



Annual Report 2017





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SCAA Annual Report 2017

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Seychelles International Airport, Pointe Larue, Mahé, Seychelles

May 2018

Chairman's Statement

For the year ended 31st December, 2017

SCAA completed another remarkable year in 2017 and as Chairman of the Board of Directors for the Seychelles Civil Aviation Authority, it gives me great pleasure to convey the results of the 2017 financial year.

The Seychelles aviation industry recorded robust performance this year as it underwent vibrant changes driven by competition, heralding another successful year for the company. Revenue collected for this fiscal year amounted to SCR457.8 million, with pre-tax profit totalling SCR179.3 million in comparison to SCR138.6 million in the previous year. Contributions to government in taxes and dividend were SCR106.9 million showing an increase of 26%.

Air traffic into Seychelles also grew significantly with a new entrant to the market as well as increase in frequencies by other airlines broadening connectivity to Europe's major cities. The wider network contributed to the surge in European visitor arrivals in particular in the German and French markets, creating fierce competition between airlines. Effectively, international visitor arrivals peaked at 347,999 contributing to passenger service fee earnings of \$14 million for this year, and translates to a 14% rise over 2016.

This opportune flux in visitor arrival also impacted positively on domestic travel with Praslin growing ever more popular. Inbound flights to the island recorded a 14% growth over 2016, while domestic travel to other inner islands grew by 8%, generating a respectable income of €223,330 in passenger fees from non-residents and SR892,172 from resident travellers up by 21%. It is worth noting that resident throughput also experienced growth of 5% over 2016 reaching 122,019 this year.

Commercial contributions in non-aeronautical revenue went up this year to 20% growth, with income of SCR41.4 million in total compared to 2016 (SCR34.408 million).

The influx of visitors into the country is an indication of a stable and buoyant economy as the destination continues to attract airlines and tourists. In economic terms it has been a major boost for Seychelles tourism and trade providing widespread opportunities for investment and commerce, that contribute to the



wealth of our country. The airport noted an exponential increase in its cargo operations as a result of the hike in air traffic leading to importation and exportation of goods increasing dramatically with figures for cargo commercial services rising by 2% (or 10,290 tonnes) Importation of goods excluding mail stood at 9,080 tonnes though exportation went up by 27% (1,077 tons) over 2016. For Seychelles, these are encouraging indicators of the two-fold contributions of the airport to the Seychelles economy directly through tax and dividends and through the facilitation of trade and tourism.

Large visitor numbers carry with it proliferation of security risks and heightens the need for best practices in the implementation of an effective security system. Consequently, security training proficiency in terms of procedures, technology and specialist operatives has become paramount. On this note the security division has been restructured into two units namely, Regulatory and Oversight and Implementation with ongoing recruitment to increase capacity in the division.

The Board focused its mandate to reinforce good governance across SCAA and proactively improved its effectiveness pertaining to review of external audits, oversight of projects and implementation of best practices following revised regulations enacted by the Government at the start of the year.

In addition, the International Professional Practices Framework (IPPF) internal auditing system was implemented to administer effective management of resources efficiency and the safe-guarding of fixed assets across the company. SCAA remains on track with its Investment Plan 2015-20.

An amount of SCR223 million has been injected to date in airport infrastructure projects. Other investments has been in the form of grants to other ministries and departments such as Land Transport, Ministry of Health and the Ministry of Education. Examples of some of the projects were the airport roundabout, cancer research and solar school programs.

In line with its corporate strategy to remain a socially responsible organization towards the environmental impact of aviation in the community and to maintain a sustainable aviation operation, SCAA also implemented

its internal environmental plan particularly in the management of noise pollution, water harvesting and waste management systems.

To conclude, SCAA witnessed a promising year as evident in its financial performance as a direct consequence of stable economic conditions driving growth. Profits gained were on target and as Chairman I am very satisfied with the results. It has been a great year and I look forward to SCAA's future success in the year ahead. I take this opportunity to thank everyone for their well deserved efforts, the Board Members support, the SCAA Management, the Minister for Tourism, Civil Aviation, Ports and Marine, shareholders and stakeholders – it has been a pleasure to work with you.

My acknowledgment


Captain David Savy
Chairman of the Board, SCAA

CEO's Report

For the year ended 31st December, 2017

The demand for commercial services to Seychelles remained high in 2017, with competing airlines launching new routes to the destination. For the airport, this was a welcome boost to the aviation business which directly benefited with a positive 14% growth in international passenger through-put compared to the previous year. This came to a total of 855,546 in passenger through-put: 431,211 in arrivals and 424, 335 in departures.

In terms of international visitor arrivals, the airport welcomed 347,999 with 83,212 comprising residents. Overall performance was excellent for the year, with top markets from Germany (50,476), France (41,118), UAE (28,209), (UK and Northern Ireland (21,991), South Africa (14,203) and Italian (23,716) markets respectively.

Despite the upward trends in passenger traffic, the airport also experienced some shortfalls as a result of a 4% decline in scheduled flight movements changing to 75 per week from 81 in the second half of 2017. This was due to the annulment of services by the national airline to Düsseldorf and Durban as well as the reduction in weekly services to Paris from 4 to 3 weekly flights. The outbreak of the pneumonic plague also contributed to temporary cancellations of flights to Madagascar as well. However, it is worth noting that these declines were offset by an increase of 10% in transfer passengers especially from Mauritius and Bombay routes operated by Air Seychelles, bringing the numbers for transfers to a whopping 77,374 this year.

Domestic services also rocketed correspondingly from the rise in international performance. By end of year, domestic operations recorded more than 136,000 passengers travelling to the inner and outer islands through Air Seychelles domestic, ZilAir and IDC operated flights. This was a remarkable growth of 9% compared to 2016, representing an impressive 272,000 passengers being handled at the domestic terminal altogether.

During the last quarter of 2017, another European carrier began operations with direct flights to Europe further boosting the destination's competitiveness with other regional airports. Consequently, these combining factors contributed to the airport generating an income of SCR408 million in aeronautical revenue for the year.

As the range of airlines operating services to the airport increased, it has inevitably created demands for cargo services as well. By year end, the airport recorded a 1.3% increase in incoming commercial cargo at 10,326 tonnes (up from 10,153 tonnes in 2016), to generate revenues of SCR1,029,000 for 2017. It is worth noting that Emirates holds the highest market share at 60% accounting to 6,158 tonnes of cargo yearly.



Although we remain satisfied with the upward impetus, we recognized the impact on passenger terminal facilities implementation plans to expand the overall capacity of the airport in order to accommodate for the influx in airport traffic took priority this year. In effect, major capital projects to extend the airport terminals – specifically the extension phase 1 and 2 of the domestic terminal, international arrival and departure proceeded as planned; in order to modernize and upgrade infrastructures and facilities to accommodate for the increase in passengers and related demands for better services.

New airport terminals to accommodate for multiple flight operations for international arrivals and departing passengers came to fruition mid of the year and included a new terminal for domestic operations. Investments for these projects came to SCR76 million with Phase 2 still ongoing. A further SCR1.7 million was invested in passenger facilities to improve seating capacity inside the international departure in order to resolve congestion and improve the layout to make it more conducive for passengers.

Other milestones have been in the redevelopment of the traffic flow around the airport entry way with a roundabout system to facilitate road management in the area to make the airport more accessible. SCAA partly funded the project with a grant of SCR5 million to the Ministry of Land Transport. The first phase of the project to remodel the road and lead better traffic flow to the airport was completed in August. The following phases are ongoing. Further investments in new equipment for air navigation services, security surveillance and safety management software to integrate more technology into our operative systems to meet requirements and demands in services for airlines and other stakeholders came at a cost of SCR12.3 million.

Commercial development were also intensified this year, in order to optimize the high potential contributions from non-aeronautical activities. At the beginning of December, two new international brands started operating at the airport as we strive to provide more diversified products for our customers and elevate our standards to international levels. Income from non-aeronautical activities brought in SCR2.8 million annually.

Internally we have prioritized development of our employees who are our key assets to sustain a happy workplace environment for everyone. During the year we have invested in capacity building programs for our executive leaders, fire services staff, air traffic controllers and technical staff through training in specialized technologies, succession planning and leadership to ensure continuity and in order to meet growing demands of the business. We also undertook a review of our salary policies as part of our staff retention strategy to encourage our employees to remain productive at a cost of SCR148 million while learning and development programs this year came to SCR11.2 million which is a 30% increase over 2016.

Our engagement to meet our business needs and align with that of our operators, have not been without its challenges. Despite the upward impetus experienced during the course of the year, the airport recognized the impact of growth on complementary areas of operations. Passenger terminal facilities faced enormous constraints with space limitations to accommodate passengers during peak flight periods and new airlines service requirements placed pressure on the airside services for slot timings allocation, parking and security services for aircrafts and ground handling struggled to cope with operating efficiency as a result. The airport also encountered shortfalls to complete major capital projects as a result of unforeseen delays in the extension of the terminals – specifically the extension phase 1 and 2 of the domestic terminal, international arrival and departure. The impact on terminal operations were enormously tasking as we had to cope with our limitations while we continued to operate within the requirements of an international airport standard. Space constraints on both the airside and landside remains one of our biggest challenges to date given our small blue print and we face critical points as we continue to expand to cater for the growing aviation business.

