

**SEYCHELLES PUBLIC TRANSPORT CORPORATION**

**Directors' Report and Financial Statements**

**Year Ended December 31, 2009**

# SEYCHELLES PUBLIC TRANSPORT CORPORATION

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# SEYCHELLES PUBLIC TRANSPORT CORPORATION

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## DIRECTORS' REPORT

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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, 2009.

### PRINCIPAL ACTIVITY

The Corporation operates the public transport in Seychelles.

### SIGNIFICANT EVENT DURING THE YEAR

The Corporation discontinued its operations on Praslin effective February 2009.

Pursuant to reforms introduced effective November 1, 2008, the Corporation ceased to receive subvention from Government of Seychelles effective January 1, 2009.

### RESULTS

SR

Profit for the year	30,114,725
Retained earnings brought forward	52,236,277
<b>Retained earnings carried forward</b>	<b>SR 82,351,002</b>

### PROPERTY AND EQUIPMENT

Additions to property and equipment of SR.19.3 million during the year comprised mainly vehicles and equipment (2008: SR. 9.6m). There was no disposal during the year (2008: SR 73,367 at net book value).

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 (as from October 1, 2009)  
Gilbert Morin - Chairman (as from October 1, 2009)  
Idith Alexander (as from October 1, 2009)  
Brenda Bastienne (as from October 1, 2009)  
Jules Hoareau (as from October 1, 2009)  
Veronique Herminie (as from October 1, 2009)  
Daniel Gappy - Managing Director (up to September 30, 2009)  
Olsen Vidot (up to September 30, 2009)  
Hans Aglae (up to January 7, 2009)  
Jessie Esparon (up to September 30, 2009)  
Patrick Andre (up to September 30, 2009)  
Ronald Cafrine (up to September 30, 2009)

**DIRECTORS' REPORT (CONT'D)**

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**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.

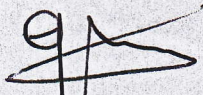
The Directors consider they have met their aforesaid responsibilities.

**AUDITORS**

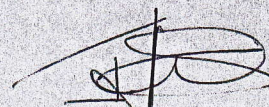
The retiring auditors, BDO Associates, (previously known as A. J. Shah & Associates), are eligible for re-appointment.



**Veronique Laporte**  
Chief Executive Officer



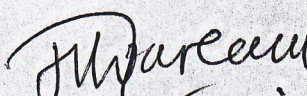
**Gilbert Morin**  
Chairman



**Idith Alexander**  
Director



**Brenda Bastienne**  
Director



**Jules Hoareau**  
Director



**Veronique Herminie**  
Director

Dated: August 9, 2010  
Victoria, Seychelles

**SEYCHELLES PUBLIC TRANSPORT CORPORATION**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

This report is made solely to the members of 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 members 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 members as a 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 17 which comprise the Balance Sheet as at December 31, 2009, 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 17 give a true and fair view of the financial position of the Corporation at December 31, 2009 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.

BDO Associates, a partnership registered in Seychelles, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Partners: A.J. Shah, Sunil Shah, Jacques Pougnet and Yacoob Ramtoola



SEYCHELLES PUBLIC TRANSPORT CORPORATION

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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.

A handwritten signature in dark ink that reads 'BDO Associates'.

**BDO Associates**

**Chartered Accountants**

Dated: August 9, 2010  
Victoria, Seychelles

## SEYCHELLES PUBLIC TRANSPORT CORPORATION

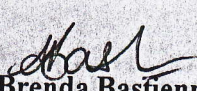
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## BALANCE SHEET AS AT DECEMBER 31, 2009

