

# **SEYCHELLES POSTAL SERVICES LIMITED**

*Liberty House, Victoria, Seychelles*

<p><b>DIRECTORS REPORT AND FINANCIAL STATEMENTS</b></p> <p><b>FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013</b></p>
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## **SEYCHELLES POSTAL SERVICES LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**

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 2013

#### **Principal activities of the company**

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

#### **Results**

	SR
Profits after tax and adjustments	1,688,961
Accumulated profit brought forward	713,138
<b>Accumulated profit</b>	<b>2,402,099</b>
Prior Year Adjustments	1,060
Taxation	(692,967)
<b>Accumulated profit carried forward</b>	<b>1,710,192</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 2013 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.

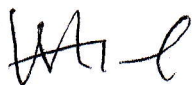
The Companies Act 1972 also requires the directors to keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They also have the general responsibility for taking reasonable steps to safeguard the assets of the company and detect fraud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



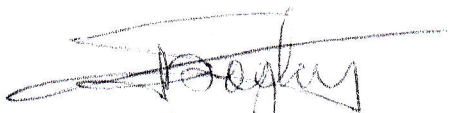
**Errol Dias**



**Annie Dugas**



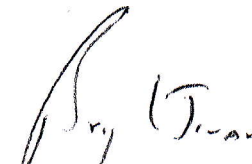
**Marie Doreen Bradburn**



**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 : nnassociates@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.

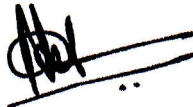
***Basis of opinion***

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 2013 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 12/06/14

# SEYCHELLES POSTAL SERVICES LIMITED

Mahe, Seychelles

## INCOME STATEMENT FOR THE PERIOD ENDING 31ST DECEMBER 2013

Financial Accounts are prepared in Seychelles Rupees

	Notes	2013	2012
<b>Income</b>			
Revenue for the Year	2(f),5	22,191,492	18,942,448
Operating Expenses	6	(5,090,327)	(3,615,777)
Loss of Sales of Motor Vehicle		(10,200)	
Other Income		117,417	35,163
<b>Gross Operating Profit</b>		<b>17,208,383</b>	<b>15,361,833</b>
<b>Expenditure</b>			
Auditors Remuneration		46,000	45,425
Depreciation	2 (c), 9	1,099,839	1,112,035
Electricity & Water Charges		473,257	380,053
Foreign Exchange Loss/(Gain)		(59,007)	(11,086)
Interest & Bank Charges	7	7,348	22,897
Legal & Professional Fees		9,565	94,404
Licence & Insurance		211,850	190,270
Rent		416,364	393,107
Staff costs		10,811,503	9,394,006
Telephone, Fax & Internet		231,812	216,049
Other Administration Expenses	8	2,270,890	3,011,345
<b>Total Expenditure</b>		<b>15,519,422</b>	<b>14,848,506</b>
<b>Net Profit/(Loss)</b>		<b>1,688,961</b>	<b>513,328</b>
Prior year's Profit / (loss)		713,138	406,524
Taxation		(692,967)	207,258
Prior year's adjustment		1,060	545
<b>Profit /(Loss) carried to Statement of Financial Position</b>		<b>1,710,192</b>	<b>713,138</b>

# SEYCHELLES POSTAL SERVICES LIMITED

Mahe, Seychelles

## STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2013

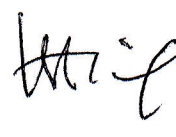
Financial Accounts are prepared in Seychelles Rupees


ASSETS	Notes	2013	2012
<b>Non-Current Assets</b>			
Fixed Assets	2(c),9	12,069,738	12,809,407
<b>Current Assets</b>			
Inventories	2(d)	6,774,503	7,169,575
Other current assets	10	570,472	1,350,483
Debtors		2,003,514	2,756,093
Prepayments		162,821	124,418
Cash & Bank Balance		11,305,493	6,851,553
<b>TOTAL ASSETS</b>		<b>32,886,541</b>	<b>31,061,529</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Non-Current Liabilities</b>			
Employee Benefit Obligations	2(g)	1,012,658	596,876
<b>Liabilities</b>			
Taxation provision		581,423	207,258
Account Payable and Accruals	11	883,564	845,552
<b>Equity</b>			
Capital Reserve	12	28,598,705	28,598,705
Share Capital	4	100,000	100,000
Accumulated Profit / (Loss)		1,710,192	713,138
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>32,886,541</b>	<b>31,061,529</b>