Further challenges have been in internal control and assets fixing where the requirements were mitigated through the introduction of additional checks and balances. A new audit plan was developed to

manage financial, operational and compliance risks, aimed to focus capacity on debtors collection for non-aeronautical revenue such as land leases and concessions; as well as the safeguarding of fixed assets through the adoption of the IPPF (International Professional Practices Framework). This new audit process has benefited improvements in internal control and compliance, following on new guidelines introduced by the Government early in the year for good governance practices and transparency.

Our contributions to the community remains a core function and as our mandate we maintained other investment programs with our collaborative partners on environmental friendly projects in support of resources efficiency and sustainable aviation operation. SCAA continued its engagements with environmental partners, the Seychelles Energy Commission and UNDP GEF Resource Efficiency to use energy efficient lightings (LED) at the international terminal by replacing existing lights and extending further installations at the Fire Service Bay and Mechanical Workshop. Further steps were undertaken for replacements of air conditions at the airport with newer energy efficient models, in line with our environmental policy to operate sustainably. Technical staff received training in specialized technologies in Airfield Lighting System Maintenance, Caterpillar Generator Maintenance and Air Cooled Chiller System.

Overall, the company's financial targets have been on track with expenditures on capital projects absorbing the bulk costs together with restructuring of employee salaries, investments in new equipment for telecommunications, and training for staff as the organization continues to expand as a direct result of increased air traffic complemented by the bulging Seychelles tourism trade.

Needless to say, we anticipate the year ahead to be as vibrant and engaging as this one has been, as we improve our business operations and look for solutions to mitigate the challenges faced over the year. I have full confidence that the staff and our stakeholders will continue to build on our solid partnerships and transcend to the next level.

I take this opportunity on behalf of the Board and Executive Management to thank all the staff of SCAA for their generous efforts, our shareholders and stakeholders for their ongoing support.


Mr. Gilbert Faure
Chief Executive Office, SCAA



Directors Report



www.scaa.sc

Annual Report 2017
Seychelles Civil Aviation Authority

Directors Report

For the year ended
31st December 2017



The Board of Directors present their report together with the Auditor's Report and the Audited Financial Statements of the Seychelles Civil Aviation Authority (hereafter called the "Authority") for the year ended 31st December 2017.

Principal Activities of the Authority

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

Results for the Year

	31st December 2017	31st December 2016
	SCR	SCR
Operating Income	457,869,861	391,534,868
Operating Expenses	(278,482,342)	(252,894,269)
Profit before taxation	179,387,519	138,640,599
Taxation	(53,766,256)	(41,524,180)
Profit for the Year	125,621,263	97,098,419
Dividends	(53,200,000)	(43,200,000)
Retained Profit at end of Period	72,421,263	53,898,419

Fixed Assets

Additions to property and equipment totalling to SCR20.65 million for the year under review comprise mainly Domestic Terminal Checking Desks and Baggage screening, New Airport seats, Fire Service Building improvement works and purchase of utility vehicles.

The Directors are of the opinion that the market or saleable value of the fixed assets at 31st December 2017 does not differ substantially from the amounts at which they are included in the accounts at that date.

Reserves

The current year's retained profit of SCR72,421,263 together with opening retained earnings totalling to SCR368,310,073 makes a total of SCR440,731,336 in the Authority's reserves.

Dividend

The Directors recommend the payment of dividend of SCR53,200,000.

Directors

Details of the current members of the Board of directors are shown in Note 6. The Directors are appointed every two years in accordance with the Public Enterprise Monitoring Commission Act, 2013.

None of the Directors held interest in the share of the Authority during the financial year.

Statement of Board of Director's Responsibilities

The Board of Directors is to ensure the integrity of financial information; provides financial oversight and monitors financial planning and financial reports, including adoption and supervision of the annual budget; the directors are to exercise their business judgment to act in what they reasonably believe to be the best interests of the entity in the administration of the entity's assets, and where applicable, its investments.

The Board of Directors discusses issues confronting the organization related to financial and operational risks and exposures associated with the entity's business strategy, policy matters, service/product innovation and sales road map (where applicable) be mindful of litigation and regulatory exposures, and other current matters that may present material risk to the entity's financial performance, operations, infrastructure, plans, prospects or reputation, and acquisitions, as well as any issues of concern to the Board.

It is the duty of the Board of Directors to oversee management's performance to ensure that the entity operates in an effective, efficient and ethical manner in order to produce value for its clients and shareholders, in so doing, sees to the establishment of appropriate internal procedures and controls.

The Board of Directors are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in Seychelles and for such internal controls as management determines is necessary to enable the preparation of financial statements that gives a true and fair view of the financial affairs of the Authority and are free from material misstatement, whether due to fraud or error.

They are responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors consider that they have met their responsibilities as set out in the Public Enterprise Monitoring Commission Act, 2013 and the Seychelles Civil Aviation Authority Act 2005.

Auditors

The Office of the Auditor General will continue in office in accordance with Section 12(3) of the Seychelles Civil Aviation Act, 2005.

Approvals


Captain David Savy


Anne Lafortune


Amellie Nourice

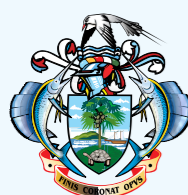

Nadine Potter


Vincent Amelie


Cindy Vidot

Auditors Report

For the year ended
31st December 2017



OFFICE OF THE AUDITOR GENERAL

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Scope

I have audited the financial statements of the Seychelles Civil Aviation Authority for the year ended 31 December 2017 as set out on pages 5-15.

Responsibility of the Board of Directors of the Authority for the Financial Statements

The Board of Directors of the Authority is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in Seychelles and in compliance with the requirements of the Seychelles Civil Aviation Authority Act, 2005 and the Public Enterprise Monitoring Act, 2009 and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Auditor General

My responsibility is to express an opinion on these financial statements based on the audit. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority'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 Authority's internal control. 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.

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

Audit Opinion

In my opinion:

- the financial statements on pages 5-15 give a true and fair view of the financial position of the Authority as at 31 December 2017 and the results of its financial operations and cash flows for the year ended;
- proper accounting records have been kept by the Authority as far as it appears from my examination of those records; and
- I have obtained the information necessary for the purpose of the audit and am satisfied with the information received.

Gamini Herath
AUDITOR GENERAL

29 March 2018

Statement of Financial Position

For the year ended
31st December 2017



Notes	2017 SCR	2016 SCR
Assets		
Non-current Assets		
Property, Plant & Equipment	8 316,742,820	333,228,884
Capital Work in Progress	9 90,324,427	<u>78,080,342</u>
Long Term Deposit	25,000,000	=
	432,067,247	411,309,226
Current Assets		
Trade Debtors	10 100,464,375	94,459,320
Other Debtors & Prepayments	11 4,370,543	19,053,563
Staff Loans	12 7,971,087	5,728,938
Cash and Bank Balances	14 <u>149,628,621</u>	<u>89,656,257</u>
	262,434,626	208,898,078
Less:		
Current Liabilities		
Trade Creditors	20,168,940	24,403,610
Other Creditors & Accruals	6,461,344	7,271,180
Provision for Terminal Benefits	12,151,846	7,652,390
Provisional Tax	13 18,449,293	6,990,961
Loan Due within a year	= 57,231,423	<u>6,030,303</u>
	205,203,203	52,348,444
Net Current Assets		156,549,634
Total Assets	637,270,450	567,858,860
Long Term Liabilities		
Loan Accounts	18 11,631,151	14,640,824
Represented By		
Government Capital Reserve	184,907,963	184,907,963
Retained Earnings	15 <u>440,731,336</u>	<u>368,310,073</u>
	637,270,450	567,858,860

The notes set out on pages 16-23 form an integral part of these Financial Statements

Gilbert Faure
Chief Executive Officer, SCAA

Sandy Mothee
Financial Controller, SCAA

Income Statement

For the year ended
31st December 2017



	Notes	2017 SCR	2016 SCR
Income			
Aeronautical Revenue	4(a)	407,345,013	352,859,154
Non-Aeronautical Revenue	4(b)	41,403,231	34,408,080
Other Operating Income	4(c)	4,809,044	3,865,953
Exchange Gain/(Loss)		4,044,210	351,431
Profit on Disposal		268,363	<u>50,250</u>
Net Income		457,869,861	391,534,868
Operating Expenses			
Staff Costs	5	149,515,419	119,766,706
Repairs and Maintenance		22,735,360	24,079,306
Other Operating Expenses	7	66,557,161	74,953,082
Bad & Doubtful Debts		1,228,479	6,783
Finance Costs		59,286	1,490,434
Prior Adjustments		1,252,712	
Depreciation	8	37,133,925	<u>32,597,958</u>
		278,482,342	252,894,269
Profit before Tax		179,387,519	138,640,599
Business Tax	13	(53,766,256)	<u>(41,542,180)</u>
Net Profit After Tax		125,621,263	97,098,419
Distribution to Government	16	<u>(53,200,000)</u>	<u>(43,200,000)</u>
Retained Profit for the year		<u>72,421,263</u>	<u>53,898,419</u>