	Notes	2009 SR	2008 SR
<b>ASSETS</b>			
<b>Non-current asset</b>			
Property and equipment	5	42,022,192	30,822,345
<b>Current assets</b>			
Inventories	6	21,097,405	18,487,620
Trade and other receivables	7	6,796,179	6,364,049
Investments	8	14,020,809	13,595,614
Cash and bank balances	9	38,276,704	16,606,005
		80,191,097	55,053,288
Assets classified as held for sale	13	2,172,596	-
<b>Total assets</b>		SR 124,385,885	85,875,633
<b>EQUITY AND LIABILITIES</b>			
<b>Financed by</b>			
Retained earnings		82,351,002	52,236,277
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Development grant	10	29,274,095	18,408,093
Retirement benefit obligation	11	8,175,118	11,011,827
		37,449,213	29,419,920
<b>Current liabilities</b>			
Other payables	12	4,585,670	4,219,436
<b>Total liabilities</b>		42,034,883	33,639,356
<b>Total equity and liabilities</b>		SR 124,385,885	85,875,633

These financial statements have been approved for issue by the Board of Directors on August 9, 2010.

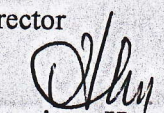
  
Veronique Laporte  
Chief Executive Officer

  
Brenda Bastienne  
Director

  
Gilbert Morin  
Chairman

  
Jules Hoareau  
Director

  
Idith Alexander  
Director

  
Veronique Herminie  
Director

The notes on pages 7 to 17 form an integral part of these financial statements.  
Auditors' report on pages 3 and 3(a).

## SEYCHELLES PUBLIC TRANSPORT CORPORATION

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## INCOME STATEMENT - YEAR ENDED DECEMBER 31, 2009

	Notes	2009 SR	2008 SR
Revenue from operations	2(i)	135,408,961	73,077,592
Subvention	2(g)	-	15,000,000
Other income	14	1,465,212	627,073
		136,874,173	88,704,665
Staff costs	15	(42,699,898)	(47,817,123)
Operating costs	15	(51,609,606)	(43,603,854)
Administrative expenses	15	(6,743,450)	(5,790,440)
Depreciation	16	(1,916,177)	(1,799,252)
Profit / (loss) before net finance income		33,905,042	(10,306,004)
Net finance income	17	1,389,782	1,036,897
Profit / (loss) after net finance income		35,294,824	(9,269,107)
Foreign exchange (losses) / gains		(5,180,099)	774,198
Profit / (loss) for the year	18	30,114,725	(8,494,909)
Retained earnings brought forward		52,236,277	60,731,186
Retained earnings carried forward	SR	82,351,002	52,236,277

The notes on pages 7 to 17 form an integral part of these financial statements.  
Auditors' report on pages 3 and 3(a).

## SEYCHELLES PUBLIC TRANSPORT CORPORATION

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## CASH FLOW STATEMENT - YEAR ENDED DECEMBER 31, 2009

	Notes	2009 SR	2008 SR
<b>Cash flows from operating activities</b>			
Profit / (loss) for the year		30,114,725	(8,494,909)
<i>Adjustments for</i>			
Depreciation on property and equipment	5	7,000,293	6,003,359
Loss on sale of property and equipment		-	60,367
Net Interest	17	(1,389,782)	(1,036,897)
Amortisation of development grant		(5,394,456)	(4,263,681)
Movement in provision for gratuity and compensation		(2,836,709)	849,817
		<u>27,494,071</u>	<u>(6,881,944)</u>
<i>Changes in working capital</i>			
- Inventories		(3,704,411)	(3,876,048)
- Trade and other receivables		803,270	(2,567,994)
- Other payables		366,235	3,028,126
<b>Cash generated from / (used in) operations</b>		<u>24,959,165</u>	<u>(10,297,860)</u>
Interest paid		(61,725)	(19,802)
Interest received		528,788	768,118
<b>Net cash inflow / (outflow) from operating activities</b>		<u>25,426,228</u>	<u>(9,549,544)</u>
<b>Cash flow from investing activities</b>			
Purchase of property and equipment		(11,433,352)	(9,608,783)
Purchase of investment		(14,020,809)	(13,595,614)
Proceeds from sale of property and equipment		-	13,000
Proceeds from maturity of investment		13,595,614	13,224,692
<b>Net cash outflow from investing activities</b>		<u>(11,858,547)</u>	<u>(9,966,705)</u>
<b>Cash flow from financing activities</b>			
Repayment of borrowings		-	(548,657)
Development grant received		8,103,018	9,947,608
<b>Net cash inflow from financing activities</b>		<u>8,103,018</u>	<u>9,398,951</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	SR	<u>21,670,699</u>	<u>(10,117,298)</u>
<b>Movement in cash and cash equivalents</b>			
At January 1,	9	16,606,005	26,723,303
Increase / (decrease)		21,670,699	(10,117,298)
<b>At December 31,</b>	9 SR	<u>38,276,704</u>	<u>16,606,005</u>

The notes on pages 7 to 17 form an integral part of these financial statements.  
Auditors' report on pages 3 and 3(a).

