

6.12 Property Management Corporation (PMC)



6.12.1 Strategic Overview

6.12.1.1 *Mandate*

The mandate of PMC (Property Management Corporation) defined under the 2004 Act is to:

- Ensure the equitable provision of living accommodation for the people of Seychelles by sale, lease or rental of flats and houses in accordance with the Policy of the Government
- To manage and maintain buildings and other properties on behalf of the Government Of Seychelles
- To ensure the provision of utility services for the aforesaid rental flats and houses

6.12.1.2 *Vision*

Envision being a respectable and high-performing government agency fostering the creation of neighborly residential estate

6.12.1.3 *Mission*

To ensure equitable provision of living accommodation to the people of Seychelles by the sale and lease of flats and houses, and management of established housing estates in accordance with the policy of the government.

6.12.1.4 *Strategic Priorities for 2024-2026*

1. Implementation of New PMC software –With added features
2. Procurement of Two numbers of Combination Sewage Tankers
3. New strategic plan for better Corporate Governance 2024-2028
4. PMC intend to release /re invest to Govt. 15-20m in 2024/2025 for new housing projects

6.12.1.5 *Key Challenges*

1. PMC Act is about to undergo few changes in order to meet future strategic tasks.
2. Implementation on effective recovery procedures thereby maintains the collection trend.
3. Controlling on sky rocking of maintenance exp on STP, General Maintenance etc...
4. Feasibility spending & fund allocation to meet corporation's objectives

6.12.2 Outlook of Financial Strategy

6.12.2.1 Projected Financial Position of Property Management Corporation

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Assets							
Non-current assets	1,049,249	1,115,780	1,099,098	1,148,606	1,203,557	1,264,447	1,331,825
Property and equipment	1,020	1,122	1,235	1,358	1,494	1,643	1,808
Investment properties	295,854	325,440	357,984	393,782	433,160	476,477	524,124
Work in Progress	167,541	145,902	160,492	176,541	194,195	213,615	234,976
Right of use asset	1,833	2,016	2,218	2,218	2,218	2,218	2,218
Finance lease receivables	558,119	613,931	552,537	552,537	552,537	552,537	552,537
Home saving scheme receivables	24,882	27,370	24,633	22,169	19,952	17,957	16,162
Accounting Software	-	-	-	-	-	-	-
Current assets	152,099	167,292	183,784	173,261	164,574	157,618	152,306
Finance lease receivables	32,389	35,628	39,191	43,110	47,421	52,163	57,380
Inventories	173	173	173	173	173	173	173
Trade and other receivables	19,209	21,130	19,017	17,116	15,404	13,864	12,477
cash and cash equivalent	100,328	110,361	125,403	112,863	101,576	91,419	82,277
TOTAL	1,201,348	1,283,072	1,282,882	1,321,867	1,368,131	1,422,065	1,484,131
EQUITY AND LIABILITIES							
Reserve/(deficit)	71,763	71,748	80,790	87,276	94,656	110,920	120,603
Capital reserve	60,163	66,179	72,797	80,077	88,085	96,893	106,582
Revenue surplus/(deficit)	11,600	5,568	7,993	7,199	6,571	14,027	14,021
LIABILITIES							
Non-current Liabilities	994,812	1,065,613	1,060,530	1,095,667	1,136,925	1,176,731	1,231,036
Lease liabilities	1,833	2,016	2,218	2,218	2,218	2,218	2,218
Deferred revenue	738,868	812,755	831,766	889,423	950,949	1,008,995	1,079,717
Borrowings	253,032	250,218	225,196	202,676	182,409	164,168	147,751
Retirement benefit obligations	1,079	624	1,350	1,350	1,350	1,350	1,350
Current Liabilities	134,773	145,712	141,562	138,924	136,551	134,415	132,492
Deferred revenue	91,485	100,633	100,633	100,633	100,633	100,633	100,633
Borrowings	32,560	29,304	26,374	23,736	21,363	19,227	17,304
Trade and other payables	10,728	15,774	14,555	14,555	14,555	14,555	14,555
Total Liabilities	1,129,585	1,211,325	1,202,092	1,234,591	1,273,476	1,311,145	1,363,528
Total Equity And Liabilities	1,201,348	1,283,072	1,282,882	1,321,867	1,368,131	1,422,065	1,484,131

