

SEYCHELLES PUBLIC TRANSPORT CORPORATION

Annual Report for the Year Ended December 31, 2011

Report of the Directors, Audited Financial Statements and Auditor's Report

Report of the Auditor, Auditor's Report and Auditor's Statement

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## **SEYCHELLES PUBLIC TRANSPORT CORPORATION**

**Directors' Report and Audited Financial Statements**

**For the Year Ended December 31, 2011**

SEYCHELLES PUBLIC TRANSPORT CORPORATION

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## SEYCHELLES PUBLIC TRANSPORT CORPORATION

### DIRECTORS' REPORT

The Directors have pleasure in submitting their report of Seychelles Public Transport Corporation together with the audited financial statements for the year ended December 31, 2011.

#### PRINCIPAL ACTIVITY

The Corporation operates the public transport in Seychelles.

RESULTS	SR
Profit for the year	14,727,074
Retained earnings brought forward	105,242,279
<b>Retained earnings carried forward</b>	<b><u>119,969,353</u></b>

#### PROPERTY AND EQUIPMENT

Additions to property and equipment of SR. 45.7 million during the year comprised mainly buildings, vehicles and equipment (2010 : SR. 19.5m). Disposal comprised mainly vehicles and equipment carried at SR. 827,883 at net book value (2010 : SR. 402,410).

Property and equipment are stated at cost less accumulated depreciation. The Directors are of the opinion that the carrying amounts of the assets approximate their fair value and do not require any adjustments for impairment.

#### DIRECTORS

The Directors of the Corporation in office from the date of the last report to the date of this report, appointed under Section 5 (1) of the Seychelles Public Transport Act, 1977 were:

Veronique Laporte - Chief Executive Officer  
 Steve Fanny- Chairman (Appointed effective December 2011)  
 Raymonde Course  
 Patrick Andre (Appointed effective December 2011)  
 Ronald Cafrine (Appointed effective December 2011)  
 Rosa Morin (Appointed effective December 2011)  
 Gilbert Morin - Chairman (Appointment ended December 2011)  
 Brenda Bastienne (Appointment ended December 2011)  
 David Bianchi (Appointment ended December 2011)  
 Idith Alexander (Appointment ended December 2011)



## SEYCHELLES PUBLIC TRANSPORT CORPORATION

## DIRECTORS' REPORT (CONT'D)

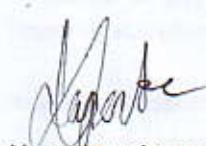
## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Chief Executive Officer is responsible for the overall management of the affairs of the Corporation including its daily operations and the making of major investments and policy proposals to the Board of Directors for approval.

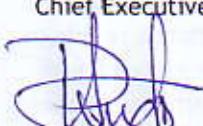
The Board is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Standards in Seychelles and in compliance with the Seychelles Public Transport Corporation Act, 1977. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. The Directors have the general responsibility of safeguarding the assets, both owned by the Corporation and those that are held in trust and used by the Corporation.

## AUDITORS

The retiring auditors, BDO Associates are eligible for re-appointment.



Veronique Laporte  
Chief Executive Officer

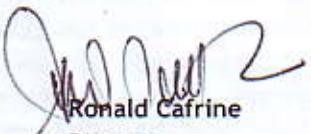


Patrick Andre  
Director

Dated:  
Victoria, Seychelles



Steve Fanny  
Chairman



Ronald Cafine  
Director



Raymonde Course  
Director



Rosa Morin  
Director

**SEYCHELLES PUBLIC TRANSPORT CORPORATION****INDEPENDENT AUDITOR'S REPORT**

This report is made solely to Seychelles Public Transport Corporation, as a body, in terms of our engagement to conduct the audit on their behalf. Our audit work has been undertaken so that we might state to the body corporate those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the body, for our audit work, for this report, or for the opinions we have formed.

**Report on the Financial Statements**

We have audited the financial statements of Seychelles Public Transport Corporation set out on pages 4 to 20 which comprise the Balance Sheet as at December 31, 2011, the Income Statement and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

**Board's Responsibility for the Financial Statements**

As stated on page 2 of the Director's Report, the Board of Directors are responsible for preparation of the financial statements.