Statement of Cash Flows

For the year ended
31st December 2017



	2017 SCR	2016 SCR
Cash Flows from Operating Activities		
Profit Before Tax	179,387,519	138,640,599
Depreciation Expenses	37,133,925	32,597,958
Interest Receivable/Payable	(1,672,601)	394,948
Loss/(Profit) on Disposal	(268,363)	(50,250)
Bad & Doubtful Debts	2,905	6,783
Exchange Losses/(Gains) on Year End Transactions	(1,997,788)	212,585,597
		<u>1,023,064</u>
Provisional Tax Paid	(42,307,924)	(34,544,719)
Refund of Business tax	=	<u>8,679,496</u>
	(42,307,924)	(25,865,223)
Movements in Working Capital		
(Increase) /Decrease in Accounts Receivable (including Staff Loans)	8,169,545	(14,648,429)
Increase/(Decrease) in Accounts Payable	(5,044,506)	18,486,150
Increase/(Decrease) in Terminal Benefits	4,499,456	7,624,495
		<u>(1,723,578)</u>
		2,114,143
Cash Flows from Investing Activities		
Purchase of Assets & WIP	(29,991,500)	(83,798,330)
Sale of Assets	270,950	(29,720,550)
		<u>55,000</u>
		(83,743,330)
Cash Flows from Financing Activities		
Long Term Deposit	(25,000,000)	-
Loan Receipt	9,084,296	14,969,328
Loan Repayment	(19,093,550)	(18,356,562)
Dividend Paid	(53,200,000)	(88,209,254)
		<u>(43,200,000)</u>
		(46,587,234)
Net Increase/(Decrease) in Cash	59,972,364	18,531,458
Cash as at 1st January 2017	89,656,257	<u>71,124,799</u>
Cash as at 31st December 2017	149,628,621	<u>89,656,257</u>

The notes set out on pages 16-23 form an integral part of these Financial Statements

The notes set out on pages 16-23 form an integral part of these Financial Statements

1 Corporate Information

The Seychelles Civil Aviation Authority (the Authority) was set up under the Seychelles Civil Aviation Authority Act, 2005 which came into force in April 2005. The Authority was vested with the assets and liabilities of the former Directorate of Civil Aviation for which a financial consideration was not paid. The net value of assets over the liabilities was credited to a Capital Reserve account.

The Authority is domiciled in Seychelles and its registered office is at Seychelles International Airport, Anse des Genets, Mahé.

The activities of the Authority are regulatory, with respect to regulation of civil aviation activities and safety oversight, as well as service provider in the provision of air navigation services and management of Seychelles International and Praslin Airports.

2 Basis of Preparation

The financial statements of the Authority have been prepared under the historical cost convention, modified to include the valuation of certain property, plant and equipment.

The financial statements of the Authority have been prepared in accordance with generally accepted accounting practice in Seychelles. The financial statement values are presented in Seychelles Rupee (SCR) unless otherwise indicated.

3 Significant Accounting Policies

The principal accounting policies applied in the preparation of the financial statements are set out below:

a. Property, Plant & Equipment and Depreciation

Apart from land which has been purchased by the Authority, the value of land occupied by the Authority is not included in the Financial Statements. A number of sites occupied on Mahé including the land upon which the existing Seychelles International Airport is situated are held by the Authority on a lease of 99 years at a nominal rent. The transfer of other land ownership on Mahé and Praslin to the Authority is still under discussion with the Government.

Buildings and infrastructure are stated at revalued amount less accumulated depreciation, while plant and equipment, motor vehicles and others are stated at cost less accumulated depreciation.

The cost of an asset comprises its purchase price and any attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions and improvement are capitalised and expenditure for maintenance and repairs are charged to the income statement.

Buildings and infrastructure are stated at fair value for existing use as ascertained by a professional valuer as at 2005. These have been recognised on the grounds that the Authority has unrestricted right to the enjoyment of the future economic benefits arising from these assets.

Depreciation of buildings and infrastructure is recognised in profit or loss. Depreciation on property,

plant and equipment is calculated on a straight line basis such that rates used will write-off cost, less estimated residual value, of each asset evenly over their expected useful lives. Land is not depreciated.

The annual rates of depreciation are as follows:

- Buildings and Infrastructure - 4%
- Plant & Machinery - 10%
- Furniture, Fittings and Office Equipment - 20%
- Motor vehicles - 20%
- Computers | Hardware and Software - 25%
- Others - 25%

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset is included in the income statement in the year the asset is derecognised.

b. Foreign Currency

Transactions in currencies other than Seychelles Rupees are converted at the rate of exchange ruling at the transaction date. At the balance sheet date, foreign currency monetary assets and liabilities are converted at the rate ruling at that date. Exchange differences arising are taken to the income statement.

c. Taxation

Business tax is provided at the rates ruling at the balance sheet date on profits of the Authority.

d. Cash and Bank Balances

Cash and bank balances comprise cash at bank, in hand and short-term deposits with a maturity period of one year or less in the Statement of Financial Position. For the purpose of the cash flow, cash and cash equivalent consist of the cash and bank balances as defined above net of outstanding bank overdrafts.

e. Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

f. Going Concern

The management has made an assessment of its ability to continue as a going concern and is satisfied that the Authority has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Authority's ability to continue as going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

4 Income

	2017 SCR	2016 SCR
a. Aeronautical Revenue		
Landing fees (International/Domestic)	32,353,133	27,989,586
Licences and Registration	843,800	804,711
Passenger Service Fees (International / Domestic)	254,091,238	214,939,846
Air Navigation Charges	125,590,591	113,979,324
IATA Charges	(5,533,749)	(4,854,313)
	407,345,013	352,859,154
b. Non Aeronautical Revenue		
Other Airport Charges	1,643,314	927,352
Concession Fees	24,189,478	18,700,620
Fuel Throughput Charges	4,560,334	3,637,613
Rent Airport Buildings	11,010,105	11,142,495
	41,403,231	34,408,080
c. Other Income		
Interest Received	3,736,044	3,740,684
Miscellaneous	1,073,000	125,269
	4,809,044	3,865,953

Notes To The Financial Statements

For the year ended
31st December 2017

5 Staff Costs

	2017 SCR	2016 SCR
Payroll Expenses	104,336,794	82,322,835
Pension Contribution	2,137,967	1,923,393
Income Taxes	13,162,725	12,323,341
Compensation & Gratuity	19,567,544	22,387,182
Income Tax on other Benefits	9,964,549	464,115
Directors & Secretary's Fees (see Note 6)	345,840	345,840
	<u>149,515,419</u>	<u>111,766,706</u>

Compensation and Gratuity is paid to employees upon completion of a 2-year contract in line with the Employment Act and SCAA Contract of Service. Compensation and Gratuity are provided for in the accounts yearly and expensed under Staff costs.

6 Directors Fees & Executive Emoluments

	2017 SCR	2016 SCR
Directors		
D. Savy (appointed September 2011)	77,640	77,640
W. Agricole (appointed November 2010)	16,468	49,404
M. Murray (appointed September 2011)	49,404	49,404
A. Lafortune (appointed Feb 2014)	49,404	49,404
D. Thesee (appointed Feb 2014)	16,468	49,404
A. Nourice (appointed Nov 2015)	49,404	49,404
V. Amelie (appointed May 2017)	32,936	-
N. Potter (appointed May 2017)	32,936	-
Secretary fees	<u>21,180</u>	<u>21,180</u>
	<u>345,840</u>	<u>345,840</u>
Senior Executive Emoluments		
Chief Executive Officer	923,520	859,740
Other Senior Management	4,902,177	5,491,926

7 Other Operating Expenses

	2017 SCR	2016 SCR
Administration Costs	30,006,306	32,660,284
Communication Costs	7,243,223	8,323,211
Transportation Costs	3,085,915	4,413,612
Staff Training	11,283,158	8,563,076
Other General Expenses	<u>14,938,559</u>	<u>20,992,899</u>
	<u>66,557,161</u>	<u>74,953,082</u>
After charging		
Audit Fees:	100,000	100,000



