



# **MEDIUM TERM FINANCIAL STRATEGY (MTFS)**

## **STRATEGIC FRAMEWORK OF PUBLIC ENTERPRISES IN SEYCHELLES**

# **2025-2027**

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Prepared by Public Enterprise Monitoring Commission





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## **1 MEDIUM TERM FINANCIAL STRATEGY (MTFS):**

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### *A. Medium term Financial Strategy (MTFS) as a tool of Compliance with Statutory Requirements.*

The Medium-Term Financial Strategy (MTFS) is an essential tool for Strategic financial planning and management, providing a structured framework for organizations to strategically manage their financial resources over a medium-term horizon, typically spanning three to five years. In Seychelles, the MTFS is particularly important for the Public Enterprises (PEs) to demonstrate their strategy towards sustainable financial practices while ensuring their operational alignment with the government's objectives, national priorities, and broader long-term social and economic goals.

### *B. The Role of the MTFS in Strategic Financial Planning and National Alignment of Public Enterprises*

MTFS 2025-2027 marks the second year of, the MTFS becoming a cornerstone of financial governance for PEs. This strategy enables stakeholders—including government, PE management, investors, the public and any other Stake holders to review past financial performance, assess current financial health, and forecast future financial outcomes. This futuristic comprehensive view supports better-informed decision-making by providing insights into trends, risks, and opportunities. Understanding how PEs have evolved financially allows stakeholders to evaluate the effectiveness of past strategies, assess current conditions, and anticipate challenges or opportunities in the years ahead.

The core purpose of the MTFS is to serve as a forward-looking Strategic roadmap that enables PEs to forecast revenue streams, manage expenditures, and plan investments to maintain financial stability. It not only focuses on the financial health of individual PEs but also examines how their activities contribute to national objectives, including economic growth, social welfare, and environmental sustainability. By evaluating performance over several years, stakeholders are compelled to assess how well PEs are progressing toward these key objectives, make adjustments as needed, and ensure continuous alignment with government priorities and evolving economic conditions.

The MTFS also plays a crucial role in managing financial risks and uncertainties. By incorporating risk management into their financial planning, PEs can identify potential shocks and develop contingency plans to protect financial stability during volatile periods. This proactive risk management culture helps PEs remain resilient in the face of economic challenges. Moreover, the MTFS enhances transparency and accountability by requiring PEs to regularly update stakeholders on their financial performance and demonstrate how their financial decisions support national development goals.

Updating the MTFS annually is critical to ensure that PEs remain aligned with evolving economic conditions, strategic priorities, and regulatory requirements. A regularly revised MTFS allows PEs to manage financial risks effectively, adapt to changes in market dynamics or policy shifts, and ensure sustainability over the medium term. This proactive approach helps PEs achieve both their immediate and long-term objectives, contributing to improved performance and progress toward broader national development goals.

*C. Role of the Board of Directors (BOD) in shaping the strategies of PEs through the MTFS*

Active involvement of the BODs is essential in shaping the MTFS, ensuring that the forecasted budget aligns with the enterprise's strategic plans and national development objectives. This ensures that financial forecasts support the long-term vision of the enterprise and that this vision aligns with key national priorities, and NDGs including economic growth, sustainability, and social equity. BODs participation also helps to align PEs objectives with United Nations Development Programme (UNDP) Sustainable Development Goals (SDGs), ensuring PEs contribute to both national and global development efforts. Seeking approval from the responsible minister reinforces accountability and compliance with government policies, fostering financial discipline and strengthening the enterprise's contribution to sustainable national progress.

In conclusion, the MTFS is not only a tool for managing financial resources efficiently but also the strategic blueprint and critical tool for building trust among stakeholders by offering a clear, meticulously articulated framework for evaluating the Strategic direction of PEs. As the MTFS evolves, it will continue to play an increasingly vital role in shaping the sustainable growth and development of Seychelles' public sector.

*D. Key Elements of the Medium-Term Financial Strategy (MTFS) for Public Enterprises*

The Medium-Term Financial Strategy (MTFS) for Public Enterprises (PEs) focuses on key elements essential for their sustainability, growth, and alignment with national objectives:

**i. Financial Sustainability:**

Public Enterprises play a vital role in delivering essential services and promoting economic growth. The MTFS acts as the blueprint, ensuring PEs have the necessary resources to fulfill their mandates while maintaining financial sustainability. The government's overarching goal is for all PEs to achieve self-sufficiency and minimize fiscal risks associated with their operations. Boards of Directors are expected to develop forward-looking strategies aligned with government policies and within their mandates.

**ii. Capital Investment Planning:**

PEs often require substantial investments in infrastructure, technology, and equipment. The MTFS outlines a clear plan for these investments, ensuring the availability of funds through a combination of internal and external sources. This approach supports the timely and effective execution of capital projects crucial for operational and service delivery improvements.

**iii. Operational Performance, Efficiency, and Cost Control:**

The government is committed to fostering a public service culture that is efficient, sustainable, and customer-focused. The MTFS supports this goal by promoting Results-Based Management (RBM), which aims to enhance PEs' operational efficiency through strategies for cost control, process improvements, and achievement of performance targets measured by Key Performance Indicators (KPIs).

**iv. Risk Management:**

In today's complex environment, PEs face diverse risks, including financial, operational, strategic, and legal. The MTFS helps identify and incorporate risk mitigation measures, addressing factors such as currency fluctuations, interest rate changes, and market volatility. These measures protect the financial and operational stability of the enterprises.

**v. Debt Management and Contingent Liabilities:**

Many PEs rely on borrowing to fund operations and investments, sourcing loans from

local banks, international institutions such as the European Union (EU) and the Asian Development Bank (ADB), among others. The MTFS provides a comprehensive debt management strategy, detailing optimal debt composition, repayment schedules, and funding sources to ensure financial health and sustainability.

**vi. Future-Focused Strategies for Revenue Diversification and increased Quasi Fiscal Activities (QFA):**

The MTFS encourages PEs to diversify revenue streams within their mandates and government policy frameworks. Strategies include entering new markets, expanding service offerings, introducing new products, cross-selling, embracing digital transformation, exploring international opportunities, and pursuing sustainability initiatives. Additionally, the MTFS emphasizes the importance of managing quasi-fiscal activities—operations that have fiscal implications but are not reflected in the government budget. By increasing transparency and accountability in these quasi-fiscal activities, PEs can mitigate hidden costs and fiscal risks. This comprehensive approach reduces dependency on traditional revenue sources and non-transparent fiscal operations, thereby strengthening PEs' financial base and resilience

**vii. Grants and Subsidies:**

Grants and subsidies are integral to fiscal policy, providing financial support to PEs for fulfilling their mandates, promoting industries, or fostering economic growth. The MTFS defines a framework for managing these funds from 2024 to 2026, specifying amounts, sources, and purposes to aid in national public budget planning. This approach enhances transparency, accountability, and resource allocation for both PEs and the government.

**viii. Dividends:**

The MTFS outlines expected dividend payments from PEs to the government and shareholders over a specified period. This information provides critical insights for fiscal planning and aligns with government revenue expectations.

**ix. Regulatory Compliance:**

The MTFS enables Public Enterprises (PEs) to satisfy the provisions of the Public Enterprises Act 2023, including Sections 51, 54, 55, 81, and 91. By aligning with Section 51 on **Strategic Priorities**, Section 54 on **Annual Business Plan**, Section 55 on **Performance Indicators**, Section 81 on **Annual Budget**, and Section 91 on **Distribution of Dividends**, the MTFS ensures that PEs maintain legal and regulatory standards in strategic planning, financial operations, performance measurement, budgeting, and dividend distribution

**x. Transparency and Accountability:**

The government emphasizes the importance and prioritization of transparency and accountability in the financial management of PEs. The MTFS promotes these principles by establishing robust reporting and monitoring mechanisms, providing essential information to the public on the strategic direction, economic impact, and value-added contributions of PEs to the national economy.

**xi. Stakeholder Engagement:**

The MTFS integrates stakeholder inputs and engagement, going beyond traditional budgeting methods. This collaborative approach enables PEs to make well-informed decisions, leading to more balanced and comprehensive financial strategies that align with organizational needs and stakeholder interests, while also promoting better governance.

**xii. Alignment with National Goals:**

The MTFS serves as a blueprint for aligning PEs' strategies with the six priority sectors in the national development plan. It outlines how PEs' activities contribute to the government's strategic objectives, ensuring that their efforts support overall national development.

In Summary, the MTFS of PEs is essential for ensuring financial stability, aligning operations with national objectives, and effectively managing resources. It serves as a roadmap for sustainability, risk management, and responsible governance, supporting the success of PEs and their contribution to the economy.

## **2 SCOPE AND SOURCE OF INFORMATION**

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### *A. Scope*

As per Schedule 1 of the Public Enterprises Act 2023, there are currently 27 listed Public Enterprises in Seychelles. This Act establishes a comprehensive legal framework for the governance and management of these entities, ensuring they are operated efficiently and align with NDGs. Among the PEs;

- The Societe Seychelloise d'Investissement Ltd (SSIL) is in the process of dissolution
- The 2020 Development Company Ltd is (.....).
- Paradis Des Enfants Ltd has not prepared its MTFS for the 2025–2027 period, due to internal challenges.
- Bois De Rose Investment Ltd. has now become a subsidiary of the Seychelles Trading Company Ltd. (STCL). This strategic restructuring aims to enhance operational efficiency, consolidate resources, and strengthen the overall performance of these enterprises within the public sector.
- The Seychelles Airports Authority (SAA) will become effective on 1st January 2025, following a structural reorganization of the aviation sector to better meet the demands of modern air transportation, infrastructure management and regulatory compliance. Since this Medium-Term Financial Strategy (MTFS) pertains to Public Enterprises, we have included the MTFS for both the Seychelles Civil Aviation Authority (SCAA) and the forthcoming Seychelles Airports Authority (SAA). However, the financial projections and strategic plans for SAA are provisional and may not be fully accurate until the next reporting cycle due to the ongoing establishment processes and adjustments inherent in setting up a new authority.

As a result, the Medium-Term Financial Strategies (MTFS) for the remaining 24 Public Enterprises are presented in this Consolidated Medium-Term Financial Strategy. It is important to note that, for the entities which are subsidiaries, their respective projections are integrated within the MTFS of their parent organisations. This comprehensive document aims to provide stakeholders with a clear understanding of the financial outlook and strategic direction of the majority of PEs within the country.

### *B. Source of Information and Methodology*

The information in the Seychelles Public Enterprises' Consolidated MTFS is meticulously compiled from the individual MTFS documents prepared by each PE and approved by their respective BoDs. The BoDs are responsible for developing the MTFS in collaboration with the responsible Ministers to incorporate ministerial input and ensure alignment with national policies. This collaborative process results in a finalized strategy that serves as a joint statement by the BoD and the central government, reinforcing accountability, transparency, and cohesion in public sector planning.

However, given that the MTFS process is still relatively new for Public Enterprises—this being only the second year since its introduction—some PEs have not yet obtained ministerial approval for their MTFS or completed the necessary consultations to ensure full alignment with government policies and national development priorities. Recognizing these challenges, efforts

are ongoing to fully integrate the National Development Strategy (NDS) into each PE's objectives and to secure timely approval from all responsible Ministers. Elements not yet covered in the individual MTFS documents will be addressed and incorporated into forthcoming year's Consolidated Medium-Term Financial Strategy, moving toward a more comprehensive and integrated approach in future cycles.

The main sources of information for this document are as follows:

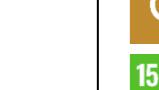
- 1. Projected Medium-Term Financial Strategies received from the BoDs of Public Enterprises:** These include financial forecasts, strategic initiatives, and operational plans for the years 2025-2027, providing a roadmap for each PE's financial management.
- 2. National Priorities and National Development Objectives from the National Planning Department of the Ministry of Finance, National Planning, and Trade (MFNPT):** These priorities ensure that the PEs' strategies are aligned with the broader socio-economic goals of the country, such as sustainable development, economic diversification, and social welfare improvements.
- 3. Gross Domestic Product (GDP) forecasts from the Economic Forecasting Department of MFNPT:** GDP forecasts offer essential macroeconomic context for financial planning, helping PEs align their strategies with expected economic conditions and benchmark their performance.
- 4. Actual and Past exchange rates from the Central Bank of Seychelles (CBS):** Accurate exchange rate data is critical for financial calculations, especially for PEs engaged in international trade or with foreign currency exposures.
- 5. Forecasted exchange rates and Inflation rates from the Economic Forecasting Department of MFNPT:** These forecasts aid in future financial planning and risk management associated with currency fluctuations, enabling PEs to develop strategies to mitigate potential adverse effects on their financial positions.

This comprehensive approach to data collection ensures that the MTFS is based upon reliable and up-to-date information, facilitating informed decision-making and strategic alignment with national economic forecasts and development objectives. By utilizing these diverse and authoritative sources, we aim to enhance the reliability of financial projections, foster greater transparency and accountability in public sector financial management, and ultimately contribute to the sustainable growth and development of Seychelles' economy

### 3 OVERVIEW OF 2025-2027 MTFS OF PES

Key Aspect	SCR ('000)						
	2021	2022	2023	2024	2025	2026	2027
Nominal GDP	25,346,915	28,220,808	29,094,146	31,044,000	33,033,000	35,028,000	37,213,000
Total Revenue	12,354,455	16,407,688	14,707,624	14,546,738	15,894,441	15,628,136	15,678,574
Revenue Growth Rate	-	33%	-10%	-1%	9%	-2%	0%
Revenue to GDP %	49%	58%	51%	47%	48%	45%	42%
Total Expenditure	11,912,707	13,048,590	13,338,098	13,288,532	14,612,976	14,376,329	14,701,251
Expenditure Growth Rate	-	10%	2%	0%	10%	-2%	2%
Total Finance Cost	247,687	171,703	127,807	139,275	152,047	162,145	152,103
Total Business Tax	(79,117)	464,332	576,028	641,611	858,649	704,465	701,450
Tax to Net Profit %	-238%	14%	47%	51%	67%	56%	72%
Total Net Profit	33,292	3,270,968	1,226,356	1,251,992	1,288,645	1,247,001	972,360
Total Assets	23,067,474	21,515,124	22,236,497	24,121,689	26,662,084	28,776,914	30,478,810
Total Assets Growth Rate %	-	-7%	3%	8%	11%	8%	6%
Total Assets to GDP %	91%	76%	76%	78%	81%	82%	82%
Net Assets	12,982,071	13,522,575	14,451,907	16,097,234	17,660,793	19,131,481	20,183,401
Net Assets to Growth Rate %	-	4%	7%	11%	10%	8%	5%
Net Assets to GDP %	51%	48%	50%	52%	53%	55%	54%
Total Cash and Cash Equivalent	2,600,007	3,437,250	3,720,887	3,823,397	4,197,395	4,805,166	4,539,732
Total Cash Growth Rate %	-	32%	8%	3%	10%	14%	-6%
Total Cash to GDP %	10%	12%	13%	12%	13%	14%	12%
Total Liabilities	10,085,304	7,992,549	7,784,630	8,024,483	8,949,184	9,642,200	10,295,306
Liabilities Growth Rate %	-	-21%	-3%	3%	12%	8%	7%
Liabilities to GDP %	40%	28%	27%	26%	27%	28%	28%
Liabilities to Total Assets %	44%	37%	35%	33%	34%	34%	34%
Total Borrowings	3,819,600	1,768,431	1,846,063	1,697,153	1,800,615	2,085,666	2,099,240
Borrowings Growth Rate %	-	-54%	4%	-8%	6%	16%	1%
Borrowings to GDP %	15%	6%	6%	5%	5%	6%	6%
Borrowings to Total Assets %	17%	8%	8%	7%	7%	7%	7%
Total Operating Activities	175,711	2,152,911	1,562,742	1,994,488	2,165,842	2,197,692	1,934,058
Total Investing Activities	(401,969)	(755,291)	(1,204,948)	(1,635,959)	(1,871,022)	(1,998,242)	(2,728,350)
Investing Activities to GDP %	-2%	-3%	-4%	-5%	-6%	-6%	-7%
Total Financing Activities	(475,649)	(342,589)	(361,121)	(313,585)	72,850	465,093	(330,005)
Total Subsidies	98,486	34,000	14,138	48,000	36,000	35,100	32,100
Subsidies to Growth Rate %	-	-65%	-58%	240%	-25%	-3%	-9%
Total Grants	218,057	107,601	132,214	206,118	136,780	141,109	193,190
Grants to Growth Rate %	-	-51%	23%	56%	-34%	3%	37%
Total Dividend Declared	372,566	410,960	438,262	369,702	357,088	379,111	310,066
Dividends Growth Rate %	-	10%	7%	-16%	-3%	6%	-18%
Dividends to Net Assets %	3%	3%	3%	2%	2%	2%	2%
Total Capital Expenditure	797,643	859,879	896,378	3,888,501	4,619,457	8,580,520	15,679,853
Capital Expenditure to GDP %	3%	3%	3%	13%	14%	24%	42%

#### 4 MAPPING OF PES WITH NATIONAL DEVELOPMENT STRATEGY

National Priority Areas	A Modern Public Service	The Transformative Economy Agenda	A Healthy Nation	Promotion of Law and Order	A Modern Education System aligned with future needs	Environment Sustainability and Climate Change Resilience
Sustainable Development Strategies of Seychelles and - Expected Outcome	<b>Strategy I:</b> Promote a Performance-Based, accountable and transparent public service  <i>Ensure successful implementation of the results-based management.</i>	<b>Strategy I: The Tourism Sector:</b> "A more resilient sector which is better integrated in the economy."  <i>Increasing the tourism sector's contribution to the economy.</i>  <i>Building a sustainable, resilient and better integrated tourism sector through product enhancement, diversification and differentiation</i>	<b>Strategy I:</b> Promote Healthy Populations  <i>Promote healthy living for all age-groups and address risk factors for priority diseases</i>  <i>Revitalise Health-in-All Policies</i>	<b>Strategy I:</b> Reinforce Community Policing to improve community trust and confidence	<b>Strategy I:</b> Reform the Education System for the realities of Seychelles today and for the future  <i>Modernise the school curriculum.</i>  <i>Anchor digital skills in the education system.</i>  <i>Strengthen the Technical and Vocational education and training</i>	<b>Strategy I:</b> Undertake preliminary measures in attaining long run NDC targets  <i>Mitigate Impact of Flooding in Coastal Plains and effects of sea level rise in most vulnerable areas</i>
	<b>Strategy II:</b> Address Human Resource gaps and instill a culture of lifelong learning within the public sector  <i>Establish a dynamic public sector college to enhance public service delivery</i>	<b>Strategy II: The Agricultural Sector:</b> "Improved Food Security and Economically Sustainable Import Substitution, and the Creation of Avenues to Encourage more Consumption of Local Products in our Economy."  <i>Increased in Local Broiler meat consumption</i>  <i>Increased in locally produced crop consumption</i>	<b>Strategy II:</b> Provide Quality Health Services Nationwide  <i>Improve health services through implementation and monitoring of PHC Package</i>  <i>Improve secondary and tertiary care through implementation of a quality improvement initiative</i>	<b>Strategy II:</b> Reduce repeat offences and re-admissions to the correctional facility	<b>Strategy II:</b> Promote inclusion in educational institutions  <i>Align Inclusive Education Policy with national and international standards</i>	<b>Strategy II:</b> Ensuring legal protection and sustained protection of maritime and terrestrial spaces  <i>% coverage of terrestrial and marine protected areas</i>
	<b>Strategy III:</b> Digitalize government services to increase access and public engagement  <i>Embed digitalization to improve efficiency of the public service</i>	<b>Strategy III: The Fisheries and Blue Economy Sector:</b> "The Promotion of Value Addition and the Modernization of Infrastructure."  <i>Increase in value-addition &amp; diversification</i>  <i>Invest in key infrastructure for the Fishing Industry</i>  <i>Promote and develop diversified marine species</i>  <i>Develop sustainable emerging sectors in Blue Economy</i>	<b>Strategy III: Strengthen Health System Performance</b>  <i>Implement eHIS.</i>  <i>Develop and implement a Human Resources for Health Strategy</i>	<b>Strategy III:</b> Strengthen border security	<b>Strategy III:</b> Foster life-long learning for employability and productivity  <i>Provide increased opportunities for continuing professional development</i>	<b>Strategy III:</b> Ensure proper planning and implementation of energy policies and strategies  <i>Ensure alignment of RE mix of 15% and reduction in energy intensity as per the NDC</i>
		<b>Strategy IV: Enhancing the enablers: The Digital Economy, The Financial Sectors, STI</b>  <i>Promote the Digital Economy Agenda</i>  <i>Prioritizing IT projects and External Assistance</i>  <i>Overarching elements (modernizing public service systems, digital banking, International compliance etc.)</i>  <i>Improving access to Key Stakeholders</i>				<b>Strategy IV:</b> An effective and sustainable waste management system  <i>Effective management in biodegradable waste</i>
Link With United Nation's Sustainable Development Goals 	      	       	       	    	       	
Strategic priorities of PEs Linked with the National Priorities	In 2024, the Public Enterprise Monitoring Commission (PEMC), in partnership with the United States Treasury Department Office of Technical Assistance (US-OTA), the National Planning Department of the Ministry of Finance, National Planning, and Trade (MOFNPT), and the United Nations Development Programme (UNDP) Seychelles, initiated a mapping process to align the strategic priorities of Public Enterprises (PEs) with the 2024–2028 National Development Strategy (NDS) and the Sustainable Development Goals (SDGs). The successful completion of a dedicated workshop with the MOFNPT portfolio marked a significant milestone in this endeavour. During this workshop, PEs were equipped with practical tools, methodologies, and insights to align their individual strategies with the NDS and SDGs, fostering a deeper understanding of their roles in the broader development context.					

