QFA) is defined as a non-commercial activity conducted by a PE on behalf of the Government for which it is not compensated.



(PEMC), the Responsible Ministry of each PE and the Ministry of Finance, Trade, Investment and Economic Planning (MoFTIEP).

This leads to duplication of efforts as well as insufficient and selective compliance by PEs to the different reporting requirements. One objective of the review of the Public Enterprise Monitoring Commission Act, 2013 which was being undertaken during 2018 is to address non-compliance and subsequently improve the oversight of the PE sector.

There is no ownership policy outlining the rationale of Government ownership of PEs. In addition, formal performance targets are presently not being set for PEs, leading to an absence of set expectations by the owner to guide the strategy of each PE. Furthermore, there is no dividend policy to balance return on investment of GoS as the owner and the financial power of a PE.

## INTRODUCTION

The Annual aggregate Public Enterprise Report 2018 (PEs report 2018) aims to inform the Government of Seychelles (GoS), the legislature, the general public and other stakeholders on the overall performance and evolution of the Public Enterprise sector (PE sector) in 2018. This report is also aimed at improving transparency and disclosure of the PE sector and follows the good practice guidance contained in the OECD guidelines on Corporate Governance of State-Owned Enterprises.

The Public Enterprise Monitoring Commission (PEMC) is mandated by its enabling legislation to exercise oversight of the PE sector. The overarching objective is to “ensure that Public Enterprises (PEs) are properly controlled and managed for the purpose of better performance, transparency, accountability and to enhance the efficiency and competitiveness of the economy.”

In 2018, there were thirty-one PEs operating in different sectors of the economy (ref. Appendix 1). Amongst these, twenty-five PEs were wholly owned by GoS and four were owned through majority shareholding. The remaining two PEs consist of the Opportunity Investment Company Ltd (OICL) and the Seychelles Pension Fund (SPF), the former is a subsidiary of the SPF and the latter is a body corporate established by law to administer the pension fund and is under the control of GoS<sup>3</sup>.

The shareholder in ten<sup>4</sup> limited liability companies on behalf of GoS is the Société Seychelloise d'Investissement Ltd (SSI), which also holds minority shareholdings in several companies on behalf of GoS. For reporting purposes, PEMC classifies the PEs into four principal sectors: Energy, Financial services, Transport, and Services and development.

The data for 2018 shows that the PEs remained important actors in the economy by their contribution to taxation, dividends, service provision and the pursuit of public policy objectives. The PE sector also remained an important employer, engaging 12% of the total national workforce.

During 2018, some PEs failed to comply with the reporting obligations stipulated in Part V of the PEMC Act. PEs' selective or non-compliance to the PEMC Act (ref. Appendix 3) and other governing legislations, such as late or non-submission of Annual Financial Statements (AFS), has affected the availability and quality of data used in this report.

At this juncture, it is important to note that the AFS for the year 2018 of Air Seychelles Ltd, Bois de Rose Investment Ltd (BDRI), Paradis Des Enfants Entertainment Ltd (PDEE) and 2020 Development Company Ltd have not been submitted to PEMC<sup>5</sup>, hence these PEs are not represented in the figures and in the year-on-year comparisons.

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<sup>3</sup> As per the definition in the IMF GFS Manual 2014, p.27

<sup>4</sup> SSI Annual Financial Statements 2018

<sup>5</sup> September 01, 2019

# 1 OVERVIEW

## 1.1 Aggregate statistics on the size of the PE sector and sub-sectors, and share of economic activity

The PE sector recorded an 11% lower aggregate net profit for the year 2018 compared to the year 2017.

Net profit represented 6% of GDP for the year 2018 which was generated by a total asset base of bnSCR 28 or 127% of GDP, compared to 129% of GDP for 2017. The Services and Development Sector recorded an aggregate net profit of mSCR 438 which was the highest for 2018, followed by the Financial Sector. The Energy Sector reported a decline of 57% in aggregate net profit from 2017 to 2018, equivalent to mSCR 292. Total liabilities represented 56% of GDP, comprising of borrowings worth 7% of GDP.

## 1.2 Overall PE financial performance and major trends of the PE sector

### 1.2.1 Net profit/loss

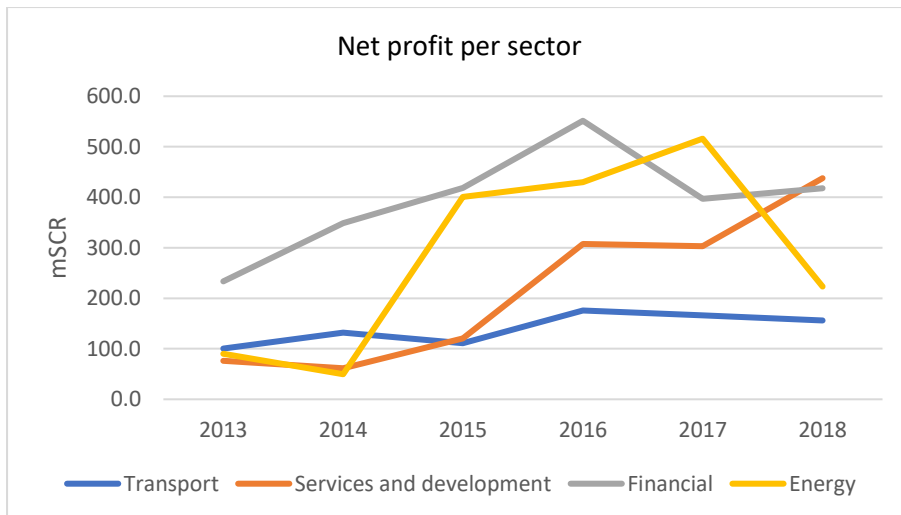
Profitability is important as PEs have to be able to service their debt, provide funds for investment, ensure their long-term sustainability and provide sufficient returns to the budget through dividends.

The PE sector reported an aggregated net profit after tax of bnSCR 1.24 for the year 2018, representing an 11% decrease, equivalent to mSCR 147, when compared to 2017. The total net profit after tax of PEs for 2018 was equivalent to 6% of GDP, compared to 7% of GDP for 2017.

Four PEs reported a loss for 2018 namely Green Tree Investment Company Ltd (GTIC), Petro Seychelles Ltd (Petro Seychelles), SPTC and SPS. When comparing 2018 to 2017, it was noted that Petro Seychelles reported a greater net loss of mSCR 6.7 for that year, whilst GTIC recorded a net loss of mSCR 13.4 compared to a net profit of mSCR 1 for the previous year.

Additionally, nine PEs reported a lower net profit in 2018 when compared to 2017, namely Financial Services Authority (FSA), L'Union Estate Ltd (l'Union Estate), National Information Services Agency (NISA), PUC, Seychelles Commercial Bank Ltd (SCB), Seychelles Civil Aviation Authority (SCAA), SEYPEC, Nouvobanq and Seychelles Ports Authority (SPA).

Figure 1 shows the aggregate net profit after tax of the PE sector for the period 2013-2018.

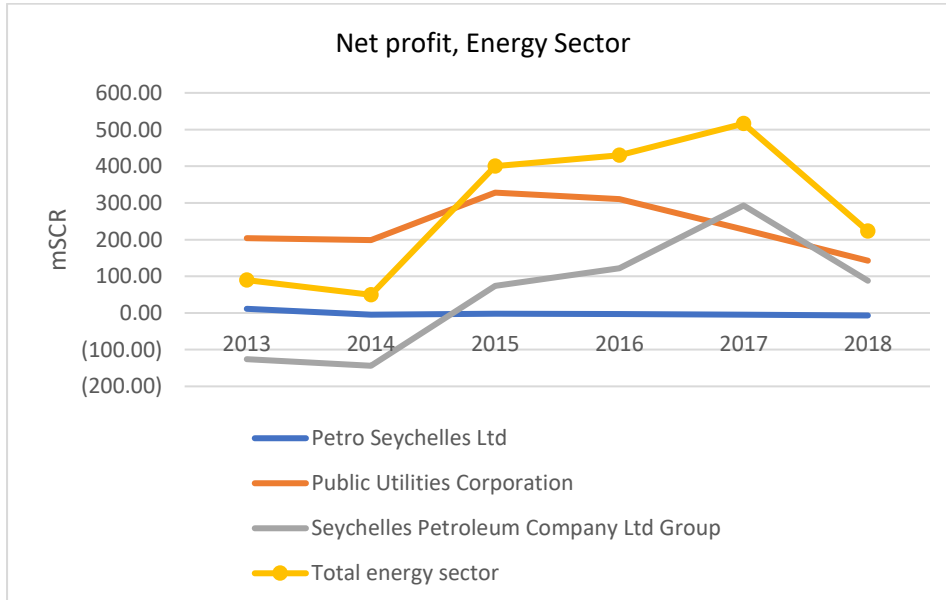


**Figure 1. Aggregate net profit after tax per sector, 2013-2018**

#### 1.2.1.1 Energy Sector

The Energy Sector reported the greatest decline of 57% (mSCR 292) in net profit amongst the four PE sub-sectors, due to a 70% (mSCR 205) reduction in the net profit of SEYPEC. This was particularly due to a 19% (mSCR 836) increase in cost of sales and net foreign exchange loss of mSCR 207.

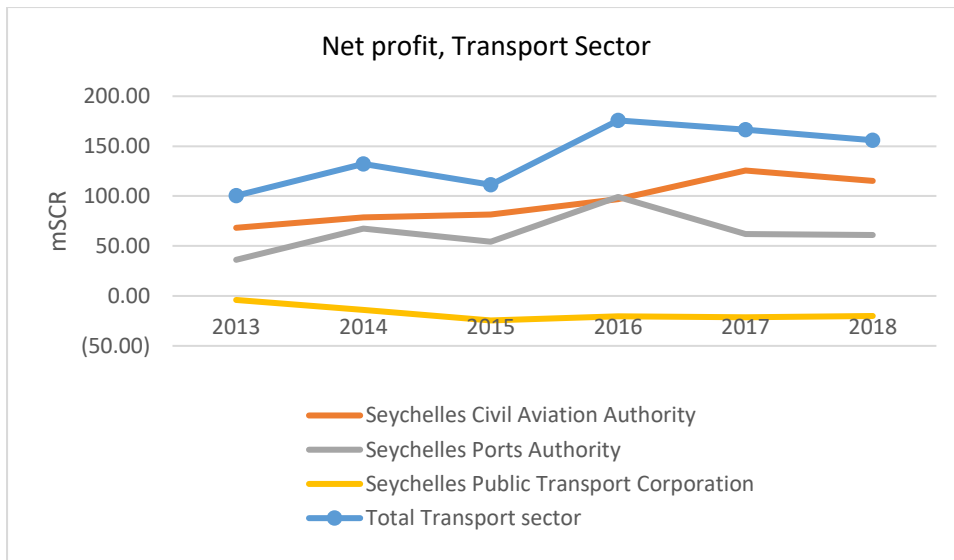
Additionally, PUC reported a 37% (mSCR 84) decline in its net profit (ref. 3.2 Public Utilities Corporation [PUC]).



**Figure 2. Net profit of the Energy Sector and per PE, 2013-2018**

#### 1.2.1.2 Transport Sector

The AFS 2018 of Air Seychelles has not been submitted to the Commission, hence the PE is not represented in the figures and year-on-year comparisons.

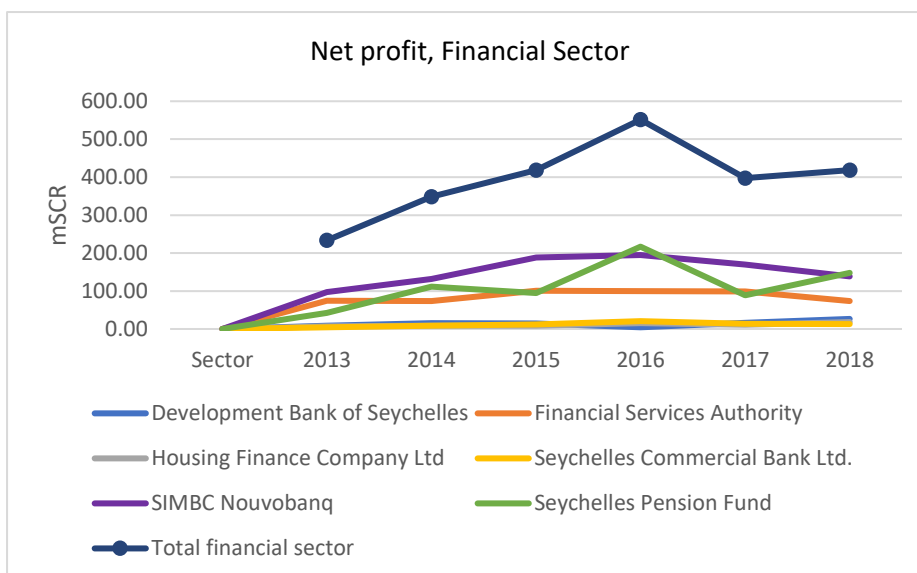


**Figure 3. Net profit of the Transport Sector and per PE, 2013-2018**

In 2018 the Transport Sector was the least profitable, reporting an aggregate net profit of mSCR 156, which represented a decline of 6% (mSCR 10) from 2017 to 2018. This was principally due to 8% (mSCR 10.6) decline in the net profit of SCAA, which was associated to a 18% (mSCR26) increase in staff costs and 11% (mSCR 7) increase in other operating expenses.

SPTC reported a net loss of mSCR 20.14, representing 5% (mSCR 1.09) improvement compared to 2017 particularly due to 27% (mSCR 32) growth in revenue (ref. 3.5 Seychelles Public Transport Corporation [SPTC]).

#### 1.2.1.3 Financial Sector



**Figure 4. Net profit of the Financial Sector and per PE, 2013-2018**

There was an increase of 5% (mSCR 20.9) in the aggregate net profit of the PEs in the financial sector from 2017 to 2018. Nouvobanq, FSA and SCB recorded a reduction in net profit whilst SPF, HFC and DBS reported growth.

The net surplus of SPF improved by 67% (mSCR 59.4) due to a 20% growth in income, particularly 163% (mSCR 27) growth in fair value of associates, mSCR 54.6 increase in fair value of unquoted equities and 38% (mSCR 23.1) less interest credited to members.

On the other hand, the net profit of Nouvobanq decreased by 18% (mSCR 31.1) due to 78% (mSCR 56.6) increase in tax expense caused by a deferred tax charge.

#### 1.2.1.4 Services and development Sector

The aggregate net profit of the PEs in the Services and development Sector grew by 44% from 2017 to 2018. This was primarily due to a 45% (mSCR 116) growth in the net profit of SSI, caused by an increase in dividend from subsidiaries, particularly Nouvobanq and SEYPEC.

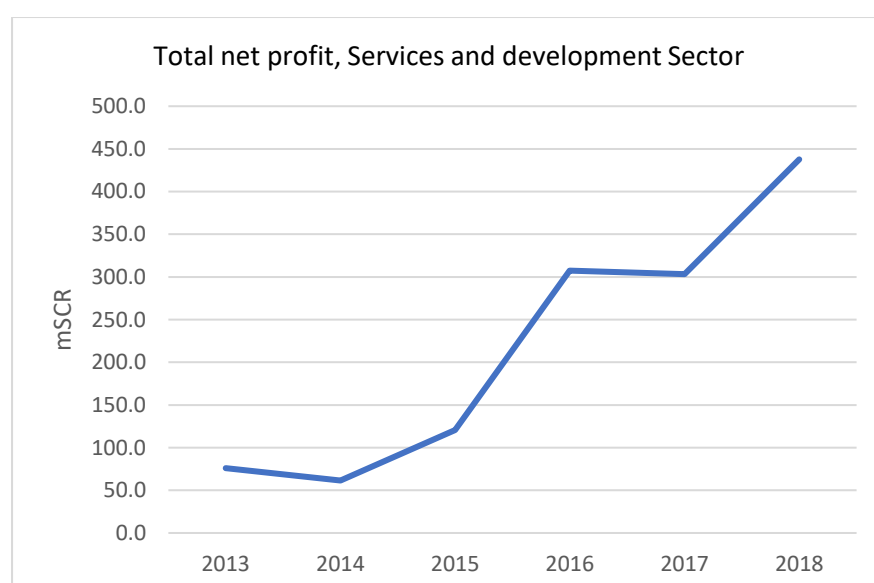
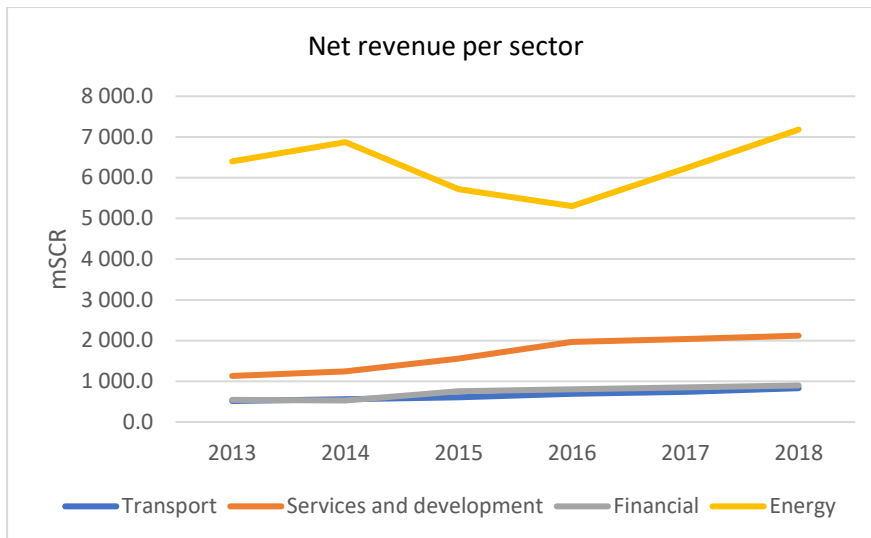


Figure 5. Net profit of the Services and development Sector and per PE, 2013-2018

#### 1.2.2 Net revenue

From a base of 23 PEs which submitted their certified AFS for the year 2018, aggregate net revenue<sup>6</sup> amounted to bnSCR 11, representing 12% growth compared to 2017. This was driven by the increase in net revenue of SEYPEC during the year 2018. Aggregate net revenue of the PEs represented approximately 50% of GDP in 2018 from 48% of GDP in 2017. Figure 6 shows the aggregate net revenue of the PE sector for the period 2013 to 2018.