**Auditors' Responsibility**

Our responsibility is to express an opinion on those financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditors consider internal controls relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements on pages 4 to 20 give a true and fair view of the financial position of the Corporation at December 31, 2011 and of its financial performance and its cash flows for the year then ended in accordance with the provisions of the Seychelles Public Transport Act, 1977 and Generally Accepted Accounting Standards.

**SEYCHELLES PUBLIC TRANSPORT CORPORATION****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D)****Report on Other Legal Regulatory Requirements****Public Enterprise (Monitoring Act), 2009**

In our opinion, proper accounting records have been kept by the Corporation as far as it appears from our examination of those records.

We have obtained all the information necessary for the purpose of our audit and are satisfied with the information received.

*BDO Associates*  
BDO Associates  
*Chartered Accountants*

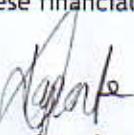
Victoria, Seychelles  
May 25, 2012

## SEYCHELLES PUBLIC TRANSPORT CORPORATION

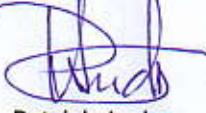
## BALANCE SHEET AS AT DECEMBER 31, 2011

	Notes	2011	2010
		SR	SR
<b>ASSETS</b>			
<b>Non-current asset</b>			
Property and equipment	5	<u>83,785,195</u>	<u>52,265,473</u>
<b>Current assets</b>			
Inventories	6	<u>19,167,035</u>	<u>23,049,140</u>
Trade and other receivables	7	<u>14,201,911</u>	<u>19,747,603</u>
Investments	8	<u>51,754,607</u>	<u>26,600,000</u>
Cash and bank balances	9	<u>13,153,591</u>	<u>34,164,483</u>
		<u>98,277,144</u>	<u>103,561,226</u>
<b>Total assets</b>		<b><u>182,062,339</u></b>	<b><u>155,826,699</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Financed by</b>			
Retained earnings		<u>119,969,353</u>	<u>105,242,279</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Accumulated development grant	10	<u>46,948,896</u>	<u>33,734,215</u>
Retirement benefit obligation	11	<u>10,750,202</u>	<u>9,279,121</u>
		<u>57,699,098</u>	<u>43,013,336</u>
<b>Current liabilities</b>			
Other payables	12	<u>4,393,888</u>	<u>7,571,084</u>
<b>Total liabilities</b>		<b><u>62,092,986</u></b>	<b><u>50,584,420</u></b>
<b>Total equity and liabilities</b>		<b><u>182,062,339</u></b>	<b><u>155,826,699</u></b>

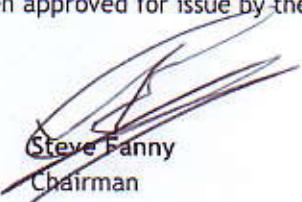
These financial statements have been approved for issue by the Board of Directors on



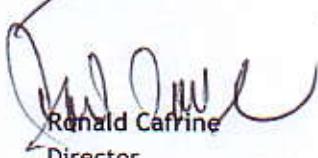
Veronique Laporte  
Chief Executive Officer



Patrick Andre  
Director



Steve Fanny  
Chairman



Ronald Cafrene  
Director



Raymonde Course  
Director



Rosa Morin  
Director

The notes on pages 7 to 20 form an integral part of these financial statements  
Auditors' report on pages 3 and 3(a)

## SEYCHELLES PUBLIC TRANSPORT CORPORATION

## INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011

	Notes	2011 SR	2010 SR
<b>Incomes</b>			
Revenue from operations	2(h)	137,328,897	130,311,566
Other income	14	2,475,914	1,636,631
		<u>139,804,811</u>	<u>131,948,197</u>
<b>Expenditures</b>			
Staff costs	15	(59,537,458)	(52,103,406)
Operating costs	15	(52,869,670)	(48,290,174)
Administrative expenses	15	(10,511,884)	(8,544,172)
Depreciation	16	(4,267,961)	(1,910,763)
Profit before net finance income		<u>12,617,838</u>	<u>21,099,682</u>
Net finance income	17	<u>1,101,348</u>	<u>796,916</u>
Profit after net finance income		<u>13,719,186</u>	<u>21,896,598</u>
Provision for credit impairment	7 (a)	(38,293)	(693,598)
(Loss)/Gain on disposal	18	(518,126)	155,627
Foreign exchange gain		<u>1,564,307</u>	<u>1,532,650</u>
<b>Profit for the year</b>	19	<b>14,727,074</b>	<b>22,891,277</b>
Retained earnings brought forward		<u>105,242,279</u>	<u>82,351,002</u>
<b>Retained earnings carried forward</b>		<b><u>119,969,353</u></b>	<b><u>105,242,279</u></b>