### DIRECTORS

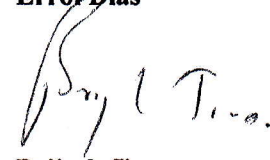
  
Marie Doreen Bradburn

  
Annie Dugasse

  
Errol Dias

  
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# SEYCHELLES POSTAL SERVICES LIMITED

Mahe, Seychelles

CASH FLOW STATEMENT FOR THE PERIOD ENDING 31ST DECEMBER 2013

Financial Statement are prepared in Seychelles Rupees

	2013	2012
<b>Net Cash Inflow from operating activities</b>		
Operating Profit	1,688,961	513,328
Depreciation	1,099,839	1,112,035
Prior period adjustment	1,060	545
Increase/Decrease in Advances and deposits	-	-
Increase/Decrease in accounts prepayments	(38,403)	583,986
Increase/Decrease in accounts receivable	1,532,589	(3,392,265)
Increase/Decrease in inventories	395,073	340,824
Increase/Decrease in accounts payable	827,958	438,573
<b>Net Cash flow from operating activities</b>	<b>5,507,078</b>	<b>(402,974)</b>
<b>Return of Investments and servicing of Finance</b>		
Dividend paid during the year	-	-
<b>Taxation</b>	<b>(692,967)</b>	<b>(207,258)</b>
<b>Investing Activities</b>		
Purchase of Fixed Assets	(360,170)	(637,589)
<b>Net Cash Inflow before financing</b>	<b>4,453,940</b>	<b>(1,247,821)</b>
<b>Financing</b>		
Increase/(decrease) in Capital Reserve	-	272,546
	<b>4,453,940</b>	<b>(975,275)</b>
Cash & Cash Equivalents 1st January	6,851,553	7,826,828
Cash & Cash Equivalents 31st December	<b>11,305,493</b>	<b>6,851,553</b>

## SEYCHELLES POSTAL SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013

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 2013, 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 524,276/-

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

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

### **5. Revenue**

International Services	3,585,257
Philatelic Shop	1,705,184
Income Others	16,901,051
	<u>22,191,492</u>

### **6. Operating expenses:**

Cost of goods sold	3,662,007
Mail Conveyance Charges	1,428,320
Cost of Sales	<u>5,090,327</u>

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

Interest on other facilities	-
Bank Charges	7,348
	<u>7,348</u>

### **8. Administration Expenses**

Transportation	581,978
Printing & Stationery	619,919
Entertainment	1,669
Subscriptions	107,521
Repairs & Maintenance	234,898
Cleaning Services	254,713
Postal Accessories	120,451
Office Decor.	53,657
Minor equipments	11,262
General Expenses	38,227
Advertisement & Sales Promotion	24,277
Directors fees	96,000
Secretary Fees	9,600
Commissions Vendors	99,718
Bad Debts	9,350
Hire of Equipment:-Vending Machine/Others	7,650
	<u>2,270,890</u>

### **9. Fixed Assets**

	<b>Building</b>	<b>Office Equipment</b>	<b>Furniture Fittings</b>	<b>Motor Vehicle</b>	<b>Total</b>
Balance b/f	11,730,000	1,256,348	150,096	1,472,000	14,608,444
Additions	0	346,280	24,690		370,970
Disposal				(22,000)	(22,000)
<b>As at 31/12/13</b>	<b>11,730,000</b>	<b>1,602,628</b>	<b>174,786</b>	<b>1,450,000</b>	<b>14,957,414</b>
Depreciation b/f	737,200	383,967	116,486	561,383	1,799,037
For the year	469,200	303,825	34,415	281,200	1,088,639
Disposal					0
<b>As at 31/12/13</b>	<b>1,206,400</b>	<b>687,792</b>	<b>150,901</b>	<b>842,583</b>	<b>2,887,676</b>
<b>Book Value</b>	<b>10,523,600</b>	<b>914,836</b>	<b>23,885</b>	<b>607,417</b>	<b>12,069,738</b>

### **10. Other current assets**

Staff Loans	95,472
Provisional Tax	175,000
Bond	<u>300,000</u>
	<u>570,472</u>

### **11. Accounts Payable and Accruals**

Accrued Expenses	356,141
Audit fees Payable	46,000
Creditors	<u>481,423</u>
	<u>883,564</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.