<sup>6</sup> The Commission defines net revenue as revenue from the PEs' core business activity, it does not include extraordinary income. Total revenue includes revenue from non-core business activities such as subvention and rental income.



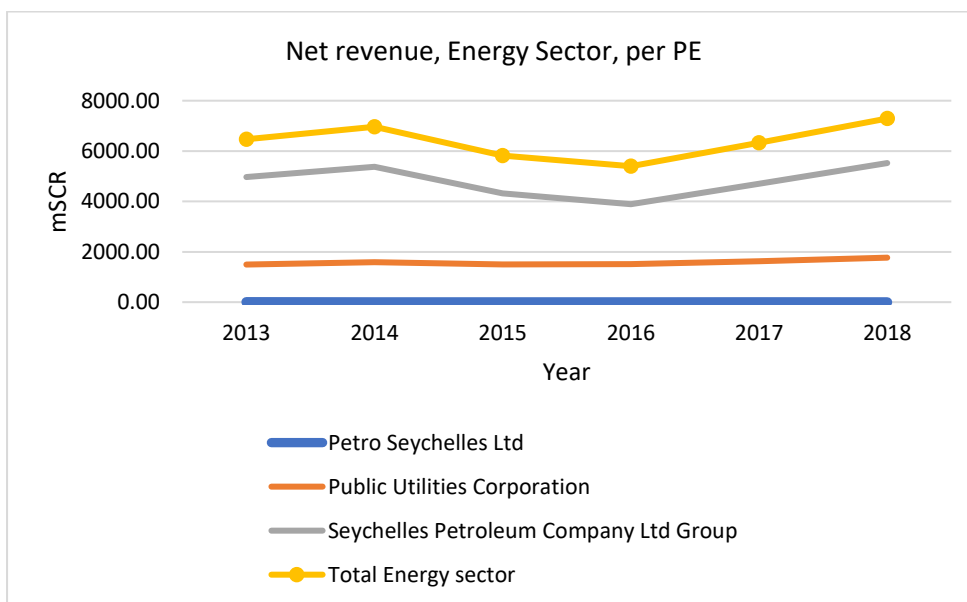
**Figure 6. Aggregate net revenue per sector, 2013-2018**

The Energy Sector generated the highest net revenue (bnSCR 7.2) amongst the four PE sub-sectors for 2018. SEYPEC earned the highest net revenue within the Energy Sector as well as the whole PE sector representing 50% of the aggregate net revenue for 2018.

The Transport Sector (excluding Air Seychelles) reported the lowest net revenue (mSCR 829.4) for the year 2018.

#### 1.2.2.1 Energy Sector

Aggregate net revenue of the Energy Sector for 2018 was bnSCR 7.2, representing 15% increase when compared to 2017. The increase was driven by the growth in the net revenue of SEYPEC followed by PUC.



**Figure 7. Net revenue of the Energy Sector and per PE, 2013-2018**

### 1.2.2.2 Transport sector

The aggregate net revenue of PEs in the Transport Sector (excluding Air Seychelles) for the year 2018 was mSCR 829.4 representing 12% increase when compared to 2017.

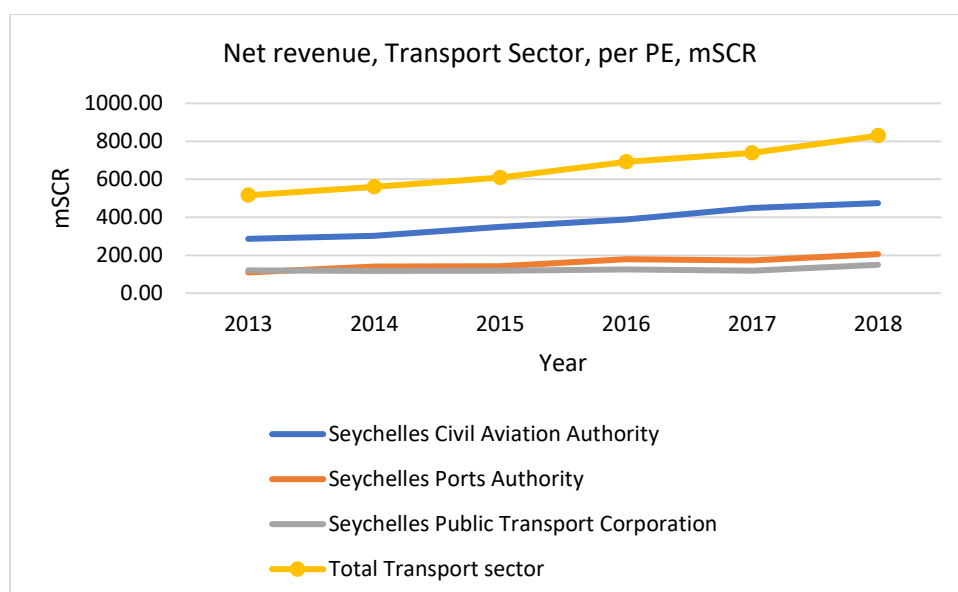


Figure 8. Net revenue of the Transport Sector and per PE, 2013-2018

### 1.2.2.3 Financial Sector

Nouvobanq generated the highest net revenue within the Financial Sector and the aggregate net revenue of the Financial Sector for the year 2018 was mSCR 896. This represents a 6% growth when compared to the prior year, which resulted from the increase in the net revenue of Nouvobanq, SCB and DBS.

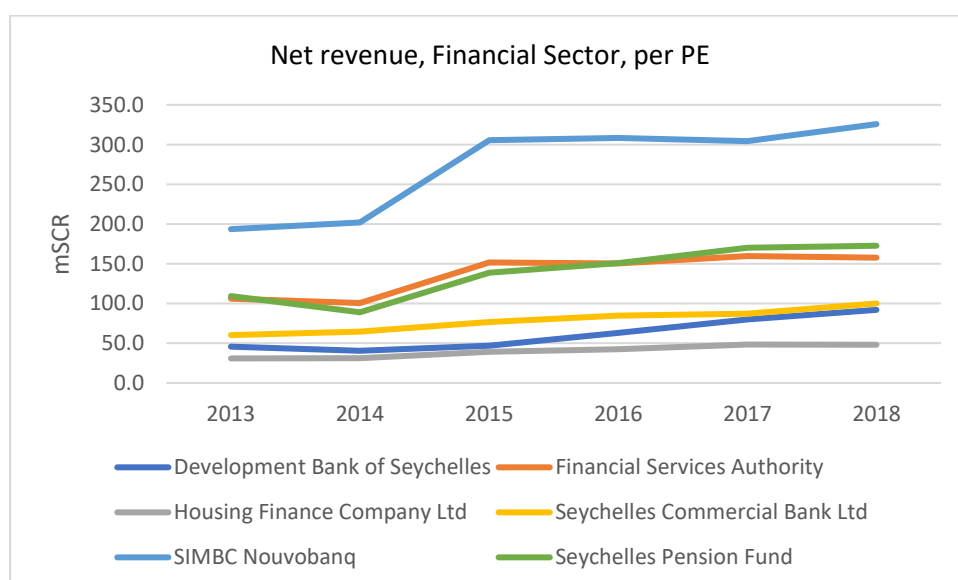
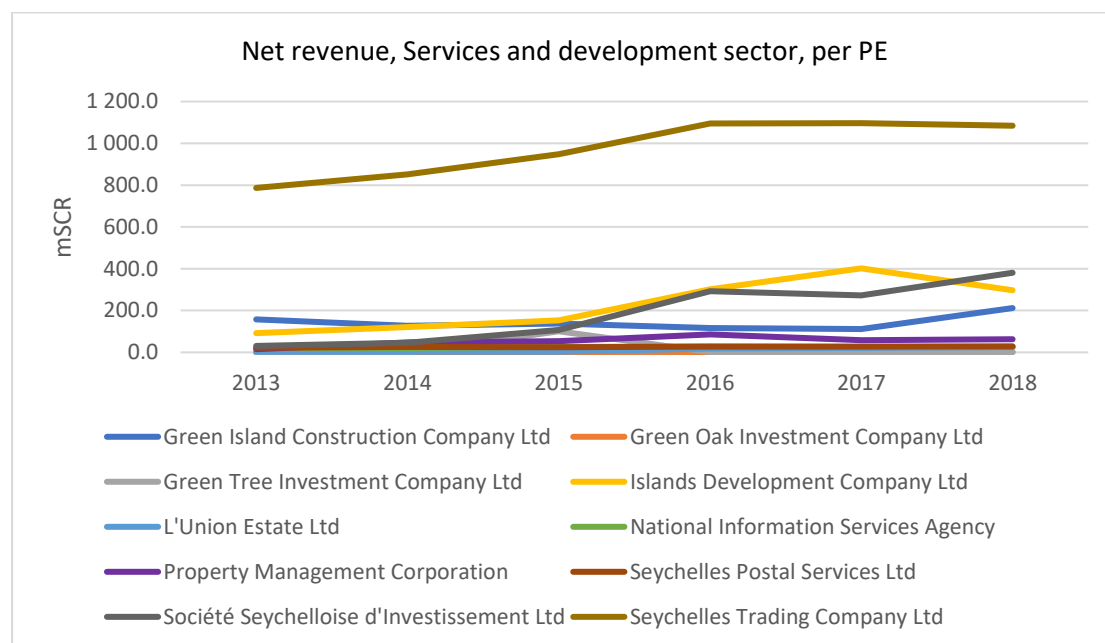


Figure 9. Net revenue of the Financial Sector and per PE, 2013-2018



### 1.2.2.4 Services and development Sector

Aggregate net revenue of the Services and development Sector grew by 4% (mSCR 86) from 2017 to 2018, principally caused by increases in net revenue of SSI and GICC. The main source of SSI's revenue are dividends from subsidiaries (i.e. dividends from other PEs) and dividends from associates. This consequently shows that there was an increase in the dividend contributions from PEs to SSI during the year 2018. The PE with the highest net revenue in the Services and development Sector for 2018 was STC (bnSCR 1.1).

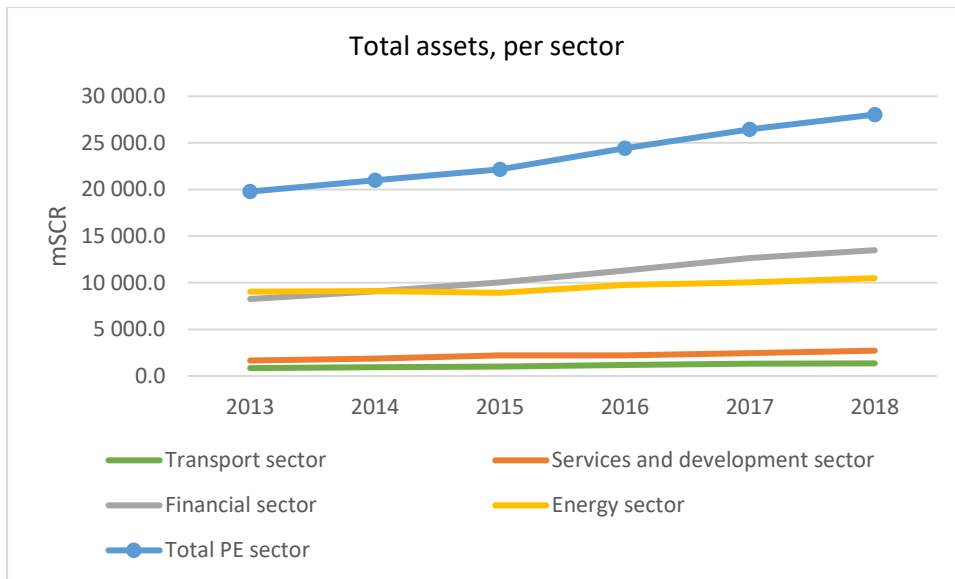


**Figure 10. Net revenue of the Services and development Sector, 2013-2018**

### 1.2.3 Total assets

The aggregate asset base of PEs amounted to bnSCR 28 representing 127% of nominal GDP for the year 2018. This represents an increase of 6% (bnSCR 1.6) compared to the year 2017. There was a decrease in the proportion of total assets of the PE sector to the nominal GDP for 2018 from 129% in 2017, indicating that the asset growth in the PE sector was lower than the GDP growth for the same period.

Figure 11 shows the trend in total assets per sector for the period 2013 to 2018.



**Figure 11. Total assets per sector, 2013-2018**

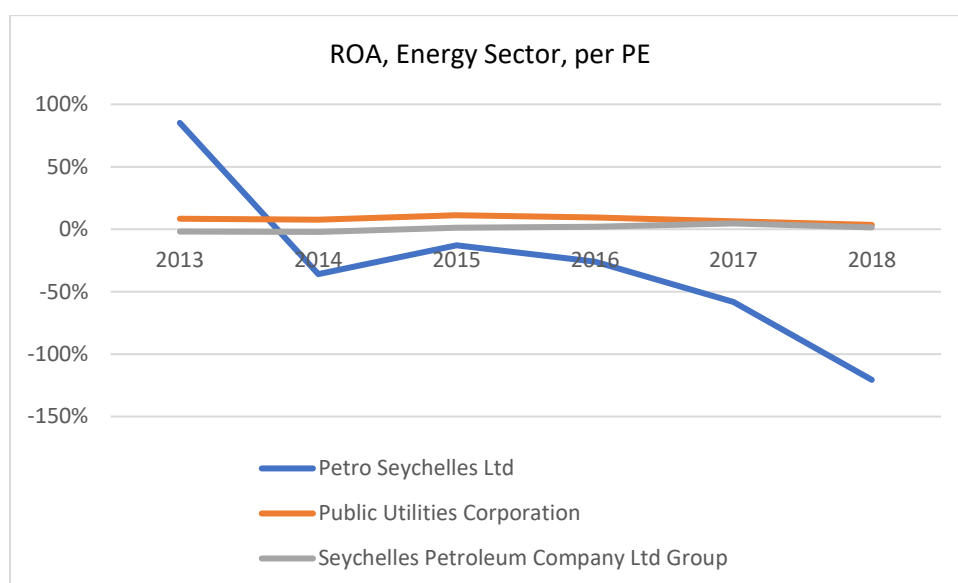
PEs in the Financial Sector carried the greatest value of assets (bnSCR 13.5) for 2018, within which the PE with the highest asset base was Nouvobanq (bnSCR 6.8). The largest asset category of the PEs within the Financial Sector comprised of loans and advances to their customers.

#### 1.2.4 Return On Assets (ROA)<sup>7</sup>

The figures below illustrate the trend in the individual ROA and compares them to the PEs within a similar sector of activity. The use of ROA to compare enterprises within different sectors should be limited, as different industries employ assets differently.

<sup>7</sup> The ROA ratio illustrates how well management is employing an enterprise's total assets to create net profit, it is calculated by dividing net profit by average total assets. The higher the ROA ratio, the more efficient the enterprise is at using its asset base to generate profit.