The notes on pages 7 to 20 form an integral part of these financial statements  
 Auditors' report on pages 3 and 3(a)



## SEYCHELLES PUBLIC TRANSPORT CORPORATION

## CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011

	Notes	2011 SR	2010 SR
<b>Cash flows from operating activities</b>			
Profit for the year		14,727,074	22,891,277
<i>Adjustments for</i>			
Donation of inventory	10	(205,078)	-
Depreciation on property and equipment	16	4,267,961	1,910,763
Loss/(Gain) on sale of property and equipment	10/18	518,126	(155,627)
Credit impairment on assets held for sale	13	-	72,596
Interest receivable	17	(1,101,348)	(796,916)
Movement in provision for retirement benefit obligation		1,471,081	1,104,003
		<u>19,677,816</u>	<u>25,026,096</u>
<i>Changes in working capital</i>			
- Inventories		4,087,183	(1,951,735)
- Trade and other receivables		5,545,692	(12,951,424)
- Other payables		(177,196)	2,985,414
Cash generated from operations		<u>29,133,495</u>	<u>13,108,351</u>
Interest received		1,101,348	796,916
<b>Net cash inflow from operating activities</b>		<u>30,234,843</u>	<u>13,905,267</u>
<b>Cash flow from investing activities</b>			
Purchase of property and equipment		(45,656,928)	(12,221,295)
Purchase of investment		(66,223,151)	(26,600,000)
Proceed received from assets held for sale	13	-	2,100,000
Proceeds from sale of property and equipment	18	158,701	265,000
Proceeds from redemption of investment		41,068,544	14,020,809
<b>Net cash outflow from investing activities</b>		<u>(70,652,834)</u>	<u>(22,435,486)</u>
<b>Cash flow from financing activities</b>			
Development grant received and net cash flow from financing activities		<u>19,407,100</u>	<u>4,417,998</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(21,010,892)</u>	<u>(4,112,221)</u>
<b>Movement in cash and cash equivalents</b>			
At January, 1	9	34,164,483	38,276,704
Decrease		(21,010,892)	(4,112,221)
<b>At December, 31</b>	<b>9</b>	<b>13,153,591</b>	<b>34,164,483</b>

The notes on pages 7 to 20 form an integral part of these financial statements

Auditors' report on pages 3 and 3(a)

## SEYCHELLES PUBLIC TRANSPORT CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2011

#### 1. GENERAL INFORMATION

The Corporation is fully owned by the Government of Seychelles and is domiciled in Seychelles. Main office is located at Victoria, Seychelles and so is its principal place of business.

The principal activities of the Corporation are as stated in the Directors' report on page 1.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise

**2.1** The financial statements have been prepared under the historical cost convention and comply with Generally Accepted Accounting Standards in Seychelles. Where necessary comparative figures have been amended to conform with change in presentation in current year.

##### 2.2 Summary of significant accounting policies

###### (a) Property and equipment

All property and equipment is stated at historical cost less depreciation. Except for land which is stated at cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably.

Depreciation on property and equipment acquired by the Corporation from Development Grants is reduced from Development Grant carried in the books under non-current liabilities and credited to the total depreciation charge in the income statement.

Depreciation is calculated on the straight line method to write off the cost of the assets to their residual values over their estimated useful lives as follows:

	%
Leasehold Buildings	2 - 20
Furniture & Equipment	10 - 50
Vehicles & Engines	14.29 - 20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each balance sheet date.

Gains and losses on disposal of property and equipment are determined by comparing proceeds with carrying amount and are included in the income statement.



**SEYCHELLES PUBLIC TRANSPORT CORPORATION****NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2011****2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.2 Summary of significant accounting policies (Cont'd)****(b) Inventories**

Inventories comprising of technical spares, operating supplies and consumables, are stated at cost and are measured on moving weighted average basis.