Building on this momentum, PEMC has scheduled similar workshops with the remaining ministry portfolios in November 2024. These upcoming sessions aim to create a cohesive and unified approach across all sectors, ensuring that every PE is well-prepared to integrate national priorities into their strategic planning. This series of workshops not only facilitates knowledge sharing and capacity building but also strengthens collaboration between PEs and government ministries, enhancing coherence in policy implementation.

In addition to the workshops, PEMC is in the process of developing comprehensive guidelines and support materials to assist PEs throughout the mapping process. These resources provide ongoing assistance, enabling PEs to continuously refine their strategies in alignment with evolving national goals and international commitments. Our collaborative efforts include feedback mechanisms, allowing PEs to share their experiences and challenges, which in turn inform the continuous improvement of our support initiatives.

Furthermore, the Government aims to strengthen monitoring and evaluation frameworks to track the effectiveness of the alignment process. By setting measurable indicators and performance metrics, the government aims to assess the impact of PEs on achieving the NDS and SDGs. This approach promotes accountability and transparency, ensuring that PEs remain committed to contributing positively to the country's socio-economic development.

The Government through the PEMC is also exploring opportunities for technical assistance and capacity-building partnerships with international organizations and development agencies. These collaborations aim to bring global best practices to our PEs, enhancing their operational efficiency and strategic impact. By fostering such partnerships, the Government intends to position Seychelles' public enterprises as leaders in sustainable development and innovation within the region.

Overall, our concerted efforts in 2024 signify a proactive and forward-thinking approach to national development. By engaging PEs in the mapping process and providing them with the necessary tools and support, we are laying a strong foundation for sustainable growth, enhanced public service delivery, and the successful realization of both national and global development objectives.

## 5 SECTION I - CONSOLIDATED MTFS AND FINANCIAL PROJECTIONS OF PES

### 5.1 Aggregate Projected Income Statements of PEs

#### 5.1.1 Aggregate Total Revenue Projections of PEs

SCR ('000)

Name of Public Enterprise	Summary of Total Revenue Projections for 2021-2027						
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	303,303	619,006	243,798	218,406	200,769	211,812	234,186
Financial Service Authority	224,314	200,614	191,130	191,181	209,761	219,346	221,747
<b>Transport Sector</b>							
Air Seychelles Ltd	791,275	2,696,570	1,129,996	1,148,602	1,280,483	1,322,002	1,374,269
Seychelles Airport Authority	293,343	474,248	511,932	530,181	525,798	531,436	540,566
Seychelles Civil Aviation Authority	297,196	476,718	514,451	533,565	77,975	35,807	36,454
Seychelles Ports Authority	165,600	205,260	218,864	316,200	336,300	361,000	377,800
Seychelles Public Transport Corporation	178,466	207,903	240,683	185,710	183,475	185,467	187,544
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd	5,717,913	7,137,716	6,711,276	6,518,932	6,626,824	6,818,842	6,838,846
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation	2,227,204	2,107,502	1,964,917	2,328,000	2,655,230	2,749,934	2,847,157
Petro Seychelles Ltd	8,885	3,808	3,648	6,304	10,250	10,250	10,250
<b>Service, Development and Other Sector</b>							
Seychelles Trading Company Ltd	1,021,912	1,107,714	1,053,167	1,028,736	1,066,628	1,119,364	1,174,739
Island Development Company	616,980	634,984	1,261,297	1,039,898	2,161,392	1,477,814	1,240,880
Green Island Construction Company Ltd							
Green Tree Investment Company Ltd							
Property Management Corporation	81,800	92,279	99,766	92,063	95,479	92,098	90,408
Seychelles Fishing Authority	354,918	314,812	431,771	279,408	304,180	308,774	313,191
L'Union Estate Company Ltd	34,122	37,827	38,443	38,380	63,201	70,102	68,406
Seychelles Parks and Gardens Authority		41,515	43,358	40,117	45,562	47,656	48,243
Seychelles Postal Services Ltd	16,301	25,780	25,268	26,522	25,550	40,625	47,497
National Information Service Agency	20,925	23,434	23,862	24,533	25,585	25,808	26,393
2020 Development Company Ltd	-	-	-	-	-	-	-
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>12,354,455</b>	<b>16,407,688</b>	<b>14,707,624</b>	<b>14,546,738</b>	<b>15,894,441</b>	<b>15,628,136</b>	<b>15,678,574</b>
<b>Growth Rate%</b>	-	33%	-10%	-1%	9%	-2%	0%
<b>Nominal GDP</b>	<b>25,346,915</b>	<b>28,220,808</b>	<b>29,094,146</b>	<b>31,044,000</b>	<b>33,033,000</b>	<b>35,028,000</b>	<b>37,213,000</b>
<b>GDP %</b>	<b>49%</b>	<b>58%</b>	<b>51%</b>	<b>47%</b>	<b>48%</b>	<b>45%</b>	<b>42%</b>

### 5.1.2 Aggregate Total Expenditure Projections of PEs

SCR ('000)

Summary of Total Expenditure Projections for 2021-2027							
Name of Public Enterprise	Actual			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	284,600	140,554	135,639	147,581	160,290	163,784	167,455
Financial Service Authority	113,880	95,232	122,010	137,703	149,532	139,587	139,308
<b>Transport Sector</b>							
Air Seychelles Ltd	1,175,006	991,753	1,031,898	1,061,298	1,157,117	1,195,226	1,252,004
Seychelles Airport Authority	340,037	340,404	398,353	445,948	482,176	479,343	487,305
Seychelles Civil Aviation Authority	332,848	379,398	427,139	469,821	46,527	46,821	47,124
Seychelles Ports Authority	199,000	160,471	179,835	217,540	227,699	233,630	245,642
Seychelles Public Transport Corporation	195,166	201,197	216,441	230,491	215,645	220,661	221,659
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd	5,917,207	6,818,056	6,287,025	5,986,049	6,235,886	6,393,652	6,682,369
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation	1,335,486	1,853,825	1,869,098	2,107,399	2,305,883	2,479,917	2,604,861
Petro Seychelles Ltd	16,115	5,663	5,102	12,830	12,982	13,187	13,187
<b>Services, Development and Other Sectors</b>							
Seychelles Trading Company Ltd	994,469	1,026,203	979,366	995,703	1,033,587	1,079,396	1,124,294
Island Development Company Ltd	634,851	598,900	1,200,476	1,048,044	2,117,386	1,455,173	1,235,479
Green Island Construction Company Ltd							
Green Tree Investment Company Ltd							
Property Management Corporation	76,232	86,285	94,682	96,550	88,516	83,274	83,604
Seychelles Fishing Authority	233,168	229,647	258,242	197,957	221,077	225,529	230,712
L'union Estate	22,764	30,120	34,270	34,533	54,325	59,643	57,220
Seychelles Parks and Gardens Authority		40,683	43,900	44,420	45,557	45,349	45,872
Seychelles Postal Services Ltd	16,134	26,982	29,236	30,235	34,194	37,514	37,702
National Information Service Agency	25,745	22,755	22,949	24,270	24,496	24,672	25,496
2020 Development Company Ltd	-	-	-	-	-	-	-
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>11,912,707</b>	<b>13,048,127</b>	<b>13,335,663</b>	<b>13,288,372</b>	<b>14,612,875</b>	<b>14,376,358</b>	<b>14,701,293</b>
<b>Growth Rate%</b>	-	<b>10%</b>	<b>2%</b>	<b>0%</b>	<b>10%</b>	<b>-2%</b>	<b>2%</b>
<b>Nominal GDP</b>	<b>25,346,915</b>	<b>28,220,808</b>	<b>29,094,146</b>	<b>31,044,000</b>	<b>33,033,000</b>	<b>35,028,000</b>	<b>37,213,000</b>
<b>GDP %</b>	<b>47%</b>	<b>46%</b>	<b>46%</b>	<b>43%</b>	<b>44%</b>	<b>41%</b>	<b>40%</b>

### 5.1.2.1 Aggregate Total Finance Cost Projections of PEs

SCR ('000)

Name of Public Enterprise	Summary of Total Finance Cost Projections for 2021-2027				Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	-	-	-	-	-	-	-
Financial Service Authority	-	-	-	63	114	113	112
<b>Transport Sector</b>							
Air Seychelles Ltd	191,207	108,687	79,268	66,444	62,491	56,920	50,831
Seychelles Airport Authority	1,478	2,740	4,868	4,339	3,020	1,547	60
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-
Seychelles Ports Authority	100	-	600	3,800	3,300	2,900	2,500
Seychelles Public Transport Corporation	-	-	-	-	-	-	-
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd	3,872	3,166	2,906	3,965	3,163	3,291	3,461
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation	10,030	16,666	14,579	28,585	59,091	62,854	62,190
Petro Seychelles Ltd	-	-	-	-	-	-	-
<b>Services, Development and Other Sectors</b>							
Seychelles Trading Company Ltd	-	-	-	-	-	-	-
Island Development Company Ltd	38,248	36,775	20,080	27,196	20,335	33,997	32,438
Green Island Construction Company Ltd							
Green Tree Investment Company Ltd							
Property Management Corporation	-	-	-	-	-	-	-
Seychelles Fishing Authority	-	-	-	-	-	-	-
L'Union Estate Company Ltd	-	-	-	-	-	-	-
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Ltd	135	-	-	-	-	-	-
National Information Service Agency	1,140	930	638	544	534	523	511
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
2020 Development Company Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	247,687	171,703	127,807	139,275	152,047	162,145	152,103
<b>Growth Rate%</b>	-	-31%	-26%	9%	9%	7%	-6%

### 5.1.3 Aggregate Net Profit/Loss Projections of PEs

SCR ('000)

Summary of Net Profit and Loss Projections for 2021-2027							
Name of Public Enterprise	Actual			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	18,703	478,451	108,159	70,825	40,479	48,029	66,732
Financial Service Authority	110,434	105,381	69,119	53,541	60,115	79,646	82,327
<b>Transport Sector</b>							
Air Seychelles Ltd	(383,731)	1,706,373	98,098	87,304	123,367	126,775	122,265
Seychelles Airport Authority	(42,193)	102,254	87,339	65,813	35,266	41,748	42,757
Seychelles Civil Aviation Authority	(42,193)	102,254	87,339	65,813	31,448	(11,015)	(10,671)
Seychelles Ports Authority	(33,400)	44,789	52,107	98,695	108,644	127,297	132,164
Seychelles Public Transport Corporation	(16,700)	11,513	24,256	(44,781)	(32,170)	(35,194)	(34,115)
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd	(199,294)	319,661	424,251	532,883	390,938	425,189	156,477
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation	489,558	202,066	95,819	220,601	349,347	270,017	242,296
Petro Seychelles Ltd	(7,231)	(1,855)	(328)	(6,525)	(2,732)	(2,937)	(2,937)
<b>Services, Development and Other Sectors</b>							
Seychelles Trading Company Ltd	2,449	66,064	59,685	28,644	28,690	35,620	46,098
Island Development Company Ltd	2,129	36,084	82,212	6,317	64,006	42,641	25,401
Green Island Construction Company Ltd							
Green Tree Investment Company Ltd							
Property Management Corporation	5,568	5,993	5,084	(4,487)	6,964	8,824	6,804
Seychelles Fishing Authority	121,750	85,165	173,528	81,451	83,103	83,245	82,479
L'Union Estate Company Ltd	11,357	7,707	4,172	3,847	8,875	10,459	11,185
Seychelles Parks and Gardens Authority	-	-	-	(4,304)	5	2,307	2,371
Seychelles Postal Services Ltd	(296)	(1,624)	(3,969)	(3,713)	(8,644)	(6,890)	(205)
National Information Service Agency	(4,820)	679	913	263	1,089	1,136	897
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
2020 Development Company Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>32,092</b>	<b>3,270,956</b>	<b>1,367,784</b>	<b>1,252,187</b>	<b>1,288,789</b>	<b>1,246,898</b>	<b>972,324</b>
<b>Growth Rate%</b>	-	10093%	-58%	-8%	3%	-3%	-22%

## 5.2 Projected Financial Position of PEs

### 5.2.1 Projected Value of Total Assets of PEs

SCR ('000)

Summary of Total Assets Projections for 2021-2027							
Name of Public Enterprise	Actual			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	3,512,800	4,081,651	4,334,905	4,654,748	4,900,657	5,166,185	5,474,741
Financial Service Authority	435,014	476,093	418,445	444,697	468,871	504,417	511,342
<b>Transport Sector</b>							
Air Seychelles Ltd	2,164,011	1,719,461	1,818,558	1,797,642	1,882,876	1,903,867	1,786,348
Seychelles Airport Authority	696,521	815,290	885,540	903,295	911,926	913,756	924,963
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-
Seychelles Ports Authority	514,600	568,342	657,260	809,200	1,155,600	1,960,600	2,086,200
Seychelles Public Transport Corporation	132,648	142,106	170,561	204,836	221,026	219,687	219,780
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd	7,094,271	4,718,392	4,341,991	4,994,295	5,565,487	6,083,353	7,061,355
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation	5,405,415	5,591,290	5,834,979	6,259,431	6,660,853	7,163,031	7,546,156
Petro Seychelles Ltd	9,017	30,555	29,250	46,542	66,261	65,591	65,591
<b>Services, Development and Other Sectors</b>							
Seychelles Trading Company Ltd	452,213	538,603	599,429	630,178	650,793	691,576	691,204
Island Development Company Ltd	654,619	689,598	871,964	1,001,651	1,654,454	1,519,323	1,414,217
Green Island Construction Company Ltd							
Green Tree Investment Company Ltd							
Property Management Corporation							
Seychelles Fishing Authority	607,687	622,387	707,467	758,320	825,765	873,804	939,893
L'Union Estate Company Ltd	33,168	170,541	177,933	182,023	202,501	225,776	242,126
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Ltd	40,135	39,548	38,479	37,657	34,550	38,461	49,521
National Information Service Agency	32,284	30,382	27,871	29,042	29,442	30,993	30,501
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
2020 Development Company Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>23,067,474</b>	<b>21,515,124</b>	<b>22,236,497</b>	<b>24,121,689</b>	<b>26,662,084</b>	<b>28,776,914</b>	<b>30,478,810</b>
<b>Growth Rate%</b>	-	<b>-7%</b>	<b>3%</b>	<b>8%</b>	<b>11%</b>	<b>8%</b>	<b>6%</b>
<b>Nominal GDP</b>	<b>25,346,915</b>	<b>28,220,808</b>	<b>29,094,146</b>	<b>31,044,000</b>	<b>33,033,000</b>	<b>35,028,000</b>	<b>37,213,000</b>
<b>GDP %</b>	<b>91%</b>	<b>76%</b>	<b>76%</b>	<b>78%</b>	<b>81%</b>	<b>82%</b>	<b>82%</b>

### 5.2.1.1 Projected Values of Net Assets

SCR ('000)

Name of Public Enterprise	Summary of Net Assets Projections for 2021-2027						
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	3,477,205	4,040,461	4,292,142	4,613,282	4,857,434	5,121,946	5,429,443
Financial Service Authority	382,480	404,978	336,884	380,607	409,273	432,001	434,009
<b>Transport Sector</b>							
Air Seychelles Ltd	(1,700,005)	270,653	363,580	450,870	596,443	732,542	866,606
Seychelles Airport Authority	598,836	686,090	756,429	788,242	803,508	825,256	848,013
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-
Seychelles Ports Authority	483,500	527,349	583,540	682,300	790,900	918,200	1,050,400
Seychelles Public Transport Corporation	89,557	101,071	125,327	155,434	171,864	172,671	173,157
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd	6,132,749	3,509,773	3,619,730	4,355,109	4,857,364	5,331,055	5,450,894
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation	2,658,474	2,860,540	2,956,359	3,176,960	3,526,307	3,796,324	4,038,620
Petro Seychelles Ltd	(8,952)	9,152	8,824	15,559	27,420	26,692	26,692
<b>Services, Development and Other Services</b>							
Seychelles Trading Company Ltd	343,462	404,917	490,170	518,940	546,977	582,598	575,623
Island Development Company Ltd	199,170	232,398	291,796	276,829	317,954	337,715	340,236
Green Island Construction Company Ltd							
Green Tree Investment Company Ltd							
Property Management Corporation	77,553	83,546	88,629	84,142	91,176	100,000	106,804
Seychelles Fishing Authority	174,359	184,524	323,052	379,503	437,607	495,852	553,332
L'Union estate Company Ltd	27,941	162,173	169,933	174,140	179,965	208,983	227,969
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Ltd	31,189	29,565	29,215	28,757	28,950	30,861	41,921
National Information Service Agency	14,552	15,385	16,298	16,561	17,650	18,786	19,683
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
2020 Development Company Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>12,982,071</b>	<b>13,522,575</b>	<b>14,451,907</b>	<b>16,097,234</b>	<b>17,660,793</b>	<b>19,131,481</b>	<b>20,183,401</b>
<b>Growth Rate%</b>	-	4%	7%	11%	10%	8%	5%
<b>Nominal GDP</b>	<b>25,346,915</b>	<b>28,220,808</b>	<b>29,094,146</b>	<b>31,044,000</b>	<b>33,033,000</b>	<b>35,028,000</b>	<b>37,213,000</b>
<b>GDP %</b>	<b>51%</b>	<b>48%</b>	<b>50%</b>	<b>52%</b>	<b>53%</b>	<b>55%</b>	<b>54%</b>

### 5.2.1.2 Projected Values of Cash and Cash Equivalents

SCR ('000)

Name of Public Enterprise	Summary of Cash and Cash Equivalents for 2021-2027				Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	143,933	198,103	173,566	116,103	163,940	138,529	142,127
Financial Service Authority	114,567	153,240	159,520	178,611	195,821	217,518	221,560
<b>Transport Sector</b>							
Air Seychelles Ltd	203,662	177,895	269,122	371,826	501,252	643,097	663,265
Seychelles Airport Authority	149,454	223,672	266,846	238,406	130,285	27,566	(190,618)
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-
Seychelles Ports Authority	190,100	196,199	228,287	232,600	184,700	199,300	47,100
Seychelles Public Transport Corporation	7,135	22,076	14,686	(11,219)	(23,067)	(40,812)	(56,316)
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd	598,004	1,168,942	1,250,960	1,557,448	2,033,650	2,635,990	2,675,553
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation							
Petro Seychelles Ltd	692,950	761,560	728,464	496,252	336,733	299,154	268,246
<b>Services, Development and Other Sectors</b>							
Seychelles Trading Company Ltd	49,597	81,095	76,413	84,461	43,699	81,940	126,159
Island Development Company Ltd	61,541	42,333	49,550	86,238	146,399	134,008	135,077
Green Island Construction Company Ltd							
Green Tree Investment Company Ltd							
Property Management Corporation	110,361	123,403	134,950	86,544	72,165	22,590	24,301
Seychelles Fishing Authority	240,324	250,861	332,038	353,339	380,136	400,058	412,048
L'union Estate Company Ltd	6,025	7,328	10,447	6,000	(2,800)	5,260	17,482
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Ltd	19,010	20,612	20,061	18,248	11,003	15,379	26,439
National Information Service Agency	4,761	5,156	3,304	3,500	4,665	6,776	8,497
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
2020 Development Company Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>2,600,007</b>	<b>3,437,250</b>	<b>3,720,887</b>	<b>3,823,397</b>	<b>4,197,395</b>	<b>4,805,166</b>	<b>4,539,732</b>
<b>Growth Rate%</b>	-	<b>32%</b>	<b>8%</b>	<b>3%</b>	<b>10%</b>	<b>14%</b>	<b>-6%</b>
<b>Nominal GDP</b>	<b>25,346,915</b>	<b>28,220,808</b>	<b>29,094,146</b>	<b>31,044,000</b>	<b>33,033,000</b>	<b>35,028,000</b>	<b>37,213,000</b>
<b>GDP %</b>	<b>10%</b>	<b>12%</b>	<b>13%</b>	<b>12%</b>	<b>13%</b>	<b>14%</b>	<b>12%</b>

## 5.2.2 Projected Values of Total Liabilities

SCR ('000)