8 Property, Plant and Equipment

	Land	Building & Infrastructure	Plant & Machinery	Furniture, Fittings & Office Equipment	Motor Vehicles	Computer – Hardware & Software	Other Assets	Total
	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
Costs								
As at 1 January 2016	1,558,050	360,025,913	70,719,161	16,289,598	44,882,634	68,105,722	26,153,187	587,734,265
Additions during the year		28,781,414	2,546,491	1,789,293	12,415,006	1,535,901	301,523	47,369,628
Disposals during the year			(38,000)		(100,095)			(138,095)
As at 31 December 2016	1,558,050	388,807,327	73,227,652	18,078,891	57,197,545	69,641,623	26,454,710	634,965,798
Additions during the year		4,969,140	6,494,775	3,182,795	2,673,703	2,981,900	348,135	20,650,448
Disposals during the year					(2,030,921)	(15,522)		(2,046,443)
As at 31 December 2017	1,558,050	393,776,467	79,722,427	21,261,686	57,840,327	72,608,001	26,802,845	653,569,803
Accumulated Depreciation								
As at 1 January 2016		108,734,958	36,884,396	13,556,835	28,551,824	57,930,446	23,613,842	269,272,301
Depreciation for the year		14,401,037	5,951,970	1,150,863	4,806,889	5,878,840	408,359	32,597,958
Disposals Depreciation			(33,250)		(100,095)			(133,345)
As at 31 December 2016		123,135,995	42,803,116	14,707,698	33,258,618	63,809,286	24,022,201	301,736,914
Depreciation for the year		15,552,293	6,505,145	1,355,600	7,915,865	4,171,371	1,633,651	37,133,925
Disposals Depreciation					(2,030,921)	(12,935)		(2,043,856)
As at 31 December 2017		138,688,288	49,308,261	16,063,298	39,143,562	67,967,722	25,655,852	336,826,983
Net Book Value								
As at 31 December 2016	1,558,050	265,671,332	30,424,536	3,371,193	23,938,927	5,832,337	2,432,509	333,228,884
As at 31 December 2017	1,558,050	255,088,179	30,414,166	5,198,388	18,696,765	4,640,279	1,146,993	316,742,820

Notes To The Financial Statements

For the year ended
31st December 2017



9 Capital Work In Progress

	2017 SCR	2016 SCR
Work in Progress brought forward	78,080,342	41,651,640
Expenditure incurred during the year	20,562,321	66,459,489
Transferred to Fixed Assets	(8,318,236)	(28,781,414)
Transferred to Expenditure	-	(1,249,373)
	<u>90,324,427</u>	<u>78,080,342</u>

10 Trade debtors

	2017 SCR	2016 SCR
Trade Debtors	99,697,023	93,753,096
Debtors' Exchange Rate Revaluation	853,742	789,710
Bad Debts Provisions	(86,390)	(83,486)
	<u>100,464,375</u>	<u>94,459,320</u>

11 Other Debtors and Prepayments

	2017 SCR	2016 SCR
Prepayment	1,095,559	1,248,304
Treasury Account	526,866	104,980
Interest Receivables	1,672,601	1,165,547
VAT Liability	77,170	16,334,985
Other Debtors	998,347	199,747
	<u>4,370,543</u>	<u>19,053,563</u>

12 Staff Loans

	2017 SCR	2016 SCR
Vehicle Loans	7,654,697	5,525,511
General Purpose Loans	34,716	35,373
Other Loans	281,674	168,054
	<u>7,971,087</u>	<u>5,728,938</u>

Notes To The Financial Statements

For the year ended
31st December 2017

13 Taxation

	2017 SCR	2016 SCR
Tax Liability/Credit brought forward	6,990,961	(8,685,996)
Late Lodgement Penalty	-	6,500
Payment of Business Tax	(7,000,000)	-
Refund of business tax	-	8,679,496
Tax Credit carried forward	(9,039)	-
<i>Charge for current year:</i>		
Provision for business tax based on profit for the period	53,766,256	41,542,180
Provisional Tax Paid	(35,307,924)	(34,551,219)
	<u>18,449,293</u>	<u>6,990,961</u>

14 Cash and Bank Balances

	2017 SCR	2016 SCR
Cash on hand	159,098	140,656
Seychelles Rupee a/c Balance	14,971,616	14,507,513
Euro A/c Balance	2,272,304	690,129
US\$ Dollar a/c Balance	77,009,407	21,648,963
Short-Term Security Deposit	55,216,196	52,668,996
	<u>149,628,621</u>	<u>89,656,257</u>

15 Retained Earnings

	2017 SCR	2016 SCR
Balance brought forward as at 1st Jan	368,310,073	314,411,654
Profit during the year	125,621,263	97,098,419
Less: Distribution to Government (Note 16)	(53,200,000)	(43,200,000)
Retained earnings for the year	<u>440,731,336</u>	<u>368,310,073</u>

16 Distribution to Government

Distribution to Government is made in accordance with directions given by the Minister under Section 11 (3) of the Seychelles Civil Aviation Authority Act, 2005.

17 Financial Risk Management

a. Currency risk

Some of the Authority's assets and liabilities are denominated in foreign currencies. There is a resultant exposure to foreign exchange fluctuations which may affect the Authority's assets and liabilities in a material manner.

The Authority's financial assets and liabilities are denominated as follows:

	2017 SCR	2016 SCR
US Dollar	150,361,938	11,833,427
Euro	5,893,597	26,112
Pound Sterling	64,470	-
Seychelles Rupees	106,114,619	56,945,580
Total	<u>262,434,624</u>	<u>68,805,119</u>

b. Liquidity Risk

SCAA practices prudent liquidity risk management by maintaining adequate funds to meet its funding needs.

c. Credit Risk

SCAA seeks to invest cash assets safely and profitably. SCAA also seeks to control credit risk by setting limit and ensuring that credit facility is made to customer with appropriate credit history and monitoring customers financial standing through credit review. SCAA considers the risk of material loss in the event of non-performance to be minimal.

d. Fair Value

The carrying amount of the Authority financial assets and liabilities at the Balance Sheet date approximates the fair value.

18 Nouvobanq loan

	2017 SCR	2016 SCR
Balance as at 1st January	20,671,127	22,517,799
Amounts drawn down	9,084,296	14,969,328
Repayments	(19,093,550)	(18,356,562)
Exchange rate adjustment at year end	969,278	1,540,562
Balance as at 31st December	<u>11,631,151</u>	<u>20,671,127</u>

US\$6.5 million loan to fund the construction of the Domestic Terminal and purchase of essential airport equipment has been taken from Nouvobanq. The loan is being serviced by the Seychelles Civil Aviation Authority. As at 31st December 2017 the loan balance is US\$837,412 and US\$2.24 million remained to be withdrawn.



Recruitment, Competency and Retention

A happy and productive workforce remains fundamental to SCAA's ethos and in a drive to sustain this important goal, learning and development for staff was intensified this year. For 2017 staff costs stood at SR149,515,419. A sum of SCR9.8 million was invested in training, a 30% increase over last year with the bulk of the money going into overseas training (SCR7.6 million) while local courses amounted to SCR2.2 million of the budget.

Recruitment

A rigorous human resource capacity building program took place within the Aviation Security Division as well as the Air Navigation Services Division to address under-resourced areas created by the rapid increase in operational activities over recent years. The ANS re-energized its workforce capacity by recruiting eleven new Trainee Air Traffic Controllers as part of an intensive 4 year recruitment program targeting 10 recruits per year. The program aims at tackling the challenges resulting from growth in air traffic movement in the flight information region (FIR) as well as in the terminal airspace with increase of airlines flying in and out of Seychelles. The new recruits

underwent in-house primary ATC training conducted by an internationally approved institution early 2017. Further core air traffic controller courses are planned for early 2018.

Twenty new aviation security officers were recruited within the AVSEC Security division, again with the aim to meet manpower needs created by the surge in passenger numbers at the airport. Aviation Security Division also underwent re-structuring in 2017 with the separation of policy and regulatory oversight functions from implementation of services. This resulted in a series of promotion and need for additional staffing.



Training

Training also took place in the Fire Services Section with five senior officers receiving refresher training at the Newcastle Fire Training Academy (UK). The training enabled the fire service to have a total of 10 qualified fire officers with valid licenses.

Furthermore, Fire Officers and Crew Commanders got the chance to hone their skills in command and fire control during a computer-based training in a virtual environment at said academy. Newly recruited cadets, targeted for talent and succession planning also underwent intensive in-house training.

Another area where specialized training took place was at the Engineering and Technical section whereby

38 technicians qualified in Airfield Lighting System Maintenance, Caterpillar Generator Maintenance and Air Cooled Chiller System maintenance. These courses will benefit the organization by reducing its dependency on outsourcing of these maintenance services and reduce associated costs.

With the upcoming retirement of several members of its Executive Team, SCAA is particularly concerned with succession planning at the top layer, hence the engagement of international HR consultants to carry out an assessment of leadership potential in managers in order to address competency gaps. Senior Managers were assessed on leadership styles and given tools to enhance their leadership skills.