Provisions for obsolete inventories are based on management's appraisal of inventories. Obsolete items of inventories are written off against the provision when identified, and which in the opinion of management, cannot be used in the future.

**(c) Financial instruments**

Financial assets and liabilities are recognised on the Corporation's balance sheet when the Corporation becomes a party to the contractual provisions of the instrument.

The Corporation's accounting policies in respect of the main financial instruments are set out below

**(i) Investments**

Investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Corporation has the positive intention and ability to hold to

**(ii) Trade and other receivables**

Trade and other receivables are recognised initially at fair value less any provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of the receivables. The amount of provision is recognised in the income statement.

The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flows.

**(iii) Cash and cash equivalents**

Cash comprises of cash in hand and at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, against which bank overdrafts, if any, are deducted. The cash flow statement is prepared using the indirect method.

## SEYCHELLES PUBLIC TRANSPORT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2011

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## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 Summary of significant accounting policies (Cont'd)

## (c) Financial instruments (Cont'd)

(iv) *Other payables*

Other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

## (d) Retirement benefit obligation

The Corporation provides for gratuity and compensation for length of service as per the regulations of Ministry of Administration and Manpower applicable to public enterprises.

Gratuity

As per Circular No.6 of 2006, effective from January 1st, 2007, employees of the public enterprises engaged on continuous terms of service are paid gratuity every five years.

Provision is made on a yearly basis for this liability by charging the income statement and reversed if the employee leaves the Corporation before completing first 5 years or thereafter at the interval of the next 5 years.

Compensation

The amendments to the Seychelles Employment Act entitle an employee 5/6th of a day's wage for each completed month of service. The Corporation accrues this liability on a current basis and carries it to a provision account for payments to be made as and when they occur.

## (e) Foreign currencies

(i) *Functional and presentation currency*

Items included in the financial statements are measured using Seychelles Rupee, the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Corporation are presented in Seychelles Rupees, which is the Corporation's functional and presentation currency.



## SEYCHELLES PUBLIC TRANSPORT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2011

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## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.2 Summary of significant accounting policies (Cont'd)

## (e) Foreign currencies (Cont'd)

(ii) *Transactions and balances*

Foreign currency transactions are translated in the Seychelles Rupee using the exchange rates ruling on the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Income Statement. Monetary assets and liabilities, represented in foreign currency, are translated into Seychelles Rupee using the exchange rates ruling on the balance sheet date.

Non-monetary assets which are denominated in a currency other than the Seychelles Rupee are translated at exchange rates prevailing at the date these assets were recognised in the Financial Statements.

## (f) Development grant

Development grant received from the Government of Seychelles for acquisition of property and equipment and property and equipment received in form of donations is treated as deferred income by crediting development grant, reflected as non current liability in the balance sheet.

Depreciation calculated on such assets is released from development grant and credited to depreciation charge in the income statement until those assets are fully depreciated.

In the event that property and equipment acquired from development grant are disposed off before they are fully depreciated, the carrying amount of such asset is reversed to the development grant and gain or loss, if any, are recognised to the income statement.

## (g) Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).



**SEYCHELLES PUBLIC TRANSPORT CORPORATION****NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2011****2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.2 Summary of significant accounting policies (Cont'd)****(h) Revenue recognition**

Revenue comprises sale of bus tickets and the fair value for the sale of services, net of rebates and discounts.

Sales of bus tickets are recognised on a cash basis whereas sales of services are recognised in the accounting year in which the services are rendered (by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of total services to be provided).

Other revenues earned by the Corporation are recognised on the following basis:

- Interest income - on a time-proportion basis using the effective interest method.
- Rental income - as and when it falls due.
- Repair income - on accrual basis as and when services are rendered.

**(i) Business tax**

The Corporation is exempt from tax as per paragraph 1 of the Second Schedule to Business Tax Act 2009.

**(j) Provisions**

Provisions are recognised when the Corporation has a present or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

**3. FINANCIAL RISK MANAGEMENT**

The Corporation's activity exposes it to a variety of financial risks, including: credit risk, liquidity risk, foreign exchange risk and interest rate risk.

**(a) Credit risk**

The Corporation's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Corporation's management based on experience and the current economic environment.