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2009

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**1. GENERAL INFORMATION**

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

These financial statements will be submitted for approval at the forthcoming Board meeting of the Corporation.

**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 stated.

**(a) Basis of preparation**

The financial statements of the Corporation have been prepared in accordance with Generally Accepted Accounting Standards in Seychelles under the historical cost convention.

**(b) Property and equipment**

All property and equipment is stated at historical cost less depreciation. 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 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

Land is not depreciated.

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.

**(c) Inventories**

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

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(c) Inventories (cont'd)**

Provisions for obsolete inventories are based on the 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.

**(d) Financial instruments**

Financial assets and liabilities are recognised on the Corporation's balance sheet when the Corporation has become 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 maturity.

**(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) Other payables**

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

**(iv) Borrowings**

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

**(v) Cash and cash equivalents**

Cash and cash equivalents include cash in hand and cash at banks reduced by bank overdrafts, if any.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(e) 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 in the year 1999 entitle an employee one 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.

**(f) Foreign currencies*****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.

***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

**(g) Subvention**

This represents revenue grants received from the Government of Seychelles to subsidise the public transport. The corporation ceased to receive subvention effective January 1, 2009.

**(h) Development grant**

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

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(h) Development grant (cont'd)**

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.

**(i) 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.

**(j) 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).

**(k) Taxation**

The Corporation is exempt from taxation as per paragraph 1 of the Second Schedule to The Business Tax Act 1987 and Business Tax Act 2009.

**(l) 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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2009

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**3. FINANCIAL RISK MANAGEMENT****Financial risks factors**

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.

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. The Corporation is not significantly exposed to liquidity risk.

**(c) Foreign exchange risk**

The Corporation is exposed to foreign exchange risk arising mainly on purchases from foreign suppliers 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.

SEYCHELLES PUBLIC TRANSPORT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2009

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5. PROPERTY AND EQUIPMENT

<u>COST</u>	Freehold Land		Leasehold Buildings		Vehicles & Engines		Furniture and Equipment		Work in Progress		Total	
	SR		SR		SR		SR		SR		SR	
At January 1, 2009	75,000		29,845,066		55,381,149		14,535,331		2,342		99,838,888	
Additions	-		-		16,396,114		2,881,996		-		19,278,110	
Reclassification	-		2,342		(627,560)		627,560		(2,342)		-	
Transfer to assets classified as held for sale			(2,034,817)		(243,703)		(325,795)				(2,604,315)	
At December 31, 2009	75,000		27,812,591		70,906,000		17,719,092		-		116,512,683	
<u>ACCUMULATED DEPRECIATION</u>												
At January 1, 2009	-		16,858,007		42,820,578		9,337,958		-		69,016,543	
Charge for the year	-		850,175		4,637,837		1,512,281		-		7,000,293	
Reclassification	-		-		(208,830)		208,830		-		-	
Transfer to assets classified as held for sale			(1,107,322)		(194,973)		(224,050)				(1,526,345)	
At December 31, 2009	-		16,600,860		47,054,612		10,835,019		-		74,490,491	
<u>NET BOOK VALUE</u>												
At December 31, 2009	75,000		11,211,731		23,851,388		6,884,073		-		42,022,192	
At December 31, 2008	75,000		12,987,059		12,560,571		5,197,373		2,342		30,822,345	

Breakdown of Leasehold buildings is given below:

<u>2009 &amp; 2008</u>	<u>SR</u>
Buildings on other leasehold land (expiring in August 2048)	2,500,000
Other leasehold buildings	25,312,591
	<u>27,812,591</u>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2009