Good Governance Training

In the beginning of 2017, following new government legislations on good governance in the workplace, SCAA organized a series of training attended by Executive Managers, Managers and Senior Staff. The Guy Morel Institute facilitated the training which introduced staff to the concept of good governance best practices to implement at work.



Retention of staff

A review in the remuneration policy was carried out in 2017 in collaboration with international Hay Group consultants and a new salary structure which better took into account the aviation specificities, working conditions and risk to

life, was proposed, approved and implemented. This resulted in an overall increase in staff salaries, reflecting a more competitive total remuneration, with the aim of retention of qualified staff.

Just Culture Policy sensitization

Following on the previous year's implementation of an Integrating Safety Management System (ISMS), 2017 focused on undertaking a series of sensitization sessions for staff on the Just Culture policy. The policy aimed at encouraging staff to report safety concerns without fear of retribution

even if those safety concerns will highlight mistakes or misjudgments that they have made. Staff is now more aware of the policy; although more effort is required to provide staff with the trust that the policy is being respected.

Review of salary policies

Early 2017, the human resources division collaborated with international consultants Hay Group to review the salary grids of all SCAA employees. The exercise later resulted in a review of SCAA's Remuneration Policy and Procedures Salary Structure, whereby a new salary scheme was introduced effective 1st July. Under this new system, all

staff graded below management level were moved to a new grid system at a cost of SCR1,093,017 per month. The review was essential to provide employees with a more favorable salary package that reflected current working conditions and associated risks of some critical roles.

Succession Planning and Leadership training

Executive Managers underwent training in succession planning in mid- December, to groom future leaders for the continuation of the business. The training was facilitated by Hay Group Korn Ferry consultants, and gave insights on the future needs of the company.

STAFF TRAINING

TRAINING OF TECHNICIANS



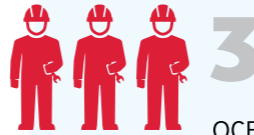
38

- AIRFIELD SYSTEM MAINTENANCE
- CATERPILLAR GENERATOR MAINTENANCE
- AIR COOLED CHILLER SYSTEM

AIR NAVIGATION SERVICES TRAINING



9 TRAFFIC CONTROLLERS

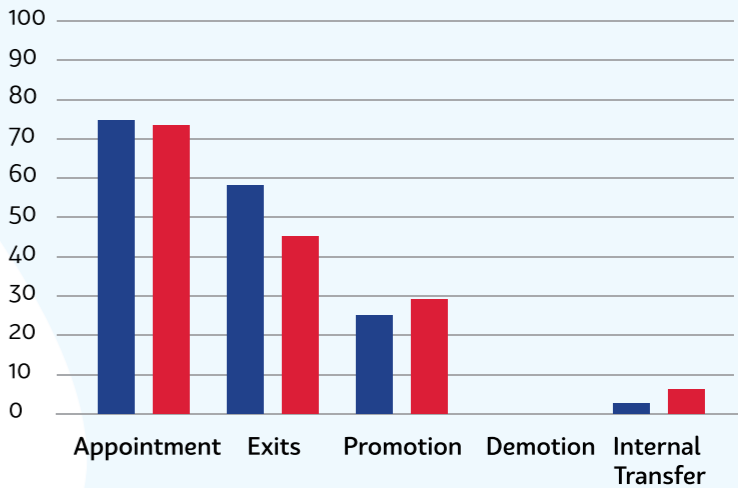
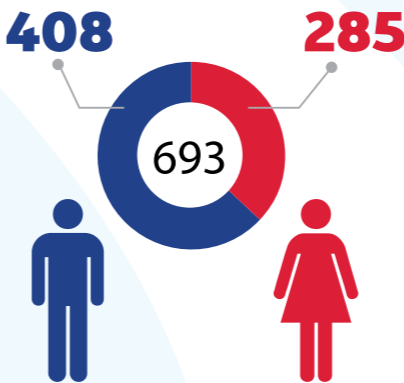


3 AERODROME AND EN ROUTE OCEANIC CONTROL

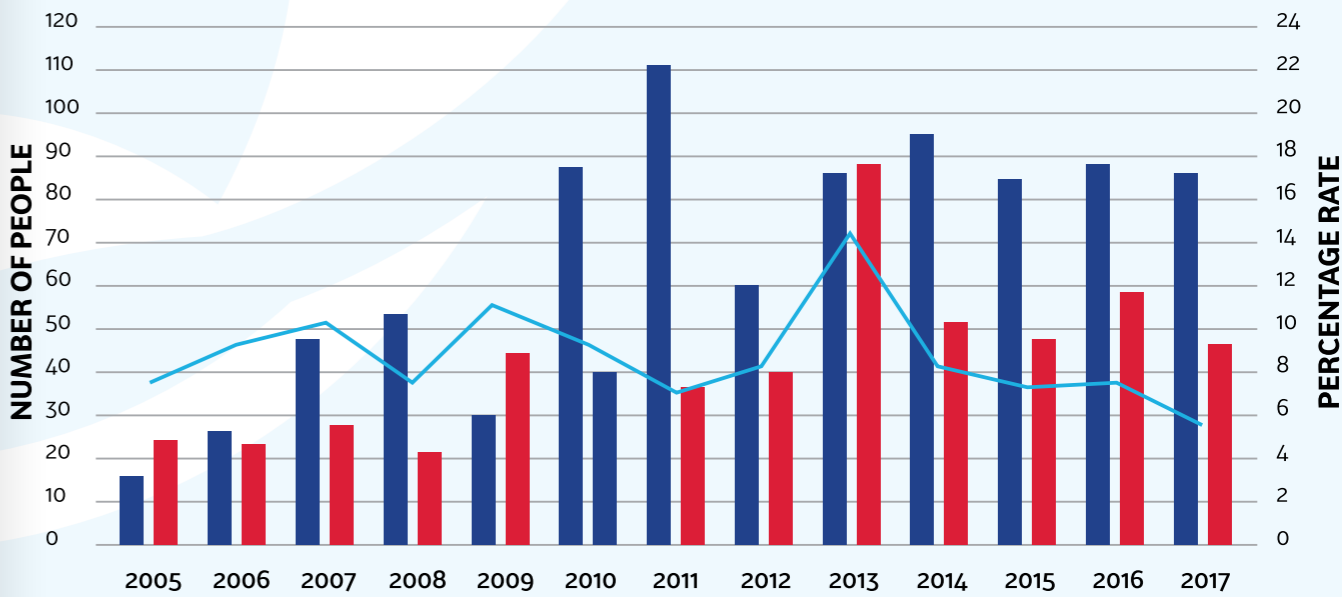


STAFFING AT SCAA

SCAA employees Gender balance of 408 male to 285 female staff total to 693 staff Staff turnover rate of just 5.78%.



TURNOVER RATE 2005 - 2007





New Domestic Terminal

The new domestic terminal project phase 1 was completed in August 2017 and immediately handed over to Air Seychelles ground-handling for operations. The new modernized terminal is largely spaced and airy with new comfortable seats. The concourse hall boasts 6 check-in counters with information kiosks for passengers to access travel information and get assistance with transfers to other domestic destinations. A new baggage conveyor facilitates baggage sorting and transfer to aircraft.

Commercial facilities are also available such as a souvenir shop located in the departure terminal as well as an international brand restaurant on the main concourse. Phase 2 of the project is expected to be completed in December 2018 and will consist of the arrival lounge as well as cater for more food and beverage facilities, extension of the concourse to include a porte cochère for drop off and collection points for passengers. The building will also have more office space for operations critical ground staff.



Airport Roundabout and Traffic Flow

SCAA partnered with the Ministry of Land Transport with a grant of SCR5 million to redirect the flow of traffic in the airport area by means of a round-about. The aim of this project was to improve flow of traffic in and out of the airport as well as improve management of traffic in the area. The

first phase of the project was completed in August 2017. The project will continue in a phase two consisting of re-modeling of the airport internal road network, extension of vehicle parking areas and the introduction of pay parking facilities.

International Arrival Terminal gets a face-lift

Following completion of the extension of the International Arrival Hall in 2016, there was a need to give the older part of the arrival hall a complete face-lift to esthetically match the newly built area. Works to revamp and modernize it to a much higher standard and quality started in June

2017 and is expected to be completed end of August 2018. The project consists of refurbishment of floor and ceiling, installation of new lights and centralized air conditioning system as well as catering for new immigration counters for border control.

Passenger Terminals upgrade seating

Planned projects targeted at upgrading the general façade of the passenger terminal facilities came to fruition in August with the procurement of 500 new seats costing SCR1.7million. The seats were placed in the international departure and new domestic terminal, providing better comfort for

passengers because of its design and occupied less space which improved passenger flow in the area especially during peak travel periods. As a gesture of goodwill, the airport gave away the older seats to various health centers, schools and charities.