Name of Public Enterprise	Summary of Total Liabilities Projections for 2021-2027						
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	35,595	41,190	42,763	41,466	43,223	44,239	45,297
Financial Service Authority	52,534	71,115	81,561	64,091	59,598	72,416	77,332
<b>Transport Sector</b>							
Air Seychelles Ltd	3,864,016	1,448,808	1,454,978	1,346,800	1,286,447	1,171,324	919,757
Seychelles Airport Authority	97,685	129,200	129,111	115,054	108,418	88,500	76,950
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-
Seychelles Ports Authority	31,000	40,994	73,720	126,900	364,600	1,042,200	1,035,600
Seychelles Public Transport Corporation	43,091	41,035	45,234	49,402	49,163	47,017	46,625
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd	961,522	1,208,620	722,261	639,186	708,135	752,295	1,610,461
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation							
Petro Seychelles Ltd	17,968	21,403	20,466	30,983	38,842	38,899	38,899
<b>Services, Development and Other Services</b>							
Seychelles Trading Company Ltd	108,751	133,686	109,259	111,238	103,816	108,978	115,581
Island Development Company Ltd	455,450	457,200	580,167	724,822	1,336,500	1,181,608	1,073,981
Green Island Construction Company Ltd							
Green Tree Investment Company Ltd							
Property Management Corporation	1,205,518	1,197,336	1,233,238	1,283,991	1,287,811	1,313,464	1,328,149
Seychelles Fishing Authority	433,329	437,863	384,415	378,817	388,158	377,952	386,561
L'Union Estate Company Ltd	5,228	8,368	8,000	7,883	22,535	16,792	14,158
Seychelles Parks and Gardens Authority							
Seychelles Postal Services Ltd	8,945	9,983	9,264	8,900	5,600	7,600	7,600
National Information Service Agency	17,732	14,997	11,573	12,481	11,792	12,207	10,818
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
2020 Development Company Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>10,085,304</b>	<b>7,992,549</b>	<b>7,784,630</b>	<b>8,024,483</b>	<b>8,949,184</b>	<b>9,642,200</b>	<b>10,295,306</b>
<b>Growth Rate%</b>	-	-21%	-3%	3%	12%	8%	7%
<b>Nominal GDP</b>	<b>25,346,915</b>	<b>28,220,808</b>	<b>29,094,146</b>	<b>31,044,000</b>	<b>33,033,000</b>	<b>35,028,000</b>	<b>37,213,000</b>
<b>GDP %</b>	<b>40%</b>	<b>28%</b>	<b>27%</b>	<b>26%</b>	<b>27%</b>	<b>28%</b>	<b>28%</b>
<b>Total Assets of PEs</b>	<b>23,067,474</b>	<b>21,515,124</b>	<b>22,236,497</b>	<b>24,121,689</b>	<b>26,662,084</b>	<b>28,776,914</b>	<b>30,478,810</b>
<b>Total Assets %</b>	<b>44%</b>	<b>37%</b>	<b>35%</b>	<b>33%</b>	<b>34%</b>	<b>34%</b>	<b>34%</b>

## 5.3 Projected Cash flow of PEs

### 5.3.1 Projected Total Operating Activities

SCR (000)

Summary of Total Operating Activities Projections for 2021-2027							
Name of Public Enterprise	Actual			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	(93,362)	82,158	151,516	145,769	117,509	126,002	145,753
Financial Service Authority	112,710	102,156	74,741	68,373	55,446	95,924	87,797
<b>Transport Sector</b>							
Air Seychelles Ltd	230,786	160,696	344,834	357,420	347,947	356,394	346,785
Seychelles Airport Authority	20,389	153,569	118,624	89,728	72,618	69,227	69,807
Seychelles Civil Aviation Authority	20,389	153,389	118,624	90,360	(527)	(14,847)	(11,318)
Seychelles Ports Authority	53,300	83,657	56,676	133,400	138,600	134,500	158,300
Seychelles Public Transport Corporation	(2,554)	18,360	(812)	(20,740)	(11,848)	(17,744)	(15,506)
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd	(463,229)	806,171	415,546	515,494	607,292	637,761	416,103
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation	131,985	350,783	(30,304)	223,724	541,399	480,479	448,845
Petro Seychelles Ltd	(8,107)	(3,826)	(2,334)	(6,830)	(8,277)	(3,275)	(3,275)
<b>Services, Development and Other Services</b>							
Seychelles Trading Company Ltd	(6,450)	96,223	95,640	62,769	42,570	59,925	69,394
Island Development Company Ltd	12,315	17,043	68,665	230,892	138,940	149,648	93,940
Green Island Construction Company Ltd							
Green Tree Investment Company Ltd							
Property Management Corporation	-	-	-	-	-	-	-
Seychelles Fishing Authority	153,691	117,091	141,436	100,194	106,468	97,638	97,633
L'union Estate Company Ltd	2,973	8,368	8,000	7,883	22,535	16,792	14,158
Seychelles Parks and Gardens Authority		230	(477)	(4,274)	37	2,342	2,408
Seychelles Postal Services Ltd	8,353	2,847	217	(1,563)	(7,345)	4,275	10,960
National Information Service Agency	2,522	3,996	2,151	1,888	2,476	2,652	2,274
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
2020 Development Company Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>175,711</b>	<b>2,152,911</b>	<b>1,562,742</b>	<b>1,994,488</b>	<b>2,165,842</b>	<b>2,197,692</b>	<b>1,934,058</b>

### 5.3.2 Projected Total Investing Activities

SCR (000)

Name of Public Enterprise	Summary of Total Investing Activities Projections for 2021-2027						
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	78,307	(27,988)	(176,052)	(203,232)	(69,672)	(151,413)	(142,156)
Financial Service Authority	(8,376)	2,476	(7,112)	(16,905)	(6,787)	(17,309)	(3,437)
<b>Transport Sector</b>							
Air Seychelles Ltd	(3,650)	(5,709)	(134,582)	(47,488)	(57,673)	(40,418)	(30,775)
Seychelles Airport Authority	(44,151)	(78,910)	(56,949)	(77,521)	(147,581)	(135,075)	(271,548)
Seychelles Civil Aviation Authority	(19,151)	(78,910)	(62,949)	(76,215)	-	-	-
Seychelles Ports Authority	(166,700)	(65,090)	(74,927)	(157,900)	(424,300)	(748,600)	(475,600)
Seychelles Public Transport Corporation	3,822	(2,900)	(6,582)	(82,490)	(48,600)	(36,000)	(34,600)
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd	100,586	43,889	(43,011)	27,961	40,797	182,738	(1,112,585)
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation							
Petro Seychelles Ltd	(31)	(26)	(78)	(400)	-	-	-
<b>Services, Development and Other Services</b>							
Seychelles Trading Company Ltd	(8,960)	(54,609)	(68,412)	(40,984)	(66,955)	(3,002)	(3,002)
Island Development Company Ltd	(6,268)	(29,802)	(171,492)	(256,794)	(257,220)	(268,282)	(3,007)
Green Island Construction Company Ltd							
Green Tree Investment Company Ltd							
Property Management Corporation	-	-	-	-	-	-	-
Seychelles Fishing Authority	(38,543)	(36,650)	(19,992)	(65,504)	(76,575)	(75,167)	(83,646)
L'Union Estate Company Ltd	(4,294)	(67,360)	(3,892)	(9,299)	(23,000)	(2,500)	(500)
Seychelles Parks and Gardens Authority		(1,860)	(3,052)	(1,733)	(3,703)	(3,682)	(2,150)
Seychelles Postal Services Ltd	(421)	(389)	(320)	(250)	(100)	(100)	(100)
National Information Service Agency	(316)	(291)	(401)	(863)	(1,181)	(400)	(400)
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
2020 Development Company Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>(401,969)</b>	<b>(755,291)</b>	<b>(1,204,948)</b>	<b>(1,635,959)</b>	<b>(1,871,022)</b>	<b>(1,998,242)</b>	<b>(2,728,350)</b>

### 5.3.3 Projected Total financing Activities

SCR (000)

Name of Public Enterprise	Actual				Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027	
<b>Financial Sector</b>								
Seychelles Pension Fund	-	-	-	-	-	-	-	-
Financial Service Authority	(115,938)	(66,110)	(61,198)	(32,377)	(31,449)	(56,918)	(80,318)	
<b>Transport Sector</b>								
Air Seychelles Ltd	(218,483)	(151,276)	(197,568)	(202,412)	(175,648)	(178,398)	(302,533)	
Seychelles Airport Authority	30,576	1,560	(18,060)	(31,471)	(33,179)	(34,599)	(26,498)	
Seychelles Civil Aviation Authority	30,576	1,560	(18,060)	(45,471)	46,000	-	-	
Seychelles Ports Authority	-	218	37,260	23,800	209,600	641,700	180,100	
Seychelles Public Transport Corporation	-	-	-	-	-	-	-	
<b>Energy Sector</b>								
Seychelles Petroleum Company Ltd								
Seychelles Progress Ltd								
Seychelles Patriot Ltd	(278,784)	(245,134)	(240,100)	(236,967)	(246,146)	(250,000)	(125,000)	
Seychelles Pioneer Ltd								
Seychelles Prelude Ltd								
Public Utilities Corporation	151,401	96,912	158,103	173,308	28,043	180,402	84,501	
Petro Seychelles Ltd	-	21,403	20,466	30,983	38,842	38,899	38,899	
<b>Services, Development and Other Services</b>								
Seychelles Trading Company Ltd	(7,619)	1,200	(6,480)	-	-	-	-	
Island Development Company Ltd								
Green Island Construction Company Ltd	5,069	11,777	8,585	21,238	240,014	126,697	(97,006)	
Green Tree Investment Company Ltd								
Property Management Corporation	-	-	-	-	-	-	-	
Seychelles Fishing Authority	(70,156)	(69,904)	(40,268)	(13,389)	(3,096)	(2,549)	(1,997)	
L'Union Estate Company Ltd	-	58,513	(200)	-	-	-	-	
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-	
Seychelles Postal Services Ltd	(716)	-	-	-	-	-	-	
National Information Service Agency	(1,576)	(3,309)	(3,601)	(828)	(130)	(141)	(153)	
<b>Bois De Rose Investment Ltd</b>	-	-	-	-	-	-	-	
<b>Paradis Des Enfants Ltd</b>	-	-	-	-	-	-	-	
<b>2020 Development Company Ltd</b>	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>(475,649)</b>	<b>(342,589)</b>	<b>(361,121)</b>	<b>(313,585)</b>	<b>72,850</b>	<b>465,093</b>	<b>(330,005)</b>	

## 5.4 Capital Expenditure Projections by PEs

SCR ('000)

Summary of Capital Expenditure Projections for 2021-2027							
Name of Public Enterprise	Actual			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	36,779	15,925	8,651	100,965	287,679	195,488	30,277
Financial Service Authority	-	-	-	10,040	25,130	21,590	810
<b>Transport Sector</b>							
Air Seychelles Ltd	2,366	-	32,956	49,280	99,907	58,486	190,410
Seychelles Airport Authority	46,082	95,054	53,438	77,584	152,764	141,614	267,677
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-
Seychelles Ports Authority	-	-	-	165,070	332,290	801,220	137,100
Seychelles Public Transport Corporation	1,955	3,227	39,990	98,435	48,600	36,000	34,600
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd	464,526	338,528	376,195	2,526,251	2,256,560	6,391,430	13,905,010
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation	231,506	308,004	280,216	547,910	826,103	873,653	924,525
Petro Seychelles Ltd	-	-	-	-	400	-	-
<b>Services, Development and Other Sectors</b>							
Seychelles Trading Company Ltd	15,065	56,814	68,069	41,249	66,951	-	-
Island Development Company Ltd	18,237	27,264	201,861	335,450	20,637	41,999	41,999
Green Island Construction Company Ltd							
Green Tree Investment Company Ltd							
Property Management Corporation	25,000	20,000	40,000	30,000	30,000	30,000	30,000
Seychelles Fishing Authority	10,827	19,609	17,714	43,572	54,309	51,705	5,450
L'Union Estate Company Ltd	-	116	125	9,672	34,204	3,677	3,677
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Ltd	-	-	-	-	-	-	-
National Information Service Agency	316	291	401	863	1,181	400	400
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
2020 Development Company Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>834,422</b>	<b>875,804</b>	<b>945,019</b>	<b>3,902,751</b>	<b>4,551,527</b>	<b>8,625,900</b>	<b>15,571,933</b>
<b>Growth Rate%</b>	-	5%	8%	313%	17%	90%	81%
<b>Nominal GDP</b>	<b>25,346,915</b>	<b>28,220,808</b>	<b>29,094,146</b>	<b>31,044,000</b>	<b>33,033,000</b>	<b>35,028,000</b>	<b>37,213,000</b>
<b>GDP %</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>13%</b>	<b>14%</b>	<b>25%</b>	<b>42%</b>

## 5.5 Elements of Fiscal Risks by PEs

### 5.5.1 Elements of Explicit Fiscal Risks

#### 5.5.1.1 Projected Dividend Declaration By PEs

SCR('000)

Name of Public Enterprise	Summary of Dividend Declaration Projections for 2021-2027						
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	-	-	-	-	-	-	-
Financial Service Authority	92,566	85,960	66,450	32,377	31,449	56,918	80,318
<b>Transport Sector</b>							
Air Seychelles Ltd	-	-	-	-	-	-	-
Seychelles Airport Authority	-	-	26,812	32,325	30,639	27,193	27,248
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-
Seychelles Ports Authority	-	-	-	-	-	-	-
Seychelles Public Transport Corporation	-	-	-	-	-	-	-
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd	260,000	250,000	250,000	250,000	250,000	250,000	150,000
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation	-	-	-	-	-	-	-
Petro Seychelles Ltd	-	-	-	-	-	-	-
<b>Services, Development and Other Sectors</b>							
Seychelles Trading Company Ltd	-	-	-	-	-	-	-
Island Development Company Ltd	20,000	-	20,000	20,000	20,000	20,000	20,000
Green Island Construction Company Ltd							
Green Tree Investment Company Ltd							
Property Management Corporation	-	-	-	-	-	-	7,500
Seychelles Fishing Authority		75,000	75,000	35,000	25,000	25,000	25,000
L'Union Estate Company Ltd	-	-	-	-	-	-	-
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Ltd	-	-	-	-	-	-	-
National Information Service Agency	-	-	-	-	-	-	-
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
2020 Development Company Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>372,566</b>	<b>410,960</b>	<b>438,262</b>	<b>369,702</b>	<b>357,088</b>	<b>379,111</b>	<b>310,066</b>
<b>Growth Rate%</b>	-	<b>10%</b>	<b>7%</b>	<b>-16%</b>	<b>-3%</b>	<b>6%</b>	<b>-18%</b>
<b>Dividends to Net Assets %</b>	<b>4%</b>	<b>5%</b>	<b>5%</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>

5.5.1.2 *Projection for Potential Requests for Government Grants by PEs*

SCR ('000)

Name of Public Enterprise	Actual				Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027	
<b>Financial Sector</b>								
Seychelles Pension Fund	-	-	-	-	-	-	-	-
Financial Service Authority	-	-	-	-	-	-	-	-
<b>Transport Sector</b>								
Air Seychelles Ltd	104,053	-	-	-	-	-	-	-
Seychelles Airport Authority	-	-	-	-	-	-	-	-
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-	-
Seychelles Ports Authority	-	-	-	-	-	-	460	15,400
Seychelles Public Transport Corporation	1,955	3,228	25,470	98,435	48,600	36,000	34,600	
<b>Energy Sector</b>								
Seychelles Petroleum Company Ltd	-	-	-	-	-	-	-	-
Seychelles Progress Ltd								
Seychelles Patriot Ltd								
Seychelles Pioneer Ltd								
Seychelles Prelude Ltd								
Public Utilities Corporation	64,000	60,000	63,000	63,000	40,000	60,000	100,000	
Petro Seychelles Ltd	-	-	-	-	-	-	-	-
<b>Services, Development and Other Sectors</b>								
Seychelles Trading Company Ltd	-	-	-	-	-	-	-	-
Island Development Company Ltd	-	-	-	-	-	-	-	-
Green Island Construction Company Ltd								
Green Tree Investment Company Ltd								
Property Management Corporation	-	-	-	-	-	-	-	-
Seychelles Fishing Authority	46,078	42,236	41,978	42,063	43,809	43,190	43,190	
L'union Estate Company Ltd	-	-	-	-	-	-	-	-
Seychelles Parks and Gardens Authority	1,971	2,137	1,766	2,620	4,371	1,459	-	-
Seychelles Postal Services Ltd	-	-	-	-	-	-	-	-
National Information Service Agency	-	-	-	-	-	-	-	-
Bois De Rose Investment Ltd	-	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-	-
2020 Development Company Ltd	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>218,057</b>	<b>107,601</b>	<b>132,214</b>	<b>206,118</b>	<b>136,780</b>	<b>141,109</b>	<b>193,190</b>	
<b>Growth Rate%</b>	-	<b>-51%</b>	23%	56%	<b>-34%</b>	3%	37%	

### 5.5.1.3 Projected Tax Payments By PEs

SCR ('000)

Summary of Tax Payments Projections for 2021-2027							
Name of Public Enterprise	Actual			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	13,300	12,053	16,866	13,609	18,122	18,756	19,413
Financial Service Authority	-	-	-	-	-	-	-
<b>Transport Sector</b>							
Air Seychelles Ltd	-	-	-	-	-	-	-
Seychelles Airport Authority	61,309	150,532	154,766	150,682	136,374	142,332	144,188
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-
Seychelles Ports Authority	-	20,930	22,710	38,310	42,210	50,010	52,510
Seychelles Public Transport Corporation	-	-	-	-	-	-	-
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd	(373,880)	36,723	62,480	95,582	121,577	117,687	111,944
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation	67,597	51,100	70,406	81,682	106,342	102,839	103,193
Petro Seychelles Ltd	419	418	613	615	647	679	713
<b>Services, Development and Other Sectors</b>							
Seychelles Trading Company Ltd	66,346	70,759	65,596	63,009	65,490	70,190	76,194
Island Development Company Ltd	71,997	103,009	161,706	174,607	345,431	177,899	156,996
Green Island Construction Company Ltd							
Green Tree Investment Company Ltd							
Property Management Corporation	-	-	-	-	-	-	-
Seychelles Fishing Authority	8,055	7,814	8,817	8,335	8,544	8,757	8,976
L'Union Estate Company Ltd	2,152	5,345	5,129	4,283	6,460	7,437	19,248
Seychelles Parks and Gardens Authority	-	1,404	1,690	1,656	1,656	1,656	1,656
Seychelles Postal Services Ltd	512	509	687	495	495	495	495
National Information Service Agency	3,078	3,735	4,562	4,604	5,012	5,432	5,545
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
2020 Development Company Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>(79,117)</b>	<b>464,332</b>	<b>576,028</b>	<b>641,611</b>	<b>858,649</b>	<b>704,465</b>	<b>701,450</b>
<b>Growth Rate%</b>	-	<b>-687%</b>	<b>24%</b>	<b>11%</b>	<b>34%</b>	<b>-18%</b>	<b>0%</b>
<b>TAX to Net Profit %</b>	<b>-247%</b>	<b>14%</b>	<b>42%</b>	<b>51%</b>	<b>67%</b>	<b>56%</b>	<b>72%</b>

### 5.5.2 Projection for Potential Requests for Government Subventions by PEs

SCR('000)

Name of Public Enterprise	Actual				Provisional			Forecast		
	2021	2022	2023	2024	2025	2026	2027			
<b>Financial Sector</b>										
Seychelles Pension Fund	-	-	-	-	-	-	-	-	-	
Financial Service Authority	-	-	-	-	-	-	-	-	-	
<b>Transport Sector</b>										
Air Seychelles Ltd	-	-	-	-	-	-	-	-	-	
Seychelles Airport Authority	-	-	-	-	-	-	-	-	-	
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-	-	-	
Seychelles Ports Authority	-	-	-	-	-	-	-	-	-	
Seychelles Public Transport Corporation	70,000	26,000	8,138	44,000	32,000	35,100	32,100			
<b>Energy Sector</b>										
Seychelles Petroleum Company Ltd										
Seychelles Progress Ltd										
Seychelles Patriot Ltd	-	-	-	-	-	-	-	-	-	
Seychelles Pioneer Ltd										
Seychelles Prelude Ltd										
Public Utilities Corporation	-	-	-	-	-	-	-	-	-	
Petro Seychelles Ltd	-	-	-	-	-	-	-	-	-	
<b>Services, Development and Other Sectors</b>										
Seychelles Trading Company Ltd	-	-	-	-	-	-	-	-	-	
Island Development Company Ltd										
Green Island Construction Company Ltd	-	-	-	-	-	-	-	-	-	
Green Tree Investment Company Ltd										
Property Management Corporation	-	-	-	-	-	-	-	-	-	
Seychelles Fishing Authority	-	-	-	-	-	-	-	-	-	
L'Union Estate Company Ltd	13,486	-	-	-	-	-	-	-	-	
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-	-	-	
Seychelles Postal Services Ltd	15,000	8,000	6,000	4,000	4,000	-	-	-	-	
National Information Service Agency	-	-	-	-	-	-	-	-	-	
Bois De Rose Investment Ltd	-	-	-	-	-	-	-	-	-	
Paradis Des Enfants Ltd	-	-	-	-	-	-	-	-	-	
2020 Development Company Ltd	-	-	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>98,486</b>	<b>34,000</b>	<b>14,138</b>	<b>48,000</b>	<b>36,000</b>	<b>35,100</b>	<b>32,100</b>			
<b>Growth Rate%</b>	-	-65%	-58%	240%	-25%	-3%	-9%			