### 1.2.4.1 Energy Sector

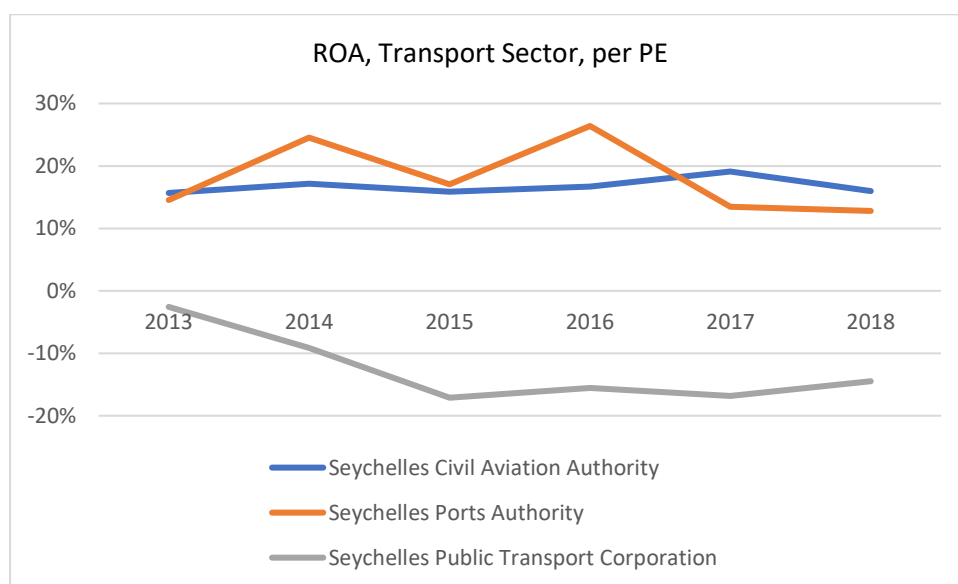


**Figure 12. ROA of the Energy Sector, 2013-2018**

The Energy Sector had an average ROA of -39% for 2018, compared to -16% in 2017. The negative ROA of the sector was due to the loss reported by Petro Seychelles, which has been consistently growing in magnitude since 2015. From 2017 to 2018 Petro Seychelles reported a 61% (mSCR 2.6) increase in net loss which was associated with a 963% (mSCR 4.7) increase in allowance for credit impairment.

### 1.2.4.2 Transport Sector

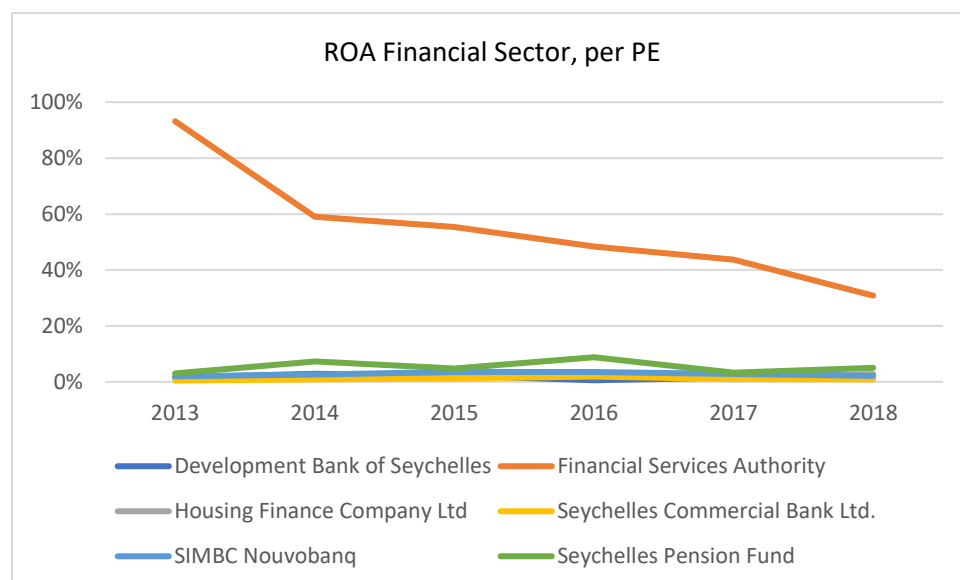
The Transport Sector had an average ROA of 5% for 2018, remaining fairly stable when compared to 2017.



**Figure 13. ROA of the Transport Sector, 2013-2018**

### 1.2.4.3 Financial Sector

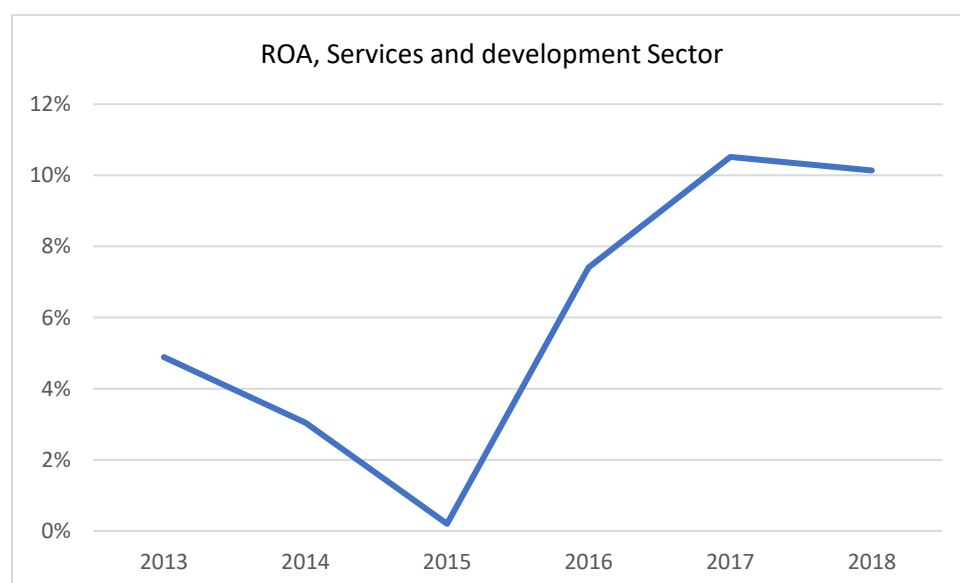
The Financial Sector had an average ROA of 7% for 2018, compared to 9% for 2017. The decline in the ROA of FSA from 2017 to 2018 was driven by a 26% (mSCR 25) reduction in its net profit, attributable to a 31% (mSCR 10) growth in staff costs and 56% (mSCR 11) growth in administrative expenses.



**Figure 14. ROA of the Financial Sector, 2013-2018**

### 1.2.4.4 Services and development Sector

The ROA of the PEs in the Services and development Sector varied importantly between the different PEs due to their varying financial performance and nature of activity, with the highest ROA for 2018 being recorded by SSI (56%), L'Union Estate Ltd (32%) and IDC (13%). The lowest ROA for 2018 in the Services and development Sector was recorded by GTIC (-9%) and SPS (-6%).

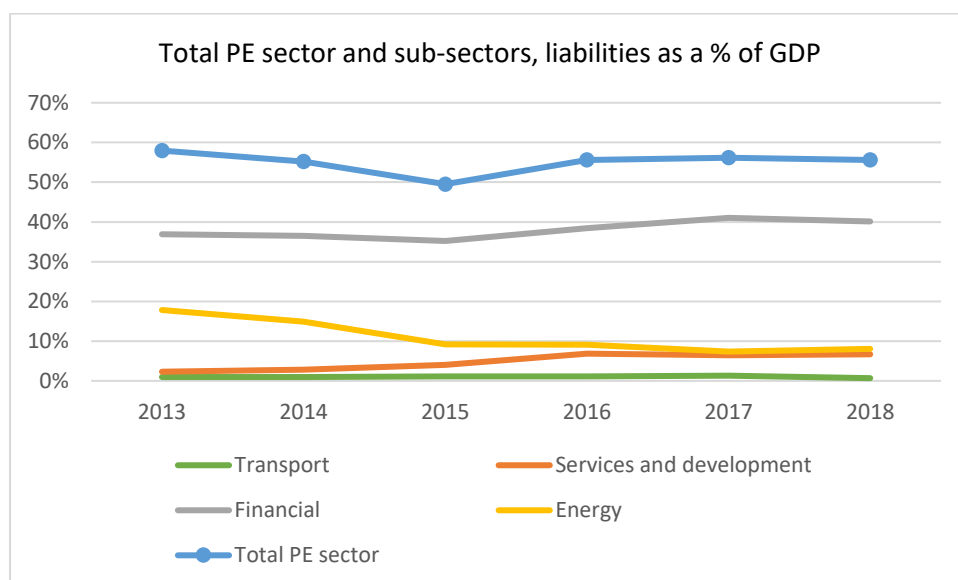


**Figure 15. ROA of the Services and development Sector, 2013-2018**

### 1.2.5 Liabilities

During the year 2018, the 23 PEs recorded an aggregate liability of bnSCR 12.3 which represents 7% growth when compared to 2017. The growth was being driven by the increase in total liabilities of PUC and Nouvobanq during 2018. Total liabilities of the PEs represented approximately 56% of GDP for 2018.

Figure 16 shows the trend in total liabilities of the 23 PEs per sector for the period 2013 to 2018. The Financial Sector had liabilities of the greatest value for the period 2013 to 2018, this principally comprised of customer deposits in deposit-taking financial institutions.



**Figure 16. Total liabilities per sector as a percentage of GDP, 2013-2018**

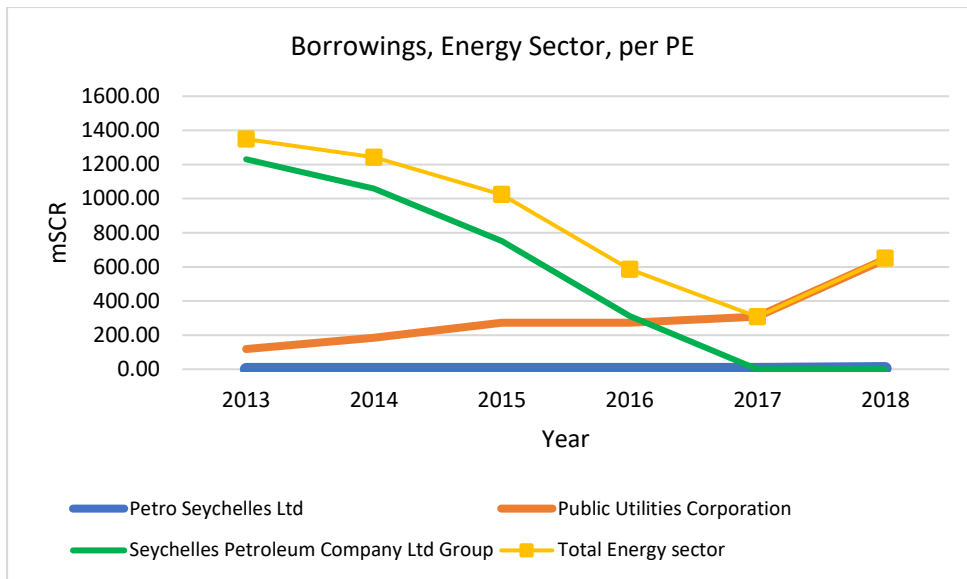
Another important source of liabilities of the PEs for the period 2013 to 2018 were borrowings.

### 1.2.6 Borrowings

PUC and DBS reported the highest borrowings of the PE sector at December 31, 2018, amounting to mSCR 645 and mSCR 433 respectively. However, based on provisional monthly financial statements submitted by Air Seychelles, its total debt as at December 31, 2018 amounted to bnSCR 1.1 (i.e. mUSD 80,442 x 13.9115). Thus, the airline had the highest borrowings in the PE sector for the year 2018 indicating that it carried the highest risk.

#### 1.2.6.1 Energy Sector

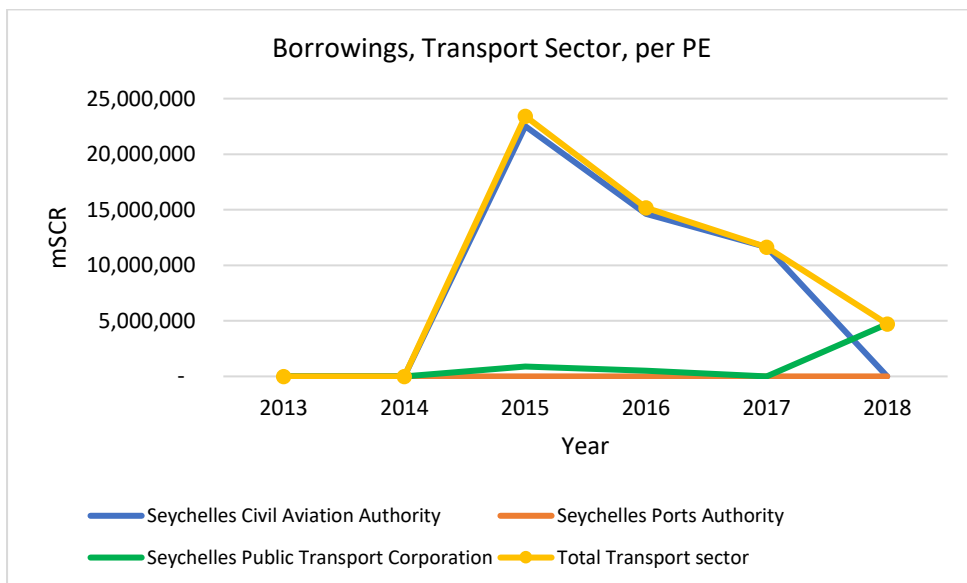
Total borrowings of the Energy Sector have increased by 111% from 2017 to 2018, as a result of the increase in borrowings of PUC.



**Figure 17. Borrowings of the Energy Sector and per PE, 2013-2018**

#### 1.2.6.2 Transport Sector

Total borrowings of the Transport Sector (excluding the debts of Air Seychelles) have decreased by 59% from 2017 to 2018, due to loan repayments.



**Figure 18. Borrowings of the Transport Sector and per PE, 2013-2018**

#### 1.2.6.3 Financial Sector

Borrowings of PEs in the Financial Sector have decreased by 7% from 2017 to 2018 attributable to loan repayments by PEs.

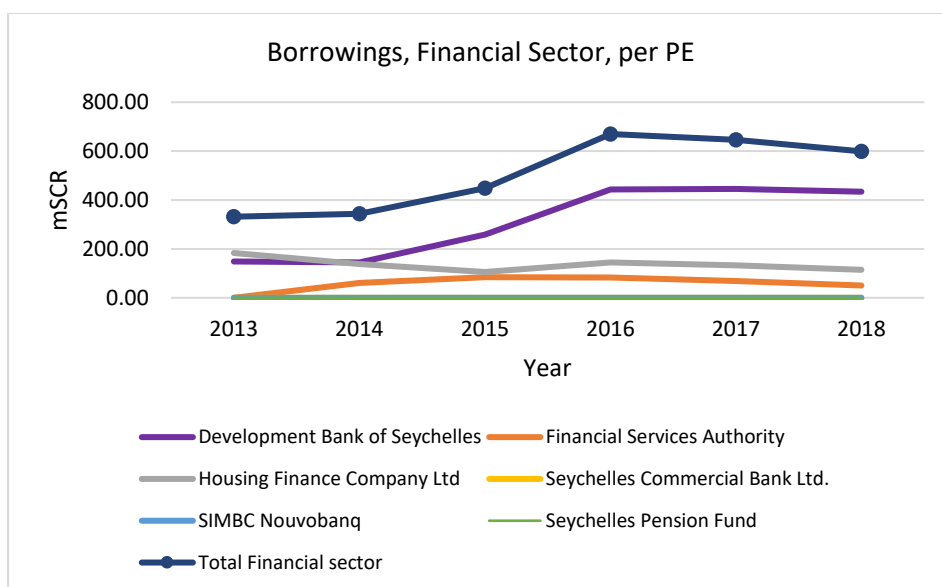


Figure 19. Borrowings of the Financial Sector and per PE, 2013-2018

#### 1.2.6.4 Services and development Sector

Total borrowings of the Services and development Sector decreased by 12% from 2017 to 2018, this was caused by the reduction in the total debts of SSI.