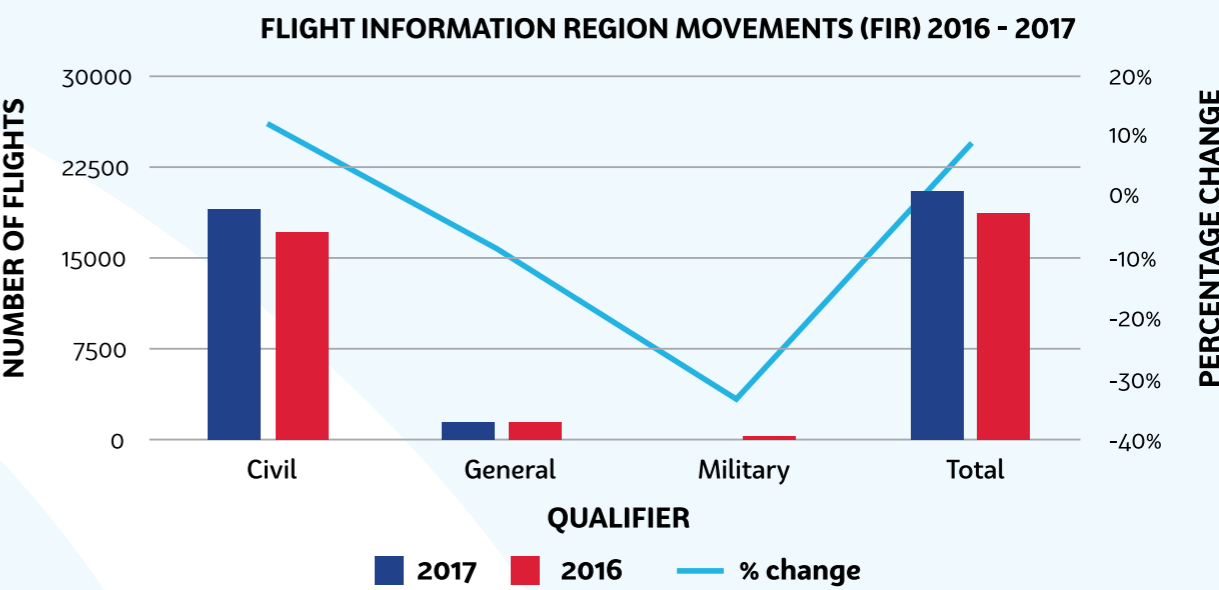
Commercial | New restaurant opens



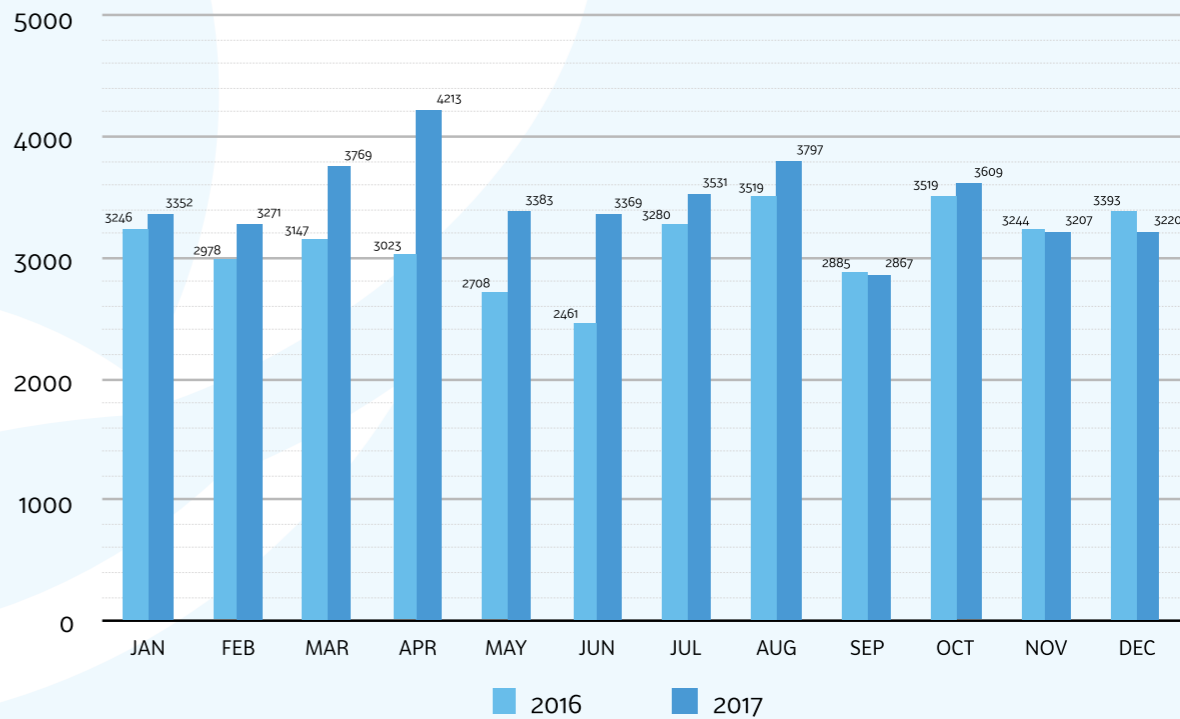
Two new food and beverage outlets launched operations in December 2017 at the airport. The Coffee Club and fast food franchise Burger King located on the landside of the domestic terminal and international departure terminal respectively, aimed at offering additional food options for passengers and airport visitors at a high standard. The international brands are also part of the airport's commercial development plans to bring in variety and quality for airport customers, as the airport strives for a memorable customer experience for our visitors.

Revenue collected in commercial activities for the year went up to SCR41,403,231 while the average spend per passenger remains relatively slow increasing by 4% compared to 2016 from \$16 to \$17, despite considerable increase in visitor arrivals and flights. Commercial activities to diversify the airport products are being developed to encourage more passenger spend.

Traffic increase throughout the Seychelles airspace/airports



Air Traffic Movements in the Terminal airspace at Seychelles International Airport



In 2017 April was the record month with 4213 movements at FSIA and September the lowest with 2867 movements. All other month's average was 3450 per month. Schedule flights increased by 17% whilst non- schedule saw a decrease of 8% for the year. Air Seychelles Domestic movements increased by 11% whilst IDC decreased by 11%. ZIL AIR helicopter movements increased by 18%. All comparison are with respect to 2016 movements.



The financial

SCAA's financial performance for the year 2017 has been very satisfactory with a recorded operating profit before depreciation and taxes of SR217.7 million. This represents an increase 27 % over the 2016 profit of SR171.2 million.

Distribution to government in term of dividend and business taxes amounted to SR106.9million representing a 26% increase on the 2016 figures.

Driving the 2017 profitability figures were increases in both aeronautical and non-aeronautical revenue streams by SR55 million and SR7 million respectively.

These increases in the above revenue are results of:

- **6%, increase in overflights in the FIR with an annual total of 20,016 flight movements**
- **12% increase in visitor arrival which is driving the passenger through-put figure closer to the target of 1 million passengers.**
- **8% increase in resident travel and**
- **11% increase in concession retail and F&B sales as a result of the increase in passenger movement and new business in the F&B and this is despite the inconvenience of on-going construction in the Terminals.**

Table below show the financial performance for the last 3 years and the retained profit is close to double.

	2015	2016	2017
Operating Income	350,507	391,535	457,870
Operating Expenditure	201,982	220,290	240,120
Operating Profit before Depreciation & Tax	148,525	171,245	217,750
Depreciation & Bad Doubts Debts	32,195	32,605	38,554
Operating Profit after Depreciation	116,330	138,641	179,196
Business Tax	(34,849)	(41,542)	(53,709)
Net Profit after Tax	81,481	97,098	125,487
Dividend Payment	(44,400)	(43,200)	(53,200)
Retained Profit	37,081	53,898	72,287

Revenue

The revenue budget for the year 2017 was **SR419.5 million**. As of 31st December 2017, we have collected a total sum of **SR459.1 million** representing an increase of 9% above the budgeted figures. The revenue performance for 2017 indicates a better outcome than the year 2016 as we touched to double digit of 16% increase. Collection for 2016 was **SR395.8 million**.

Table below shows receipts in various currencies. The increase in dollar exchange rate has also improved the overall rupee performance.

	2016	2017
	<i>Actual</i>	<i>Budget</i>
US dollar Receipts	23,374,857	24,134,210
Euro Receipts	388,980	414,462
Rupee Receipts	80,630,152	90,669,860
Total in Rupee Equivalent	395,861,955	419,713,481
		<i>Actual</i>
		26,446,608
		399,584
		88,676,407
		459,091,037

The growth in USD receipt is from Air navigation fees where we collected US\$9.3 million, representing an increase of 2% of the 2017 budget of US\$9.1 million. We collected US\$8.6 in the year 2016.