### 5.5.3 Elements of Implicit Fiscal Risks

#### 5.5.3.1 Projected Outstanding Borrowings Balances of PEs

SCR('000)

Summary of Outstanding Borrowings Projections for 2021-2027							
Name of Public Enterprise	Actual			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	-	-	-	-	-	-	-
Financial Service Authority	-	-	-	-	-	-	-
<b>Transport Sector</b>							
Air Seychelles Ltd	2,395,947	410,055	368,466	332,514	308,710	270,067	227,339
Seychelles Airport Authority	35,186	47,828	45,626	35,056	23,196	8,206	1,228
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-
Seychelles Ports Authority	-	-	-	-	-	-	-
Seychelles Public Transport Corporation	-	-	-	-	-	-	-
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd							
Seychelles Progress Ltd							
Seychelles Patriot Ltd							
Seychelles Pioneer Ltd							
Seychelles Prelude Ltd							
Public Utilities Corporation	1,361,010	1,286,325	1,412,677	1,309,583	1,425,543	1,785,937	1,809,294
Petro Seychelles Ltd	20,000	20,000	20,000	20,000	20,000	20,000	20,000
<b>Services, Development and Other Sectors</b>							
Seychelles Trading Company Ltd	-	-	-	-	-	-	-
Island Development Company Ltd							
Green Island Construction Company Ltd	-	-	-	-		591	568
Green Tree Investment Company Ltd							491
Property Management Corporation	-	-	-	-	-	-	40,000
Seychelles Fishing Authority	-	-	-	-	-	-	-
L'Union Estate Company Ltd	-	-	-	-	22,575	-	-
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Ltd	-	-	-	-	-	888	888
National Information Service Agency	7,457	4,224	(706)	-	-	-	-
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
2020 Development Company Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>3,819,600</b>	<b>1,768,431</b>	<b>1,846,063</b>	<b>1,697,153</b>	<b>1,800,615</b>	<b>2,085,666</b>	<b>2,099,240</b>
<b>Growth Rate%</b>	-	<b>-54%</b>	<b>4%</b>	<b>-8%</b>	<b>6%</b>	<b>16%</b>	<b>1%</b>
<b>Nominal GDP</b>	<b>25,346,915</b>	<b>28,220,808</b>	<b>29,094,146</b>	<b>31,044,000</b>	<b>33,033,000</b>	<b>35,028,000</b>	<b>37,213,000</b>
<b>Borrowings to Total Assets %</b>	17%	8%	8%	7%	7%	7%	7%
<b>Borrowings to GDP %</b>	15%	6%	6%	5%	5%	6%	6%

### 5.5.3.2 Projected Outstanding Values of Guarantees of PEs

SCR('000)

Name of Public Enterprise	Summary of Outstanding Values of Guarantees Projections for 2021-2027						
	2021	2022	2023	2024	2025	2026	2027
<b>Financial Sector</b>							
Seychelles Pension Fund	-	-	-	-	-	-	-
Financial Service Authority	-	-	-	-	-	-	-
<b>Transport Sector</b>							
Air Seychelles Ltd	-	-	-	-	-	-	-
Seychelles Airport Authority	-	-	1,300	-	-	-	-
Seychelles Civil Aviation Authority	-	-	-	-	-	-	-
Seychelles Ports Authority	614	614	614	614	18,900	70,000	70,000
Seychelles Public Transport Corporation	-	-	-	-	-	-	-
<b>Energy Sector</b>							
Seychelles Petroleum Company Ltd	-	-	-	-	-	-	-
Seychelles Progress Ltd	-	-	-	-	-	-	-
Seychelles Patriot Ltd	-	-	-	-	-	-	-
Seychelles Pioneer Ltd	-	-	-	-	-	-	-
Seychelles Prelude Ltd	-	-	-	-	-	-	-
Public Utilities Corporation	1,112,417	1,057,337	1,031,720	957,441	942,935	865,323	784,860
Petro Seychelles Ltd	-	-	-	-	-	-	-
<b>Services, Development and Other Sectors</b>							
Seychelles Trading Company Ltd	-	-	-	-	-	-	-
Island Development Company Ltd	-	-	6,818	31,900	-	-	-
Green Island Construction Company Ltd	-	-	-	-	-	-	-
Green Tree Investment Company Ltd	-	-	-	-	-	-	-
Property Management Corporation	-	-	-	-	-	3,000	-
Seychelles Fishing Authority	-	-	-	-	-	-	-
L'union	-	-	-	-	-	-	-
Seychelles Parks and Gardens Authority	-	-	-	-	-	-	-
Seychelles Postal Services Ltd	-	-	-	-	-	-	-
National Information Service Agency	-	-	-	-	-	-	-
Bois De Rose Investment Ltd	-	-	-	-	-	-	-
Paradis Des Enfants Ltd	-	-	-	-	-	-	-
2020 Development Company Ltd	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,113,031</b>	<b>1,057,951</b>	<b>1,039,170</b>	<b>989,955</b>	<b>961,835</b>	<b>935,326</b>	<b>854,860</b>

## 6 SECTION II - MTFS AND FINANCIAL PROJECTIONS OF INDIVIDUAL PUBLIC ENTERPRISES

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### 6.1 Seychelles Pension Funds (SPF)



#### 6.1.1 Strategic Overview

##### 6.1.1.1 Mandate

- *To provide the financial security of members by the payment of a monthly pension*
- *To provide benefits in accordance with financial security of the surviving spouse and children of members who die before retirement by the payment of a surviving spouse's pension or children's pension*
- *To provide in accordance for the financial security of those who are incapacitated due to injuries or illness while being employed*
- *To provide death benefit where a member dies before retirement and has no surviving spouse living with him or has no children at the time of death.*

##### 6.1.1.2 Vision

*“Be a trusted and sustainable partner for our members”*

##### 6.1.1.3 Mission

*“To deliver benefits to our members and beneficiaries”*

##### 6.1.1.4 Strategic Priorities for 2025-2027

- *Rebranding of SPF*  
*To adopt a proactive approach to enhance its brand image, customer satisfaction and engagement to align with evolving market trends.*
- *Enhance the Risk Management & Internal Audit Framework*  
*To improve the standards in risk management and internal audit of SPF, in line with international norms.*
- *Strengthen Human Resource engagement and productivity*  
*To improve the working environment, develop, retain and attract talents to boost product and efficiency.*
- *Improved Investment Management Practices*  
*Strengthening the SPF's investments through careful planning, smart decisions, diversification, performance measurement, risk management and staff development.*
- *Enhance Pension plans offerings to members*  
*Expand, diversify and boost SPF's pension plan offerings and products to improve sustainability and provide members with diverse retirement solutions.*
- *Digitalisation of SPF's services and development in Information Technology'*  
*Adapt to the advances in new digital technologies to allow members to access SPF's service at their convenience and for continuous improvement in the quality of services. Optimise information technology infrastructure and cybersecurity to ensure to ensure the efficient management of members data, enhancing trust and reliability.*
- *Development of an Actuarial Unit*  
*To assist SPF in mitigating risks through the prediction of the impact of strategic decisions, demographics and macroeconomic trends, and future events.*
- *Enhance Property Management framework*

*Improve the property management program to upgrade the services provided and the overall experience of SPF's tenants and enhance the value of SPF's properties.*

#### **6.1.1.5 Key Challenges**

1. *Political Risks*
2. *Economic factors (such as COVID-19, increase in tax, unemployment rate and other related costs)*
3. *Members lack or have Ltd understanding of the SPF Pension system – potential backlash (negative publicity)*
4. *Influencers/opinion leaders encouraging negative perceptions of SPF*
5. *Increased competition in Real Estate/Properties*
6. *Adverse impact of Government policies (e.g. PEMC monitoring/control, Proposal of government house-reduction in rent, review in taxes)*
7. *Movements in the Country's Demographics affecting SPF (Increase Life Expectancy, increase in child mortality rate, reduced birth rate, increase in foreign workers)*
8. *Social Factors (affecting labour force, Increase in informal sectors etc)*
9. *High reliance on data from other stakeholders (timeliness & reliability)*
10. *Financial Market challenges - domestic capital market not fully develop*
11. *New emerging technologies that SPF has to be in line with*
12. *Legal Threats*

## 6.1.2 Outlook of Financial Strategy

### 6.1.2.1 Projected Financial Position of Seychelles Pension Fund

	SCR (000)						
	Actual figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>ASSETS</b>							
Non-Current Assets							
Plant and equipment	17,810	18,912	16,377	17,506	19,600	20,751	22,114
Investment properties	1,408,297	1,462,974	1,453,434	1,743,496	1,799,751	1,890,669	1,920,946
Deposit on Leasehold Land	41,624	41,072	40,557	40,557	38,529	36,602	34,772
Investment in subsidiary-OICL	40,563	34,768	38,631	38,631	38,631	38,631	38,631
Investment in associates-Seybrew	264,340	275,112	275,112	275,112	275,112	275,112	275,112
Investment in associates-Al Salam Bank	25,334	25,831	25,888	25,888	25,888	25,888	25,888
Investment in associates- C&W	294,436	660,000	660,000	660,000	660,000	660,000	660,000
Investment in financial assets	564,242	603,945	591,713	809,754	878,975	989,747	1,129,466
Loan to Government-(PMC)	71,947	53,257	30,361	9,720	8,873	0	0
<b>Total Non Current Assets</b>	<b>2,728,592</b>	<b>3,175,871</b>	<b>3,132,073</b>	<b>3,620,665</b>	<b>3,745,359</b>	<b>3,937,400</b>	<b>4,106,930</b>
<b>Current Assets</b>							
Investment in financial assets	336,280	413,548	740,205	809,754	878,975	989,747	1,129,466
Receivables and prepayments	78,598	98,049	79,159	83,117	87,273	91,637	96,218
Asset held for sale	206,566	177,248	188,413				
Loan to Government- (PMC)	18,832	18,832	21,488	25,109	25,109	8,873	0
Cash and Bank Balances	143,933	198,103	173,566	116,103	163,940	138,529	142,127
<b>Total Current Assets</b>	<b>784,208</b>	<b>905,780</b>	<b>1,202,832</b>	<b>1,034,084</b>	<b>1,155,298</b>	<b>1,228,785</b>	<b>1,367,811</b>
<b>Total Assets</b>	<b>3,512,800</b>	<b>4,081,651</b>	<b>4,334,905</b>	<b>4,654,748</b>	<b>4,900,657</b>	<b>5,166,185</b>	<b>5,474,741</b>
<b>Current liability</b>							
Payables and accruals	20,951	22,994	24,885	23,726	24,200	24,684	25,178
<b>Non Current liabilities</b>							
Retirement benefit obligations	6,418	11,886	11,678	11,540	12,822	13,463	14,136
Deferred property lease	8,226	6,309	6,201	6,201	6,201	6,092	5,983
<b>Total Non-Current Liabilities</b>	<b>14,644</b>	<b>18,195</b>	<b>17,878</b>	<b>17,741</b>	<b>19,023</b>	<b>19,555</b>	<b>20,120</b>
<b>Net assets</b>	<b>3,477,205</b>	<b>4,040,461</b>	<b>4,292,142</b>	<b>4,613,282</b>	<b>4,857,434</b>	<b>5,121,946</b>	<b>5,429,443</b>
Made up as follows:							
Member's fund	1,744,100	1,828,904	1,972,426	2,222,741	2,426,415	2,642,897	2,883,663
Other Fund	533,280	533,280	533,280	533,280	533,280	533,280	533,280
Reserve funds	14,569	14,569	14,569	14,569	14,569	14,569	14,569
Other reserves	153,926	153,926	153,926	153,926	153,926	153,926	153,926
Retained earnings	1,031,331	1,509,783	1,617,941	1,688,766	1,729,245	1,777,274	1,844,005
<b>MEMBERS' FUNDS, RESRVES &amp; RETAINED EARNINGS</b>	<b>3,477,205</b>	<b>4,040,461</b>	<b>4,292,142</b>	<b>4,613,282</b>	<b>4,857,434</b>	<b>5,121,946</b>	<b>5,429,443</b>

### 6.1.2.2 Projected Statement of Comprehensive Income of Seychelles Pension Fund

	SCR (000)						
	Actual			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>Income</b>							
Interest income	47,391	38,906	46,011	54,938	34,563	36,291	38,106
Dividend income	21,351	54,738	61,405	52,298	53,262	55,925	58,722
Rental income	94,098	98,301	103,335	110,891	112,663	119,226	136,976
Other income-surcharges	566	1,304	2,153	280	280	261	274
Profit on disposal of property and equipment	287	153	-	-	-	-	-
Profit on sale of investments	-	-	-	-	-	-	-
Insurance claim proceeds received	-	30,020	-	-	-	-	-
Amortisation of deferred Government Grant	109	109	109			109	109
<b>Total Income</b>	<b>163,802</b>	<b>223,531</b>	<b>213,014</b>	<b>218,406</b>	<b>200,769</b>	<b>211,812</b>	<b>234,186</b>
<b>Expenditure</b>							
Interest credited to members	37,307	37,523	34,805	41,436	41,436	40,607	39,795
Administrative expenses	44,448	51,153	60,278	66,043	70,056	72,508	75,046
Investment fees	1,123	1,103	810	1,409	1,748	1,836	1,928
Events and marketing	1,602	1,558	1,703	1,292	1,856	1,921	1,988
Property management expenses	21,965	23,035	18,463	23,040	26,020	26,930	27,873
Covid-19 related expenses	271	120	104	3,000	5,000	5,250	5,513
Depreciation of Porperty and equipment	5,557	5,363	4,393	4,134	4,385	4,604	4,834
Amortisation of right-to-use on assets	515	551	515	551	551	551	551
Loss on disposal of property and equipment		886	63				
Provision for credit impairment	1,142	2,251	(1,106)	1,000	1,000	1,050	1,103
Auditor's remuneration	385	385	385	385	385	398	412
Other professional fees	3,196	4,789	3,085	5,291	7,852	8,127	8,411
<b>Total Expenditure</b>	<b>117,511</b>	<b>128,716</b>	<b>123,498</b>	<b>147,581</b>	<b>160,290</b>	<b>163,784</b>	<b>167,455</b>
Surplus before fair value chnages and exchange differences	46,291	94,815	89,516	70,825	40,479	48,029	66,732
Gain/(Loss) on exchange	(44,831)	(5,645)	461	-	-	-	-
<b>Surplus for the year before fair value changes</b>	<b>1,460</b>	<b>89,170</b>	<b>89,977</b>	<b>70,825</b>	<b>40,479</b>	<b>48,029</b>	<b>66,732</b>
Fair value changes:							
(Decrease) in fair value of quoted equities	(2,534)	(399)	266	-	-	-	-
(Decrease) in fair value -OICL	-	(5,795)	3,863	-	-	-	-
(Decrease)/Increase in fair value of investment properties	(15,678)	13,054	(12,141)	-	-	-	-
Increase in fair value of property and equipment	-	-	450	-	-	-	-
(Decrease)/increase in fair value of associate - SBL	(796)	10,772	-	-	-	-	-
(Decrease)/increase in fair value of associate - ASBS	(10,778)	497	57	-	-	-	-
increase in fair value of associate (C&W)	139,501	365,564	-	-	-	-	-
<b>Total fair value changes</b>	<b>109,716</b>	<b>383,694</b>	<b>(7,505)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Comprehensive income</b>							
Increase/(Decrease) in fair value of unquoted equities	(92,472)	5,587	25,687	-	-	-	-
<b>Total other Comprehensive income</b>	<b>(92,472)</b>	<b>5,587</b>	<b>25,687</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Net changes in fair values of investment	17,243	389,281	18,182	-	-	-	-
<b>Surplus for the year</b>	<b>18,703</b>	<b>478,451</b>	<b>108,159</b>	<b>70,825</b>	<b>40,479</b>	<b>48,029</b>	<b>66,732</b>
Retained surplus brought forward	1,012,629	1,031,331	1,509,783	1,617,941	1,688,766	1,729,245	1,777,274
<b>Retained surplus carried forward</b>	<b>1,031,331</b>	<b>1,509,783</b>	<b>1,617,941</b>	<b>1,688,766</b>	<b>1,729,245</b>	<b>1,777,274</b>	<b>1,844,005</b>

### 6.1.2.3 Projected Cash flow Statement of Seychelles Pension Fund

	SCR (000)						
	Actual Figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>OPERATING ACTIVITIES</b>							
Net increase in assets available for benefits	41,236	563,256	251,680	250,315	203,674	216,483	240,766
<b>Adjustment for :</b>							
Depreciation of property and equipment	5,557	5,363	4,393	4,134	4,385	4,604	4,834
Amortisation of right-to-use on assets	515	551	515	551	551	551	551
Amortisation of deferred government grant	(109)	(109)	(109)	(109)	(109)	(109)	(109)
Write off of property plant and equipment	-	-	63	-	-	-	-
Profit on disposal of property and equipment	-	(153)	-	-	-	-	-
Loss/(profit)on sale of investments	(287)	886	-	-	-	-	-
Retirement benefit obligation	(407)	4,570	4,937	911	1,463	1,537	1,613
Employee benefits paid during the year	-	(909)	(5,145)	-	-	-	-
Provision for credit impairment	1,142	2,251	(1,106)	-	-	-	-
Bad and doubtful debts written off against provision	-	-	-	-	-	-	-
Fair value (gain)/loss on investment properties(net)	19,224	(4,017)	12,141	-	-	-	-
Fair value gain on property and equipment	-	-	(450)	-	-	-	-
Fair value (gain)/loss on quoted and unquoted equities	95,006	(5,188)	(25,952)	-	-	-	-
Fair value gain on associates	(127,927)	(376,834)	(57)	-	-	-	-
Fair value loss on subsidiary	-	5,795	(3,863)	-	-	-	-
Interest receivable	(47,391)	(38,906)	(46,011)	(54,938)	(34,563)	(36,291)	(38,106)
Dividend income	(21,351)	(54,738)	(61,405)	(52,298)	(53,262)	(55,925)	(58,722)
	<b>(34,790)</b>	<b>101,817</b>	<b>129,630</b>	<b>148,567</b>	<b>122,139</b>	<b>130,849</b>	<b>150,829</b>
<b>Changes in working capital:</b>							
Receivables and prepayments	1,825	(21,702)	19,996	(3,958)	(4,156)	(4,364)	(4,582)
Payables and accruals	(60,398)	2,043	1,890	1,159	(475)	(484)	(494)
<b>Net cash inflow/(outflow)from operating activities</b>	<b>(93,362)</b>	<b>82,158</b>	<b>151,516</b>	<b>145,769</b>	<b>117,509</b>	<b>126,002</b>	<b>145,753</b>
<b>Cash flows from investing activities</b>							
Purchase of property and equipment	(2,577)	(3,522)	(1,470)	(5,814)	(7,030)	(6,087)	(6,300)
Proceeds from disposal of property and equipment	-	387	-	-	-	-	-
Proceeds from disposal of investment of properties	5,261	-	-	-	41,806	105,547	-
Purchase of assets held for sale	(2,642)	-	-	-	-	-	-
Purchase of investment properties	(36,797)	(24,518)	(13,766)	(100,965)	(287,679)	(195,488)	(30,277)
Loan repayment received from PMC	25,109	25,109	25,109	25,109	25,109	6,229	-
Purchase of financial assets	(344,320)	(738,136)	(1,226,773)	(1,293,250)	(1,453,014)	(1,380,413)	(1,735,034)
Proceeds from redemption of financial assets	373,383	625,468	938,300	1,069,946	1,526,766	1,230,212	1,536,439
Interest received (net interests on PMC loan)	39,539	32,486	41,143	49,444	31,107	32,662	34,295
Dividend received	21,351	54,738	61,405	52,298	53,262	55,925	58,722
<b>Net cash (outflow)/inflow from investing activities</b>	<b>80,949</b>	<b>(27,988)</b>	<b>(176,052)</b>	<b>(203,232)</b>	<b>(69,672)</b>	<b>(151,413)</b>	<b>(142,156)</b>
Net change in cash and cash equivalents	(15,055)	54,170	(24,536)	(57,463)	47,837	(25,412)	3,598
Cash and Cash equivalents at January 1,	158,988	143,933	198,103	173,566	116,103	163,940	138,529
<b>Cash and Cash equivalents at December 31,</b>	<b>143,933</b>	<b>198,103</b>	<b>173,566</b>	<b>116,103</b>	<b>163,940</b>	<b>138,529</b>	<b>142,127</b>