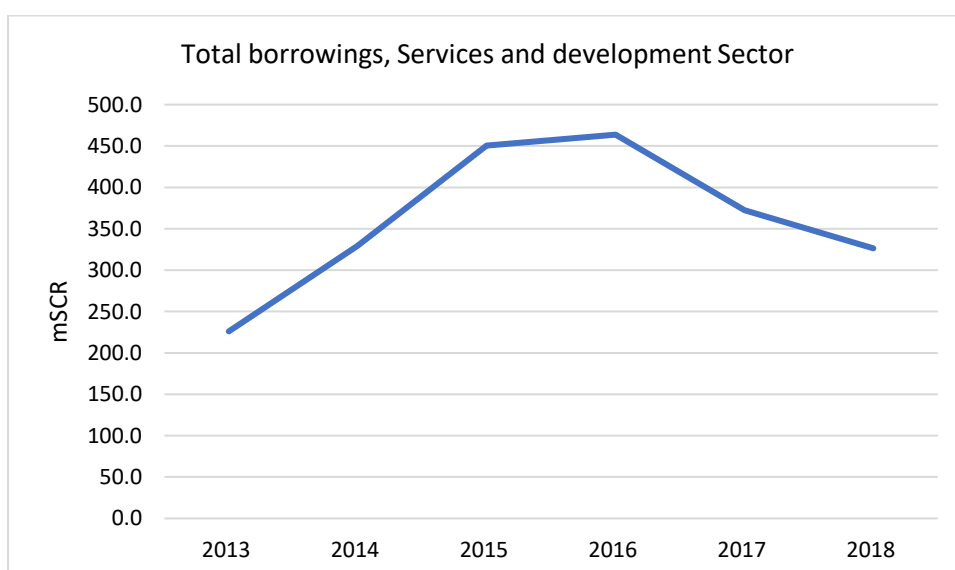


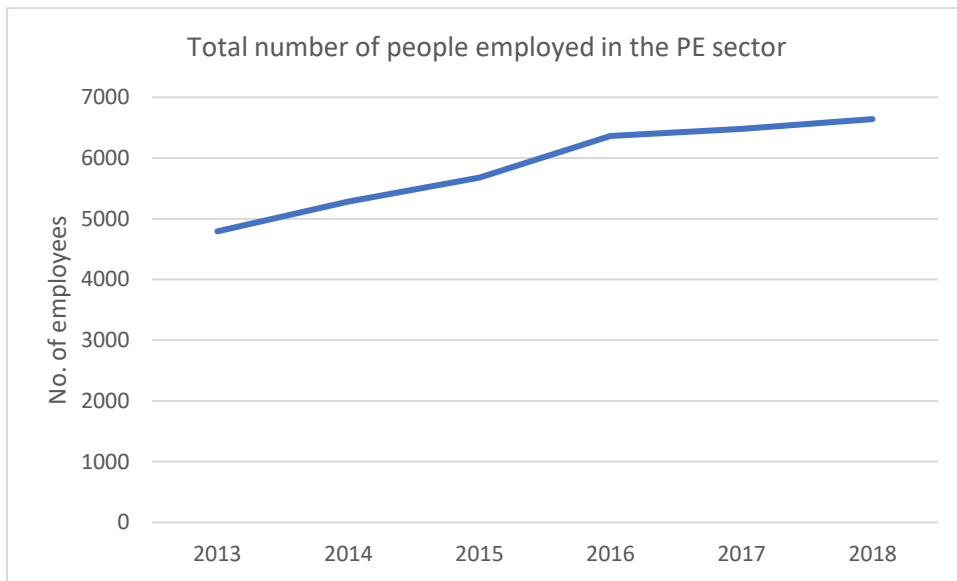
Figure 20. Borrowings of the Services and development Sector, 2013-2018

#### 1.2.7 Employment

As at reporting date, 30 PEs<sup>8</sup> out of 31 had submitted the data relating to the number of people employed for the year 2018. Based on the data for the 30 PEs, it was noted that the PE sector employed a total of 6,290 persons for the year 2018, representing a 2% increase when compared to the year 2017. Employment in the PE sector represented 12% of the total national workforce for the

<sup>8</sup> 2020 Development (Seychelles) Ltd had not submitted its employment data by the reporting date (01.09.2019). For 2017 the Company had one employee.

year 2018 compared to 13% for 2017. Detailed number of employees per PE is provided in Appendix 6.



**Figure 21. Employment in PE sector, 2013-2018**



### 1.3 Financial transactions between PEs and the Government

For the year 2018, dividends from PEs amounted to mSCR 440. Furthermore, the total amount of tax<sup>9</sup> expensed by the PE sector was mSCR 333. GoS provided a total amount of mSCR 340 in the form of subsidies to eight PEs. The following PEs benefitted from GoS subsidy:

PUC received the highest amount of subsidy amounting to mSCR 109 for the purpose of infrastructure development for the utility service provision. SPS and PDEE received the lowest amount of subsidy of mSCR 3.5 each, relating to universal contribution and operational expenses respectively. SPTC was awarded a total of mSCR 85.1 for operating expense and capital expenditure. Air Seychelles received mSCR 83.5 for restructuring of its business operation. PMC received mSCR 30.4 for repayment of loan taken from SPF and major renovation work on its housing estates. DBS was awarded a total of mSCR 19.6 for Small and Medium Enterprise (SME) subsidies interest while IDC received mSCR 5 for the construction of an airstrip on Providence Island.

Nouvobanq expensed the highest amount of tax for 2018, i.e. a total of mSCR 136.4, followed by SEYPEC which expensed mSCR 74.2.

For the year 2018, two PEs had loan balances outstanding from GoS which amounted to a total of mSCR 173.2, this was allocated as follows;

DBS had the highest amount outstanding, consisting of mSCR 158.2 in form of on-lending from international institutions such as the Arab Bank for Economic Development in Africa (BADEA) and European Investment Bank (EIB) for funding of projects. STC had mSCR 15 loan outstanding from an initial loan of mSCR 45 for working capital.

PMC was the only PE to receive capital injections from GoS in 2018, which amounted to mSCR 74.8 corresponding to social housing received for allocation to applicants.

The flows between the PEs and GoS for 2018 are summarised in Table 2.

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<sup>9</sup> Comprises of Business Tax, Corporate Social Responsibility (CSR) Tax and Tourism Marketing Tax

**Table 2. Financial flows between Government and PEs in 2018**

	Total	Air Seychelles	DBS	FSA	GICC	GOIC	GTIC	HFC	IDC	L'Union Estate	NISA	PDEE	PMC	PUC	SCB	SCAA	SEYPEC	Nouvobanq	SPA	SPTC	SPS	SSI	STC
	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR
<b>Government-SOE</b>																							
Subsidies and transfers	339.5	83.5	19.6						5.0			3.5	30.4	109.0						85.1	3.5		
Loans	173.2		158.2																				15.0
Equity (capital injection)	74.8												74.8										
<b>SOE-Government</b>																							
Tax expense	332.7	0.00	0.00	0.00	5.6	0.03	0.07	9.0	3.7	1.3	0.7	0.00	0.00	0.00	7.3	49.2	74.2	136.4	30.6	0.00	0.15	1.7	12.8
Dividends	440 <sup>10</sup>	0.00	0.00	45.2	0.00	0.00	0.00	0.00	3.0	0.00	0.00	0.00	0.00	0.00	3.6	43.2	120.0	225.0	0.00	0.00	0.00	336.8	0.00

<sup>10</sup> Total dividends excludes SSI given that SSI receives dividends from subsidiaries which are PEs, e.g. Nouvobanq, SEYPEC, SCB

### 1.3.1 Arrears

Arrears are financial obligations which are due and have not yet been paid. For the year under review, arrears from GoS to PEs, arrears from the PE sector to GoS and arrears between PEs remained a concern. Table 3 and Table 4 presents the arrears between GoS and PEs and between PEs for the year 2018. Arrears from GoS to PEs and between PEs arise from delayed payment for services rendered by the PEs.

**Table 3. Arrears between GoS and PEs and between PEs at December 31, 2018**

Arrears 31.12.2018	Total
	mSCR
GoS to PE	28.2
PE to GoS	0.01
PE to PE	2.6

Table 4 provides details of arrears between PEs at December 31, 2018.

**Table 4. Arrears between PEs at December 31, 2018**

Debtor	Creditor	Amount outstanding 31.12.2018 SCR
PEs <sup>11</sup>	SEYPEC	2,495,231
SEYPEC	PEs	79,939
SPF	STC	4,123
SCAA	STC	38
Air Seychelles	STC	2,959
<b>Total</b>		<b>2,582,290</b>

#### 1.3.1.1 Government to PE

In 2018, GoS had arrears to three PEs amounting to mSCR 28.2 and this was allocated as follows:

**Table 5. Arrears from GoS to PEs**

PE	mSCR
Petro Seychelles	0.01
PUC	26.5
STC	1.7
<b>Total</b>	<b>28.2</b>

PUC's arrears from GoS amounted to mSCR 26.5 and corresponded to late payment of utilities invoices due longer than ninety days. STC had two arrears from GoS amounting to a total of mSCR 1.7 due to non-payment despite reminders, of which mSCR 0.07 was due longer than ninety days and mSCR 1.60 was due longer than one year. Petro Seychelles' arrears from GoS amounted to mSCR 0.01 which was

<sup>11</sup> Breakdown provided past reporting date

due longer than one year, this corresponds to the share capital of the 1% share of the Company held by the Principal Secretary (PS) for Finance.

#### 1.3.1.2 PE to Government

There was only one arrear from the PE sector to GoS at December 31, 2018. This was from Petro Seychelles and amounted to mSCR 0.012, regarding the Audit journal for the year end 2018 which was due longer than one year.

### 1.3.2 Quasi-Fiscal Activities (QFAs)

QFAs<sup>12</sup> are defined as non-commercial activities conducted by a PE on behalf of the government for which it is not compensated in one form or another. QFAs may be imposed on PEs through pricing or other types of regulations.

It is important to note that QFAs can have a negative impact on the financial performance of PEs and can reduce income that GoS will receive from the PEs in the form of dividends and taxes. They can also lead to recurring losses and underinvestment by the PEs, which may subsequently affect economic growth.

PEs which are in a weak financial position may require government support to continue the service provisions for the QFAs, for example through subsidies or debt restructuring.

Table 6 presents the QFAs of the PEs for the year 2018.

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<sup>12</sup> International good practice recommends that QFAs are compensated and be transparent.

**Table 6. QFAs of the PEs for 2018**

Public Enterprise	Description of QFA	Annual effect for PE	Compensation from the budget
		mSCR	mSCR
Development Bank of Seychelles	Subsidised lending (i.e. DBS not being able to set its lending rates)	19.6	15.5
Housing Finance Company Ltd	Pensioner loans at 0% (Total disbursed)	9.9	2.0
L'Union Estate Ltd	QFA 1: L'Union has been excavating for red soil and selling to people on La Digue at the price of SCR 200 per truck in order to help the population of La Digue in their construction purposes. The costs for providing such a low-priced service includes: - rental of accommodation and salary for Excavator Operator - salary and other costs for support staffs - fuel costs for the excavator itself - repairs and maintenance for the excavator Costs for excavation works amounted to mSCR 0.5 for the year 2018. However, prior to 2018, the accounting records were not being maintained using the segmental reporting approach so it is not practical for us to isolate and quantify the costs pertaining to the sale of red soil over past years. Over the period of 2013-2018, L'Union Estate did not receive any compensation from GoS for providing the sale of red soil service	0.5	0.0
	QFA 2: L'Union also provides low-priced pumping services to the community of La Digue due to lack of sewage pumping services on the island. The costs for providing such a low-priced service includes: - salary and other costs for Driver & support staffs - fuel costs for the tractor itself - repairs and maintenance for the tractor costs for pumping works amounted to mSCR 0.2 for the year 2018. Like excavation costs, pumping costs cannot be quantified for prior years.	0.2	0.0
Property Management Corporation	Charging prices below market level	8.5	5.6
Public Utilities Corporation <sup>13</sup>	Charging prices below market level	238.9	0.0
Seychelles Civil Aviation Authority	QFA 1: Maintenance fees by SCAA of x-ray machine located at cargo/customs	0.06	0.0
	QFA 2: Maintenance fees by SCAA of x-ray machine located at customs/immigration	0.05	0.0

<sup>13</sup> PUC does not receive direct compensation for this QFA, however the Corporation received mSCR 109 budget subsidy in 2018 from GoS for infrastructure development for utility service provision.

	QFA 3: Revenue forgone from rental of Seychelles Revenue Commission (SRC) customs building	0.4	0.0
	QFA 4: Revenue forgone from meteorological services land lease	1.2	0.0
	QFA 5: Inadmissible passenger (INAD) facility at new domestic terminal	0.1	0.0
Seychelles Petroleum Company Ltd Group	Selling petroleum products on other islands at the same price as on Mahé	66.1	
Seychelles Public Transport Corporation	Charging prices below market level	53.5	22.6 <sup>14</sup>
Seychelles Postal Services Ltd	Operating cost of office at Grand Anse Praslin.	1.9	1.0
Seychelles Trading Company Ltd	Charging prices below market level including Transportation Cost absorbed by STC on delivery of Category I products to Inner Islands	37.0	0.0
<b>Total</b>		<b>438</b>	<b>47</b>

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<sup>14</sup> Compensation from GoS based on the total subsidy of mSCR 22.6

## 2 OWNERSHIP AND OVERSIGHT POLICY

### 2.1 General objectives for state ownership of PEs: financial and public policy targets

GoS' ownership mandate vis-à-vis PEs is to ensure that the latter are actively and professionally controlled and managed with the aim of obtaining long-term value performance, and where applicable, that social obligations policy of Government are duly performed.

**Presently, there are deficiencies to the oversight framework due to fragmentation, the misalignment of target-setting and the absence of key policies such as the ownership policy and dividend policy.** The ownership policy defines the mandates and objectives of GoS as the owner of PEs and also includes the setting of financial and policy targets by the respective institution. The process to develop an ownership policy was initiated by PEMC in 2018 at the request of MoFTIEP. A dividend policy should outline the procedures for treatment of dividend by Government and is primarily relevant for SSI, a government-owned limited liability company for the purpose of investment and holding of shares on behalf of GoS. The absence of a dividend policy indicates that there is no transparent framework in place by which PEs make dividend payments to the Government. Both policies remain work-in-progress during the year under review.

**There is also a lack of enforcement mechanism for fostering compliance of PEs with the governing legislation including reporting obligations and other legal requirements such as the requirement for financial statements to be prepared in accordance to the IFRS<sup>15</sup>.** The review of the monitoring legislation, i.e. the PEMC Act, makes provision for the implementation of the proposed ownership policy framework.

#### 2.1.1 General objectives for state ownership of PEs

**The current oversight framework of PEs by the state is fragmented across different government bodies.** The responsible ministry for each PE is mandated to provide oversight of the PE under its portfolio. The PEMC Act stipulates certain oversight functions of the parent ministry such as the formulation of policies and operational aspects of these PEs.

The Minister for Finance, Trade, Investment and Economic Planning is mandated to oversee the formulation process of the Budget Strategy Paper, the Medium-Term Fiscal Framework (MTFF), and the Annual Budget of each PEs, in addition to overseeing the overall functions of the PEs under its portfolio. The Budget Strategy Paper aims to improve transparency and accountability whereas the MTFF consists of a statement of fiscal policy objectives and a set of integrated medium-term macroeconomic and fiscal targets and forecasts which is essential for the effective preparation of budgets. The Minister also has the power to make key decisions, in consultation with the President and the Responsible Ministers, such as that on the payment of dividends and the provision for capital reserves.

The PEMC was established by PEMC Act 2013 as an oversight institution for all PEs whereby its functions consist of monitoring and evaluating the overall performance of the PE sector with the objective of ensuring the efficiency in their operations.

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<sup>15</sup> PEMC Act 2013 - Schedule 4, Section 1(b), Part ii

## 2.1.2 General financial targets and public policy targets for PEs

**The parent ministry is responsible for the formulation of policies<sup>16</sup> including the public policy objectives (Public policy) which entails the setting of the policy targets whereas the setting of financial targets falls under the mandate of the Board of Directors of each PE<sup>17</sup>.** PEMC has the responsibility to assess the overall performance of both commercial and non-commercial PEs against their respective targets as defined in Section 4 of the PEMC Act below:

“The Principal Objective of a Public Enterprise is to be a successful business organization and to achieve this objective – (a) A commercially oriented Public Enterprise must strive to be as profitable and efficient as comparable businesses that are not owned by the public; and (b) A non-commercially oriented Public Enterprise must strive to exhibit a sense of social responsibility and awareness of the interests of the community in which it operates, while ensuring the long term financial sustainability of the Public Enterprise.”

**Currently, there are no Public Policy objectives for all PEs which indicates that there is no set policy target.** The Public policy states the objectives and purpose of a PE with the aim of providing guidance to achieve its goals. It also consists of defining, identifying, quantifying and disclosing the costs associated with the Public Service Obligations (PSOs), which leads to QFAs where PEs are not fully compensated for performing these obligations.

**In line with international good practice, the ownership and oversight unit sets financial targets to ensure that there is alignment between these targets and the objectives of the PEs as outlined in its Public policy.** The absence of the public policy impacts the overall performance and effectiveness of PEs and increase the probability of fiscal risks.

## 2.2 Organisational and governance arrangements

### 2.2.1 Overview of key legislation

In addition to the PEMC Act which governs the PEs as a whole, PEs are also subject to the obligations of other legislation, namely, the Public Finance Management Act 2012 (PFM Act) and the Seychelles Revenue Commission Act 2009 and the Companies Ordinance 1972 for PEs incorporated under the mentioned Companies Act as illustrated in Appendix 2.

Furthermore, certain PEs are governed by the respective legislation, i.e. Acts or Decrees, under which they are established as listed in Appendix 1.

### 2.2.2 Nomination policy to PE boards

**The President appoints the Board of Directors in accordance with the criteria for appointment of schedule 2 of the PEMC Act.** The CEO who is an ex-officio member of the board is also appointed by the President. PEs may be exempted to Part III & IV of the PEMC Act<sup>18</sup> in the case where there is a

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<sup>16</sup> **PEMC Act 2013** - Section 6(2)

<sup>17</sup> **PEMC Act 2013** - Section 35

<sup>18</sup> **PEMC Act 2013** - Section 3



management contract between the GoS and a third party. At present, Air Seychelles is the only PE to which this exemption applies.