Despite the rescheduling and cancellation of some flights in the last quarter of 2017, Passenger movement continued to increase during 2017 reaching to a total 345,887 in visitor arrival. This is a 12% increase over the 2016 figures. As of December 2017, we collected a total sum of US\$17 million in PSF international non- resident, representing a 14% increase over the 2016 budget. Collection for the year 2016 was US\$14.6 million.

As for resident international travel, arrivals reached a total of 83,211 passengers in 2017, an increase 8%. PSF International Resident collected for the year amount to SR17 million against an annual budget of SR17.8 million. SR 17.6 million was collected in 2016.

Landing and parking fees was up by 14% over the 2016 figures. Total collection for 2017 amount to SR27.1million and for 2016 SR23.72 million. Domestic landing fees collected for 2017 was SR2.7million

All non-aeronautical targets were comfortably achieved in 2017 with an increase of 29% in total revenue, mainly generated by a considerable increase in concession fees, and fuel throughput.

Despite the considerable increase in passenger traffic and continuous growth in sales, no significant growth was recorded in the average spending per passenger for 2017. It has more or less stayed at the same level as previous year, around USD16 per passenger. Overall in 2017, SR28.7 million was collected in non-aeronautical fees compared to SR22.3million in 2016.

Recurrent and Capital Expenditure

For the year 2017 SCAA spent an amount of SR238.8 million in operating expenses out of the total approved budget of SR235.4 million, which included grants to a sum of SR5.1 million. The total recurrent expenditure represents 52% of our total turnover.

Staff Costs consisting of salaries, compensation and staff benefits is the biggest recurrent expenditure component representing 62% of the total expenditure. A sum of SR148.7 million was incurred in 2017 which included provisions for compensation and gratuity of SR4.5million and payment of bonus amounting to SR7 million. The expenditure overrun in staff cost was the result of implementation of a new salary grid with a higher basic salary which resulted in an increase in the 13th month salary vote.

Utility costs payment was SR15.6 million representing 8% above the total budget of SR14.4 million. The increase

is partly due to expansion of Terminals, increase in operations as well as increase in utility rates.

Training budget was overspent by SR1.5million. This was due to in-house training in IFRS for accounts department, ANS training for new recruits, ISO lead auditors course and fire service training in the UK.

A number of improvement works in areas such as airside pavement repair works, airside wildlife management and apron signage to an amount of SR4 million did not happen resulting in under-spending. Other areas of under-spending were safety regulation consultancy service for SR2.2 million, telecommunication works amounting to SR2.3 million and marketing and promotional events SR1.9 million. Most of these programmes are now planned for 2018.

On the capital expenditure front a sum of SR32.8 million has been incurred.

The total cost incurred is detail below:

- **Purchase of Assets** **SR13.6 million**
- **Improvement to building and infrastructure** **SR0.5 million**
- **Development Projects** **SR18.7 million**

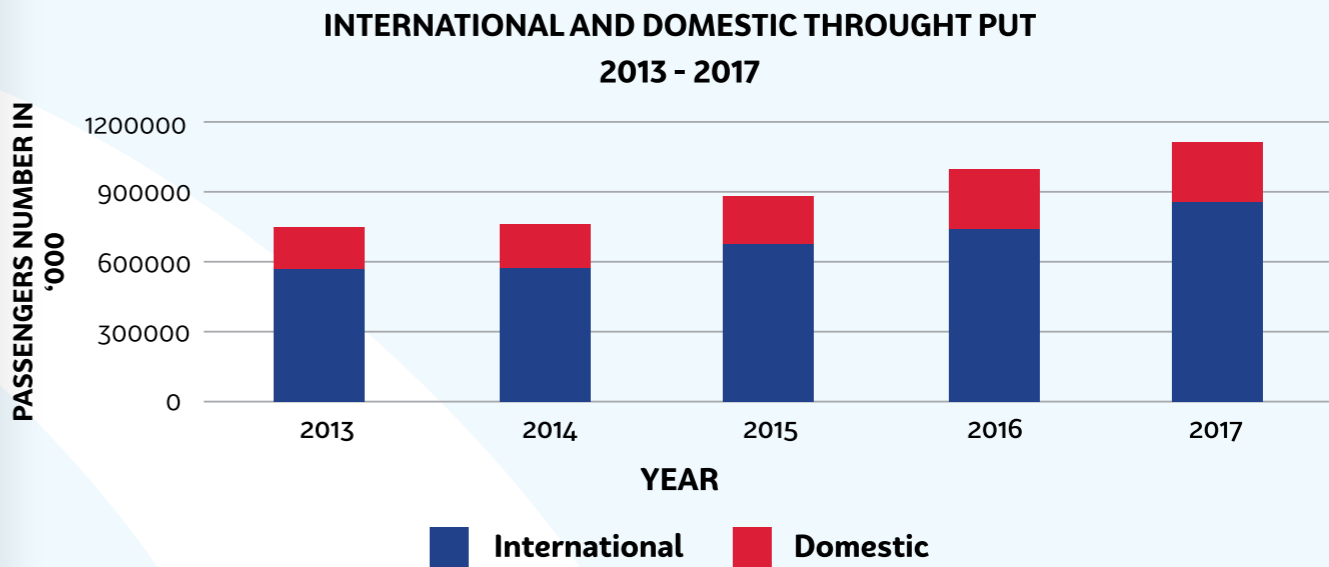
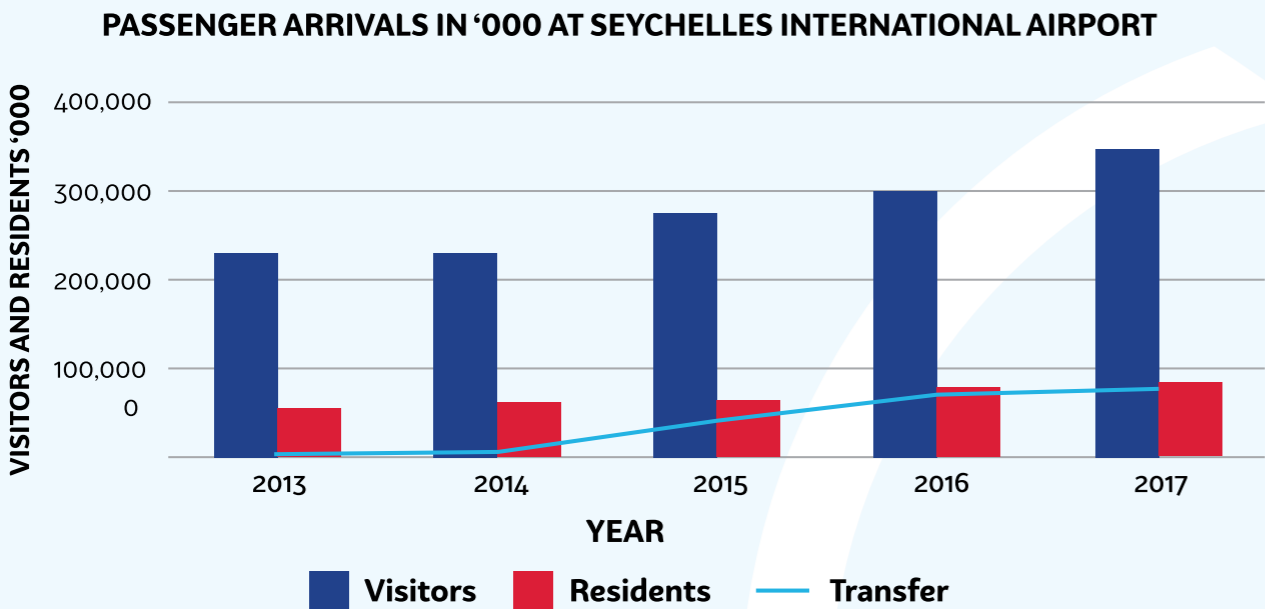
SCAA has been experiencing challenges in capital development project implementation mainly due to complex procurement process. In consequence, investment in capital projects remained low compared to budgeted figures. With a fully-fledged Project Management Unit now in place, the situation should improve.