**SEYCHELLES PUBLIC TRANSPORT CORPORATION****NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2011****3. FINANCIAL RISK MANAGEMENT (Cont'd)****(a) Credit risk (Cont'd)**

The Corporation has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Corporation has policies in place to ensure that sales of services are made to customers with an appropriate credit history.

**(b) Liquidity risk**

The Corporation manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities as applicable. Liquidity risk is considered as low.

**(c) Foreign exchange risk**

The Corporation is exposed to foreign exchange risk arising mainly on purchases from foreign suppliers, salaries to expatriates and billing of certain customers in foreign currency.

**(d) Interest rate risk**

The Corporation does not have any significant interest-bearing assets and liabilities and its income and operating cash flows are substantially independent of changes in market interest rates. The Corporation is not significantly exposed to interest rate risk.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions**

The Corporation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, in the financial statements, there were no estimates and assumptions that had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## 5. PROPERTY AND EQUIPMENT

	Buildings on Leasehold Land		Vehicles and Engines		Furniture and Equipment		Capital work in progress		Total SR
	Freehold Land	SR	SR	SR	SR	SR	SR	SR	
<u><b>COST</b></u>									
At January 1, 2011	75,000	27,812,591	81,203,569	20,769,105	-	-	1,969,122	-	129,860,265
Additions	-	-	42,177,763	1,510,043	-	-	-	-	45,656,928
Disposals	-	(99,300)	(4,223,872)	(2,498,509)	-	-	-	-	(6,821,681)
<b>At December 31, 2011</b>	<b>75,000</b>	<b>27,713,291</b>	<b>119,157,460</b>	<b>19,780,640</b>	<b>-</b>	<b>1,969,122</b>	<b>-</b>	<b>-</b>	<b>168,695,513</b>
<u><b>ACCUMULATED DEPRECIATION</b></u>									
At January 1, 2011	-	17,418,567	48,640,480	11,535,745	-	-	-	-	77,594,792
Charge for the year	-	765,772	10,522,605	2,020,947	-	-	-	-	13,309,324
Disposals	-	(84,064)	(4,223,872)	(1,685,862)	-	-	-	-	(5,993,798)
<b>At December 31, 2011</b>	<b>-</b>	<b>18,100,275</b>	<b>54,939,213</b>	<b>11,870,830</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,910,318</b>
<u><b>NET BOOK VALUE</b></u>									
<b>At December 31, 2011</b>	<b>75,000</b>	<b>9,613,016</b>	<b>64,218,247</b>	<b>7,909,810</b>	<b>1,969,122</b>	<b>-</b>	<b>83,785,195</b>	<b>-</b>	<b>2010</b>
<b>At December 31, 2010</b>	<b>75,000</b>	<b>10,394,024</b>	<b>32,563,089</b>	<b>9,233,360</b>	<b>-</b>	<b>-</b>	<b>52,265,473</b>	<b>-</b>	<b>SR</b>
Breakdown of buildings on leasehold land is given below:									
Leasehold buildings (expiring in August 2048)									2,500,000
Other buildings									25,312,591
									<b>27,713,291</b>
									<b>27,812,591</b>

## SEYCHELLES PUBLIC TRANSPORT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2011

## 6. INVENTORIES

	2011	2010
	SR	SR
Vehicle spares	15,944,750	19,495,345
Consumables, loose tools and operating supplies	3,236,289	3,567,799
Provision for obsolete inventories (note (a) below)	19,181,039	23,063,144
	(14,004)	(14,004)
	<u>19,167,035</u>	<u>23,049,140</u>

(a) Movements in provision for obsolete inventories is as follows:

At January, 1	14,004	2,321,687
Write off / provision for the year	-	(2,307,683)
At December, 31	<u>14,004</u>	<u>14,004</u>

## 7. TRADE AND OTHER RECEIVABLES

	2011	2010
	SR	SR
Trade receivables	8,916,319	4,140,563
Prepayments to overseas suppliers	1,677,038	9,083,363
Receivables in respect of cash defalcation	434,487	487,538
Provision for credit impairment (note (a) below)	11,027,844	13,711,464
	(1,100,582)	(1,181,136)
	<u>9,927,262</u>	<u>12,530,328</u>
Deposits, advances and prepayments	4,274,649	7,217,275
	<u>14,201,911</u>	<u>19,747,603</u>

(a) Movement on the provision for credit impairment is as follows:

	2011	2010
	SR	SR
At January, 1	1,181,136	1,066,045
Write off during the year	(118,847)	(578,507)
Provision for the year	38,293	693,598
At December, 31	<u>1,100,582</u>	<u>1,181,136</u>

(b) The carrying amounts of trade and other receivables approximate their fair value.