## 6. INVENTORIES

	2009	2008
	SR	SR
Vehicle spares	21,340,851	15,993,878
Consumables, loose tools and operating supplies	3,172,867	3,119,973
Transfer to assets classified as held for sale (note 13)	(1,094,626)	-
	<u>23,419,092</u>	<u>19,113,851</u>
Provision for obsolete inventories (note (a) below)	(2,321,687)	(626,231)
SR	<u><u>21,097,405</u></u>	<u><u>18,487,620</u></u>

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

At January 1,	626,231	666,702
Charge / (credit) for the year	1,695,456	(40,471)
At December 31,	<u><u>SR 2,321,687</u></u>	<u><u>626,231</u></u>

## 7. TRADE AND OTHER RECEIVABLES

	2009	2008
	SR	SR
Trade receivables	3,945,952	3,356,076
Prepayments to overseas suppliers	1,297,930	1,963,361
Receivables in respect of cash defalcation	505,937	441,488
	<u>5,749,819</u>	<u>5,760,925</u>
Provision for credit impairment (note (b) below)	(1,066,045)	(720,243)
	<u>4,683,774</u>	<u>5,040,682</u>
Deposits, advances and prepayments	2,112,405	1,323,367
SR	<u><u>6,796,179</u></u>	<u><u>6,364,049</u></u>

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

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

	2009	2008
	Rs.	Rs.
At January 1,	720,243	450,128
Credit charge for the year	345,802	270,115
At December 31,	<u><u>SR 1,066,045</u></u>	<u><u>720,243</u></u>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2009

## 8. INVESTMENTS

	2009	2008
	SR	SR
Investments in money market	SR <u>14,020,809</u>	<u>13,595,614</u>

The investments earn interest at the rate of 12.75%, mature in less than one year and were neither past due nor impaired.

## 9. CASH AND CASH EQUIVALENTS

	2009	2008
	SR	SR
Cash in hand	12,000	13,000
Cash at bank	38,264,704	16,593,005
	SR <u>38,276,704</u>	<u>16,606,005</u>

## 10. DEVELOPMENT GRANT

	2009	2008
	SR	SR
At January 1,	18,408,093	12,724,166
Grant received during the year	16,260,458	9,947,608
	34,668,551	22,671,774
Net book value of assets disposed originally acquired from grant	-	(59,574)
Release to income statement		
- Operating costs	(310,340)	-
- Depreciation charge (note 16)	(5,084,116)	(4,204,107)
At December 31,	SR <u>29,274,095</u>	<u>18,408,093</u>

## 11. RETIREMENT BENEFIT OBLIGATION

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

	2009	2008
	SR	SR
At January 1,	11,011,827	10,162,010
Charge to income statement	(450,819)	3,987,758
	10,561,008	14,149,768
Paid during the year	(2,385,890)	(3,137,941)
At December 31,	SR <u>8,175,118</u>	<u>11,011,827</u>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2009

## 12. OTHER PAYABLES

	2009	2008
	SR	SR
Other payables and accruals	3,133,507	3,017,424
Advances received	1,452,163	1,202,012
SR	<u>4,585,670</u>	<u>4,219,436</u>

## 13. ASSETS HELD FOR SALE

Effective February 2009, the Corporation discontinued its operations on Praslin. As a result to this, assets classified as held for sale are as follows:

	2009
	SR
Equipment	1,077,970
Inventories	1,094,626
SR	<u>2,172,596</u>

## 14. OTHER INCOME

	2009	2008
	SR	SR
Advertising income	400,000	-
Income from repairs	168,438	163,350
Rental income	343,725	108,000
Sundry income	553,049	355,723
SR	<u>1,465,212</u>	<u>627,073</u>

## 15. EXPENSES BY NATURE

	2009	2008
	SR	SR
Cost of inventories	50,012,063	41,833,572
Employee benefit expense (note 19)	42,699,898	47,817,123
Repairs and maintenance	1,597,542	1,770,282
Office expenses	2,321,385	1,729,221
Other expenses	4,422,066	4,061,219
SR	<u>101,052,954</u>	<u>97,211,417</u>