6.12.2.2 Projected Statement of Comprehensive Income of Property Management Corporation

Description	SCR ('000)						
	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Revenue	69,785	81,702	90,368	88,183	94,516	98,904	98,898
Operating expenses	(64,373)	(53,479)	(57,438)	(57,923)	(59,216)	(53,716)	(53,716)
Operating profit	5,412	28,222	32,930	30,260	35,300	45,188	45,182
Other income	22,965	99	1,911	2,183	2,010	2,010	2,010
Administrative expenses	(18,901)	(22,753)	(26,848)	(25,244)	(30,739)	(33,171)	(33,171)
Expected Credit losses - Reversal (Charge)	2,347						
Net profit / Comprehensive Income	11,823	5,568	7,993	7,199	6,571	14,027	14,021

6.12.2.3 Projected Cash flow Statement of Property Management Corporation

Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Not Provided							

6.12.2.4 Projected Capital Investment Plan of Property Management Corporation

SCR ('000)

Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Finds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional	Forecast		
						2020	2021	2022	2023	2024	2025	2026
Major Capital Investments												
Major renovation housing estates	PPE/ Invt in properties	200,000	Internal /Borrowing	2020/21	2024/25	20,000	25,000	20,000	48,000	40,000	40,000	50,000

PMC is intended to invest on average 40m to 50m worth of Capital Investment on housing major renovations in 2024/2025/2026 p.a. respectively.

6.12.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.12.3.1 Tax Implications by the Operations of Property Management Corporation

PMC is exempted from Business Tax.

6.12.3.2 Anticipated Dividend Declarations By Property Management Corporation

SCR ('000)

Nature of Dividend	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Dividends in lieu of Cash	-	-	-	-	7,500	7,500	5,000

PMC intend to release /re-invest (Housing Projects) to Government 15-20m in 2024/2025/2026 on new housing projects.

6.12.3.3 Debt Payments Forecasts By Property Management Corporation

SCR ('000)

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	Total Borrowings and Debt Servicing						
				Actual Figures			Provisional	Forecast		
				2020	2021	2022	2023	2024	2025	2026
Loan 01 From SPF	Borrowings	Operational, major renovation on Housing projects	150,000	-	-	-	-	-	-	-
	Interest for the Year	-	-	-	-	-	-	-	-	-
	Repayment of Capital	-	-	-	-	-	-	-	-	-
	Balance carried forward	-	-	-	-	-	-	-	-	-
Loan 02 From NVA Bank	Borrowings	-	200,000	-	-	-	-	-	-	-
	Interest for the Year	-	-	-	-	-	-	-	-	-
	Repayment of Capital	-	-	-	-	-	-	-	-	-
	Balance carried forward	-	-	-	-	-	-	-	-	-

PMC has no immediate intention to go for a 3rd borrowing/new Loan in near future /during the year 2024.

6.12.3.4 Anticipated Subventions and Grants By Property Management Corporation

PMC does not anticipate in receiving any subventions or grants.

6.12.3.5 Contingencies of Property Management Corporation

SCR ('000)

Nature of Contingencies	Funding Agency	Purpose	Total Liability Amount	Realized Guarantees						
				Actual Figures			Provisional	Forecast		
				2020	2021	2022	2023	2024	2025	2026
Potential Payments Due to Legal Actions by 3 rd Parties	Case 01	-	-	-	-	-	-	-	-	3,400

6.12.3.6 Assumptions used for the Financial Projections of Property Management Corporation

All the above projection being carried out with the assumptions in par with past financial data and more realistic future projections under normal circumstances.

6.12.4 KPIs, Risk Management Strategy and Reporting Obligations

6.12.4.1 *Key Performance Indicators of the Property Management Corporation*

Title of Key Performance Indicators	Description	Achievements of KPIs						
		Actual Figures			Provisional	Forecast		
		2020	2021	2022	2023	2024	2025	2026
Not Provided								

6.12.4.2 *Risks and Resilience Plan of the Property Management Corporation*

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	N/A	
Financial Risks	More Capital projects on major renovation expected 40m p.a	Proper cash flow planning & implementation of an effective recovery plans
	Expected to fund on new housing projects worth 20 m over 3 years' time (Housing projects)	Proper fund allocation on CAPEX & CF planning
Operational Risks	New operational ,administrative hassle can be expected –New Truck Unit	Steps being planned to recruit suitable right technicians/Professional to mitigate the risk
Compliance and Regulatory Risks	N/A	
Environmental and Social Risks	N/A	
PESTEL	N/A	

6.12.4.3 *List of External Reporting's by the Property Management Corporation*

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report
Monthly Financials	PEMC	Drafted Financials	Monthly
Annual Budget	PEMC	Projected Budget	Annually
Annual Financials	PEMC	Draft/Audited	Annually
Periodic reports on FS	OAG	As per the request of OAG	Qtr./bi-Annual/Annual

6.12.5 Stakeholder Engagement

6.12.5.1 *Statement by CEO*

I hereby reaffirm my unwavering commitment to PMC's mission and objectives. As CEO, I understand the pivotal role that clear strategic direction, performance benchmarks, and resource optimization play in our journey towards continued success. I am fully dedicated to aligning our efforts and resources to achieve the goals set by the Board of Directors.