## SEYCHELLES PUBLIC TRANSPORT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2011

## 8. INVESTMENTS

	2011	2010
	SR	SR
Investments in money market	<u>51,754,607</u>	<u>26,600,000</u>

The investments earn interest ranging from 0.55% to 5% (In 2010 : 2.35% to 4.75%), mature in less than one year and were neither past due nor impaired.

## 9. CASH AND CASH EQUIVALENTS

	2011	2010
	SR	SR
Cash in hand	13,000	13,000
Cash at bank	<u>13,140,591</u>	<u>34,151,483</u>
	<u>13,153,591</u>	<u>34,164,483</u>

## 10. ACCUMULATED DEVELOPMENT GRANT

	2011	2010
	SR	SR
At January, 1	33,734,215	29,274,095
Grant received during the year	19,407,100	3,000,000
Donation of property and equipment	-	6,346,440
Donation of inventory	205,078	-
Grant received in advance in prior year (note 12)	<u>3,000,000</u>	<u>1,417,998</u>
	<u>56,346,393</u>	<u>40,038,533</u>
Net book value of assets disposed originally acquired from grant (note 18)	(151,056)	(293,037)
Release to income statement		
- Operating costs	(205,078)	-
- Depreciation charge (note 16)	<u>(9,041,363)</u>	<u>(6,011,281)</u>
At December, 31	<u>46,948,896</u>	<u>33,734,215</u>

## SEYCHELLES PUBLIC TRANSPORT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2011

## 11. RETIREMENT BENEFIT OBLIGATION

Retirement benefits comprise gratuity and length of service compensation payable on retirement of employees under the Seychelles Employment Act.

	2011	2010
	SR	SR
At January, 1		
Charge to income statement	9,279,121	8,175,118
	<u>2,462,391</u>	<u>2,374,103</u>
Paid during the year	11,741,512	10,549,221
At December, 31	<u>(991,310)</u>	<u>(1,270,100)</u>
	<u>10,750,202</u>	<u>9,279,121</u>

## 12. OTHER PAYABLES

	2011	2010
	SR	SR
Other payables and accruals		
Development grant received in advance (note 10)	4,317,276	4,555,224
Advances received	-	3,000,000
	<u>76,612</u>	<u>15,860</u>
	<u>4,393,888</u>	<u>7,571,084</u>

## 13. ASSETS HELD FOR SALE

	2011	2010
	SR	SR
At January, 1		
Equipment	-	2,172,596
Inventories	-	-
	<u>-</u>	<u>-</u>
Proceeds received during the year	-	2,172,596
Amount written off		(2,100,000)
At December, 31		<u>(72,596)</u>

In February 2009, the Corporation discontinued its operations on Praslin. As a result to this, assets were classified as held for sale, and disposed in 2010.



## SEYCHELLES PUBLIC TRANSPORT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2011

## 14. OTHER INCOME

	2011	2010
	SR	SR
Advertising income	281,098	-
Income from repairs	330,106	231,072
Rental income	387,100	378,300
Sundry income	1,477,610	1,027,259
	<u>2,475,914</u>	<u>1,636,631</u>

## 15. EXPENSES BY NATURE

	2011	2010
	SR	SR
Cost of inventories (note (a))	50,152,721	46,328,052
Employee benefit expense (note 20)	59,537,458	52,103,406
Repairs and maintenance	2,716,948	1,962,122
Office expenses	3,783,988	3,017,555
Other expenses	6,727,897	5,526,617
	<u>122,919,012</u>	<u>108,937,752</u>

## Analysed as:

- Staff costs	59,537,458	52,103,406
- Operating costs	52,869,670	48,290,174
- Administrative costs	10,511,884	8,544,172
	<u>122,919,012</u>	<u>108,937,752</u>