#### 6.1.2.4 Projected Capital Investment Plan of Seychelles Pension Fund

SCR (000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional		Forecast		Anticipated Risks
							2021	2022	2023	2024	2025	2026	2027	
<b>Major Capital Investment</b>														
1. Pirates Arms Re-Development	To support sustainability of Seychelles Pension Fund Investment – <b>(New construction)</b>	Rental income	480,000	Seychelles Pension Fund	Oct-24	Oct-26	8,918	1,347	4,594	59,220	86,400	72,800	10,327	
2. Dreamgate Complex	Reduce Seychelles Pension Fund expenses – <b>(Installation of Photovoltaic)</b>	Reduced electricity costs	900	Seychelles Pension Fund	Jun-19	Sep-24	26,513	10,371	-	2,586	900	-	-	
3. Pointe au Sel project	Site clearance			Seychelles Pension Fund	Nov-24	Dec-24	974	112	-	241	-	-	-	
4.Oceanage House renovation (Minor capital work)	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – <b>(Building renovation)</b>	More conducive work environment	8,000	Seychelles Pension Fund	Dec-24	Jun-25	-	1,069	54	1,899	9,250	550	-	
5. Le Chantier Mall	To support sustainability of Seychelles Pension Fund Investment – <b>(New construction)</b>	Rental income	247,000	Seychelles Pension Fund	Jan-24	Mar-27	-	2,582	1,735	3,447	111,900	82,000	10,250	
6. 5th June Car park project	To support sustainability of Seychelles Pension Fund Investment and staff welfare – <b>(Parking spaces)</b>	Rental income and staff car park	700	Seychelles Pension Fund	Nov-24	Nov-24	-	-	-	700	-	-	-	
7. Continental Building	To support sustainability of Seychelles Pension Fund Investment – <b>(New construction)</b>	Rental income	60,000	Seychelles Pension Fund	Dec-24	Mar-27	-	-	-	4,160	31,040	33,600	9,700	
8. Huteau Lane (Renovation)	To support sustainability of Seychelles Pension Fund Investment – <b>(Building renovation)</b>	Rental income	6,900	Seychelles Pension Fund		May-25	-	-	83	2,749	4,410	-	-	
9.Unity House blocks A, B, C	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – <b>(Refurbishment of air-condition system/ Refurbishment of floor tiles in staircases)</b>	More conducive and safer work environment.	18,360	Seychelles Pension Fund	Dec-24	May-25	-	854	258	7,343	11,925	2,325	-	
10.Coral D'or	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – <b>(Building renovation)</b>	Rental income	15,370	Seychelles Pension Fund	Oct-24	May-25	-	-		8,094	5,829	678	-	
11.Praslin Holiday Home (28 self catering apartments)	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – <b>(Building renovation)</b>	Rental income	4,103	Seychelles Pension Fund	Oct-22	Dec-25	-	-	1,835	2,373	3,000	-	-	
12.La Clementine	To support sustainability of Seychelles Pension Fund Investment					Dec-24	-	-	92	11	-	-	-	
13.Maison Collet	Improve building security and safety,	• Reduced electricity costs	3,644	Seychelles Pension	Dec-24	Dec-24	106	86	-	3,694	17,100	900	-	

	and reduce fund expenses – <b>(Installation of Photovoltaic/ Refurbishment of fire alarm system/ Installation of CCTV)</b>	• Safer work environment		Fund										
<b>14. Providence Industrial Estate</b>	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – <b>(Building renovation)</b>	Rental income and more conducive work environment	15,000	Seychelles Pension Fund	Dec-24	Feb-25	-	-	-	1,246	510	85	-	
<b>15. Eve Island</b>	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – <b>(Building renovation)</b>	Rental income and more conducive environment	3,000	Seychelles Pension Fund	Dec-24	Jan-25	-	-	-	444	255	-	-	
<b>16. Caravelle House</b>	Office alterations	Staff accommodation	1,000	Seychelles Pension Fund		Oct-25	100	304	-	959	1,000	-	-	
<b>17. La Passe Pension House</b>	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – <b>(Building renovation)</b>	Rental income and more conducive environment	815	Seychelles Pension Fund	Oct-23	Nov-24	-	-	-	221	-	-	-	
<b>18. Praslin Pension Complex 1</b>	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – <b>(Building renovation)</b>	Rental income and more conducive environment	1,450	Seychelles Pension Fund	Dec-24	Nov-24	-	-	-	730	910	2,500	-	
<b>19. Providence Warehouse</b>	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – <b>(Building renovation)</b>	More conducive and safer environment	2,100	Seychelles Pension Fund	Jan-25	Apr-25	168	-	-	150	1,950	50	-	
<b>20. Praslin Complex 2</b>	Improve building condition to keep supporting sustainability of Seychelles Pension Fund Investment – <b>(Building renovation)</b>	More conducive and safer environment	2,000	Seychelles Pension Fund	Jan-25	Apr-25	-	-	-	700	1,300	-	-	
<b>Total Capital Expenditure</b>			870,342				36,77 9	15,92 5	8,65 1	100,965	287,6 79	195,4 88	30,2 77	

**SCR (000)**

		Provisional			Forecast		
		2024	2025	2026	2027		
<b>Purchase of Fixed Assets</b>		3,537	475	491,625		508,832	
<b>Digitalisation development</b>		500	4,500	4,657,500		4,820,513	
<b>Purchase of Fixed Assets (HRA)</b>		899	782	200		207	
<b>Tools &amp; Equipment (property)</b>		676	713	737,955		763,783	
<b>Purchase of SAGE (accounting software)</b>		200	500	-		-	
<b>E-Platform Website Software (Seyonline)</b>		-	60	-		-	
<b>Total tangible &amp; Intangible Assets Expenditure</b>		5,811	7,030	5,887,280		6,093,335	

### 6.1.3 Projected TAX, Dividend, Debt Payments, Subventions, Grants and Contingencies

#### 6.1.3.1 Projected Tax Implications

Type of Tax	Actual Figures			Provisional		Forecast			(SCR 000) Anticipated Risks
	2021	2022	2023	2024	2025	2026	2027		
<b>Business Tax</b>	<i>SPF is exempted from Business Tax</i>								
<b>PIT</b>	3,214	3,259	3,821	3,900	4,037	4,178	4,324		
<b>VAT</b>	10,086	8,794	13,045	13,609	14,086	14,579	15,089		
<b>WHT</b>									

#### 6.1.3.2 Projected Dividend Distribution

The Seychelles Pension Fund (SPF) does not distribute dividends

#### 6.1.3.3 Projected Debt Payments

The Seychelles Pension Fund (SPF) currently operates without any debt or borrowing obligations.

#### 6.1.3.4 Projected Grants and Subsidies

The Seychelles Pension Fund (SPF) does not receive any grants or subventions from the government or other external sources

#### 6.1.3.5 Contingencies of Seychelles Pension Fund

The Seychelles Pension Fund (SPF) has no contingencies recorded in its financial statements.

#### 6.1.3.6 Assumptions used for the Financial Projections

MAIN ASSUMPTIONS					
		Budgeted	Forecast	Forecast	
		2025	2026	2027	
Inflation Rate		2%	3.50%	3.50%	as guided by PEMC
Exchange Rate	SCR:US \$	14.69	14.92	15.16	as guided by PEMC
Exchange Rate	SCR:EUR	16.51	16.82	17.13	as guided by PEMC
		% Movements Year on Year			
Contribution	Mandatory	3%	5%	5%	Increase from previous year 2024 based on historical trends, demographic movements, expected salary increase in the public sector, expected labour market movements, increase in new businesses
Contribution	Voluntary	3%	5%	5%	Increase from previous year based on historical trends and incremental outcome of marketing campaigns and sensitisation of the specific target groups
Benefit Payments	Includes retirement & all other benefits paid	6%	5%	5%	Increase from previous year based on historical trends, members attaining 65 years (qualifying for pension) and moving to pensioners, labour market projections, indexation, positive impact of the Functional Capacity Assessment Board (FCAB) on the permanent incapacity benefit payments
Administrative Expenses	Includes staff, IT,	6%	4%	3%	In line with SPF's operational and strategic objectives/future growth expectations/expected inflation/positive impact of the ongoing digitisation process on staff costs and improved efficiency
Events and marketing (Corporate Communication)		43%	3%	3%	Improved customer service and member sensitisation programs, the collection of more personalized details to enable better information exchange between SPF and members, customer information dissemination, improve members' education and specific marketing campaigns like property advertising, voluntary contribution, communication of products/services to members in line with SPF's Marketing Plan
Property Management Expenses		13%	3.5%	3.5%	Ensure consistent maintenance and upkeep of all the investment related properties in line with SPF's Maintenance Plan
Contingency Expenses		67%	5.0%	5.0%	Generally capped at 5% of the admin and operating expenses
Interest credited to members		0%	-2%	-2%	Forecast based on member contributions in line with expected trends of savings and treasury bills interest rate movements
Other Professional fees		48%	3.5%	3.5%	Actuarial valuation & parametric changes fees for 2025 is SCR1.9m
Fair Value (FV) changes : Quoted & unquoted securities					Cannot be reliably projected at this point in time therefore the FV has not been considered in the projections/market is not dynamic enough
Fair Value (FV) changes : Investment properties					Cannot be reliably projected at this point in time therefore the FV has not been considered in the projections
CAPEX					This is as per the current approved and work in progress projects approved by the board which are in line with SPF's Strategic Objectives 2024-28
Minor Capital					This is as per the current approved asset expenditure as approved by the board which are in line with SPF's Strategic Objectives 2024-28

## 6.1.4 KPIs, Risk Management Strategy and Reporting Obligations

### 6.1.4.1 Key Performance Indicators

Key Performance Indicators (KPIs) were not provided in the document

### 6.1.4.2 Risks and Resilience Plan of Seychelles Pension Fund

Risk Category	Potential Risks Identified	Risk Mitigation Strategies <sup>1</sup>
Strategic Risks <sup>2</sup>	Financial (Incl. Investment related risks, Inflation, Solvency, liquidity, Credit, Systemic, Asset & Liability mismatch)	<ul style="list-style-type: none"> <li>SPF Act &amp; Regulations;</li> <li>Policies &amp; SoPs (e.g. Investment policy, Funding policy);</li> <li>Close monitoring of market conditions &amp; asset performance;</li> <li>Close monitoring of debtors (tenants, employers) - Debtors Recovery Committee &amp; Debtor management plan;</li> <li>Cashflow Management/analysis - Management maintains levels of cash and deposits which are sufficient to meet reasonable expectations of its short-term obligations;</li> <li>Adequate level of liquid financial instruments within the Investment portfolio;</li> <li>Triennial actuarial valuations &amp; ad-hoc actuarial investigations</li> <li>Actuarial Financing ratios;</li> <li>Capped indexation;</li> <li>Strategic ratios &amp; stability indicators;</li> <li>Real returns are calculated.</li> </ul>
	Legal & Regulatory	<ul style="list-style-type: none"> <li>SPF Act &amp; Regulations;</li> <li>Legal &amp; Compliance section;</li> <li>Legal retainers;</li> <li>Adherence to all relevant binding laws &amp; regulations;</li> <li>Communication and/or consultation between SPF, Government and Regulators specifically in regards to decisions that may impact the Fund;</li> <li>Comprehensive review of SPF Act &amp; Regulations.</li> </ul>
	Governance	<ul style="list-style-type: none"> <li>SPF Act &amp; Regulations;</li> <li>Transparency and accuracy in reporting;</li> <li>Adherence to relevant external reporting requirements and compliance obligations;</li> <li>Communication with members and stakeholders;</li> <li>Board charter;</li> <li>Independent Board of Trustees;</li> <li>Training - Ensuring that trustees and senior Management possess a shared understanding of pensions &amp; kept abreast about the risks that may hinder the achievement of strategic objectives and affect reputation and long-term sustainability;</li> <li>Board approved policies which promotes good governance i.e conflict of Interest, whistle blowing etc.;</li> <li>Independent committees assisting the Board;</li> <li>Conflict of interest disclosure at Board and independent committee meetings;</li> <li>Board standing committees;</li> <li>Risk Management section, Risk Management policy, Risk Register, Risk reporting;</li> <li>Independent internal audit function;</li> <li>Statement of Intent;</li> </ul>

<sup>1</sup> Main risk mitigation strategies only (list is not exhaustive or in any specific order of priority).

<sup>2</sup> Based on the nature of our business and as per the risk management framework and policy in place, SPF Strategic risk events have been categorised through seven main event types.

		<ul style="list-style-type: none"> <li>• Strategic planning (5-year Strategic Plan);</li> <li>• SPF Act &amp; Regulations;</li> <li>• Policy &amp; SOPs (e.g. Investment policy);</li> <li>• The Fund holds a diversified portfolio of investments and by the selection of securities and other financial instruments within specified limits in accordance with its investment policy some markets risks can be partly mitigated;</li> <li>• Market analysis, the Fund monitors the performance of its assets and the fluctuation in foreign exchange rates on a periodic basis;</li> <li>• Financial planning / budgeting.</li> </ul>
	<b>Environmental and Climate</b> (Incl. Social & Health)	<ul style="list-style-type: none"> <li>• Policy &amp; SOPs (ESG has been incorporated in SPF investments);</li> <li>• Business Continuity Plans and systems in place to minimize the effects of a broad range of external disruptions (fires, floods, Covid-19, Tsunamis etc.) and to ensure that business operations are maintained to an acceptable level;</li> <li>• Decentralisation of SPF offices.</li> </ul>
	<b>Funding</b> (Incl. Actuarial related risks, Longevity)	<ul style="list-style-type: none"> <li>• SPF Act &amp; Regulations;</li> <li>• Triennial Actuarial valuation;</li> <li>• Actuarial investigations prior to parametric changes;</li> <li>• Independent consulting Actuary;</li> <li>• Periodic consultations / meetings with Actuary;</li> <li>• Internal capacity building in actuarial science &amp; actuarial works for social security;</li> <li>• Funding policy.</li> </ul>
	<b>Stakeholder &amp; Employer Related</b> (Incl. third party risks)	<ul style="list-style-type: none"> <li>• SPF Act &amp; Regulations;</li> <li>• Policy &amp; SOPs;</li> <li>• Awareness and sensitisation programmes (Private, Public &amp; Informal sectors);</li> <li>• Pension education initiatives;</li> <li>• Stakeholder consultations;</li> <li>• Site visits and employer education;</li> <li>• On-site investigations;</li> <li>• Insurance covers, contracts, back up service providers, leases etc.</li> </ul>

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<b>Operational Risks<sup>3</sup></b>	<b>Internal Fraud</b>	<ul style="list-style-type: none"> <li>• Policies &amp; SOPs (e.g. Human Resource, Code of conduct &amp; Ethics, No Gift, Conflict of Interest, IT, etc.);</li> <li>• Disciplinary Committee;</li> <li>• Risk Management Executive Committee;</li> <li>• Risk reporting;</li> <li>• Internal audit plan &amp; checks;</li> <li>• Access controls;</li> <li>• Segregation of duties;</li> <li>• Different level of checks;</li> <li>• Risk event investigations &amp; reports;</li> <li>• Annual external Audits.</li> </ul>
	<b>External Fraud</b>	<ul style="list-style-type: none"> <li>• Policies &amp; SOPs (Whistle blowing, AML, IT etc.);</li> <li>• IT system undergoes frequent testing;</li> <li>• Internal audit plan &amp; checks;</li> <li>• Annual external Audits.</li> </ul>
	<b>Employment practices &amp; work place safety</b>	<ul style="list-style-type: none"> <li>• Policies &amp; SOPs (Human Resource, Health &amp; Safety etc.)</li> <li>• Adherence to employment laws &amp; regulations which governs SPF;</li> <li>• Remuneration Committee (Board);</li> <li>• Insurance covers for staff;</li> <li>• Health &amp; Safety unit (officer);</li> <li>• Health &amp; Safety trainings &amp; awareness programs;</li> <li>• Health &amp; Safety champions;</li> </ul>
	<b>Clients, products, &amp; business practice</b>	<ul style="list-style-type: none"> <li>• Policies &amp; SOPs;</li> <li>• Adherence to any relevant laws &amp; regulations;</li> <li>• Contracts &amp; leases with clients / tenants;</li> </ul>

<sup>3</sup> Based on the nature our business, SPF Operational risk events have been defined through seven official Basel event types.

	<b>Damage to physical assets</b>	<ul style="list-style-type: none"> <li>• Contracts with third party service providers;</li> <li>• Policies &amp; SOPs;</li> <li>• Insurance covers for SPF properties &amp; offices being occupied by SPF staff;</li> <li>• Property checks / site visits;</li> <li>• CCTV cameras;</li> <li>• Maintenance plan;</li> <li>• Internal maintenance team;</li> <li>• Property officers - reports;</li> <li>• Scheduled preventive maintenance;</li> <li>• Timely corrective maintenance;</li> </ul>
	<b>Business disruption and systems failures</b>	<ul style="list-style-type: none"> <li>• Policies &amp; SOPs (e.g. IT policies);</li> <li>• BCPs;</li> <li>• Backup systems;</li> <li>• Scheduled system / security software updates;</li> <li>• Firewalls upgrades;</li> <li>• New technologies, Software's &amp; Hardware's);</li> <li>• Access rights;</li> <li>• Ongoing security awareness trainings for staff;</li> <li>• Disaster recovery site;</li> <li>• Alternate service providers;</li> </ul>
	<b>Execution, delivery, &amp; process management</b>	<ul style="list-style-type: none"> <li>• SPF Act &amp; Regulations;</li> <li>• Adherence to any external relevant laws &amp; regulations;</li> <li>• Policies &amp; SOPs (Majority);</li> <li>• Adherence to statutory reporting obligations;</li> <li>• Legally binding documents (contracts, leases etc.)</li> <li>• Sustaining adequate operational resources (people, system &amp; financial) to ensure that there are adequate operational processes, systems and controls in place to support the provision of services to our members, stakeholders and the general public;</li> <li>• Due diligence &amp; KYC activities;</li> <li>• Recruitment of high calibre candidates to maximise the personal and collective contributions of staff towards the achievement of our strategic vision and goals;</li> <li>• Conducive working environment with career development, rewards and recognition;</li> <li>• Staff awareness &amp; training programmes;</li> <li>• Staff Performance Improvement plan;</li> <li>• Risk reporting;</li> <li>• Ongoing Digitisation &amp; Digitalisation - Use of new technology to improve efficiency;</li> <li>• Periodic access controls review exercise;</li> <li>• Ongoing modernising &amp; enhancement of processes (e.g. common payroll);</li> <li>• MoUs with key partners &amp; stakeholders;</li> <li>• Compliance section.</li> </ul>
<b>Reputational<sup>4</sup></b>		<ul style="list-style-type: none"> <li>• SPF Act &amp; Regulations;</li> <li>• Effective and innovative delivery of services;</li> <li>• Communication strategy;</li> <li>• Press releases;</li> <li>• Meeting statutory commitments;</li> <li>• Due diligence activities;</li> <li>• Partnerships;</li> <li>• Managing member expectations;</li> <li>• Timely communication with members, regulators and stakeholders;</li> <li>• Awareness and education programs for members;</li> </ul>

<sup>4</sup> Both strategic and operational risk events can result in reputational risk, thus it is considered as an impact type

*6.1.4.3 List of External Reporting's by the Seychelles Pension Fund*

<b>Name/Title of the Report</b>	<b>Recipients of the Report</b>	<b>Description of the purpose, content and inclusion of the report</b>	<b>Frequency and Timing of the Report</b>
Annual Report & Audited Financial Statements	Minister of Finance to be tabled before the National Assembly	The performance, activities of the Fund and the audited financial position	Annually, within 5 months following every financial year
Half Yearly Report	Minister of Finance	An overview of the Fund's performance and key activities	Once a year after the half year end
Actuarial Report	Minister of Finance	An investigation of the assets and liabilities of the Fund	At intervals of not more than three (3) years
Strategic Plan	Minister of Finance	The Strategic Objectives of the Fund	Every three (3) or five (5) years depending on the expiry date
Statement of Corporate Intent	Minister of Finance	The approach, course of action target and performance relating to the Strategic objectives of the Fund	Every three (3) years or depending on the expiry
Financial Statements	PEMC	Statement of Financial Position, Statement of Surplus and Other Comprehensive Income, Statement of Cash Flow	Quarterly for period ending 31 <sup>st</sup> March, 30 <sup>th</sup> June, 30 <sup>th</sup> Sept & 31 <sup>st</sup> Dec

## **6.1.5 Stakeholder Engagement**

### *6.1.5.1 Statement by CEO*

As CEO, I remain committed to ensuring the effective and efficient allocation and management of all resources to provide secured and sustainable benefit payments.

The continuous strengthening of our corporate governance structures coupled with an active risk management framework and enhanced compliance monitoring mechanisms remains at the centre of our investment management and procurement practices.

Digitalization and development in information technology remains one of my ongoing priorities as this will not only streamline our internal processes but also facilitate other stakeholder engagements.

Ensuring human resource engagement and productivity remains one of my top priorities as invest in staff wellbeing, training and professional development. This will contribute to equip our team with the necessary skills to meet the demands of our dynamic workforce.

Looking ahead, I remain confident that as a team, we will continue to navigate risks and seize all opportunities to optimize resource allocation to improve efficiency.

*Mrs. Nisreen Abdul Majid  
CEO SPF*

#### 6.1.5.2 *Foreword by Chairperson*

As a key player in Seychelles' social protection system, the Seychelles Pension Fund (SPF) operates under a Pay-As-You-Go (PAYG) model, sustained through contributions from employers, employees, and the self-employed, as well as strategic investments. This model allows us to provide pensions upon retirement, disability benefits, and financial support for surviving spouses and children.