Strategic Execution: We are steadfast in our dedication to executing the strategic directives set forth by the Board. We will prioritize the timely implementation of key initiatives, ensuring that each action plan is aligned with our long-term vision.

Opportunity Identification: We recognize the importance of identifying and seizing opportunities for enhancement. Our team will remain vigilant in scanning the external environment, anticipating industry trends, and proposing innovative solutions to capitalize on emerging opportunities.

Challenges as Catalysts for Growth: Challenges are an inevitable part of our journey. Rather than setbacks, we view them as catalysts for growth and continuous improvement. We commit to addressing prominent challenges head-on, fostering a culture of resilience, and learning from adversity.

Resource Optimization: Optimizing resource allocation is central to our strategy. We will rigorously evaluate our resource utilization, directing investments where they can yield maximal gains and enhance our competitiveness. Efficiency and sustainability will guide our resource management decisions.

Key Performance Indicators (KPIs): The attainment of KPIs is a testament to our effectiveness. We pledge to establish, track, and achieve these performance benchmarks diligently. Regular performance assessments will guide our decision-making and ensure accountability at all levels.

Our commitment extends beyond mere words; it is reflected in our actions and outcomes. Together, we will steer our organization toward greater heights, harnessing the collective talents, dedication, and innovation of our team.

I am deeply honored to lead this organization, and I look forward to working collaboratively with the Board, management team, and all stakeholders in achieving our shared objectives.

6.12.5.2 *Foreword by Chairperson*

PMC plays a critical role in the Seychelles upstream housing industry, which is an integral part of our mandate. PMC is more than just a corporation; it is a testament to the determination and ingenuity of a small group of employees who strive to harness. The Board of Directors is committed to advancing the strategic priorities outlined in the Medium-Term Financial Strategy (MTFS) for 2024-2026. As the Chairperson, I will spearhead the following priorities, including formalizing the arrangement for new strategic plans and related concerns. I also pledge to attract new investment to Seychelles' upstream sector as the industry emerges from its slump, realizing that the company's revenue is not robust because it depends on money from govt or lenders. These are aligned with the Minister's performance target for the Board.

The Board remains committed to diversifying the economy by promoting PMC while being mindful of environmental and socio-economic implications. The future trajectory of PMC is contingent upon the outcome of exploration efforts and directives from the Government. In the event that PMC will expand swiftly to hire specialized skills. This aligns with our mission statement, aiming to have benefiting every Seychellois for this generation and beyond.

I encourage you to delve into the details of this report, which not only presents our financial outlook but also articulates our strategy for mitigating risks and seizing opportunities in the years ahead. By doing so, you will gain a deeper understanding of our dedication to responsible fiscal planning and stewardship as we are taking steps to ensure the sustainability and growth of PMC.

I would like to extend my appreciation to the Board of Directors, the Management Team and Staff, and all stakeholders for their ongoing support, contributions, and unwavering dedication to sound financial management to chart a financially secure and prosperous course for our organization.

6.12.5.3 *Statement by the Responsible Minister*

In my capacity as the Minister responsible for supervising PMC, I am firmly committed to advancing the strategic priorities outlined in the Medium-Term Financial Strategy (MTFS) for the period of 2024-2026.

Our foremost objective is to actively advocate for the inclusion of PMC in the National Development Strategy, emphasizing its critical role in enhancing economic diversification and energy security. Through extensive stakeholder engagement, educational initiatives, paving the way for its acceptance and integration into our national interests.

Additionally, we are resolute in our pursuit of enhancing the prospects of the corporation by refining existing and developing new leads and prospects, we aim to attract more new housing projects t, ensuring the sustainable growth of our upstream sector.

We are non-negotiable aspects of our strategic vision. We will actively work towards enacting stringent regulations that mitigate environmental impacts and protect the well-being of our workforce. Moreover, efficient data management

strategies will be developed, ensuring the integrity and accessibility of information generated by upstream activities. These efforts will align with global industry standards, promoting seamless collaboration and enhancing our reputation.

Community and stakeholder engagement will remain a top priority, fostering transparent communication and addressing concerns related to our activities. A robust social media presence already being established to facilitate open dialogue and build public trust.

In conclusion, this strategic roadmap outlined within the MTFS underscores the seamless integration of government and national priorities within PMC. It reflects my steadfast commitment to the National Assembly and the Government, outlining clear expectations and policy directives. Together, we will drive corporation towards a future defined by sustainable growth, responsible practices, and enduring success for our beloved Seychelles.