## (a) Cost of inventories

Fuel	28,164,403	21,681,003
Lubricants	878,307	1,223,271
Tyres	9,190,018	9,171,057
Spares and consumables	11,919,993	14,252,721
	<u>50,152,721</u>	<u>46,328,052</u>

## 16. DEPRECIATION

	2011	2010
	SR	SR
Depreciation charge for the year (note 5)	13,309,324	7,922,044
Release from development grant (note 10)	(9,041,363)	(6,011,281)
Net charge to Income Statement	<u>4,267,961</u>	<u>1,910,763</u>

## 17. NET FINANCE INCOME

	2011	2010
	SR	SR
Interest income	1,121,665	922,363
Withholding tax	(20,317)	(125,447)
	<u>1,101,348</u>	<u>796,916</u>

## 18. (LOSS)/GAIN ON DISPOSAL OF PROPERTY AND EQUIPMENT

	2011	2010
	SR	SR
Net book value of property and equipment disposed	(827,883)	(402,410)
Less: Release from Development grant (Note 10)	151,056	293,037
Less: Proceeds received from disposals	158,701	265,000
Net (charge)/credit to income statement	<u>(518,126)</u>	<u>155,627</u>

## 19. PROFIT FOR THE YEAR

	2011	2010
	SR	SR
Profit for the year is arrived at after charging:		
Depreciation (note 16)	4,267,961	1,910,763
Auditor's remuneration	147,063	147,063
Employee benefit expense (note 20)	<u>59,537,458</u>	<u>52,103,406</u>

## SEYCHELLES PUBLIC TRANSPORT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2011

## 20. EMPLOYEE BENEFIT EXPENSE

	2011	2010
	SR	SR
Salaries and wages	46,904,256	39,377,482
Social security costs	7,411,073	7,624,059
Gratuity & compensation	2,462,421	2,374,103
Other staff costs	2,759,708	2,727,762
	<u>59,537,458</u>	<u>52,103,406</u>

## 21. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2011 (2010: Nil).

## 22. CAPITAL COMMITMENTS

	2011	2010
	SR	SR
Approved but not yet contracted for:		
Property development	22,500,000	20,300,000
Equipment	4,956,000	6,626,000
Buses & vehicles	<u>15,000,000</u>	<u>7,350,000</u>

## SEYCHELLES PUBLIC TRANSPORT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2011

## 23. FINANCIAL SUMMARY

	2011 SR' 000	2010 SR' 000	2009 SR' 000	2008 SR' 000	2007 SR' 000
Profit for the year	14,727	22,891	30,115	(23,495)	(10,182)
Subvention	-	-	-	15,000	15,000
Profit / (loss) for the year	14,727	22,891	30,115	15,000	15,000
Retained earnings brought forward	105,242	82,351	52,236	60,731	55,913
Retained earnings carried forward	119,969	105,242	82,351	52,236	60,731
Accumulated Development Grant	46,949	33,734	29,274	18,408	12,724

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## INCOME AND EXPENDITURE ACCOUNT - YEAR ENDED DECEMBER 31, 2011

	2011	2010
	SR	SR
<b>Income</b>		
Income from operations	137,328,897	130,311,566
Release from development grant	9,041,363	6,011,281
Interest income	1,121,665	922,363
Sundry income	2,475,914	1,636,631
	<b>149,967,839</b>	<b>138,881,841</b>
<b>Expenditure</b>		
Staff related expenses	59,537,458	52,103,406
Operating expenses	50,152,721	46,328,052
Repairs and maintenance	2,716,948	1,962,122
Administrative expenses	9,274,377	7,719,160
Legal and professional fees	561,338	528,210
Advertising and promotion expenses	676,170	224,207
Net foreign exchange (gain)/loss	(1,564,307)	(1,532,650)
Withholding tax expenses	20,317	125,447
Depreciation	13,309,324	7,922,044
Loss/(Gain) on disposal of property and equipment	518,126	(155,627)
Bad debts write offs	-	72,595
Bad debt provision	38,293	693,598
<b>Total expenditure</b>	<b>135,240,765</b>	<b>115,990,564</b>
<b>Surplus for the year</b>	<b>14,727,074</b>	<b>22,891,277</b>