

# SEYCHELLES POSTAL SERVICES LIMITED

*Liberty House, Victoria, Seychelles*

## DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012

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# SEYCHELLES POSTAL SERVICES LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012

The Directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 31<sup>st</sup> December 2012

### Principal activities of the company

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

### Results

Profits after tax and adjustments	SR 306,069
Accumulated profit brought forward	406,524
<b>Accumulated profit</b>	712,593
Prior Year Adjustments	545
<b>Accumulated profit carried forward</b>	<b>713,138</b>

### Fixed Assets

The Directors are of the opinion that the market or saleable value of the fixed assets as at 31<sup>st</sup> December 2012 does not differ substantially from the amounts at which they are included in the accounts at that date.

### Directors and their Interest in the company

The directors of the company during the year are:

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

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

### **Statement of Director's Responsibilities**

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

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

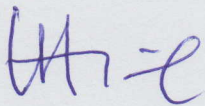
The Companies Act 1972 also requires the directors to keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They also have the general responsibility for taking reasonable steps to safeguard the assets of the company and detect fraud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

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

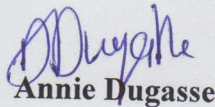
### **Auditors**

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

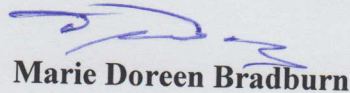
### **DIRECTORS**



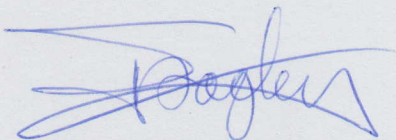
**Errol Dias**



**Annie Dugasse**



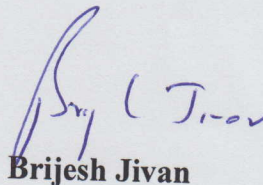
**Marie Doreen Bradburn**



**Jeffrey Dogley**



**AyubSuleman Adam**



**Brijesh Jivan**

# **NN ASSOCIATES**

## **Chartered Accountants**

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

Phone: 4611555 Fax 4611550

Mail : nassociates@seychelles.net

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

We have audited the financial statements of pages 4 - 6 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 - 10

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

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

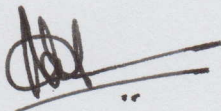
#### ***Basis of opinion***

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

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

#### ***Opinion***

In our opinion the financial statements give a true and fair view of the company's affairs at 31<sup>st</sup> December 2012 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1972 and accounting principles generally followed in Seychelles



NN Associates  
Chartered Accountants

Dated 25/10/13

# SEYCHELLES POSTAL SERVICES LIMITED

Mahe, Seychelles

## INCOME STATEMENT FOR THE PERIOD ENDING 31ST DECEMBER 2012

Financial Accounts are prepared in Seychelles Rupees

<b>Income</b>	<b>Notes</b>	<b>2012</b>	<b>2011 (7 months)</b>
Revenue for the Year	2(f),5	18,942,448	9,776,099
Less : Operating Expenses	6	3,615,777	1,944,756
Add : Other Income		35,163	8,445
<b>Gross Operating Profit</b>		<b>15,361,833</b>	<b>7,839,788</b>
<b>Expenditure</b>			
Administration Expenses	8	13,679,235	6,957,262
Auditors Remuneration		45,425	26,498
Interest & Bank Charges	7	22,897	6,327
Foreign Exchange Loss/(Gain)		(11,086)	(207,439)
Depreciation	2 (c), 9	1,112,035	462,599
<b>Total Expenditure</b>		<b>14,848,506</b>	<b>7,245,247</b>
<b>Net Profit/(Loss)</b>		<b>513,328</b>	<b>594,541</b>
Prior year's Profit / (loss)		406,524	-
Provision for tax		207,258	188,018
Prior year's adjustment		545	-
<b>Profit /(Loss) carried to Statement of Financial Position</b>		<b>713,138</b>	<b>406,524</b>

# SEYCHELLES POSTAL SERVICES LIMITED

Mahe, Seychelles

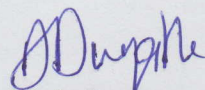
## STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2012

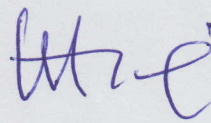
Financial Accounts are prepared in Seychelles Rupees

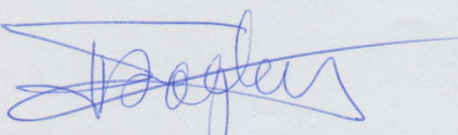
ASSETS	Notes	2012	2011
<b>Non-Current Assets</b>			
Fixed Assets	2(c),9	12,809,407	8,253,853
Land	2(c)	-	5,030,000
<b>Current Assets</b>			
Inventories	2(d)	7,169,575	7,510,399
Other current assets	10	1,350,483	210,601
Debtors		2,756,093	503,710
Prepayments		124,418	708,404
Cash & Bank Balance		<u>6,851,553</u>	<u>7,826,828</u>
<b>TOTAL ASSETS</b>		<u><b>31,061,529</b></u>	<u><b>30,043,795</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Non-Current Liabilities</b>			
Employee Benefit Obligations	2(g)	<u>596,876</u>	<u>281,172</u>
<b>Liabilities</b>			
Taxation provision		207,258	188,018
Account Payable and Accruals	11	<u>845,552</u>	<u>741,924</u>
<b>Equity</b>			
Capital Reserve		28,598,705	28,326,158
Share Capital	4	100,000	100,000
Accumulated Profit / (Loss)		713,138	406,524
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>31,061,529</b></u>	<u><b>30,043,795</b></u>