In addition, the “Corporate Governance Guidelines for Banks and Other Financial Institutions”; formulated and implemented in April 2015 by the CBS, provides a governance framework for PEs within the Financial Sector (i.e. Banks or other Financial Institutions). The policy consists of a selection and appointment process<sup>19</sup> for board directors which includes the following elements:

- The provision for the establishment, composition and functions of a nomination committee to assist the process of identifying new potential board members;
- The criteria for selection of potential board directors;
- The prerequisite for a Fit and proper test and written approval of the regulator before appointment as well as the relevant professional qualification in the corporate governance field;
- An integral framework for new board directors such as orientation program; and
- The provision for the review of the board director’s performance and the procedures for reappointment current board directors.

### 2.2.3 Remuneration policy and terms of employment

The remuneration framework comprises of the ‘Remuneration Policy and Framework on fees for Executive Boards’ (Board remuneration policy), and a Policy Guideline on the Remuneration of Senior Executives of commercial PEs (Senior Executive Remuneration Policy). The Board remuneration policy was issued by the MoFTIEP for board of directors of PEs and implemented on January 01, 2016. The aim of the policy is to provide a standard approach to the remuneration of Board Members for Government’s commercial entities and budget dependent public bodies as well as outlining a framework for compensation based on their position on the boards. The remuneration framework, as per the policy<sup>20</sup>, is based on three main categories, namely:

1. The *Grouping structure* which categorizes different types of boards and committees
2. The *Remuneration structure* which classify the different board fees according to the different groupings
3. The *Administration Structure* outlines the implication of coverage, authority, application and financing of the policy.

The aforementioned policy also outlines the responsibilities of Board of directors, i.e., their purpose, scope, responsibilities, expectations and job descriptions of Board members.

The Senior Executive Remuneration Policy which also applies to the CEO of those PEs, effective January 01, 2012 was issued by the Office of the President as a means of improving governance in PEs through attracting and retaining qualified senior executives. The Policy<sup>21</sup> outlines the guidelines for remuneration based on performance which includes the suggested pay structure and the setting of performance indicators for CEOs.

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<sup>19</sup>Corporate Governance Guidelines for Banks and Other Financial Institutions, Page 6

<sup>20</sup>Remuneration Policy and Framework on fees for Executive Boards, Page 4

<sup>21</sup>Policy Guidelines on the Remuneration of Senior Executives of commercial Public Entities, Page 5

### 3 INDIVIDUAL PUBLIC ENTERPRISES

PEs in Seychelles are classified into two categories; limited liability companies<sup>22</sup> and corporate bodies<sup>23</sup>. PEs that are limited liability companies are usually identified as commercially oriented whilst corporate bodies are usually non-commercially oriented<sup>24</sup>, but should remain financially sustainable.

Each PE has a board of directors responsible for ensuring good governance (ref. Appendix 4).

This chapter provides an overview of each of the PEs mandate, shareholding structure, financial indicators and the flows between the PE and GoS.

#### 3.1 Islands Development Company Limited (IDC)

IDC is a limited liability company incorporated on April 29, 1980 under the Companies Ordinance 1972 and its responsible ministry is the Ministry of Finance, Trade, Investment and Economic Planning. The financial year of IDC ends on March 31.

##### 3.1.1 Mandate/principal activities

The principal activities of IDC during the year ended March 31, 2019 were the management of the outer islands, the related transportation to and from these islands and construction activities. IDC is also engaged in promoting tourism and private investment, which has led to the company engaging itself in construction activities of resorts and villas managed by itself.

The company is also engaged in the farming of land, fishing, manufacturing and processing, as well as the development and management of settlement activities and estates. IDC consequently provides fresh produce to the staff and guests of resorts on the outer islands, where it can be difficult and expensive to supply by sea and air.

The activities of the company's subsidiaries are as follows:

- Green Island Construction Company Ltd (GICC): Building contractors
- Green Tree Investment Company Ltd and Green Oak Investment Company Ltd: Developing, managing and leasing immovable property<sup>25</sup>

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<sup>22</sup> **Limited liability companies:** companies incorporated under the Companies Ordinance 1972, e.g. 2020 Development (Seychelles) Limited

<sup>23</sup> **Corporate body:** Regulatory Bodies or Agencies established under their respective Acts or Decrees, e.g. SCAA

<sup>24</sup> **Section 4 of PEMC Act 2013.** The principal objective of a Public Enterprise is to be a successful business organization and to achieve this objective –

(a) **a commercially oriented Public Enterprise** must strive to be as profitable and efficient as comparable businesses that are not owned by the public; and

(b) **a non-commercially oriented Public Enterprise** must strive to exhibit a sense of social responsibility and awareness of the interests of the community in which it operates, while ensuring the long-term financial sustainability of the Public Enterprise

<sup>25</sup> IDC Annual Financial Statements for the year ended March 31, 2019

### 3.1.2 Shareholding

SSI holds 213,310 of the shares of IDC at SCR 100 and one share is held by the Principal Secretary (PS) for Finance on behalf of GoS.

### 3.1.3 Indicators of financial performance

The available data on financial performance of the IDC covers the period March 31, 2014 - March 31, 2019.

**Table 7. IDC financial indicators**

Financial indicators	31.03.2018		31.03.2019		Variance	
	mSCR	% GDP	mSCR	% GDP	mSCR	%
Total assets	317.2	1.6%	350.9	1.6%	33.6	10%
Total equity	161.4	0.8%	202.2	0.9%	40.8	20%
Total debt	75.5	0.4%	66.3	0.3%	(9.1)	-12%
Total liabilities	155.8	0.8%	148.6	0.7%	(7.2)	-5%
Net income	21.5	0.1%	41.8	0.2%	20.3	95%
Net income tax expense	7.7	0.04%	3.7	0.02%	(4.1)	-53%

#### 3.1.3.1 Profitability

IDC's gross profit margin has increased to 58% in the period ended March 31, 2019 compared to 30% in the prior year due to direct costs (construction materials and labour) decreasing at a higher rate than revenue. The revenue of IDC decreased by 26% principally due to reduction in revenue from construction, indicating that the company's construction activity was on a smaller scale for the period under review. The reduction in direct costs also resulted in an improvement in the operating profit margin to reach 17% in March 2019 (10% in March 2018) and the net profit margin to reach 14% in March 2019 (5% in March 2018). A 94% growth in other income, notably surplus from sale of produce also contributed to the growth in net profit.

#### 3.1.3.2 Capital and cost efficiency

IDC's ROA increased to 13% in the period ended March 31, 2019 compared to 8% recorded in the prior year. This increase was associated with the 95% growth in net profit which also caused an increase in the ROE to reach 23% in the period ended March 31, 2019. The growth in ROA and ROE reflects a more efficient use of assets and shareholders' funds by the company for the year ended March 31, 2019.

#### 3.1.3.3 Financial risk

There was a reduction in the debt ratio for the period ended March 31, 2019 (42%) compared to the prior year (49%). This was associated to a 12% decrease in the total debts over the same period. The operating cash flow grew by 9% in the period ended March 31, 2019 compared to the previous year which resulted in an improvement in the cash flow to debt ratio (91% in March 2019). This indicates an improvement in the ability of IDC to cover its total debt with its yearly cash flow from operations.

### 3.1.4 Flows between IDC and GoS

Flows from GoS to IDC and the latter to the former for the period ended March 31, 2019 comprise of the following:

- Budget subsidy received in 2018 amounting to mSCR 5 for the construction of an airstrip on Providence island.
- Business tax expensed by IDC for the period amounted to mSCR 3.7.
- Dividends paid to GoS for the period totalling to mSCR 3.

### 3.1.5 Quasi-Fiscal Activities (QFAs)

IDC did not record any QFAs for 2018.

## 3.2 Public Utilities Corporation (PUC)

PUC is a corporate body established under the Public Utilities Corporation Act 1986 and its responsible Ministry is the Ministry of Environment, Energy and Climate Change (MEECC).

### 3.2.1 Mandate/principal activities

PUC is mandated to supply utility services. The Corporation's main operations comprise of the generation, distribution and sale of electrical energy on the main islands of Seychelles, as well as the storage, treatment of raw water and distribution of potable water to the population of Seychelles. It is also responsible for the treatment and safe disposal of waste water.

Other relevant activities of PUC include metering, billing, procuring equipment and materials, inventory control, inspectorate services, customer services, public relations, system planning and project management.

### 3.2.2 Shareholding

PUC is 100% owned by GoS.

### 3.2.3 Financial indicators

**Table 8. PUC financial indicators**

Financial indicators	2017		2018		Variance	
	mSCR	% GDP	mSCR	% GDP	mSCR	%
Total assets	3,794.9	18.6%	4,362.9	19.8%	568.0	15%
Total equity	2,183.0	10.7%	2,311.8	10.5%	128.8	6%
Total debt	307.5	1.5%	645.0	2.9%	337.6	110%
Total liabilities	501.7	2.5%	911.8	4.1%	410.1	82%
Net income	227.1	1.1%	142.7	0.6%	(84.5)	-37%

### 3.2.3.1 Profitability

There was a reduction in the profitability of PUC in 2018 compared to 2017 associated to a sustained rise in expenses. The gross profit margin decreased from 53% in 2017 to 47% in 2018 despite total revenue increasing by 8% over the same period. The decrease in gross profit was associated to the 21% (mSCR 153.6) increase in consumables and spares expense, which includes the cost of generation fuel and lubricants. The net profit margin also declined to 9% in 2018 compared to 15% in 2017. This was associated to 12% (mSCR 26.8) increase in staff cost and 26% (mSCR 36.5) increase in the depreciation and amortisation expense.

### 3.2.3.2 Capital and cost efficiency

Both the ROA and ROCE decreased in 2018 compared to the prior year. The ROA decreased from 6% in 2017 to 3% in 2018 due to 15% (mSCR 568) growth in total assets whilst the net profit had decreased by 37%. Growth in total assets comprised principally of additions to water and sewerage networks and electricity distribution networks. ROCE also decreased from 9% in 2017 to 5% in 2018 due to the 22% (mSCR 548.7) growth in capital employed (notably long-term borrowings).

### 3.2.3.3 Financial risk

There was an increase in the debt ratio to reach 21% in 2018 (from 13% in 2017) as a result of total liabilities increasing at a higher rate than total assets. The increase in total liabilities was mainly due to the 110% (mSCR 337.6) increase in total debt, namely long-term borrowings.

In 2018, the cash flow to debt ratio continued to decrease to 38% from 95% in 2017 as a result of the rise in total debt and a sustained reduction in operating cash flow (since 2015).

## 3.2.4 Flows between PUC and GoS

Flows between PUC and GoS comprises of the following:

- GoS guarantees on PUC loans:

**Table 9. PUC guarantees**

Type of guarantee (loan, capital, other, domestic, international)	Purpose of guarantee	Actual amount guaranteed per year					
		2013	2014	2015	2016	2017	2018
		mSCR	mSCR	mSCR	mSCR	mSCR	mSCR
International Loans	Guarantee against the loan from European Investment Bank (EIB) for project Neptune - water and sanitation projects	86.1	103.7	89.5	129.3	129.3	211.8
International Loans	Guarantee against the loan from Agence De Française Développement (AFD) for the project Neptune - water and sanitation projects	32.2	39.0	33.5	48.4	48.4	155.4
Domestic Loans	Guarantee against the loan from Nouvobanq for procurement of three generator sets		41.2	148.9	95.7	48.3	
International Loans	Guarantee against the loan from African Development Bank (AFDB) for raising La Gogue Dam					21.5	54.1
International Loans	Guarantee against the loan from Saudi Fund for the 33 KV network development					38.5	149.5
International Loans	Guarantee against the loan from the Arab Bank for Economic Development in Africa (BADEA) for the 33 KV network development					21.4	74.2
International Loans	Guarantee against the loan from Abu Dhabi fund for development for the North Mahe 33KV Network						125.2
International Loans	Guarantee against the loan from Abu Dhabi fund for development for the solar farm project at Romainville						118.2
<b>Total</b>		<b>118.3</b>	<b>183.9</b>	<b>271.9</b>	<b>273.4</b>	<b>307.5</b>	<b>888.5</b>

- Budget subsidies received from GoS during the 2018 amounted to mSCR 109.
- Arrears from GoS to PUC amounted to mSCR 26.5 as at December 31, 2018 corresponding to outstanding utilities invoices. The arrear is due longer than 90 days but less than a year.

### 3.2.5 QFAs

The main QFAs identified for PUC were charging electricity and water prices below market level and cross-subsidising water tariffs with electricity tariffs. PUC is not directly compensated for the QFAs from the budget, the Corporation however received mSCR 109 budget subsidy for infrastructure development for utility service provision.

**Table 10. PUC QFAs**

QFA	Method of calculation	Component	2013	2014	2015	2016	2017	2018
			mSCR	mSCR	mSCR	mSCR	mSCR	mSCR
Charging prices below market level	(Average tariff - Average Tariff by Domestic Clients) X Domestic consumption. (This Calculation is applied to all three utility services and totals summed up)	Electricity	159.2	174.9	158.2	195.7	202.0	199.8
		Water	28.9	31.2	31.6	37.5	36.3	35.5
		Sewerage	2.6	3.9	3.9	3.8	4.0	3.6
Cross-subsidisation of water tariffs by electricity tariffs	Loss recorded by Water segment of PUC		21.3	57.1	25.9	0.0	0.0	0.0
<b>Total QFA</b>			<b>212.0</b>	<b>267.1</b>	<b>219.6</b>	<b>237.0</b>	<b>242.3</b>	<b>238.9</b>

### 3.3 Seychelles Petroleum Company Limited (SEYPEC)

SEYPEC is a limited liability company incorporated on April 2, 1985 under the Companies Ordinance 1972 and it falls under the responsibility of the Office of the Vice President.

#### 3.3.1 Mandate/principal activities

SEYPEC is involved in the buying and selling of fossil fuel products both locally and internationally. The Company is also involved in marine bunkering, aviation refuelling and transshipment and transportation of petroleum and chemical products by tankers.

SEYPEC has four subsidiaries and their activities consist of tanker rental to SEYPEC, the parent company.

#### 3.3.2 Shareholding

SSI holds 99% of the shareholding and the remaining 1% is held by the PS for Finance on behalf of the Government.

#### 3.3.3 Financial indicators

**Table 11. SEYPEC financial indicators**

Financial indicators	31.12.2017		31.12.2018		Variance	
	mSCR	% GDP	mSCR	% GDP	mSCR	%
Total assets	6,248	30.6%	6,119	27.8%	(129)	-2%
Total equity	5,249	25.7%	5,262	23.9%	13	0%
Total liabilities	999	4.9%	857	3.9%	(142)	-14%
Operating profit before tax	420	2.1%	161	0.7%	(258)	-62%
Net income	293	1.4%	88	0.4%	(205)	-70%

### 3.3.3.1 Profitability

The net profit margin has declined from 6% in 2017 to 2% in 2018. The decrease in net profit margin was associated with 71% decrease in net profit. This was particularly due to 19% (mSCR 836) rise in cost of sales, notably the cost of inventories recognised as expense, which accompanied a 15% growth in revenue. SEYPEC's inventory comprises principally of petroleum products. Net profit was further reduced by net foreign exchange loss of mSCR 37.26 in 2018.

### 3.3.3.2 Capital and cost efficiency

ROA decreased from 5% in 2017 to 1% in 2018 and ROE has also decreased from 6% in 2017 to 2% in 2018. This was due to net profit decreasing by 71% during the same period.

### 3.3.3.3 Financial risk

The debt ratio has decreased from 16% in 2017 to 14% in 2018 particularly due to 9.45% (mSCR 33.1) decrease in deferred tax liabilities and 20.5% (mSCR 133.04) decrease in trade and other payables.

## 3.3.4 Flows between SEYPEC and GoS

- **Taxes:**

**Table 12. Taxes paid by SEYPEC**

Taxes paid to GoS	2017	2018
	mSCR	mSCR
Trades & Excise Tax	678.5	717.6
Personal Income Tax (PIT)	5.7	5.2
Corporate Social Responsibility Tax (CSR)	9.8	12.5
Withholding Tax	0.6	0.6
Business Tax	110.0	131.7

- Dividend paid by SEYPEC to GoS amounted to mSCR 120 for 2018.

## 3.3.5 QFAs

**Table 13. SEYPEC QFAs**

QFA	Method of calculation		Quantification (i.e. cost to the PE)					
			2013	2014	2015	2016	2017	2018
			mSCR	mSCR	mSCR	mSCR	mSCR	mSCR
Selling petroleum products on other islands at the same price as on Mahe	Transport costs, Infrastructure costs, Manpower	Praslin ops	3.1	6.0	4.2	5.2	4.8	5.5
		Paradise loss - FC	19.5	35.1	25.9	24.5	30.1	11.7
		Paradise loss - VC	11.5	10.9	6.5	7.9	7.6	27.1
		Praslin dep	7.8	8.3	8.6	8.9	9.2	15.5
		Grand Anse Praslin station dep	1.2	1.2	1.2	1.1	1.1	2.3
		Baie Ste Anne station dep	1.0	1.0	1.0	1.0	1.0	2.0
		La Digue dep	1.1	1.1	1.1	1.1	1.1	2.0
Total			45.2	63.5	48.5	49.6	54.8	66.1



### 3.4 Seychelles Ports Authority (SPA)

SPA is a corporate body established under the Seychelles Ports Authority Act, 2004 and its responsible Ministry is the Ministry for Tourism, Civil Aviation, Ports and Marine (MoTCAPM).