#### **Current Status & Strategic Outlook**

SPF remains in a strong financial position, thanks to prudent asset management. However, with demographic shifts and evolving economic conditions, we must adapt to ensure the Fund's long-term sustainability. By 2025, 2026, and 2027, our goal is for SPF to be recognized as a financially stable institution that consistently delivers pension benefits. We call on the Government to support necessary reforms to safeguard the future of the Fund.

#### **Strategic Priorities**

Our strategy focuses on three core areas:

1. Strengthening the Fund through diversified investments and sound financial planning.
2. Enhancing operations through digitization and improved member services.
3. Empowering members by providing clear and accessible information on their benefits.

Through these priorities, SPF will continue to contribute to national economic stability, making impactful investments while providing crucial social safety nets.

#### **Economic Contributions**

SPF has played a pivotal role in the country's development through strategic investments and prudent management. Moving forward, we are committed to contributing to economic growth while ensuring long-term financial security for our members. Our ability to balance social needs with sustainability distinguishes us as a leading public institution.

#### **Performance Targets & Commitment to MTFS**

Aligned with the performance targets set by the Responsible Minister, SPF's objectives focus on fiscal sustainability, service delivery, and governance. The Medium-Term Financial Strategy (MTFS) guides our decisions, ensuring alignment with national policies and instilling confidence in both the public and private sectors, as well as the Seychellois people.

Upcoming projects, such as the School Children Savings App, aim to promote a culture of saving from a young age, fostering financial responsibility and literacy among future generations. By engaging with youth early on, SPF is contributing to a financially aware society, reinforcing the importance of savings for long-term security. SPF remains steadfast in its commitment to securing the future of our members through sustainable growth and effective governance.

*Mrs. Shella Mohideen  
Chairperson SPF*

#### *6.1.5.3 Statement by the Responsible Minister*

The Seychelles Pension Fund's (SPF) comprehensive MTFS 2025-27 aims at ensuring financial sustainability while addressing key contemporary challenges and opportunities in line with the institution's strategic objectives, which are built on 6 main pillars. These are; financial health and sustainability, enhanced stakeholder relations and communications, efficiency and productivity of the workforce, digital transformation, operational resilience through effective risk management and continuous improvement of investment management practices.

In an era of rapid technological advancement, it is important to note that investments in digitalisation systems and infrastructures continue to be one of SPF's top priorities. As a result, streamlined internal processes, improvement in data analytics and enhanced customer services through frictionless digital experiences would personalise the experience of each member, allowing them to engage easily and take positive actions to build up their retirement pension.

It is known that Seychelles is increasingly faced by workforce challenges in meeting the demand for appropriately skilled workers as the economy grows. More visibly is also the demographic shift, all of which would gradually render greater reliance on the employment of foreign workers. This is of concern for SPF as it would have a direct impact on future contributions collected by the Fund. However, SPF through its pension reforms are adapting the pension schemes to navigate the complexities of the modern world, while safeguarding its future sustainability.

Responsible investment practices and a good investment governance framework are also critical to deliver value to all members and beneficiaries alike. As we move into the future, the role of SPF in mobilising climate finance, in line with the National Development Strategies (NDS) is becoming increasingly relevant and SPF's contribution to the national economic growth cannot be understated. The government shall continue to be an important facilitator and provide the support SPF needs to successfully implement its 2024-28 strategic objectives.

*Minister Naadir Hassan  
Minister for Finance, National Planning and Trade*

## 6.2 Financial Services Authority (FSA)

### 6.2.1 Strategic Overview

#### 6.2.1.1 Mandate

The Seychelles Financial Services Authority (FSA) is mandated under the Financial Services Act, 2013, to inter alia:

- Supervise, monitor and regulate licensees in accordance with this Act and the financial services legislation; and other financial services business carried on in or from within Seychelles;
- Administer the registry legislation;
- Develop appropriate legal, regulatory and supervisory mechanisms for the efficient and effective administration of the Authority and the financial services legislation;
- Adopt such measures as may be necessary to appropriately inform and educate the general public on its functions and on matters relating to or affecting any financial services business;
- Take action against persons carrying on unauthorized financial services business in Seychelles.

#### 6.2.1.2 Vision

An effective regulator focused on safeguarding a credible and innovative non-bank financial services jurisdiction.

#### 6.2.1.3 Mission

Transform and grow the Seychelles' non-bank financial services industry, through the application of a sound regulatory and supervisory framework that protects the jurisdiction's reputation and the consumers and stakeholders' investments.

#### 6.2.1.4 Strategic Priorities for 2025-2027

- 1) Revise and modernise our laws, regulations, policies and operating standards to international norms and best practices.
- 2) Effective implementation of our sectoral responsibility for AML/CFT supervision, monitoring and enforcement for all reporting entities under our regulatory purview.
- 3) Research into and introduce new products to diversify our products portfolio.
- 4) Investment in new user friendly and secure technologies and other infrastructure.
- 5) Ensure our staff have the skills and expertise to efficiently and effectively execute and deliver their responsibilities.
- 6) Promote the development of the non-bank financial sector through training programme placements and support incentives to industry practitioners and graduates to specialise in this sector.
- 7) Efficiently monitor the activities of the industry and constantly educate our customers and consumers on new products, legislations and of their roles and responsibilities.
- 8) Ensure that our jurisdiction, services and products on offer are adequately visible.

### 6.2.1.5 Key Challenges

- Ever-changing international regulations or requirements by international regulatory bodies, which lead to tight implementation deadlines and create pressure due to resource constraints.
- Delays in amendment and enactment of laws relating to the FSA's operations and industry pressure towards policy decisions that aim to increase compliance.
- Shortage of specialists' skills/experience and inappropriate infrastructure of the non-bank financial sector to efficiently provide the desired services.
- Ltd growth in the industry due to low level of public/stakeholders' education on the non-bank financial sector operations, products and services, resulting in low uptake of the financial products.

### 6.2.2 Outlook of Financial Strategy

#### 6.2.2.1 Projected Financial Position of FSA

	SCR ('000)						
	Actual Figures		Provisional		Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Non-Current Assets</b>	<b>303,905</b>	<b>310,376</b>	<b>244,036</b>	<b>252,880</b>	<b>259,580</b>	<b>273,260</b>	<b>275,818</b>
Property Plant and Equipment	55,576	59,546	50,910	60,899	62,831	77,849	78,919
Investment Property	240,314	242,266	180,585	182,553	184,506	185,982	187,470
Intangible Asset	-	-	-	-	-	-	-
Long term Receivable	8,015	8,563	12,541	9,428	12,243	9,428	9,428
<b>Current Assets</b>	<b>131,109</b>	<b>165,718</b>	<b>174,409</b>	<b>191,817</b>	<b>209,290</b>	<b>231,157</b>	<b>235,524</b>
Trade and Other Receivables	11,338	12,478	14,589	13,206	13,469	13,639	13,964
Cash and Cash Equivalents	114,567	153,0900	159,520	178,611	195,821	217,518	221,560
Investment in Treasury bills	5,203	150	300	-	-	-	-
<b>Total Assets</b>	<b>435,014</b>	<b>476,093</b>	<b>418,445</b>	<b>444,697</b>	<b>468,871</b>	<b>504,417</b>	<b>511,342</b>
<b>Equity and Liabilities</b>							
<b>Equity</b>							
Stated Capital	8,716	8,716	8,716	8,716	8,716	8,716	8,716
Capital grant	1,708	854	-	-	-	-	-
Retained Earnings	350,365	368,734	314,626	358,348	385,061	406,313	406,833
Revaluation Reserve	21,691	26,674	13,542	13,542	15,496	16,972	18,460
<b>Total Equity</b>	<b>382,480</b>	<b>404,978</b>	<b>336,884</b>	<b>380,607</b>	<b>409,273</b>	<b>432,001</b>	<b>434,009</b>
Liabilities							
<b>Non-Current Liabilities</b>	<b>13,267</b>	<b>16,846</b>	<b>21,572</b>	<b>27,369</b>	<b>33,592</b>	<b>37,691</b>	<b>42,148</b>
Retirement benefit obligations	13,267	16,846	21,572	27,369	33,592	37,691	42,148
Accrued interest on borrowings	-	-	-	-	-	-	-
<b>Current Liabilities</b>	<b>39,267</b>	<b>54,269</b>	<b>59,989</b>	<b>36,722</b>	<b>26,006</b>	<b>34,725</b>	<b>35,184</b>
Borrowings	-	-	-	-	-	-	-
Other Payables	39,267	54,269	59,989	36,722	26,006	34,725	35,184
<b>Total Liabilities</b>	<b>52,534</b>	<b>71,115</b>	<b>81,561</b>	<b>64,091</b>	<b>59,598</b>	<b>72,416</b>	<b>77,332</b>
<b>Total Equity and Liabilities</b>	<b>435,014</b>	<b>476,093</b>	<b>418,445</b>	<b>444,697</b>	<b>468,871</b>	<b>504,417</b>	<b>511,342</b>

6.2.2.2 *Projected Statement of Comprehensive Income of FSA*

	SCR ('000)					
	Actual Figures		Provisional		Forecast	
	2021	2022	2023	2024	2025	2027
<b>Revenue</b>	223,646	197,494	187,661	180,246	203,673	216,850
<b>Staff Costs</b>	(45,100)	(60,024)	(73,106)	(81,573)	(87,798)	(89,052)
<b>Administrative expenses</b>	(31,580)	(31,510)	(39,036)	(47,895)	(50,351)	(42,164)
<b>Educational Dissemination</b>	(713)	(232)	(751)	(759)	(3,525)	(825)
<b>Other Operating Costs</b>	(1,619)	(1,757)	(1,763)	(2,476)	(2,697)	(2,437)
<b>Finance income -interest on Sftaff loans</b>	663	1,037	3,362	700	750	750
<b>Finance cost - Borrowing costs</b>	-			63	(114)	(113)
<b>Makerting Grant to SIB</b>	(546)	(545)	(4,715)	(5,000)	(5,000)	(5,000)
<b>CISNA Seminar</b>	-					
<b>Other Income</b>	4	131	107	3,500	3,384	270
<b>Foreign exchange (losses)/Gains</b>	(34,323)	(1,163)	(2,640)	4,766	(161)	(109)
<b>Profit for the year</b>	<b>110,434</b>	<b>103,429</b>	<b>69,119</b>	<b>51,573</b>	<b>58,161</b>	<b>78,170</b>
<b>Surplus on revaluation of investment property</b>	-	1,952		1,968	1,954	1,476
<b>Profit for the year and total comprehensive income for the year</b>	<b>110,434</b>	<b>105,381</b>	<b>69,119</b>	<b>53,541</b>	<b>60,115</b>	<b>79,646</b>
						82,327

### 6.2.2.3 Projected Cash Flow Statement of FSA

	SCR ('000)						
	Actual figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>Operating Activities</b>							
<b>Profit for the year</b>	110,434	105,381	69,119	53,541	60,115	79,646	82,327
<b>Adjustment for:</b>							
Depreciation of property, plant and equipment	2,473	2,596	2,614	2,476	743	2,437	2,366
Transfers/Adjustment from WIP	-	84	-	-	-	-	-
Adjustment for Fixed asset accrued	-	2					
(Profit)/Loss on disposal of asset		6	3				
Amortisation of capital grant	(854)	(854)	(854)				
Impairment of trade receivables	(41)	(96)	(164)				
Retirement benefits obligation charge	4,993	5,895	9,982	7,472	9,298	9,348	9,348
Interest receivable	(663)	(1,037)	(3,362)	(4,200)	(4,134)	(1,020)	(1,020)
Gain on revaluation of investment property		(1,952)	(1)	(1,968)	-	(1,476)	(1,488)
Adjustment on accrued interest upon completion of full repayment of loan	(252)						
<b>Net cash Provided/(used) by operating activities</b>	<b>116,091</b>	<b>110,025</b>	<b>77,338</b>	<b>57,321</b>	<b>66,022</b>	<b>88,935</b>	<b>91,533</b>
Changes in working capital							
Increase in trade and other receivables	7,213	(1,592)	(5,774)	258	(2,913)	2,645	(325)
(Decrease)/increase In trade and other payables	(7,621)	(4,998)	5,072	9,386	(8,722)	8,573	459
<b>Cash generated from operations</b>	<b>115,683</b>	<b>103,435</b>	<b>76,635</b>	<b>66,964</b>	<b>54,386</b>	<b>100,153</b>	<b>91,668</b>
Retirement obligation paid	(3,636)	(2,316)	(5,256)	(2,791)	(3,074)	(5,249)	(4,891)
Interest received	663	1,037	3,362	4,200	4,134	1,020	1,020
<b>Net cash inflow from operating activities</b>	<b>112,710</b>	<b>102,156</b>	<b>74,741</b>	<b>68,373</b>	<b>55,446</b>	<b>95,924</b>	<b>87,797</b>
<b>Cash flow from investing activities</b>							
Purchase of property, plant and equipment	(3,178)	(2,736)	(7,112)	(16,905)	(6,787)	(17,309)	(3,437)
Investment in Treasury bills	(5,199)	5,203	-	-	-	-	-
Proceeds from sale of asset		10					
<b>Net cash outflow from investing activities</b>	<b>(8,376)</b>	<b>2,476</b>	<b>(7,112)</b>	<b>(16,905)</b>	<b>(6,787)</b>	<b>(17,309)</b>	<b>(3,437)</b>
<b>Cashflow from financing activities</b>							
Restricted cash		(150)	(300)				
Loan Repayment	(10,612)						
Interest paid	(92)						
Amount transferred to the Government of Seychelles	(105,235)	(65,960)	(60,898)	(32,377)	(31,449)	(56,918)	(80,318)
<b>Net cash inflow from financing activities</b>	<b>(115,938)</b>	<b>(66,110)</b>	<b>(61,198)</b>	<b>(32,377)</b>	<b>(31,449)</b>	<b>(56,918)</b>	<b>(80,318)</b>
<b>Net change in cash and cash equivalents</b>	<b>(11,605)</b>	<b>38,522</b>	<b>6,430</b>	<b>19,091</b>	<b>17,210</b>	<b>21,697</b>	<b>4,042</b>
<b>Movement in cash and cash equivalents</b>							
<b>At Jan 1</b>	126,172	114,567	153,090	159,520	178,611	195,821	217,517
<b>Increase/(decrease) during the year</b>	(11,605)	38,522	6,430	19,091	17,210	21,697	4,042
<b>AT Dec 31</b>	<b>114,567</b>	<b>153,090</b>	<b>159,520</b>	<b>178,611</b>	<b>195,821</b>	<b>217,517</b>	<b>221,560</b>

#### 6.2.2.4 Projected Capital Investment Plan of FSA

SCR ('000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional	Forecast			Anticipated Risks
							2021	2022	2023		2025	2026	2027	
Consultancy for Construction of New warehouse	<i>Details Not provided</i>									840	600	240	120	
Construction of New FSA Warehouse										9,000	10,350	1,150	-	
Construction of New FSA Building												15,000		
Consultancy for centralization of sewage system										200	200			
Construction of sewage											1,350	150		
Conversion cost of warehouse A16, A17, A18 & A2											4,050	450		
Re-roofing of finance office											300			
Consultation Construction of New FSA Building											8,280	4,600	690	-

\*Details not Provided on the **Project Purpose and Description**, **Expected Outcome of the Project**, **Total Estimated Project Cost**, **Source of Funds**, and the **Year the Project Commenced**. Additionally, **Actual Figures** for the years **2021**, **2022**, and **2023**, as well as the **Anticipated Risks**.

## 6.2.3 Projected TAX, Dividend, Debt Payments, Subventions, Grants and Contingencies

### 6.2.3.1 Projected Tax Implications

Details not provided on **Business Tax, Personal Income Tax (PIT), Value Added Tax (VAT)**, and others. Additionally, they did not provide an assessment of **Anticipated Risks** associated with tax

### 6.2.3.2 Projected Dividend Distribution

Nature of Dividend	Actual Figures		Provisional		Forecast		Anticipated Risks	SCR ('000)
	2021	2022	2023	2024	2025	2026	2027	
Dividends in Cash	92,566	85,960	66,450	32,377	31,449	56,918	80,318	
Dividends in lieu of Cash								
<b>TOTAL</b>	<b>92,566</b>	<b>85,960</b>	<b>66,450</b>	<b>32,377</b>	<b>31,449</b>	<b>56,918</b>	<b>80,318</b>	

Details not provided on **Anticipated Risks** associated with Dividend distributions

### 6.2.3.3 Projected Debt Payments

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	Total Borrowings and Debt Servicing								SCR ('000)	
				Actual Figures			Provisional		Forecast				
				2021	2022	2023	2024	2025	2026	2027			
7.5 Million UDS	Borrowings	Construction of warehouse	60,334										
	Interest for the Year			92									
	Repayment of Capital			10,612									
	Balance carried forward												

Details not provided in the table concerning borrowings and debt servicing, including **Actual Figures** for **2021, 2022, and 2023**, as well as **Provisional** data for **2024** and **Forecasts** for **2025 to 2027**.

#### *6.2.3.4 Projected Grants and Subsidies*

The FSA has not received or is not anticipating any government grants and subsidies or funding from other agencies such as IMF, world bank, African development bank, European union, etc.

#### *6.2.3.5 Contingencies of FSA*

The FSA does not anticipate any contingent liabilities due to guarantees or any legal proceedings in the medium term.

#### *6.2.3.6 Assumptions used for the Financial Projections*

The main assumptions used in addition to the normal inflation and exchange variations provided are as follows;

##### **Revenue**

Assumptions used for the forecasted revenues are based on historical statistics and trends analysis.

Based on historical trend and statistics, there is a slight in IBC renewals. It is being projected that the number of IBC companies that will be both incorporated and renewed will marginally increase in 2025 to 2027.

As for Capital Market Fund and Securities, proposed and ongoing legislative amendments within the next year shall affect the rate of receipt of securities dealer applications and subsequently license issuance. This will lead to a steadier increase of fees as well.

In 2024 the virtual asset supervision section was created hence projections of SR3.15 million for the virtual assets as a new product are based on feedback and engagements with potential applicants.

The Authority also invested in a USD Fixed Deposits in 2024 hence expected interest income has been forecasted in the coming 3 years.

##### **Expenditure**

###### ➤ Personal Emoluments

There is a proposed increase in the forecasted Personal Emoluments due to increase in staff salaries, from either new recruitment, increments and promotions has been catered for in 2024 as and when the departments plan to recruit their new staff members increments and adjustments of salaries. The FSA board fees have also increased in line with the proposal made by the PEMC in 2024.

###### ➤ Rental Expense

There is a need to procure additional space to accommodate the additional staff therefore there is an increase in the rental expense in 2025. However, the authority is currently working on building a warehouse, which will be used for accommodating some of the staff members currently located at providence. Hence, the forecasted rent has shown a decline from the year 2026 upon completion of the warehouse.

Other expenses have generally increased due to the increase in the number of staff and creation of the new VASS section.