Statistics

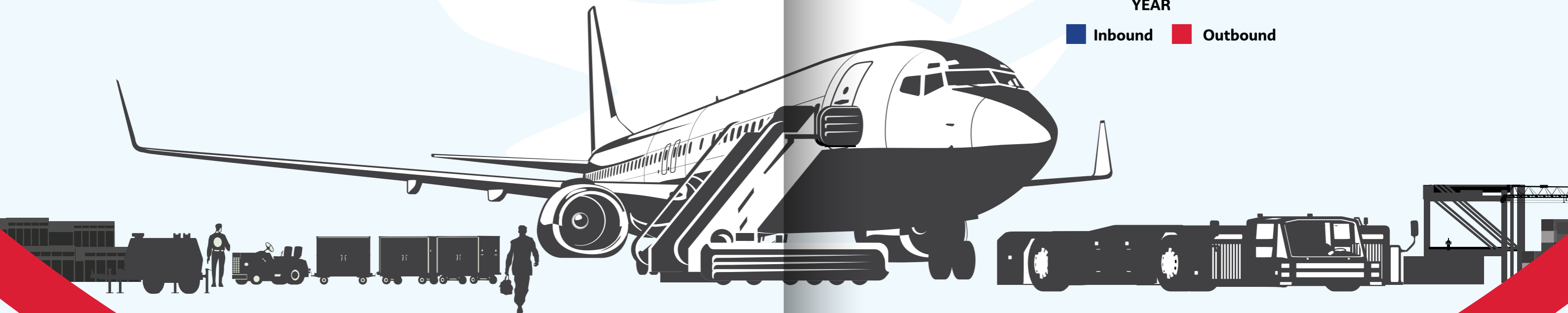
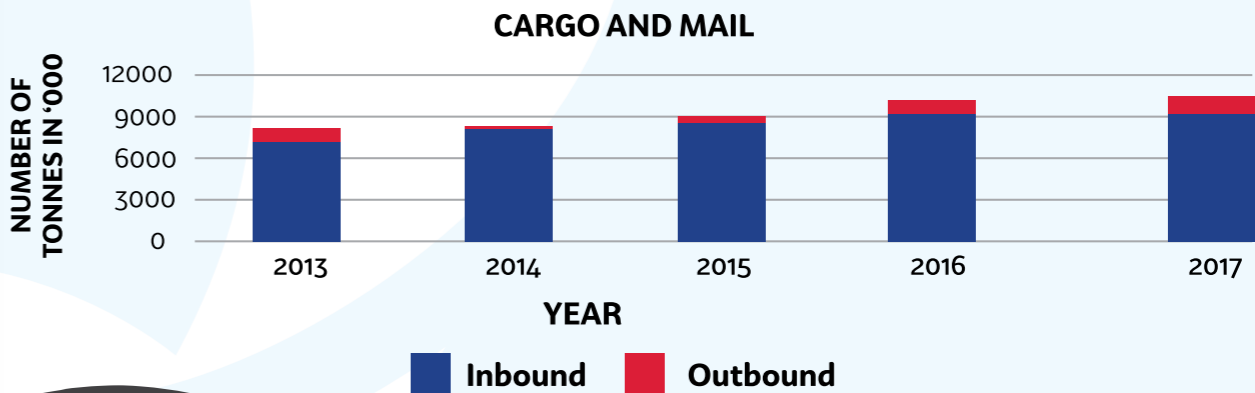
AIR TRANSPORT MOVEMENT

14% growth in international passenger through-put



Domestic air services directly benefited from the hiked international performance. More than 136,000 passengers travelled to the inner and outer islands in 2017 through Air Seychelles, Zil Air and IDC operated flights. This represented a growth of 9% compared to 2016. Consequently, the domestic terminal handled over 270,000 passengers in 2017.

Facts & Figures



Air Transport Movement

The demand for commercial services to Seychelles remains high and hence, has put more pressure on airlines to offer more competitive airfares. In 2017, Seychelles International Airport recorded a 14% growth in passenger traffic compared to the previous year.

Resident travelers accounted for 19% of international passengers, which grew at a rate of 8% representing more than 80,000 Passengers.

Visitors arrivals like 2016, surpassed the 300,000th thousand mark reaching 347,999 by the end of 2017, growing by 15%. The continual increase in passengers were due to the excellent performance of the German (28%), UK and Northern Ireland (16%), Russian (15%) and Italian (4%) markets.

However, towards the end of the year, the airport recorded a decline of 4% with a total of 75 scheduled flights movements. The decrease was due to the annulment of Düsseldorf and Durban services and the reduction in the weekly services to Paris from 4 to 3. Moreover, there has been temporary service cancellations to Madagascar as a result of the pneumonic plague. Despite the decrease, transfer

passengers were 77,456 indicating a growth rate of 10% compared to the previous year with the busiest routes being Mauritius and Bombay operations by Air Seychelles.

Air Service Agreements (ASAs) signed during the year adds the total number to 79.



Safety



For the first time, a national level committee under the auspices of the Seychelles Technical Standards was set up in July last year with the safety oversight program starting in November. The latter comprised of the Safety Review Board – a high level committee, responsible for strategic implementation and monitoring of the safety management system plan at the airport. As a result of recommendations from the committee, the Safety Review Board (SRB) have successfully adopted the Just Culture principle across SCAA to encourage staff to report safety issues. A sensitization session was conducted for all staff to educate on the policy through awareness.

Praslin upgrades aircraft emergency at sea

Search and rescue emergency at sea remains a key priority for the Fire Service on Praslin in order to remain effective and adaptable. Investment in new technology that responds quickly to emergency operations while reducing difficulties associated with sea rescues, became possible, with a new state of the art amphibious boat worth SCR3.8 million. The boat is the latest of its kind in aircraft emergency rescue at sea with retracting wheels allowing it to travel both on land and in water. These features of the vessel reduces the need for a slipway and tow required for launch of ordinary boats and has a faster response time to deal with aircraft distress at sea.

Security

Aviation Security re-structure



The surge in passenger numbers brings with it corresponding challenges in security risks and mitigation there-off. This has resulted in the need to speed up the re-structuring of the Aviation Security division into an implementation or operational arm separate from the regulatory and security oversight arm so that right emphasis can be placed by right competent personnel on enhancing security measures at the Seychelles International Airport. The operational arm continues to face man-power challenges which has been partly addressed through recruitment and training as well as extension of video surveillance coverage in key areas.



Fire Appliance Bay Renovation and water harvesting tank



SCAA's efforts to reduce treated water usage for cleaning and testing of fire tenders ensued the construction of an underground water harvesting tank, capable of holding 210,000 liters of water. Located at the fire service premises, the project cost SCR1,064,922.50 to undertake and included renovation works on fire appliance bay.

Airport strives for energy efficiency



Since the launching of its Eco Leap program, the airport continues to pursue its environmental sustainable plans through implementation of various projects with local partners. In June, SCAA in partnership with Seychelles Energy Commission and the support of UNDP GEF Resource Efficiency Project, undertook a project to replace all international passenger concourse lights with LED type lightings. The same extended to the Bus Staging area at the airport, the Fire Service Bay and Mechanical Workshop area at SCAA to improve safety in the working environment and minimize electricity usage for the 24-hour service operatives. Additional ongoing targets involved replacement of all air condition units with energy-efficient ones.

Events



Annual Stakeholder Cocktail



Airport business operators were hosted to the Annual Stakeholder Cocktail, held at the Kempinski Hotel in February. This networking event was attended by representatives from airlines, retailers, travel agents, car hires and others in the company of the Minister for Tourism, Civil Aviation, Ports and Marine; the Principal Secretary

for same as well as Board Members and SCAA Executive Management. The evening focused on giving recognition to the contributions airport operators bring to the commercial development of the airport and tourism. Partners were also able to network with each other in an informal setting while they discussed ideas and plans with SCAA hosts.

Launch of first Business Forum

As part of its new commercial strategy to enhance customer relations and communication channels with airport business operators, the business development unit organized its very first business forum in June. The meetings gave opportunity for open discussions with stakeholders on airport projects and other facilitation services related to commercial development, sharing insights and the way forward to strengthen business relationships with operators. Four meetings were targeted for the year and included implementation of the Minimum Standard Operating Procedures and a Code of Conduct for car hire operators to promote standard in this sector.



Events



SCAA clinched top prizes at National Events

During the year, SCAA participated in national events in support of causes to the community and charity sponsorship. Accolades were won in the National Creole Festival, Kamtole Dancing and Office Choir Competition placing SCAA at the top once again ahead of other workplaces.



Seychelles International Airport adds new airline operator to its route

On 25th October, the airport welcomed new airline – Austrian Airline OS VIE to its fleet of airline operators, increasing seating capacity to 240 seats from their A340 aircraft. Scheduled flights operate direct to Vienna once weekly, and brings the total number of airlines operating at the airport to 11.



Events



Sponsoring of community programs

Other activities sponsored by SCAA comprised of a PVC project at the Anse Etoile School for SCR50,000 as well as the Takamaka School Library and Youth Enterprise Scheme project to name a few.



Hosting of IATA meeting on Fuel Efficiency and ATM Coordination

A meeting on fuel efficiency and ATM Coordination took place between 25th-26th October themed "FUEL EFFICIENCY and ATM Coordination- Improving Africa and Indian Ocean Efficiency." Attended by representatives from SCAA, Air Seychelles, Kenya Airways, Ethiopian Airlines, Qatar and Etihad, IFATCA, IFALPA as well as the Somalia Civil Aviation and Meteorological Authority; the meeting comprised practical sessions between Airlines, Air Navigation Service Providers (ANSP's) and Airport Operators on various fuel efficiency topics including coordination of air traffic management (ATM) services between Seychelles and Mogadishu.





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