#### 3.4.1 Mandate/principal activities

SPA is mandated to develop, operate, regulate and manage the ports. In addition, SPA is responsible to provide ancillary services, as well as security and safety for all users of the ports and their facilities. The authority is also required to participate in matters pertaining to search and rescue and for the collection of harbour dues, rental fees, and other money payable to the authority under the Act and any other law as fully described under Section 6 of the Act and the applicable regulations.

#### 3.4.2 Shareholding

SPA is 100% owned by GoS.

#### 3.4.3 Financial indicators

**Table 14. SPA financial indicators**

Financial indicators	2017		2018		Variance	
	mSCR	% GDP	mSCR	% GDP	mSCR	%
Total assets	505.6	2.5%	449.9	2.0%	(55.6)	-11%
Total equity	356.2	1.7%	396.8	1.8%	40.6	11%
Total debt	-	0.0%	-	0.0%	-	
Total liabilities	149.3	0.7%	53.1	0.2%	(96.2)	-64%
Net income	62.1	0.3%	61.1	0.3%	(1.0)	-2%
Net income tax expense	24.5	0.1%	30.6	0.1%	6.1	25%

##### 3.4.3.1 Profitability

The total revenue of SPA increased by 19% (mSCR 33.3) from 2017 to 2018. The principal income was Port related services with a 19.75% (mSCR 31.9) increase in 2018 compared to 2017. The operating profit margin decreased from 50% in 2017 to 45% in 2018. This was associated to 19% increase in staff cost and 85% increase in operating overheads. The growth in expenditure also contributed to a decrease in the net profit margin to reach 30% in 2018 (36% in 2017).

##### 3.4.3.2 Capital and cost efficiency

The ROA of SPA was slightly lower at 12.79% in 2018 compared to 13.49% in 2017. This was due to a reduction in both total assets (11%) and net income (2%) over the same period. The ROE had decreased to 16% in 2018 (from 19% 2017) caused by higher growth in retained earnings, relative to net income.

### 3.4.3.3 Financial risk

The debt ratio of SPA decreased from 30% in 2017 to 12% in 2018 due to a 64% decrease in total liabilities over the same period. The reduction in total liabilities was associated to the tax liability decreasing by mSCR 95.3 from 2017 to 2018.

### 3.4.4 Flows between SPA and GoS

Flows from SPA to GOS comprises of the following:

- SPA did not pay dividend during the year 2018.
- Tax paid in 2018 amounted to mSCR 125.9.

## 3.5 Seychelles Public Transport Corporation (SPTC)

SPTC is a corporate body established under the Seychelles Public Transport Corporation Decree and its responsible Ministry is the Ministry of Habitat, Infrastructure and Land Transport (MHILT).

### 3.5.1 Mandate/principal activities

SPTC is mandated to provide an efficient, adequate and economical system of public transport within Seychelles for the public, consistent with a reasonable and adequate level of fares being charged.

### 3.5.2 Shareholding

SPTC is 100% owned by the GOS.

### 3.5.3 Major events during 2018

SPTC's depot was destroyed by fire on August 8, 2018 resulting in a loss of fixed assets and inventory amounting to mSCR 27.6 which has been accounted as extraordinary expenses in 2018. Following the fire, GoS and the Government of India granted donations of mSCR 11 and mSCR 7.8 for the purchase of consumables and spares inventories respectively.

The Corporation made a claim from insurance and received mSCR 1.5 as advance offer. The remaining balance is still under negotiation with the Claims Adjuster<sup>26</sup>.

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<sup>26</sup> SPTC certified AFS 2018

### 3.5.4 Financial indicators

**Table 15. SPTC financial indicators**

Financial indicators	2017		2018		Variance	
	mSCR	% GDP	mSCR	% GDP	mSCR	%
Total assets	123.1	0.6%	155.7	0.7%	32.6	26%
Total equity	73.4	0.4%	105.0	0.5%	31.6	43%
Total debt	0.0	0.00%	4.7	0.02%	4.7	
Total liabilities	49.7	0.2%	50.7	0.2%	1.0	2%
Net income	(21.2)	-0.1%	(20.1)	-0.1%	1.1	5%

#### 3.5.4.1 Profitability

The gross profit margin increased from 52% in 2017 to 64% in 2018 due to the 27% growth in net revenue. The growth in net revenue was associated to the revision in bus fare from SCR 5 to SCR 7 in January 2018. The growth in revenue had also contributed to a reduction in the losses from operation resulting in an operating profit margin to reach -8% in 2018 (-18% in 2017). The net profit margin also improved during 2018 at -13% from -18% in 2017.

Since 2016, SPTC had been reporting a decline in the total number of passengers on a yearly basis with the largest reduction being in 2018 of 9% (1,830,487 passengers). If SPTC does not investigate the causes of this downward trend and put in place appropriate measures to address this, the Corporation might experience a decrease in its profitability in the coming years with the current bus fare.

Further review of the profit and loss statement of SPTC, indicates that the Corporation had been recording a positive gross profit from 2013 to 2018 with a 58% increase in the gross profit in 2018 compared to 2017. The cause of its negative results was largely due to high administrative expenses notably employee benefit expenses. Employee benefit expenses were the largest component of the administrative expenses for 2013 to 2018 and represented on average 80% of revenue for the same period.

#### 3.5.4.2 Capital and cost efficiency

ROA improved slightly from -17% in 2017 to -14% in 2018 as a result of the reduction in net loss over the same period. A ROA of -14% indicates that a loss of SCR 0.14 was reported for every rupee worth of assets controlled by SPTC.

#### 3.5.4.3 Financial risk

SPTC's quick ratio had a value of 0.95 at December 31, 2018 representing a decrease when compared to the prior year. The decrease was the result of the current assets (notably cash and cash equivalents and fixed deposit) decreasing by 21% from 2017 to 2018, as well as the presence of an overdraft facility. A quick ratio of value 0.95 indicates that at December 31, 2018 SPTC had SCR 0.95 of liquid assets to cover every SCR 1 of current liabilities. This indicates that SPTC was unable to fully cover its short-term obligations from its most liquid assets. If this is not addressed, SPTC will require further government support for the coming years.

The value of SPTC's cash ratio decreased from 0.55 in 2017 to 0.08 in 2018. A cash ratio of value less than one implies that there are more current liabilities than cash and cash equivalents and that SPTC has insufficient cash to meet short-term obligations.

### 3.5.5 Flows between SPTC and GoS

Flows between SPTC and GoS during the year 2018 comprises of the following:

- Subvention from GoS totalling to mSCR 85, comprising of mSCR 22.6 revenue grant and mSCR 62.5 capital grant.
- Fuel concession/subsidies from SEYPEC totalling to mSCR 30.

### 3.5.6 QFAs

The main QFAs identified for SPTC was charging a bus fare below its actual cost<sup>27</sup>. The Corporation estimated that the cost of the QFA for 2018 was mSCR 53.5.

## 3.6 Société Seychelloise d'Investissement Limited (SSI)

SSI is a limited liability company incorporated on May 21, 2008 under the Companies Ordinance 1972 and its responsible Ministry is the Ministry of Finance, Trade, Investment and Economic Planning.

### 3.6.1 Mandate/principal activities

SSI is mandated to be an investment vehicle and a holding company on behalf of GoS. The company is involved in researching, identifying, attracting and investing in profitable investment on behalf of the GoS. In addition, SSI is the majority shareholder in 10 PEs and their subsidiaries,<sup>28</sup> reference is made to Appendix 1.

### 3.6.2 Shareholding

GoS holds 99% shares and 1% is held by the Principal Secretary for Finance.

### 3.6.3 Indicators of financial performance

Table 16. SSI financial indicators

Financial indicators	2017		2018		Variance	
	mSCR	% GDP	mSCR	% GDP	mSCR	%
Total assets	676.0	3.3%	653.0	3.0%	(23.0)	-3%
Total equity	579.9	2.8%	622.4	2.8%	42.5	7%
Total debt	91.6	0.4%	25.7	0.1%	(65.9)	-72%
Total liabilities	96.1	0.5%	30.6	0.1%	(65.5)	-68%
Net income	254.5	1.2%	370.8	1.7%	116.3	46%

<sup>27</sup> The formula for calculating QFA = (Cost of bus fare – actual price of bus fare) \* No. of passengers.

<sup>28</sup> SEYPEC, IDC, BDRI, L'Union Estate, Petro Seychelles, 2020 Development, PDEE, STC, SCB, Nouvobanq

### 3.6.3.1 Profitability

SSI's total revenue increased by 38% in 2018 compared to 2017 due to the 74% growth in dividends from subsidiaries. As a result, the net profit margin increased to 97% in 2018 from 93% in 2017. However, the performance of SSI without the dividend from subsidiaries had worsened with a 39% decrease in the net profit. This was attributed to the 50% decrease in the dividends from associates in 2018 compared to 2017.

### 3.6.3.2 Capital and cost efficiency

The growth in dividend from subsidiaries during the year 2018 resulted in an improvement in both the ROA and ROE compared to 2017. ROA increased to 56% in 2018 from 40% in 2017 due to the 46% increase in the net profit. ROE increased to 62% in 2018 compared to prior year result of 49%.

### 3.6.3.3 Financial risk

The debt ratio continued to decrease since 2015 to reach 5% in 2018 (14% in 2017). This was associated with the 72% decrease in the total debts over the same period. This indicates that SSI is less dependent on leverage and has a stronger equity position.

## 3.6.4 Flows between SSI and GoS

Flows from SSI to GoS during the year 2018 comprises of the following:

- Guarantees on a loan from Nouvobanq with a maximum exposure of mSCR 25.7 in 2018.
- Taxes paid by SSI totalling to mSCR 4.7.
- Dividends paid by SSI totalling to mSCR 336.8.

## 3.6.5 QFAs

SSI did not record any QFAs for 2018.

## 3.7 Seychelles Civil Aviation Authority (SCAA)

SCAA was established by the Seychelles Civil Aviation Authority Act, 2005 which came into application in April 2005. SCAA was vested with the assets and liabilities of the former Directorate of Civil Aviation for which a financial consideration was not paid. The net value of assets over the liabilities was credited to a Capital Reserve account.

### 3.7.1 Mandate

The principal activities of SCAA are the provision of Aviation Regulatory and Safety Oversight, the provision of Air Navigation Services, the provision of Aviation Security Services and Management and provision of Operational Services at Seychelles International and Praslin Airports. It also facilitates business development opportunities.

### 3.7.2 Shareholding

SCAA is 100% owned by GOS.

### 3.7.3 Financial indicators

**Table 17. SCAA financial indicators**

Financial indicators	2017		2018		Variance	
	mSCR	% GDP	mSCR	% GDP	mSCR	%
Total assets	694.5	3.4%	744.7	3.4%	50.4	7%
Net income	125.6	0.6%	115.1	0.5%	(11.6)	-8%
Total equity	625.6	3.1%	697.5	3.2%	72.0	11%
Total debt	11.6	0.1%	-	0.0%	(11.6)	-100%
Total liabilities	68.9	0.3%	47.2	0.2%	(21.6)	-31%
Net income tax expense	53.8	0.3%	49.2	0.2%	(4.6)	-9%

#### 3.7.3.1 Profitability

In 2018 SCAA reported a reduction in its profitability caused by sustained growth in operating expenses. The operating profit margin declined to 35% in 2018 from 40% in 2017 due to 13% growth in operating expenses compared to 8% reduction in net income. The rise in operating expenses was largely associated to the 18% (mSCR 26) growth in staff costs from 2017 to 2018. The growth in staff costs had also contributed to lower the net profit margin to 24% in 2018 from 28% in 2017. This has led to tax expense decreasing by 8% during that same period.

#### 3.7.3.2 Capital and cost efficiency

During the period 2013-2017 ROA had increased from 16% in 2013 to 19% in 2017. However, this ratio decreased to 16% in 2018. This was due to the 8% reduction in the net profit and 7% growth in total assets from 2017 to 2018. The reduction in net income has also led to a decrease in ROE to 17% in 2018 from 21% in 2017.

#### 3.7.3.3 Financial risk

The debt ratio decreased from 10% in 2017 to 6% in 2018 due to the 32% reduction in total liabilities. The reduction in total liabilities was associated to the 100% (mSCR 11.6) decrease in long-term loan and the 100% (mSCR 18.4) reduction in provisional tax liability which was paid in the year 2018. The operating cash flow stood at mSCR 136 in 2018 representing a 23% reduction compared to prior year due to an increase of 71% provisional tax paid over the same period.

### 3.7.4 Flows between SCAA and GoS

Flows from SCAA to GoS during the year 2018 comprises of the following:

- Taxes expense totalling to mSCR 49.2.
- Dividends amounted to mSCR 43.2.

### 3.7.5 QFAs

Table 18 presents QFAs identified by SCAA which were not compensated by from the budget.

**Table 18. SCAA QFAs**

QFA	Method of calculation	Quantification					
		2013	2014	2015	2016	2017	2018
		mSCR	mSCR	mSCR	mSCR	mSCR	mSCR
Maintenance fees by SCAA of x-ray machine located at cargo/customs	Maintenance Fees by SCAA XRAY 180180		0.05	0.05	0.05	0.05	0.06
Maintenance fees by SCAA of x-ray machine located at customs/immigration	Maintenance Fees approximation		0.04	0.04	0.04	0.04	0.05
Revenue forgone from rental of Seychelles Revenue Commission (SRC) customs building	SRC Customs Building-Billing to start as of January 2020 at SR50,000 Per month	0.40	0.40	0.40	0.40	0.40	0.40
Revenue forgone from meteorological services land lease	MET Land Lease (Area: 295m <sup>2</sup> @ SR350/- per m <sup>2</sup> SCR 103,250.00 per month)	1.24	1.24	1.24	1.24	1.24	1.24
Inadmissible passenger (INAD) facility at new domestic terminal	Cost of INAD Facility						0.10
SLTA Roundabout near airport	SCAA Contribution to SLTA Roundabout					4.5	
Electricity at Met office	Met Office (Average: SCR 66,234.48 2016, SCR 79,444.95 2017)		0.80	0.80	0.80	0.95	
Electricity at Customs	Customs- Cargo (Average: SCR 33,099.59 2016, SCR 34,068.72 2017)			0.42	0.40	0.41	
<b>Total</b>		<b>1.60</b>	<b>2.50</b>	<b>2.90</b>	<b>2.90</b>	<b>7.60</b>	<b>1.80</b>

## 3.8 Seychelles International Mercantile Banking Corporation Limited (SIMBC/NOUVOBANQ)

Nouvobanq is a commercial bank incorporated as a limited liability company on July 19, 1991 under the Companies Ordinance 1972 and its responsible Ministry is the Ministry of Finance, Trade, Investment and Economic Planning.

### 3.8.1 Mandate/principal activities

Nouvobanq is mandated to conduct commercial banking. The Bank is involved in the business of banking and to transact financial business of every description, as well as, to carry on the business of banking in every aspect in any part of the world.

### 3.8.2 Shareholding

SSI holds 78% of Nouvobanq's shares and Standard Chartered Africa PLC holds the remaining 22%.

### 3.8.3 Financial indicators

Table 19. Nouvobanq financial indicators

Financial indicators	31.12.2017		31.12.2018		Variance	
	mSCR	% GDP	mSCR	% GDP	mSCR	%
Total assets	6,392.1	31.3%	6,779.5	30.8%	387.4	6%
Total equity	501.7	2.5%	550.5	2.5%	48.8	10%
Total liabilities	5,890.4	28.8%	6,229.1	28.3%	338.7	6%
Operating profit before tax	246.4	1.2%	275.1	1.2%	28.6	12%
Net income	169.8	0.8%	138.7	0.6%	(31.1)	-18%
Net income tax expense	79.8	0.4%	136.4	0.6%	56.6	71%

#### 3.8.3.1 Profitability

The profit before tax of Nouvobanq increased by 10.2% from 2017 to 2018 principally due to 12.3% (mSCR 13.6) increase in net trading income, comprising largely of foreign exchange gains and 8% (mSCR 10.4) increase in interest income from advances.

Although Nouvobanq reported an increase in profit before tax and operating profit, gross profit margin decreased from 73% in 2017 to 72% in 2018. The decrease was mainly due to a mSCR 9.78 (19.4%) increase in fee and commission expenses. The net profit margin decreased in the year 2018 compared to 2017, this was due to an 18% reduction in net profit particularly from 70.9% (mSCR 56.6) increase in tax expense.