## 6.2.4 KPIs, Risk Management Strategy and Reporting Obligations

### 6.2.4.1 Key Performance Indicators of FSA

Title of KPIs	Description	Licensees	Achievements of KPIs						
			Actual Figures			Provisional	Forecasted Figures		
			2021	2022	2023		2024	2025	2026
Growth and development of the Non-Banking Financial Services (NBFS) sector	Tracks the expansion of the capital markets sector.	Securities Dealers (SDs)	89	133	178	185	225	257	290
		SDs' Representatives	100	139	195	212	256	294	333
	Tracks the stability of the insurance sector.	Domestic Insurer	6	6	7	6	6	6	6
		Non-Domestic Insurer	8	9	9	9	9	10	10
		Domestic brokers	24	24	24	25	25	25	26
	Measures the market growth and provides an overview of the potential economic contribution of the NBFS sector.	International Business Companies (IBCs) New Incorporations	6,811	3,987	4,066	2,474	3800	4326	4450
		IBCs Cumulative (Total growth)	231,357	235,346	239,413	242,134	247,613	251,939	256,389
		Foundations	976	1054	1121	1159	1226	1287	1348
		Trusts	881	926	955	978	1012	1044	1075

<b>Number of inspections for Anti-Money Laundering/Countering Finance Terrorism (AML/CFT) supervision (includes thematic inspection on Customer Due Diligence carried out at the reporting entities as part of Beneficial Ownership inspections) And Number of inspections under the Beneficial Ownership (BO) Act</b>	Tracks the number of reporting entities that undergo inspection for AML/CFT supervision	-	34	39	32	42	50	55	55
	Tracks the number of resident agents that undergo BO inspections	-	17	35	28	39	45	45	50

<b>Financial Literacy Outreach</b>	Tracks the financial literacy and education programmes conducted	-	1. Publication of 6 monthly articles in the local newspaper  2. Launch of The FSA's Professional Scholarship Program  3. Launch of The FSA's Scholars Award for the NBFS Industry Scholarship Program  4. Award of scholarships for ICA and CISI	1. Publication of 12 monthly articles in the local newspaper  2. Participation in the Central Bank of Seychelles (CBS) Symposium  3. Participation in the awareness of the financial services program organised by the Seychelles International Financial Services Association (SIFSA)  4. Award of scholarships for Bachelor and Masters Degree under the FSA's Scholars Award for the NBFS Industry  5. Award of scholarships for ICA Certificates	1. Publication of 12 monthly articles in the local newspaper  2. Financial Education Fair on the Insurance Sector  3. Award of scholarships for Bachelor and Masters Degree under the FSA's Scholars Award for the NBFS Industry  4. Award of scholarships for ICA Certificates	1. Publication of 7 monthly articles in the local newspaper (Up to July)  2. Award of scholarships for Masters Degree under the FSA's Scholars Award for the NBFS Industry  3. Award of scholarships for ICA Certificates  4. Donation of books to the National Library  5. Financial Education Fair (Insurance or CM)	1. Publication of 12 monthly articles in the local newspaper  2. Award of scholarships for Bachelor and Masters Degree under the FSA's Scholars Award for the NBFS Industry  3. Award of scholarships for ICA Certificates	1. Publication of 12 monthly articles in the local newspaper  2. Award of scholarships for Bachelor and Masters Degree under the FSA's Scholars Award for the NBFS Industry  3. Award of scholarships for ICA Certificates	
<b>Supervision coverage (onsite inspections)</b>	Measures the percentage of licensed entities that undergo onsite inspection	Gambling  Insurance  International Trade Zone: Thematic inspections  International Trade Zone:	82%  23%  10%  5%	90%  61%  53%  21%	81%  41%  32%  26%	73%  44%  38%  31%	76%  48%  50%  38%	81%  53%  50%  38%	86%  59%  50%  38%

	Employment inspections							
	Capital Markets	0.87%	3.11%	1.95%	1.77%	3.85%	3.57%	3.33%
	Fiduciary: TCSP License	6.67%	2.88%	11.65%	30.09%	9.90%	10%	10%
Measures the percentage of IBCs, Trusts, Foundations and Ltd Partnerships (LP) under the administration of TCSPs that undergo onsite inspection	IBCs	0.11%	0.15%	1%	0.15%	0.28%	0.28%	0.28%
	Trusts	4.62%	0%	7.64%	0%	4.96%	0%	4.69%
	Foundations	2.56%	6.74%	0%	0%	0%	19.41%	0%
	LPs	0%	62.86%	0%	0%	0%	57.89%	0%

#### 6.2.4.2 Risks and Resilience Plan of FSA

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
<b>Strategic Risks</b>	Failure to achieve strategic objectives	Monitoring and evaluation process for the achievement of strategic objectives, including implementing corrective measures as required.
	Specialists' skills shortage or unavailability	Effective human resource management including for staff recruitment, training and retention.
<b>Financial Risks</b>	Credit risk Liquidity risk	Effective debtor management/credit control Ensuring sufficient cash is available for daily operations and financial commitments that may arise.
	Budget deficit due to increase of unplanned expenditures	Control of other expenditures to gain savings as a result to cater for unexpected expenditures and increases.
	Revenue risk	Product diversification and ensuring visibility of jurisdiction, products and services on offer.
	Information Technology and Cybersecurity risks	Strengthening the technological infrastructure and cybersecurity measures.
<b>Operational Risks</b>	Non-conducive or inefficient resources to efficiently carry out operations	Effective resource management. Undertaking the required investments.
<b>Compliance and Regulatory Risks</b>	Failure to meet international standards and requirements	Annual review process used to capture new compliance requirements and review/update existing requirements.  Getting the consent of international standard setting bodies on draft legislations before enactment.
	Detrimental business conduct by licensees	Onsite and offsite inspections  Review of licensees procedures and processes
	Exposure to unregulated products and activities	Issuing scam alerts and monitoring of scam schemes. Introducing regulatory frameworks.
<b>Environmental and Social Risks</b>	Workplace environmental hazards	Adherence to health and safety protocols
	Natural disasters and other catastrophes	Preparedness actions  Business continuity planning
	Adverse effects on mental health	Fringe benefits  Teambuilding activities  Reward and recognition measures

#### 6.2.4.3 List of External Reporting by the Financial Services Authority

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
<b>Statistics on AML/CFT</b>	National AML/CFT Committee (“NAC”)	This provides comprehensive statistics on matters relevant to the effectiveness and efficiency of the AML/CFT systems in line with the requirements of Recommendation 33 of the FATF Standards.	By 14 <sup>th</sup> of the month following each quarter
<b>Follow Up Report (“FUR”)</b>	Assessors of Seychelles (Review Group A) of the Eastern and Southern African Anti-Money Laundering Group (“ESAAMLG”)	Further to the deficiencies in the Technical Compliance of the FATF standards noted in the Mutual Evaluation Report in 2018, Seychelles was placed under enhanced follow up in terms of Paragraph 90 of the procedures for the ESAAMLG 2nd Round of AML/CFT Mutual Evaluations and Follow Up Process.	Annually, in August, before the second bi-annual ESAAMLG meetings in September.
<b>Technical Assistance and Training</b>	ESAAMLG Secretariat	To report on the financial and technical support received and list down the priority AML/CFT training requirements to enhance the capacity of AML/CFT regime of Seychelles	Annually
<b>Surveys on AML/CFT typologies</b>	ESAAMLG Secretariat	To complete surveys undertaken by the ESAAMLG secretariat on different AML/CFT typologies	As and when requested
<b>Rerating requests</b>	ESAAMLG Secretariat & Assessors of Seychelles	To report on the technical compliances achieved for FATF recommendations that were rated as Non-compliant or Partially compliant in the 2 <sup>nd</sup> round of Mutual Evaluation of Seychelles	By March 2025, as the technical deficiency for REC15 must be addressed by Sept 2025
<b>CISNA country report</b>	CISNA secretariat	<ul style="list-style-type: none"> <li>Legislation administered by the FSA and legislative changes.</li> <li>Statistics pertaining to the capital markets and Insurance and medical aid schemes sub-committee (number of licensees by categories, listings (market capitalisation, number of listings, volume, liquidity percentage)</li> <li>The AML/CFT, capital markets and insurance landscapes (updates)</li> <li>Consumer financial education</li> </ul>	Bi-Annually
<b>Financial Access Survey</b>	IMF (FSA's inputs are submitted to the CBS)	This provides data on access to and use of financial services e.g. insurance, which monitors the level of financial inclusion	Annually
<b>Financial Stability Report</b>	President & National Assembly (FSA's inputs are included as part of the Financial Stability Committee's work)	This analyses the overall health and resilience of the financial system, highlighting potential risks, vulnerabilities, and developments that could impact the economy.	Annually
<b>COMESA Financial Stability Report</b>	COMESA (FSA's inputs are submitted to the CBS)	This provides statistics on the Non-Bank Financial Services Sector.	Annually
<b>Investment Regulation of Pension Funds and Other Pension Providers</b>	IOPS /OECD	This is an assessment of Pension Funds and Other Pension Providers.	Annually
<b>Industry Report</b>	Insurance industry/ general public	This provides data on the overall health and resilience of the insurance industry, highlighting	

		potential risks, vulnerabilities, and developments.	
<b>Observance of ICPs</b>	IAIS	This is an assessment of the FSA's regulatory purview vis-à-vis ICP standards.	Annually
<b>Report on learnings from the design, implementation, use and review of risk based supervision by pension supervisory authorities</b>	IOPS/OECD	The RBS Learnings project report brings together experiences of pension supervisors and identifies learnings and good practices to support Members when designing, implementing, using or reviewing a risk based supervisory approach. Its content is drawn from a survey of 45 member jurisdictions and is supported by Member case studies, workshop discussions and a literature review.	Annually
<b>Operational Statistics</b>	National Bureau of Statistics	This provides monthly operational statistics of Indian Ocean Tuna Ltd and Chelle medical.	Quarterly
<b>ITZ Employment statistics</b>	International Labour Organization (submitted to Ministry of Employment)	This provides employment statistics for the ITZ sector	Bi-Annually
<b>Annual Report</b>	<p>In accordance with the FSA Act, the report is submitted to the Minister of Finance, National Planning and Trade who then submits it to the National Assembly.</p> <p>Other recipients include the President's Office, PEMC, FSA Board, Licensees and staff</p>	<p>The report gives an overview of the Authority's operations and activities for that financial year including the audited financial statements.</p>	Annually (within three months of completion of the audit of its account in respect of any financial year)
<b>5-year Strategic Plan</b>	PEMC	The FSA Strategic Plan outlines the strategic direction for action over a five-year period, identifying priority focus areas that guide the Authority in achieving its strategic objectives.	Every 5 years
<b>Statement of Corporate Intent</b>	Minister of Finance PEMC		
<b>Annual Business Plan</b>	Minister of Finance PEMC		Annually
<b>Minutes of the meetings of the Board</b>	PEMC	The minutes of the meetings of the Board provide an official, written record of the discussions, decisions and actions taken during meetings.	
<b>Annual Budget (part of business plan)</b>	Minister of Finance PEMC	The Annual Budget outlines the Authority's financial plan for the year, detailing projected revenues and expenditures, guiding resource allocation and ensuring financial accountability and strategic alignment.	Annually
<b>Financial statements</b>	Minister of Finance PEMC	These provide a comprehensive overview of the Authority's financial performance and position, ensuring transparency, accountability, and informed decision-making.	Annually
<b>Audit Plan</b>	PEMC		Annually
<b>Annual audit report</b>	PEMC OAG		Annually
<b>Disposal of assets report</b>	PEMC		
<b>Quarterly reporting</b>	PEMC		Quarterly
<b>Group of International Finance Centre Supervisors Summary Statement</b>	Chairman and Vice Chair of GIFCS	The report aims to establish the happenings, progress be it internal and structural or legislative, regulatory or in terms of supervision of the relevant products with the emphasis being	Annually

		on TCSPs. Information is further requested in terms of AML/CFT, emerging market products such as VASP and VAs, as well as growing areas of concern such as ESG. Once compiled from member countries, the chair and vice chair disseminate to certain stakeholders, including the FATF with the aim of imparting commonalities suffered or experienced by small island states/smaller jurisdictions. Responses are further used to drive discussions and headline topics for the Plenary sessions held in April and November.	
<b>Quarterly FSA Questionnaire</b>	National Bureau of Statistics	This provides the relevant economic statistics.	Quarterly

## 6.2.5 Stakeholder Engagement

### 6.2.5.1 Statement by CEO

As the Chief Executive Officer of the Financial Services Authority, I am deeply committed to establishing clear objectives and executing the strategic directives set forth by our Board of Directors. In this final year of our Strategic Plan (2021-2025), our focus will be on further enhancing our regulatory framework to ensure a resilient and sustainable non-bank financial services sector. We recognise the significant challenges that exist, including evolving international requirements, delays in legislative development, and an urgent need for a skilled workforce. Moreover, enhancing public awareness of non-bank financial services is essential for driving the uptake of financial services, which in turn is crucial for fostering financial inclusion and empowering consumers to make informed financial decisions.

In light of these challenges, we view several strategic priorities as key opportunities to strengthen our position and drive progress. Modernising our laws and regulations to align with best practices will enhance operational effectiveness and regulatory credibility. We will also continue to promote the growth of the non-bank financial services sector through targeted training programmes and support for industry practitioners, cultivating a more skilled workforce. Continuous monitoring of industry activities and proactive consumer education will enhance engagement and trust, while ensuring our jurisdiction, services and products remain highly visible.

To maximise our effectiveness, I am dedicated to optimising resource allocation across the Authority, strategically deploying our expertise and financial resources to achieve our Key Performance Indicators. By identifying areas where efficiency can be improved and reallocating resources as necessary, we can enhance our operational capacity and responsiveness to emerging challenges. With our dedicated team in place, I am confident that we can navigate the complexities of our environment and fulfil our strategic objectives while upholding the highest standards of accountability and performance for the benefit of the industry and the consumers we serve.

*Mr. Randolph Samson  
Chief Executive Officer  
Date:*

#### 6.2.5.2 *Foreword by Chairperson*

In my role as the Chairperson of the Financial Services Authority (FSA), I am pleased to present this foreword, reflecting on the Authority's journey, current status and future aspirations. The FSA's predecessor, the Seychelles International Business Authority (SIBA) was established in 1994 to regulate and promote international business activities and develop Seychelles as an international financial centre. In response to evolving international regulatory standards and the need for greater oversight, the SIBA Act was replaced by the FSA Act in 2013, effective from March 1, 2014. This transition expanded our mandate to supervise a broader range of non-bank financial services, including insurance and capital markets. Since then, the FSA has strengthened its regulatory framework, aligning with international best practices and standards.

Over the next three years, we expect both the Government and the public to increasingly view the FSA as a transparent and proactive regulator, one that not only works to proactively maintain high standards but also adapts swiftly to global developments. Our goal is to be recognised as a key driver of economic growth, fostering the expansion of the non-bank financial services sector while contributing to the stability and resilience of the financial system. This trajectory reflects our dedication to improving regulatory effectiveness, promoting financial inclusion, and ensuring investor and consumer protection.

The FSA's vision - to be an effective regulator focused on safeguarding a credible and innovative non-bank financial services jurisdiction - guides our strategic priorities. Our key areas of focus include modernising our legal and regulatory framework, enhancing our oversight capabilities, and promoting the development of the sector. These priorities are not only critical to our operational success but are aligned with the broader goals of the Seychelles' National Development Strategy 2024-2028, which emphasises economic diversification and growth, technological innovation, and strengthened governance. Our contributions to national priorities will be driven through the targeted initiatives of our Strategic Plan.

Historically, the FSA has been a significant economic contributor, generating substantial revenue for the national economy and creating opportunities for employment and professional development within the non-bank financial services sector. As we advance, the achievement of our strategic priorities will further amplify our impact, positioning the FSA as an important contributor to Seychelles' economic development. As Chairperson, I am steadfast in my commitment to making this achievement a reality, with the Medium-Term Financial Strategy serving as a vital framework for aligning the budget with the FSA's strategy.

*Mr. Patrick Payet  
Chairperson FSA*

### 6.2.5.3 *Statement by the Responsible Minister*

As the accountable Minister of the Financial Services Authority (FSA), I reaffirm my unwavering commitment to the strategic and policy orientations that guide the Authority. The FSA plays a pivotal role in the regulation and oversight of our non-bank financial services sector, making it essential that its strategic objectives are closely aligned with our national priorities. The Medium-Term Financial Strategy (MTFS) serves as an essential framework for this alignment, providing a clear roadmap that integrates the government's fiscal policies with the FSA's strategic initiatives. This framework not only enables us to respond effectively to the evolving economic landscape, but also enhances our capacity to foster financial stability and resilience within our economy. The FSA's role as a significant economic contributor, be it directly or indirectly through the sectors it supervises, thus strengthens our overall economic health, allowing us to better shield the country from vulnerabilities to economic shocks. In doing so, we can maintain resilience and ensure continued growth. Our government also recognises the importance of a robust financial sector in driving sustainable economic growth and development, thereby leading to the creation of wealth for our country. The FSA's efforts thus contribute to Seychelles being recognised as a global economic success.

Ultimately, the FSA's MTFS outlines specific directives aimed at strengthening regulatory frameworks, promoting innovation, and ensuring consumer protection within the non-bank financial services landscape. These directives are not only essential for maintaining the integrity of our financial system but also serve to build public trust and confidence in the FSA. Moreover, by fostering an environment that encourages innovation, we can attract new investments and facilitate the growth of the sector, thereby diversifying our economy. Additionally, the MTFS emphasises the importance of embracing technological advancements, ensuring that our non-bank financial services sector remains competitive in a rapidly changing global market. Also, strengthening the FSA's governance will further enhance transparency and accountability, key elements that underpin an effective regulator. This alignment, through the MTFS, ensures that the FSA's strategic initiatives effectively address the needs of our citizens while supporting the broader goals of economic diversification and growth, technological innovation and strengthened governance.

Furthermore, I want to emphasise my accountability to the National Assembly and the government in this endeavour. The commitments laid out in the MTFS are not merely aspirational; they represent a clear set of expectations for the FSA over the next three years as it navigates its critical role in the financial ecosystem. We will continuously evaluate our progress against these objectives, making necessary adjustments to our approach as circumstances evolve. In conclusion, the integration of national priorities within the MTFS stands as a testament to my dedication as Minister of Finance to enhancing the FSA's effectiveness. Together, we will build a more resilient financial sector that serves the best

interests of our nation and its people, ensuring that Seychelles remains a beacon of economic success on the global stage.

*Minister Naadir Hassan  
Minister for Finance, National Planning and Trade  
18.10.24*

## 6.3 Air Seychelles Ltd (HM)



### 6.3.1 Strategic Overview

#### 6.3.1.1 Mandate

To provide and sell scheduled and non-scheduled transportation by air of passengers, mail and goods anywhere in the world. To provide ground handling, technical handling and cargo handling to all airlines landing in Seychelles (including Air Seychelles). Provide airport lounge services and courier services.

#### 6.3.1.2 Vision

Keeping Seychelles connected.

#### 6.3.1.3 Mission

Welcoming the world and growing the business sustainably and profitably.

#### 6.3.1.4 Strategic Priorities for 2025-2027

The most important strategic priority is to ensure that Air Seychelles sustains itself without the requirement of funding from the Government of Seychelles. While doing so, the company aims to steadily repay its remaining debt and is scheduled to fully repay the USD 16.5m Nouvobanq loan by 2028. Ultimately it's gearing must reduce such that the company approaches a state of being debt free and the liquidity ratio must be high enough to ensure that the company is able to sustain a shock.

We have developed cash surpluses and our focus will be to carry on putting these in fixed deposits to increase them further and save up for the USD 22m of future maintenance work expected to be done on the A320s along the lease. Saving for this is crucial to ensure we have the cashflow to continue operations. We also need to save about USD 25m to refresh the domestic fleet without having to seek another long term loan.

Air Seychelles also continues to review its domestic and international fleet. In the long run the A321 XLR is also being analyzed for better range thereby accessing the country's source tourism markets in Europe. Access to Agalega as an alternate airport to reduce fuel carried will be important for this, ensuring we can reach Europe with the aircraft. On the domestic fleet the ATR42-600 is also being analyzed to improve passenger experience and reduce the cost per seat, however, this is more likely to be feasible in a joint venture form with IDC.

Sustainability of the flying units is also key. To ensure this, the yield, load factor and CASK needs to be optimized for the scheduled flying and profitability of the ACMI/Charter operations needs to be maximized.

For the regional flying we need to ascertain the impact on Indigo coming on the route and if we have to pull out our once weekly flight, where else can we deploy the aircraft. For the ACMI work, we are currently building a relationship with Etihad. We expect to continue the pure ACMI until May 2025. Thereafter, to hopefully operate the SEZ-AUH flights 4 times a week on behalf of Etihad (either as an ACMI or operate the flight ourselves with blocks sold to Etihad) and operate some flights for Etihad between Abu Dhabi and Dammam (Saudi Arabia) as they have exhausted their flying rights while we have the ability to operate 5<sup>th</sup> freedoms there. Effectively, this means the aircraft will be doing a mix of ACMI and scheduled flying. We would still have three days free per week on the aircraft and must find alternative use on the regional network.

In terms of ground handling, we're aiming for ISAGO enrollment to further enhance our credentials and safety standards. We aim to upgrade the quality of our FBO (Private jet) services with our new partnership with Execujet along with offering new services.

For cargo, we're also aiming to potentially grow our courier business with Celero which will add on to our FEDEX business.

### 6.3.1.5 *Key Challenges*

The following are the key challenges faced by Air Seychelles:

- Availability of spare engines and Maintenance Repair Organisations (MROs) to perform engine overhauls for the A320 NEO CFM engines: Currently, due to issues with the new engine types on the NEOs, there is a lack of availability of spare engines and slots available at MROs. This means that if we have an unplanned engine removal, the aircraft may be grounded for a significant period.
- Escalations in pricing and issues faced by the new A320 NEOs means that planned engine overhauls are more expensive than expected by the market. HM pays the lessors a reserve, for every hour the engine is flown, for use when the overhaul occurs. However, we may need to make an internal provision as well because pricing quotes we have received from Lufthansa indicate that the lessor may be under-provisioning significantly. This is the main reason for the cash provisions we need to make (USD 16m of the USD 22m estimated to be required).
- Shortage of pilots on the international market has led to poaching and an increase in salary levels. This is a threat on HM's pool of pilots as well as a financial risk.
- Potential competitors on our routes: Profitability of the international business unit can be severely affected by entrants as the routes are very thin. This includes Air Link and Saffair from South Africa, Arkia and El Al from Israel, Air Mauritius from Mauritius, Air India/Spice Jet/Indigo from India, Sir Lankan Airline from Sri Lanka. Indigo entry risk from India already seems to have materialized.
- Risk of other airlines using 5<sup>th</sup> Freedoms to compete on our routes. The biggest risk is Edelweiss as they requested to use this in the recent past. Edelweiss could sell tickets between Seychelles and Mauritius at very low rates (because they can fill most of their aircraft with Swiss passenger going to Mauritius). Certain gulf carriers also have this right.
- Escalation of SCAA fees can have a very large impact on HM's profitability and sustainability. Overfly fees, landing charges, rents and concession fees.
- Flight rights in India continues to be a challenge. Indian carriers can fly from all points in India to Seychelles but Air Seychelles only has the right to fly to Bombay. We are missing out on potential flights to Ahmedabad in particular, which prevents us increasing the airline's profitability.
- Air Seychelles is very isolated and hence needs to carry a lot of reserve fuel into Seychelles as the nearest diversion airport is Nosy Be. This limits our range of flying (potential markets), reduces the payload we can carry and increases our fuel burn (as the aircraft is heavier). Agalega is a nearer potential diversion airport if we can get rights to land but requires diplomatic efforts at a country-to-country level with Mauritius.
- A very Ltd number of markets regionally, with thin traffic flows. Our aircraft cannot reach main source markets in Europe.
- HM's profitability and revenues from Ground handling is largely out of our control, as it depends on external factors and the frequency with which other carriers decide to land in Seychelles.
- The main domestic market for Air Seychelles is Praslin which is very close to Mahe. This gives the ferry a strong advantage as the time gain for the airline is Ltd and the ferry cost structure is much lower. The short flights make the cycle costs of the aircraft very high, in particular for the engine.
- Without access to the outer islands, economies of scale on the domestic operations are very Ltd and this negatively impacts the profitability of the operations. It limits the potential for larger aircraft with more economies of scale and limits our ability to have longer flights (reducing engine stress and costs).