### DIRECTORS

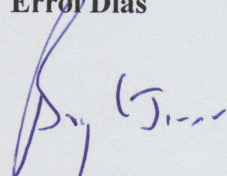
  
Marie Doreen Bradburn

  
Annie Dugasse

  
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**SEYCHELLES POSTAL SERVICES LIMITED**

**Mahe, Seychelles**

**CASH FLOW STATEMENT FOR THE PERIOD ENDING 31ST DECEMBER 2012**

**Financial Statement are prepared in Seychelles Rupees**

	<b>2012</b>
<b>Net Cash Inflow from operating activities</b>	
Operating Profit	513,328
Depreciation	1,112,035
Prior period adjustment	545
Increase/Decrease in Advances and deposits	-
Increase/Decrease in accounts prepayments	583,986
Increase/Decrease in accounts receivable	(3,392,265)
Increase/Decrease in inventories	340,824
Increase/Decrease in accounts payable	438,573
<b>Net Cash flow from operating activities</b>	<b>(402,974)</b>
<b>Return of Investments and servicing of Finance</b>	
Dividend paid during the year	-
<b>Taxation</b>	<b>(207,258)</b>
<b>Investing Activities</b>	
Purchase of Fixed Assets	(637,589)
<b>Net Cash Inflow before financing</b>	<b>(1,247,821)</b>
<b>Financing</b>	
Increase/(decrease) in Capital Reserve	272,546
	<b>(975,275)</b>
Cash & Cash Equivalents 1st January	7,826,828
Cash & Cash Equivalents 31st December	<b>6,851,553</b>

## SEYCHELLES POSTAL SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012

Financial Statements are prepared in Seychelles Rupees.

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

Seychelles Postal Services Ltd. is a company domiciled in the Republic of Seychelles. The registered office of the company is located at Liberty House, Victoria, Seychelles. The principal place of business is also located at Liberty House, Victoria, Seychelles. For the year ended 31<sup>st</sup> December 2012, the principal activity of the company was providing postal services including but not limited to courier and parcel services.

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

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

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

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

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

The measurement basis used is historical cost.

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

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

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

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

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

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



***(d) Stock***

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

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

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

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

***(e) Borrowing Costs***

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

***(f) Revenue Recognition***

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

In relation to rendering services, revenue is recognised by reference to the state of completion of the transaction at the Statement of Financial Position date.

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

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

***(h) Taxation***

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

***3. Directors fee***

Directors fee paid during the year came to SR 515,733/-

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

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

**5. Revenue**

International Services	3,828,614
Philatelic Shop	1,176,516
Income Others	13,937,317
	<u>18,942,448</u>

**6. Operating expenses:**

Cost of goods sold	1,677,903
Mail Conveyance Charges	1,937,875
<b>Cost of Sales</b>	<u>3,615,777</u>

**7. Interest & Bank Charges Paid / Payable**

Interest on other facilities	-
Bank Charges	22,897
	<u>22,897</u>

**8. Administration Expenses**

Staff costs	9,394,006
Transportation	512,043
Insurance	162,799
Licenses	27,471
Printing & Stationery	671,371
Telephone, Fax & Internet	216,049
Electricity	375,833
Water	4,220
Entertainment	17,032
Subscriptions	646,486
Consultancy, Legal Fees & Secretarial fee	94,404
Repairs & Maintenance	428,511
Cleaning Services	194,200
Postal Accessories	235,647
<i>Office Decor.</i>	29,283
Minor equipments	18,976
General Expenses	48,577
Advertisement & Sales Promotion	18,405
Directors fees	79,080
Rent	393,107
Commissions to Vendors	100,783
Hire of Equipment:-Vending Machine/Others	10,950
	<u>13,679,235</u>

### 9. Fixed Assets

	Building	Office Equipment	Furniture Fittings	Motor Vehicle	Total
Balance b/f	11,730,000	692,762	78,493	1,472,000	13,973,255
Additions	0	563,586	71,603	0	635,189
Disposal					0
<b>As at 31/12/12</b>	<b>11,730,000</b>	<b>1,256,348</b>	<b>150,096</b>	<b>1,472,000</b>	<b>14,608,444</b>
Depreciation b/f	268,000	103,189	51,230	266,983	689,402
For the year	469,200	280,779	65,257	294,400	1,109,635
Disposal					0
<b>As at 31/12/12</b>	<b>737,200</b>	<b>383,967</b>	<b>116,486</b>	<b>561,383</b>	<b>1,799,037</b>
<b>Book Value</b>	<b>10,992,800</b>	<b>872,381</b>	<b>33,610</b>	<b>910,617</b>	<b>12,809,407</b>

In the year 2011, valuation was obtained regarding the value of the land and building where the Victoria premises of the post office are located. At the time of finalising the audit for 2011, clarifications had not been obtained as to whether the value included the land and hence a value of SR 5.03 million was assigned to the land. Subsequently it was clarified that the value was for the building only resulting in a much higher value for the building in 2012.

### 10. Other current assets

Staff Loans	172,567
Provisional Tax	160,416
Bond	<u>1,017,500</u>
	<u>1,350,483</u>

### 11. Accounts Payable and Accruals

Accrued Expenses	423,495
Creditors	<u>422,057</u>
	<u>845,552</u>

### 12. Capital Reserve

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

### 13. Capital commitments

The directors were of the opinion that there were no capital commitments for the company on the Statement of Financial Position date.