#### 3.8.3.2 Capital and cost efficiency

Nouvobanq's ROA decreased from 3% in 2017 to 2% in 2018, this is due to the high asset base in relation to the net income and its ROE decreased from 35% in 2017 to 26% in 2018.

### 3.8.4 Flows between Nouvobanq and GoS

Flows between Nouvobanq and the GoS during the year 2018 comprise of the following:

- Tax expensed by Nouvobanq totaling to mSCR 136
- Dividends from Nouvobanq totaling to mSCR 225.

### 3.8.5 QFAs

The Bank did not record any QFAs for 2018.

## 3.9 Development Bank of Seychelles (DBS)

DBS is a financial institution established in 1977 by the Development Bank of Seychelles Decree. Its responsible Ministry is the Ministry of Finance, Trade, Investment and Economic Planning.



### 3.9.1 Mandate/principal activities

The principal activities of DBS as follows:

- to establish, maintain, develop or re-organize, or to assist in or promote the establishment, maintenance, development or
- reorganization of any industry;
- to establish, maintain or develop, or to assist in or promote the establishment, maintenance or development of, money or capital markets in the Seychelles; and
- to co-operate with other institutions and organizations, whether public or private, national or international, which wish to further any of the purposes of the Bank.

### 3.9.2 Shareholding

GoS owns 60.5% shares of DBS. The allocation of the remaining shares is as follows: Agence Française de Développement (AFD): 20%, European Investment Bank (EIB): 15.91%, Novobanq: 1.59%, unissued shares: 2%.

### 3.9.3 Financial indicators

Table 20. DBS financial indicators

Financial indicators	31.12.2017		31.12.2018		Variance	
	mSCR	% GDP	mSCR	% GDP	mSCR	%
Total assets	1,083.1	5.3%	1,052.1	4.8%	(31.0)	-2.9%
Total equity	316.3	1.5%	345.6	1.6%	29.4	9.3%
Total liabilities	766.7	3.8%	706.4	3.2%	(60.4)	-7.9%
Net income	15.8	0.1%	26.4	0.1%	10.6	67.2%
Total debt	445.4	2.2%	433.6	2.0%	(11.9)	-2.7%

#### 3.9.3.1 Profitability

The net profit margin of DBS improved from 20% in 2017 to 29% in 2018. The increase was associated with a mSCR 12.2 (15%) improvement in interest income from loans and advances as well as a reversal in the allowance for credit impairment from mSCR -3.4 in 2017 to mSCR 1.7 in 2018.

#### 3.9.3.2 Capital and cost efficiency

The ROA of DBS increased from 2017 reaching a value of 2.5% in 2018. This was a consequence of the 67% (mSCR 11) increase in the net profit as well as the 3% (mSCR 31) reduction in total assets.

#### 3.9.3.3 Financial risk

DBS' debt ratio decreased from 71% in 2013 to 67% in 2018, due to 17% (mSCR 50) reduction in DBS Bonds and a 3% (mSCR 12) decrease in borrowings.

There has been an increase in the interest coverage ratio from 1.42 in 2017 to 1.66 in 2018, suggesting that DBS has enough earnings before interest and tax to pay its interest expenses when they fall due.

### 3.9.4 Flows between DBS and GoS

- **Guarantees from GoS:**

**Table 21. DBS guarantees from GoS**

Type of guarantee	2013	2014	2015	2016	2017	2018
	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR
Loan with Nouvobanq	38.4 <sup>29</sup>	31.8	71.6	100.1 <sup>30</sup>	83.0	58.0
Loan with Barclays			73.4	64.1	54.7	89.5
Loan with MCB				47.2 <sup>31</sup>	45.3	39.6
Loans with Al Salam Bank of Seychelles				65.0	59.7	52.8
Letter of comfort - Al Salam Bank of Bahrain				34.2 <sup>32</sup>	35.5	35.5

- **Loans from GoS (on-lending):**

**Table 22. DBS loans from GoS**

	Amount outstanding					
	2013	2014	2015	2016	2017	2018
	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR
Government borrow and on-lend to DBS (AFD bilateral re-structured loan)	95.2	92.7	89.7	86.4	82.5	78.0
BADEA	14.6	20.2	17.0	15.4	13.2	11.5
European Investment Bank (EIB) 1			7.1	7.2	7.2	6.0
EIB 2				22.5	22.5	20.7
EIB 3					42.0	42.0

### 3.9.5 QFAs

The QFA identified by DBS was subsidised lending, for example not being able to set its lending rates, DBS estimated that the cost of this was mSCR 19.6 in 2018, of which DBS was compensated mSCR 15.5.

<sup>29</sup> EUR 2.5 million

<sup>30</sup> EUR 3.6 million + mSCR 50

<sup>31</sup> EUR 1.7 million + mSCR 25

<sup>32</sup> USD 2.5 million

**Table 23. DBS QFAs**

QFA	Quantification (i.e. cost to the PE)					
	2013	2014	2015	2016	2017	2018
	mSCR	mSCR	mSCR	mSCR	mSCR	mSCR
Subsidised lending (e.g. PE not being able to set its lending rates)		0.7	4.4	11.6	17.6	19.6
Compensation from Government budget for PSO			3.5	9.6	16.5	15.5

### 3.10 Petro Seychelles Limited

Petro Seychelles is a limited liability company incorporated on 12<sup>th</sup> July 2012 under the Companies Ordinance 1972 and its responsible Ministry is the Ministry of Finance, Trade, Investment and Economic Planning.

#### 3.10.1 Mandate/principal activities

The principal activity of the company during the year has been to promote, conduct and supervise any activities undertaken for the purpose of exploring, prospecting and mining of hydrocarbon deposits in Seychelles' Exclusive Economic Zone (EEZ). The Company's activity has also been to generate, acquire, interpret, parse and classify data or any other information necessary to sustain or further commercial interest in the exploration of hydrocarbon deposits in Seychelles' EEZ.

#### 3.10.2 Shareholding

99 shares held by SSI at SCR 10,000 per share and 1 share held by Mr. Patrick Payet.

#### 3.10.3 Financial indicators

**Table 24. Petro Seychelles financial indicators**

Financial indicators	31.12.2017		31.12.2018		Variance	
	mSCR	% GDP	mSCR	% GDP	SCR	%
Total assets	5.0	0.02%	6.2	0.03%	1.1	22.7%
Total equity	(0.8)	0.00%	(7.5)	-0.03%	(6.7)	-861.4%
Total liabilities	5.8	0.03%	13.7	0.06%	7.9	135.6%
Net income	(4.2)	-0.02%	(6.7)	-0.03%	(2.6)	-61.6%
Total debt	0.0	0.00%	5.0	0.02%	5.0	-

#### 3.10.3.1 Profitability

The net profit margin of Petro Seychelles has improved from -1324% in 2017 to -386% in 2018, nevertheless remaining negative. The improvement in net profit margin was associated with a 454% (mSCR 1.43) increase in net revenue, notably concessionary fees of sea acreage. Although the improvement in net profit margin, the net loss of Petro Seychelles worsened in 2018, from a net loss of mSCR 4.2 to mSCR 6.7. The contributing factor was mSCR 4.7 increase in allowance for credit impairment.

#### 3.10.3.2 Capital and cost efficiency

ROA decreased from -58% in 2017 to -121 in 2018. This is due the 61.5% (mSCR 2.6) increase in net loss.

#### 3.10.3.3 Financial risk

The debt ratio has increased from 116% in 2017 to 222% in 2018 which was mainly due to mSCR 5 increase in shareholder loans in 2018.

#### 3.10.4 Flows between Petro Seychelles and GoS

- Arrears from GoS to Petro Seychelles of SCR 10,000 corresponding to the remaining share capital of 1% share for PS of Finance.

#### 3.10.5 QFA

Petro Seychelles did not identify any QFAs for 2018.

## CONCLUSION

The report shows that PEs remained important actors in the Seychelles economy during 2018. Their economic weight, in terms of employment, revenue generation, asset value and tax and dividend income, indicates that the sector also carries significant risk.

One key component to safeguarding the interests of GoS as the shareholder and ensuring sound management and returns from the PEs is to have an efficient and effective oversight of the sector as well as clear expectations set for the Board and Management of the PEs.

### **The key recommendations are:**

1. Implementation of a consistent oversight approach which avoids duplication and makes efficient use of resources. The Government should mandate a single institution to establish clear financial targets for each PE thus promoting optimal performance.
2. Introduction of enforcement mechanisms in the PEMC Act to improve compliance and availability of timely information on PEs. This will also facilitate timely decision-making by policy-makers.
3. Introduction of a Code of Corporate Governance to guide the Boards of PEs ensure that the PEs are managed in an efficient and effective manner for the benefit of all shareholders over the longer term.
4. Implementation of an ownership policy for the PE sector, clearly defining the objectives of Government as the owner and its expectations of the PE sector. This will also align the objectives of the Boards of the PEs to those of the Government. An ownership policy will also ensure an effective framework of PE oversight, as it will define the roles and responsibilities of the different stakeholders to the PE sector.
5. The capacity of PEMC as the body mandated to conduct PE oversight should be strengthened, for improved oversight and timely disclosure of risks emanating from the PE sector.
6. Implementation of a dividend policy to balance the return on investment for the majority shareholder i.e. the Government and the financial power of the PEs.

## APPENDICES

### Appendix 1. List of PEs

Public Enterprise	Sector	GoS ownership	Total value of shareholding	Parent Ministry	Subsidiaries	Minority interest <sup>33</sup>	Enabling legislation	Board structure under enabling legislation
Société Seychelloise d'Investissement Ltd	Services and Development	100%	100 shares at SCR 100=SCR SCR 10,000 <sup>34</sup>	MOFTIEP	SEYPEC	SCS Ltd	Co. Act 1972	Not Less than 2 Directors.
					IDC	IOT		
					BDRI	IPHS		
					L'UE Ltd	Seyloin Ltd		
					PS Ltd	SPS		
					2020 DC Ltd			
					PDEE Ltd			
					STC Ltd			
					SIMBC (Nouvobanq)			
					SCB			
Seychelles Petroleum Company Ltd	Energy	100%	SCR 50,000,000  USD 8,595,053 <sup>35</sup>	OVP	Seychelles Progress		Co. Act 1972	Not Less than 2 Directors.
					Seychelles Patriot			
					Seychelles Pioneer			
					Seychelles Prelude			
Seychelles Progress	Energy	100%	GBP 2,000	OVP			Isle of Man Co. Acts	*
Seychelles Patriot	Energy	100%	GBP 2,000	OVP			Isle of Man Co. Acts	*
Seychelles Pioneer	Energy	100%	GBP 2,000	OVP			Isle of Man Co. Acts	*
Seychelles Prelude	Energy	100%	GBP 2,000	OVP			Isle of Man Co. Acts	* <sup>36</sup>

<sup>33</sup> Source of Information about the Minority Interest are from Audited Financial Statements of PEs

<sup>34</sup> Source: Annual Return 2018 of SSI registered on 19.03.2019

<sup>35</sup> Source: Audited Financial Statement 2018 of SEYPEC, pg. 4 and 40

<sup>36</sup> \*The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall, when the number of directors exceeds three, be three, and shall, when the number of directors does not exceed three, be two. (Source: Isle of Man Companies Act 1931, pg. 220)

<b>Islands Development Company Ltd</b>	Services and Development	100%	213,310 shares at SCR 100=SCR 21,331,000 issued for cash  SCR 21,330,924 for other consideration <sup>37</sup>	OVP	GICC	Green Tree	Co. Act 1972	Not Less than 2 Directors.
					GOIC	Green Oak		
					GTIC	Desroches Island Lodge Ltd		
						Paradise Marine Ltd		
						Platte Island Development Ltd		
						Poivre Island Lodge		
<b>Green Island Construction Company Ltd</b>	Services and Development	100%	1000 shares at SCR 100 =SCR 100,000	OVP			Co. Act 1972	Not Less than 2 Directors.
<b>Green Oak Investment Company Ltd</b>	Services and Development	100%	1000shares at SCR 100=SCR 100,000	OVP			Co. Act 1972	Not Less than 2 Directors.
<b>Green Tree Investment Company Ltd</b>	Services and Development	100%	1000 shares at SCR 100 =SCR 100,000	OVP			Co. Act 1972	Not Less than 2 Directors.
<b>Bois de Rose Investment Ltd</b>	Services and Development	100%	10,000,000 shares at Euro 1= 10,000,000 Euros <sup>38</sup>	MOFTIEP			Co. Act 1972	Not Less than 2 Directors.
<b>L'Union Estate Ltd</b>	Services and Development	100%	SCR 7,292,500	OVP		SCB	Co. Act 1972	Not Less than 2 Directors.
<b>Petro Seychelles Ltd</b>	Energy	100%	SCR 1,000,000	OVP			Co. Act 1972	Not Less than 2 Directors.
<b>Seychelles Trading Company Ltd</b>	Services and Development	100%	SCR 10,000	MOFTIEP		SCB	Co. Act 1972	Not Less than 2 Directors.

<sup>37</sup> Source: Annual Return 2018 of IDC registered on 27.07.2018

<sup>38</sup> Source: Annual Return 2018 of Bois de Rose Investment Ltd registered on 25.02.2019

<b>2020 Development (Seychelles) Ltd</b>	Services and Development	100%	SCR 10,000	MOFTIEP			Co. Act 1972	Not Less than 2 Directors.
<b>Paradis des Enfants Entertainment Ltd</b>	Services and Development	100%	100 shares at SCR 100=SCR 10,000	MOFTIEP			Co. Act 1972	Not Less than 2 Directors.
<b>Seychelles Pension Fund</b>	Financial	Owned by members of the Fund.	Not Applicable	MOFTIEP	OICL	Seychelles Breweries Ltd	SPF Act,2005	Not more than 10 members.  The quorum is 7.
						Al Salam Bank		
<b>Opportunity Investment Company Ltd</b>	Financial	51%	100 shares at SCR 100 = SCR 10,000	MOFTIEP			Co. Act 1972	Not Less than 2 Directors.
<b>Air Seychelles Ltd</b>	Transport	60%	SCR 650,000,000 <sup>39</sup>	MTCAPM			Co. Act 1972	Not Less than 2 Directors.
<b>Development Bank of Seychelles</b>	Financial	61%	Issued and fully paid shares = 39,200,000 <sup>40</sup>	MOFTIEP			DBS Decree 1991	Not more than 10 or less than 5 other members.  The quorum is 4.
<b>Financial Services Authority</b>	Financial	100%	Not Applicable	MOFTIEP			FSA Act,2013	The Board should consist of 10 members.  The quorum is 6.
<b>Housing Finance Company Ltd</b>	Financial	100%	SCR 20,000,000	MOFTIEP			Co. Act 1972	Not Less than 2 Directors.

<sup>39</sup> Source: Unanimous written declaration of the shareholders of the Company, registered on 21.06.2012

<sup>40</sup> Source : Audited Financial Statement 2018 of DBS pg. 54



<b>National Information Services Agency</b>	Services and Development	100%	Not Applicable	OVP			NISA Act, 2010	The Board should consist of 5 members.  The quorum is 3.
<b>Property Management Corporation</b>	Services and Development	100%	Not Applicable	MHILT			PMC Act, 2004	Not less than 4 and not more than 8 members.  The quorum is 3.
<b>Public Utilities Corporation</b>	Energy	100%	Not Applicable	MEECC			Public Utilities Corporation Act, 1986	Not less than 5 nor of the more than 7 members
<b>Seychelles Commercial Bank Ltd</b>	Financial	60%	SCR 60,000,000 <sup>41</sup>	MOFTIEP			Co. Act 1972	Not Less than 2 Directors.
<b>Seychelles Civil Aviation Authority</b>	Transport	100%	Not Applicable	MTCAPM			Seychelles Civil Aviation Authority Act, 2005	Not less than 7 nor more than 11 members.  The quorum is 4.
<b>SIMBC Nouvobanq</b>	Financial	78%	SCR 100,000,000	MOFTIEP			Co. Act 1972	Not Less than 2 Directors.
<b>Seychelles Ports Authority</b>	Transport	100%	Not Applicable	MTCAPM			Seychelles Ports Authority Act, 2004	The Board should consist of 5 members.  The quorum is 4.

<sup>41</sup> Source: Audited Financial Statement 2018 of SCB

<b>Seychelles Public Transport Corporation</b>	Transport	100%	Not Applicable	MHILT			Seychelles Public Transport Corporation Decree 1977	Not less than 2 and not more than 4.  The quorum is 3.
<b>Seychelles Postal Services Ltd</b>	Services And Development	100%	1000 shares at SCR 100= SCR 100,000	MOFTIEP			Co. Act 1972	Not Less than 2 Directors.