*Analysed as:*

- Staff costs	42,699,898	47,817,123
- Operating costs	51,609,606	43,603,854
- Administrative costs	6,743,450	5,790,440
SR	<u>101,052,954</u>	<u>97,211,417</u>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2009

## 16. DEPRECIATION

	2009	2008
	SR	SR
Depreciation charge for the year (note 5)	7,000,293	6,003,359
Release from development grant (note 10)	(5,084,116)	(4,204,107)
Net charge to Income Statement	SR 1,916,177	1,799,252

## 17. NET FINANCE INCOME

	2009	2008
	SR	SR
Interest income	1,451,507	1,056,699
Interest expense	(61,725)	(19,802)
SR	1,389,782	1,036,897

## 18. PROFIT / (LOSS) FOR THE YEAR

	2009	2008
	SR	SR
(a) Profit / (loss) for the year is arrived at after:		
<b>Crediting:</b>		
Development grant released during the year	5,394,456	4,204,107
Provision for obsolete inventories - credit (note 6)	-	40,471
<b>and (charging):</b>		
Depreciation (note 5 & 16)	7,000,293	6,003,359
Auditor's remuneration	147,063	147,063
Provision for obsolete inventories - charge (note 6)	1,695,456	-
Provision for credit impairment (note 7)	345,802	270,115
Employee benefit expense (note 19)	42,699,898	47,817,123

## 19. EMPLOYEE BENEFIT EXPENSE

	2009	2008
	SR	SR
Salaries and wages	35,039,618	35,048,436
Social security costs	7,065,414	7,269,050
Gratuity & compensation	(814,853)	3,987,758
Other staff costs	1,409,719	1,511,879
SR	42,699,898	47,817,123

## 20. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2009 (2008: Nil).

## SEYCHELLES PUBLIC TRANSPORT CORPORATION

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## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2009

## 21. CAPITAL COMMITMENTS

	2009 SR	2008 SR
Approved but not contracted (From 2007 to 2010):		
Property development	-	14,500,000
GPRS equipment with float units	-	5,000,000
Other equipment	9,926,000	5,000,000
Buses	25,727,000	10,000,000

## 22. FINANCIAL SUMMARY

	2009 SR'000	2008 SR'000	2007 SR'000	2006 SR'000	2005 SR'000
Surplus / (deficit) from operations	30,115	(23,495)	(10,182)	(4,485)	(1,945)
Subvention	-	15,000	15,000	19,228	6,122
Surplus / (deficit) for the year	30,115	(8,495)	4,818	14,743	4,177
Accumulated surplus brought forward	52,236	60,731	55,913	41,170	36,993
Accumulated surplus carried forward	82,351	52,236	60,731	55,913	41,170
Capital Grant	SR 29,274	18,408	12,724	16,589	21,154

## SEYCHELLES PUBLIC TRANSPORT CORPORATION

NOT FOR PUBLICATION

## INCOME AND EXPENDITURE ACCOUNT - YEAR ENDED DECEMBER 31, 2009

	2009	2008
	SR	SR
<b>Income</b>		
Income from operations	135,408,961	73,077,592
Subvention and charge of capital grant	5,084,116	19,204,107
Interest income	1,380,054	995,812
Sundry income	1,536,665	687,960
	<u>143,409,796</u>	<u>93,965,471</u>
<b>Expenditure:</b>		
Staff related expenses	42,699,898	47,817,123
Operating expenses	50,012,063	41,833,572
Repairs and maintenance	1,597,542	1,770,282
Administrative expenses	5,663,239	4,907,694
Legal and professional fees	473,989	483,824
Advertising and promotion expenses	324,870	128,014
Net foreign exchange loss / (gain)	5,180,099	(774,198)
Interest expenses	61,725	19,802
Depreciation	7,000,293	6,003,359
Loss on disposal of property, plant and equipment	-	793
Bad debts provision / write offs	281,353	270,115
<b>Total expenditure</b>	<u>113,295,071</u>	<u>102,460,380</u>
<b>Surplus / (loss) for the year</b>	<u>30,114,725</u>	<u>(8,494,909)</u>