## Appendix 2. Overview of key legislation

Legislative	Category of PE	Relevance
Public Enterprise Monitoring Commission Act 2013 (PEMC Act)	All PEs	The Act makes provision for the establishment of the Public Enterprise Monitoring Commission (PEMC) to oversee the PEs and stipulates the PE's reporting obligations to the Responsible Minister, the Minister of Finance and the Commission. It also makes provision for the appointment and functions of the Board of Directors for PEs.
Public Officer's Ethics Act 2008 (POE Act)	All PEs	<p>The POE Act makes provision for the establishment of the Public Officers' Ethics Commission (POEC) which monitors compliance of Public Officers to the Code of Conduct and Ethics of the POE Act 2008 (Part II).</p> <p>As PEs are categorised as Public Corporations under the POE Act, its executive and non-executive directors are obliged to comply with the ethics laws for public servants.</p>
Public Finance Management Act 2012 (PFM Act)	All PEs	The PFM Act outlines the duties and responsibilities of the Accounting officer <sup>42</sup> with the aim of ensuring efficient financial management of PEs (Part VIII).
Seychelles Revenue Commission Act 2009 (SRC Act)	All PEs	<p>The SRC Act makes provision for the establishment of the Seychelles Revenue Commission (SRC) which has the oversight and administrative function of the Revenue laws of Seychelles and for the collection of taxes on behalf of GoS.</p> <p>The PEs are obliged to comply with tax laws and regulations as well as the tax policies formulated specifically for PEs by the MoFTIEP unless exempted by a specific policy.</p>
Companies Ordinance 1972 (Companies Act)	For PEs incorporated under the Companies Ordinance	The Companies Act governs the PEs incorporated under the Act which includes the legal requirements pertaining to the Board of those PEs such as the appointment and duties of the directors.

<sup>42</sup>PFM Act, Section 2

### Appendix 3. Submission of Annual Financial Statements and Annual Reports

No.	Public Enterprises	Date of submission of Annual Financial Statements (including auditor's report)	Lateness in days	Annual Report	Lateness in days
1	Development Bank of Seychelles (DBS)	29/04/2019	29	09/07/2019	100
2	Housing Finance Company Ltd (HFC)	02/04/2019	2	NOT SUBMITTED	N/A
3	Property Management Corporation (PMC)	15/04/2019	15	23/04/2019	23
4	Public Utilities Corporation (PUC)	31/05/2019	61	NOT SUBMITTED	N/A
5	Seychelles Civil Aviation Authority (SCAA)	24/04/2019	24	18/06/2019	79
6	Nouvobanq	16/05/2019	46	NOT SUBMITTED	N/A
7	National Information Services Agency (NISA)	29/05/2019	59	NOT SUBMITTED	N/A
8	Seychelles Commercial Bank Ltd (SCB)	07/05/2019	37	NOT SUBMITTED	N/A
9	Financial Services Authority (FSA)	06/06/2019	67	NOT SUBMITTED	N/A
10	Seychelles Ports Authority (SPA)	04/06/2019	65	04/06/2019	65
11	2020 Development Company Ltd	NOT SUBMITTED	N/A	NOT SUBMITTED	N/A
12	Air Seychelles Ltd	NOT SUBMITTED	N/A	NOT SUBMITTED	N/A
13	L'Union Estate Company Ltd	11/03/2019	-20	NOT SUBMITTED	N/A
14	Seychelles Postal Services Ltd	16/05/2019	46	23/05/2019	53
15	Seychelles Public Transport Corporation (SPTC)	12/04/2019	12	27/05/2019	57
16	Islands Development Company Ltd (IDC)	14/06/2019	-16	NOT SUBMITTED	N/A
17	Petro Seychelles Ltd	16/08/2019	138	NOT SUBMITTED	N/A
18	Seychelles Trading Company Ltd (STC)	24/07/2019	115	NOT SUBMITTED	N/A
19	Seychelles Pension Fund (SPF)	22/03/2019	-9	26/04/2019	26
20	Seychelles Petroleum Company Ltd (SEYPEC)	07/05/2019	37	16/08/2019	138
21	Société Seychelloise d'Investissement Ltd (SSI) Company accounts	03/06/2019	64	NOT SUBMITTED	N/A
22	Bois De Rose Investment (BDRI)	06/09/2019	159	NOT SUBMITTED	N/A
23	Paradis des Enfants Entertainment Ltd (PDEE)	NOT SUBMITTED	N/A	NOT SUBMITTED	N/A

## Appendix 4. Board members, key personnel and auditors of PEs

No.	Public Enterprise	Board	Key personnel	Auditor
1	Seychelles Petroleum Company Ltd	Chairperson: Dr Selwyn Gendron Member: Ms Philippa Samson Member: Mr Eddie Belle Member: Ms Veronique Laporte Member: Mr Suketu Patel Member: Dr Steve Fanny	<b>CEO:</b> Mr Conrad Benoiton	BDO Associates
2	Public Utilities Corporation	Chairperson: Mr Eddie Belle Member: Mr Stephen Rousseau Member: Mr Yannick Vel Member: Dr Selwyn Gendron Member: Ms Nanette Laure Member: Mr Phillippe Chong-Seng	<b>CEO:</b> Mr Philippe Morin <b>Deputy CEO:</b> Mr Joel Valmont	Baker Tilly
3	Seychelles Civil Aviation Authority	Chairperson: Capt. David Savy Member: Ms Anne Lafortune Member: Ms Amelie Nourrice Member: Ms Nadine Potter Member: Mr Vincent Amelie Member: Ms Cindy Vidot	<b>CEO:</b> Mr Garry Albert	Office of the Auditor General
4	Seychelles Public Transport Corporation	Chairperson: Mr Andy Moncherry Member: Mr Alone Edmond Member: Ms Noemi Woodcock Member: Ms Marilyn Reginald Member: Ms Cecily Derjacques	<b>CEO:</b> Mr Patrick Vel <b>Deputy CEO:</b> Mr Maxwell Julie	BDO Associates
5	Seychelles Ports Authority	Chairperson: Mr Paul Hodoul Member: Mr Andre Ciseau Member: Mr Leslie Benoiton Member: Ms Doreen Bradburn Member: Mr Alexandre Antonakas	<b>CEO:</b> Mr Ronny Brutus <b>Deputy CEO:</b> Dr Egbert Moustache	BDO Associates
6	Air Seychelles Ltd	Chairperson: Mr Jean Weeling-Lee Member: Mr Paul Doffay Member: Ms Sitna Cesar Member: Mr Cyril Bonnelame Member: Mr Christopher Youtlen Member: Mr Bassam Al Mosa	<b>CEO:</b> Mr Remco Althuis	KPMG
7	Seychelles Trading Company Ltd	Chairperson: Mr Guy Morel Member: Mr Gerard Adam Member: Ms Farida Camille Member: Mr Oliver Bastienne Member: Mr Ashik Hassan	<b>CEO:</b> Ms Christine Joubert <b>Deputy CEO:</b> Ms Marie-France Hansen	Baker Tilly
8	National Information Services Agency	Chairperson: Ms Lucy Athanasius Vice Chairperson: Ms Roseline Hoareau Member: Ms Marie-Annette Ernesta Member: Ms Claudette Albert Member: Ms Barbara Kilindo Member: Ms Joelle Perreau Member: Mr Conrad Lablache	<b>CEO:</b> Mr Gerard Govinden	Office of the Auditor General
9	Seychelles Postal Services Ltd	Chairperson: Ms Melanie Stravens Member: Ms Astride Tamatave Member: Ms Rudy Rose Member: Mr Ayub Suleman Adam	<b>CEO:</b> Mr Errol Dias	BDO Associates
10	Société Seychelloise d'Investissement Ltd	Chairperson: Ms Vijaykumari Tirant Member: Mr Ange Morel Member: Mr Karl Pragassen Member: Ms Annie Dugasse Member: Mr Bernard Adonis	<b>CEO:</b> Mr Rupert Simeon	Pool and Patel
11	L'Union Estate Ltd	Chairperson: Mr Frank Hoareau Member: Ms Corinne Delpeche Member: Mr Damien Thesée	<b>CEO:</b> Mr Gustave Delpeche	Bhanderi & Co

		Member: Mr Gerard Lablache Member: Mr Andreix Rosalie		
12	Islands Development Company Ltd	Chairperson: Mr Patrick Berlouis Member: Mr Patrick Lablache Member: Mr Willy Confait Member: Ms Sherin Francis Member: Ms Angelique Antat Member: Ms Angele Lebon Member: Mr Alain Decommarmond	<b>CEO:</b> Mr Glenn Savy	Pool and Patel
13	Seychelles Commercial Bank Ltd	Chairperson: Mr Patrick Payet Member: Ms Esther Boniface Member: Capt. Robert Morgan Member: Ms Jenna Thelermont Member: Mr Sandy Mothee Member: Mr Jamshed Pardiwalla	<b>CEO:</b> Ms Annie Vidot	BDO Associates
14	SIMBC (Nouvobanq) Ltd	Chairperson: Mr Abdul Gafoor Yakub Member: Mr Andrew Bainbridge Member: Mr Vincent Van Heyste Member: Mr Roger Toussaint Member: Mr Anil Dua Member: Damien Thesee	<b>CEO:</b> Mr Ahmad Saeed <b>Deputy CEO:</b> Mr Michael Benstrong	Baker Tilly
15	Housing Finance Company Ltd	Member: Mr Daniel Frichot Member: Mr Yves Choppy Member: Ms Elizabeth Agathine Member: Mr Michel Marie	<b>CEO:</b> Mr Ronny Palmyre	Baker Tilly
16	Development Bank of Seychelles	Chairperson: Ms Brenda Bastienne Deputy Chairperson: Mr Brian Charlette Member: Ms Ina Barbe Member: Mr Rupert Simeon Member: Ms Nicholle Belle Member: Mr Marc Naiken Member: Mr Roy Clarisse	<b>CEO:</b> Mr Daniel Gappy	Ernst and Young
17	Financial Services Authority	Chairperson: Mr Suketu Patel Member: Ms Irene Croisee Member: Mr David Esparon Member: Ms Marie- Cecile Esparon Member: Ms Annie Vidot Member: Ms Jenifer Sullivan Member: Ms Cindy Vidot Member: Ms Tania Potter Member: Mr Mike Laval	<b>CEO:</b> Dr Steve Fanny <b>Deputy CEO:</b> Ms Zenabe Daman	Office of the Auditor General
18	Property Management Corporation	Chairperson: Mr Gilbert Madeleine Vice-chairperson: Ms Sitna Cesar Member: Ms Roma Edmond Member: Mr Denis Barbe Member: Ronny Palmyre Member: Mr Michel Bistoquet	<b>CEO:</b> Ms Evelina Antha	BDO Associates
19	Petro Seychelles Ltd	Chairperson: Amb. Barry Faure Member: Mr Patrick Payet Member: Mr Dennis Matatiken Member: Mr Raymond Chang-Tave	<b>CEO:</b> Mr Patrick Joseph	ACM & Associates
20	Seychelles Pension Fund	Chairperson: Mr. Jacquelin Dugasse Member: Mr Patrick Payet Member: Ms Cilia Mangroo Members: Mr Ravi Valmont Members: Ms Malika Jivan Members: Ms Brenda Morin Members: Mr Antoine Robinson Members: Mr Peter Sinon Members: Ms Cindy Vidot Members: Marie Claire Marie Members: Mr Bernard Adonis Members: Ms Elsie Morel	<b>CEO:</b> Ms Lekha Nair	Pool and Patel

21	2020 Development Company Ltd	Chairperson: Amb. Barry Faure Member: Mr Yves Choppy Member: Mr Bertrand Belle Member: Ms Sabrina Agathine	<b>CEO:</b> Ms Sabrina Agathine	BDO Associates
22	Green Island Construction Company Ltd	Chairperson: Mr Patrick Berlouis Member: Mr Willy Confait Member: Mr Patrick Lablache Member: Ms Sherin Francis Member: Ms Angelique Antat Member: Ms Angele Lebon Member: Mr Alain De Commarmond	<b>CEO:</b> Mr Glenn Savy	Pool and Patel
23	Green Oak Investment Company Ltd	Chairperson: Mr Patrick Berlouis Member: Mr Willy Confait Member: Mr Patrick Lablache Member: Ms Sherin Francis Member: Ms Angelique Antat Member: Ms Angele Lebon Member: Mr Alain De Commarmond	<b>CEO:</b> Mr Glenn Savy	Pool and Patel
24	Green Tree Investment Company Ltd	Chairperson: Mr Patrick Berlouis Member: Mr Willy Confait Member: Mr Patrick Lablache Member: Ms Sherin Francis Member: Ms Angelique Antat Member: Ms Angele Lebon Member: Mr Alain De Commarmond	<b>CEO:</b> Mr Glenn Savy	Pool and Patel
25	Bois De Rose Investment Ltd	Chairperson: Mr Brian Loveday Member: Ms Tessy Furneau Member: Ms Jeannette Lesperence Member: Mr Alderick Bristol Member: Mr Ayub Adam	<b>CEO:</b> Mr Rupert Simeon	Pool and Patel
26	Paradis Des Enfants Entertainment Ltd	Chairperson: Mr Roy Collie		
27	Opportunity Investment Company Ltd <sup>43</sup>			

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<sup>43</sup> Opportunity Investment Company Ltd is a Public Enterprise in accordance with the definition of a Public Enterprise in Section 2 of the PEMC Act 2013.

## Appendix 5. Lateness in monthly submission of financial statements

PEs	LATENESS IN DAYS												Total timely submissions per PE	% timely sub-missions
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
DBS	-1	1	1	0	0	-2	-1	-1	-4	-8	-1	-1	10	83%
HFC	1	0	8	2	0	1	1	2	1	1	2	7	2	17%
PMC	0	24	18	17	10	18	16	32	36	6	41	23	1	8%
PUC	77	49	18	16	55	25	65	34	53	26	40	13	0	0%
SCAA	85	57	26	58	27	44	13	39	9	26	38	7	0	0%
SIMBC	4	-1	-7	-4	-9	-12	-5	-3	-10	-6	3	-5	10	83%
NISA	63	35	4	49	18	71	40	9	94	63	33	2	0	0%
SCB	1	1	2	1	4	3	1	2	11	85	0	2	1	8%
FSA	91	N/A	29	N/A	N/A	4	8	6	7	67	37	N/A	0	0%
SPA	29	1	3	0	5	1	8	3	105	0	4	0	3	25%
2020 DC	109	81	50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0%
AS	15	12	12	13	6	3	12	5	9	5	5	6	0	0%
L'UE	0	5	3	6	29	-1	114	83	53	22	39	8	2	17%
SPS	54	40	40	64	33	93	161	130	58	69	26	34	0	0%
SPTC	13	0	3	0	4	2	2	6	65	34	4	10	2	17%
IDC	0	1	3	-1	-3	-2	-4	-1	-5	-4	2	-5	9	75%
PS	0	0	2	1	0	1	-1	-1	3	30	19	0	6	50%
STC	67	39	29	140	109	79	48	25	25	29	41	N/A	0	0%
SPF	N/A	N/A	-4	28	-4	87	56	-6	N/A	N/A	N/A	-4	4	33%
SEYPEC	-12	13	3	6	28	3	20	6	0	-2	12	48	3	25%
SSI	-1	4	2	1	0	8	16	5	24	36	6	0	3	25%



## Appendix 6. Total number of people employed by PEs

<b>Public Enterprise</b>	<b>2013<sup>44</sup></b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Air Seychelles Ltd	627	675	727	789	866	714
Bois de Rose Investment Ltd	0	0	0	0	0	0
Development Bank of Seychelles	45	49	56	58	55	58
Financial Services Authority	76	91	107	109	124	135
Green Island Construction Company Ltd	160	232	253	290	300	350
Green Oak Investment Company Ltd	0	0	0	0	0	0
Green Tree Investment Company Ltd	0	0	0	0	0	0
Housing Finance Company Ltd	33	41	45	50	51	50
Islands Development Company Ltd	450	518	538	916	930	1,060
L'Union Estate Ltd	62	58	61	71	80	78
National Information Services Agency	33	35	43	43	41	41
Petro Seychelles Ltd	9	10	10	9	9	9
Paradis des Enfants Entertainment Ltd	0	15	15	15	10	10
Property Management Corporation	27	33	35	43	41	46
Public Utilities Corporation	948	979	1,016	1,041	1,103	1,140
Seychelles Commercial Bank Ltd	102	97	103	108	111	116
Seychelles Civil Aviation Authority	547	586	622	654	686	728
Seychelles Petroleum Company Ltd Group	196	188	206	216	206	215
SIMBC Nouvobanq	129	126	131	130	138	144
Seychelles Ports Authority	129	141	149	207	202	213
Seychelles Pension Fund	71	79	94	113	123	130
Seychelles Public Transport Corporation	513	577	663	622	568	561
Seychelles Postal Services Ltd	119	115	112	108	104	106
Société Seychelloise d'Investissement Ltd		1	4	4	7	9
Seychelles Trading Company Ltd	516	635	687	764	724	727
2020 Development (Seychelles) Ltd		1	1	1	1	
<b>Total</b>	<b>4,792</b>	<b>5,282</b>	<b>5,678</b>	<b>6,361</b>	<b>6,480</b>	<b>6,640</b>

<sup>44</sup> 2013 data for some PEs provided by the National Bureau of Statistics