- Air Seychelles has a lot of specialized airline roles making it very difficult to find local replacements and presents a high business continuity risk.

### 6.3.2 Outlook of Financial Strategy

#### 6.3.2.1 Projected Financial Position of Air Seychelles Ltd

Description	USD ('000)						
	2021	2022	2023	2024	2025	2026	2027
Property and equipment	35,354	33,781	34,830	34,846	34,980	33,357	30,864
Right-of-use assets	48,184	41,802	47,239	39,140	31,227	23,313	15,399
Intangibles assets	397	337	564	451	338	225	112
Deposits	2,050	2,050	2,050	2,050	2,050	2,050	2,050
Receivables from related parties	1,265	0	0				
<b>Total non-current assets</b>	<b>87,250</b>	<b>77,970</b>	<b>84,683</b>	<b>76,488</b>	<b>68,595</b>	<b>58,945</b>	<b>48,425</b>
Inventories	13,031	12,561	13,392	13,244	13,444	13,644	13,844
Trade and other receivables	12,115	13,644	10,093	9,707	9,707	9,707	9,707
Receivables from related parties	2,675	1,688	1,802	1,802	1,802	1,802	1,802
Cash and cash equivalents	12,051	12,464	19,223	26,559	34,122	43,103	43,751
Assets classified as held for sale	926	2,145	704	604	504	404	304
<b>Total current assets</b>	<b>40,798</b>	<b>42,502</b>	<b>45,214</b>	<b>51,917</b>	<b>59,580</b>	<b>68,661</b>	<b>69,409</b>
<b>Total Assets</b>	<b>128,048</b>	<b>120,472</b>	<b>129,897</b>	<b>128,404</b>	<b>128,175</b>	<b>127,606</b>	<b>117,834</b>
Share capital	72,617	72,617	72,617	72,617	72,617	72,617	72,617
Accumulated losses	(173,209)	(53,654)	(46,647)	(40,412)	(32,015)	(23,519)	(15,453)
<b>Total equity/(deficit)</b>	<b>(100,592)</b>	<b>18,963</b>	<b>25,970</b>	<b>32,205</b>	<b>40,602</b>	<b>49,098</b>	<b>57,164</b>
Lease liabilities	47,031	40,113	37,028	30,408	23,952	17,110	9,858
Provisions	2,888	2,823	14,645	15,806	17,071	18,462	11,982
Borrowings	7,808	13,390	10,699	8,131	5,395	2,480	-
Amount due to related parties	62,217	13,000	13,000	13,000	13,000	13,000	13,000
<b>Total non-current liabilities</b>	<b>119,944</b>	<b>69,326</b>	<b>75,372</b>	<b>67,345</b>	<b>59,418</b>	<b>51,053</b>	<b>34,841</b>
Lease liabilities	5,162	7,695	6,230	6,230	6,230	6,230	6,230
Borrowings	71,539	2,340	2,580	2,580	2,580	2,580	1,955
Amounts due to related parties	1,333	4,303	2,181	181	181	181	181
Trade and other payables	23,601	11,260	11,716	11,716	10,716	9,716	8,716
Contract liabilities	7,061	6,585	5,848	8,148	8,448	8,748	8,748
<b>Total current liabilities</b>	<b>108,696</b>	<b>32,183</b>	<b>28,555</b>	<b>28,855</b>	<b>28,155</b>	<b>27,455</b>	<b>25,830</b>
<b>Total Liabilities</b>	<b>228,640</b>	<b>101,509</b>	<b>103,927</b>	<b>96,200</b>	<b>87,573</b>	<b>78,508</b>	<b>60,671</b>
<b>Total Equity and Liabilities</b>	<b>128,048</b>	<b>120,472</b>	<b>129,897</b>	<b>128,404</b>	<b>128,175</b>	<b>127,606</b>	<b>117,834</b>

### 6.3.2.2 Projected Statement of Comprehensive Income of Air Seychelles Ltd

Description	USD ('000)						
	Actual Figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
Revenue from contracts with customers	37,413	76,166	78,860	79,079	84,499	86,181	88,288
Other Income	7,454	1,657	1,728	2,879	2,251	2,288	2,334
Direct operating costs	(38,682)	(53,319)	(60,753)	(51,099)	(53,858)	(55,230)	(57,962)
Administrative and marketing expenses	(19,531)	(7,341)	(6,726)	(18,929)	(20,357)	(20,764)	(20,971)
Reversal of allowance for credit losses	1,787	(1,211)	(566)	(1,033)	(300)	(300)	(300)
<b>Operating profit/(loss)</b>	<b>(11,559)</b>	<b>15,952</b>	<b>12,543</b>	<b>10,896</b>	<b>12,235</b>	<b>12,175</b>	<b>11,390</b>
Finance income	167	109	126	85	417	137	29
Finance costs	(11,314)	(7,615)	(5,662)	(4,746)	(4,254)	(3,815)	(3,353)
<b>Net Finance Cost</b>	<b>(22,706)</b>	<b>8,446</b>	<b>(5,536)</b>	<b>(4,661)</b>	<b>(3,838)</b>	<b>(3,679)</b>	<b>(3,325)</b>
Gain on extinguishment of debt		111,109					
<b>Loss/Profit for the year</b>	<b>(22,706)</b>	<b>119,555</b>	<b>7,007</b>	<b>6,235</b>	<b>8,397</b>	<b>8,497</b>	<b>8,065</b>

### 6.3.2.3 Projected Cash flow Statement of Air Seychelles Ltd

Description	USD ('000)						
	Actual Figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>Net profit/(loss) for the year</b>	<b>(22,706)</b>	<b>119,555</b>	<b>7,007</b>	<b>6,235</b>	<b>8,397</b>	<b>8,497</b>	<b>8,065</b>
Depreciation – Property and equipment	2,725	2,594	3,760	3,561	4,309	4,569	4,652
Amortisation-Right of use of assets	6,675	6,382	7,765	8,099	7,914	7,914	7,914
Amortisation-Intangibles assets	71	86	113	113	113	113	113
Gain on disposal of property and equipment	(94)	(254)	28				
Impairment-property and equipment	0	(1,503)					
Impairment-Intangibles assets	0						
Impairment of non-current assets held for sale	34		3				
Staff terminal benefits during the year	1,120	483	719	327	336	346	357
Finance costs	11,205	7,459	5,293	4,746	4,254	3,815	3,353
Finance income	(167)	(109)	(126)	(85)	(417)	(137)	(29)
(Decrease)/Increase in inventory provision	(764)	323	511				
Reversal of allowance for credit losses	(1,787)	1,211	566	386	0	0	
Extinguishment of debt	5,874	(111,109)	0				
Currency translation differences	(196)	(153)	147				
Writeoff of inventory				648	300	300	300
Changes in:							
Amounts due from related parties	1,669	2,252	(114)				
Inventories	(367)	147	(1,342)	(500)	(500)	(500)	(500)
Trade and other receivables	415	(2,740)	2,985				
Trade and other payables	9,323	(12,341)	(1,771)		(1,000)	(1,000)	(1,000)
Contract liability	968	(476)	(737)	2,300	300	300	0
<b>Cash generated from operating activities</b>	<b>13,998</b>	<b>11,807</b>	<b>24,807</b>	<b>25,828</b>	<b>24,007</b>	<b>24,217</b>	<b>23,226</b>
Staff terminal benefits paid	(342)	(548)	(176)	(300)	(320)	(330)	(350)
Net cash generated from operating activities	<b>13,656</b>	<b>11,259</b>	<b>24,631</b>	<b>25,528</b>	<b>23,687</b>	<b>23,887</b>	<b>22,876</b>
Cash flows from investing activities							

Acquisition of property and equipment	(364)	(1,063)	(4,793)	(3,577)	(4,443)	(2,946)	(2,159)
Acquisition of software (net of transfers)	(151)	(11)	(340)				
Additions in term deposits			(6,000)				
Reclassifications to Right-of-use asset (pre-delivery costs)	0	38					
Proceeds from disposal of property and equipment	132	527	1,379	100	100	100	100
Non-current assets reclassified to assets held for sale	0	0	15				
Deposits	0	0					
Interest received	167	109	126	85	417	137	29
<b>Net cash used in investing activities</b>	<b>(216)</b>	<b>(400)</b>	<b>(9,613)</b>	<b>(3,392)</b>	<b>(3,926)</b>	<b>(2,709)</b>	<b>(2,031)</b>
Proceeds from loans and borrowings	0	16,500	0				
Payment of borrowings		(24,406)	(2,451)	(2,568)	(2,736)	(2,915)	(3,105)
Amounts due to related parties	(286)	9,151	105	(2,000)			
Finance costs paid (excluding modification)	(11,314)	(7,451)	(4,259)	(4,404)	(4,014)	(3,575)	(3,113)
Repayment of principal portion of lease liabilities	(1,328)	(4,393)	(7,507)	(5,486)	(5,207)	(5,467)	(13,738)
<b>Net cash used in financing activities</b>	<b>(12,928)</b>	<b>(10,599)</b>	<b>(14,112)</b>	<b>(14,457)</b>	<b>(11,957)</b>	<b>(11,957)</b>	<b>(19,957)</b>
<b>Net increase in cash and cash equivalents</b>	<b>512</b>	<b>260</b>	<b>906</b>	<b>7,678</b>	<b>7,804</b>	<b>9,221</b>	<b>888</b>
Movement in cash and cash equivalents							
<b>At 1 January</b>	<b>11,343</b>	<b>12,051</b>	<b>12,464</b>	<b>13,370</b>	<b>20,706</b>	<b>28,269</b>	<b>37,250</b>
Net increase	512	260	906	7,678	7,804	9,221	888
Currency translation differences	196	153		(342)	(240)	(240)	(240)
<b>At 31 December</b>	<b>12,051</b>	<b>12,464</b>	<b>13,370</b>	<b>20,706</b>	<b>28,269</b>	<b>37,250</b>	<b>37,898</b>

NB: does not match balance sheet because of USD 6m fixed deposit investment placed in 2023.

### 6.3.2.4 Projected Capital Investment Plan of Air Seychelles Ltd

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional		Forecast			Anticipated Risks
							2021	2022	2023	2024	2025	2026	2027		
<b>Major Capital Investments</b>															
Ground Service Equipment Building	Refurbishment of GSE building	Refurbished building	USD 1m	Cash in Bank	Jan 2025	Dec 2025					USD 1m				
PV system	Roof Photovoltaic installation	PVs	USD 231k	Cash in Bank	Jan 2025	Dec 2025					USD 231k				
Lounge	Refurbishment	Refurbished lounge		Cash in Bank	Jan 2025	Dec 2025					USD500k				
ERP	Implementation of SAPB1	New accounting software	USD 0.31m						USD 0.14m						
RESA Implementation	Changing ground handling system	New system	USD 0.34m	Cash in Bank	Jan 2023	Oct 2023			USD 0.34m						
Buses	Staff buses	Insourcing staff transportation	USD 0.219m	Cash in Bank					USD 0.219m						
Head Office re-roofing	Head Office re-roofing	New roof, no leaks	USD 0.6m	Cash in Bank							USD 0.6m				
<b>Replacements and upkeep of Assets (PPE)</b>															
Spares purchase	Aircraft spares upkeep			Cash in Bank					USD 0.42	USD 0.42	USD 0.42	USD 0.42	USD 0.42	USD 0.42	
Engine Overhaul	Twin Otter Engine Overhaul	Engine refurbishment	Continuous	Cash in Bank	Continuous	Continuous			USD 1.335m	USD 1.35m	USD1m	USD 1.5m	USD1.2m	Engine damage (FODs)	
Ground handling Equipment	Upkeep of ground equipment	New ground equipment	Continuous paid through a lease	Cash in Bank	Continuous	Continuous			USD 0.04m	USD 1.3m	USD 1m	USD 1.3m	USD 0.24m		
Fuel Nozzles SB	Replace fuel nozzles with new version to prevent coking and regular costly replacement	New nozzles	USD 1.8m	Cash in Bank						USD 0.45m	USD 1.35m				
A320 NEO Engine overhaul	Paying for shortfall in reserves and leasing of spare engines	2 Refurbished engines	USD 8m	Cash in Bank									USD 10.7m	Overhaul happen earlier than expected, more engine damage than expected	
C Checks on A320s	Heavy maintenance check for several weeks	Refurbished aircraft	Every three years for each aircraft	Cash in Bank							USD 0.7m	USD 0.7m			

plus rent of spare aircraft													
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Note that we also need to provision for domestic aircraft fleet replacement. Approximealy USD 25m will be need. But the decision as to what fleet to select and when to replace the fleet has not yet been decided so it has not been placed above.

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

### 6.3.2.5 Tax Implications by the Operations of Air Seychelles Ltd

Type of Tax	Actual Figures				Provisional		Forecast		Anticipated Risks	SCR ('000)
	2021	2022	2023	2024	2025	2026	2027			
<b>Business Tax</b>										
PIT	18,793	17,602	20,545,	21,161,	21,796	22,450,	23,124			
VAT	12,024	10,383	12,857	13,243,	13,640	14,050	14,471			
Etc..										

NB: Exempt from Business tax

### 6.3.2.6 Anticipated Dividend Declarations By Air Seychelles Ltd

Air Seychelles does not anticipate any dividend declarations in the medium term

### 6.3.2.7 Debt Payments Forecasts By Air Seychelles Ltd

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	Total Borrowings and Debt Servicing								USD ('000)	
				Actual Figures				Provisional		Forecast			
				2021	2022	2023	2024	2025	2026	2027			
Loan 01 From Nouvobanq	Borrowings	To repay the Bondholders settlement of USD 28m	16,500	0	16,500	0	0	0	0	0	0		
	Interest for the Year				343	929	772	604	425	235			
	Repayment of Capital				770	2,410	2,568	2,736	2,915	3,105			
	Balance carried forward				15,730	13,319	10,751	8,015	5,101	1,996			
Loan 02 EAP Partners Bonds	Borrowings	To repay debts to Etihad and purchase 2 Twin Otters	71,539										
	Interest for the Year		5,050		0								
	Repayment of Capital		0	28,200	0								
	Balance carried forward		71,539	0	0								
Debt for Other PEs (Government of Seychelles)	Borrowings		70,233	13,000	0	0	0	0	0	0	0		
	Interest for the Year		0	0	0	0	0	0	0	0	0		
	Repayment of Capital		0	0	0	0	0	0	0	0	0		
	Balance carried forward		70,233	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000		
<b>TOTAL</b>													

### 6.3.2.8 Anticipated Subventions and Grants By Air Seychelles Ltd

USD ('000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount (Forex)	Total Receipts of Subventions and Grants							
				Actual Figures			Provisional		Forecast		
				2021	2022	2023	2024	2025	2026	2027	
Subventions	Government								Air Seychelles does not anticipate any subventions in the medium term		
	IMF										
	ADB										
	EU, etc.										
<b>TOTAL</b>			<b>14,883</b>	<b>6,157</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 6.3.2.9 Contingencies of Air Seychelles Ltd

Air Seychelles does not anticipate any contingent liabilities in the medium term including government guarantees or legal proceedings.

### 6.3.2.10 Assumptions used for the Financial Projections of Air Seychelles Ltd

	2025	2026	2027
Inflation Rate	2%	3.5%	3.5%
Real GDP Growth	4.14%	3.35%	3.39%
Exchange Rate:			
SR/US\$	14.69	14.92	15.16
SR/EURO	16.51	16.82	17.13

	Weekly Frequency (rotations, scheduled flights)		
Route	2025	2026	2027
Colombo	2	2	2
Bombay	0	0	0
Mauritius	2.8	2.8	2.8
Tel Aviv	1.8	1.8	1.8
Johannesburg	2.8	2.8	2.8

	Daily Frequency (rotations, scheduled flights)		
Route	2025	2026	2027
Praslin	16.1	16.2	16.4

No increase in SCAA overfly fees or other fees incorporated in the assumptions.

ACMI operations with Etihad continuing for 2025-2027 as is currently

No change in domestic and international fleet or routes.

No competitor airlines entering our international routes (except Indigo) including Edelweiss not applying 5<sup>th</sup> freedom rights between Seychelles and Mauritius.

No port for ferries built at the Seychelles International Airport (otherwise profitability of domestic operations would reduce significantly)

No pandemics or other international crisis

Brent Crude oil at USD 90 per barrel and current Jet A1 crack spread applicable.

No capping of domestic resident fares. Fares remain as is.

No unplanned maintenance event/engine removal during period up to 2026.

No major aircraft AOG/disruption that lasts more than a few days.

### 6.3.3 KPIs, Risk Management Strategy and Reporting Obligations

#### 6.3.3.1 Key Performance Indicators of the Air Seychelles Ltd

Title of Key Performance Indicators	Description	Achievements of KPIs						
		Actual Figures			Provisional	Forecast		
		2021	2022	2023	2024	2025	2026	2027
International								
Scheduled Departures		499	768	969	1,016	993	993	993
Block Hours		2,500	3,947	4,520	4,432	4,496	4,496	4,496
Aircraft Utilization (hrs/day)		6.8	10.8	12.4	12.1	12.3	12.3	12.3
ASK'000s		292,903	449,968	537,355	523,055	509,767	509,767	509,767
Load Factor (%)		46%	58%	62%	60%	61%	62%	62%
Yield (USC)		6.2	8.4	7.9	8.8	9.0	9.1	9.2
RPK'000s		134,892	260,597	334,118	313,513	312,133	314,749	318,402
RASK (USC)		2.9	4.9	4.9	4.7	6.0	6.1	6.2
CASK		6.9	6.1	5.8	7.1	6.3	6.4	6.6
Belly Cargo Revenue USD'000s		653	1,372	785	814	1,091	1,102	1,113
Cargo carried kg'000s		208	481	349	359	482	486	491
OTP								
<15mins		68%	66%	71%	75%	76%	76%	77%
<30mins		79%	79%	81%	80%	81%	81%	82%
ACMI L5 Profit USD'000s		0	135	(565)	100	(60)	106	(462)
Domestic								
PRI								
Departures		8,299	12,178	11,986	11,019	11,717	11,829	11,941
Block Hours		2,871	4,184	4,038	3,747	4,139	4,177	4,215
Aircraft Utilization (hrs/day)		1.6	2.3	2.2	2.1	2.3	2.3	2.3
ASK'000s		5,842	9,645	9,493	9,212	9,304	9,397	9,491
Load Factor (%)		74%	65%	65%	65%	67%	68%	69%
Yield (USC)		155	199	188	188	189	191	193
RPK'000s		4,312	6,247	6,141	5,993	6,262	6,388	6,516
RASK (USC)		114.0	129.0	121.8	122.6	127.2	129.7	132.3
CASK (USC)		186.0	98.9	121.0	121.0	124.3	129.0	131.5
OTP								
<15mins		95%	92%	92%	92%	92%	92%	92%
<30mins		97%	96%	97%	97%	97%	97%	97%
Charters								
Departures		330	518	548	586	588	588	588
L3 Profit USD		(153,426)	144,153	(188,743)	50,000	255,676	229,000	220,370
Ground Handling								
Aircraft Handled								
HM		307	467	526	508	481	481	481
Scheduled		1,335	2,163	2,137	2,072	2,164	2,188	2,236
Ad Hoc		373	373	398	431	435	439	444
Total		2015	3,003	3,061	3,011	3,011	3,011	3,011
Cargo								
Tonnage handled kg'm		6.0	10.6	11.6	12.6	12.3	12.8	13.4
Revenue per ton USD		0.47	0.35	0.37	0.37	0.37	0.37	0.38
Lounge guests								
VIP		5,718	7,021	7,662	8,013	8,253	8,501	8,756
CIP		34,819	47,854	49,225	52,997	54,587	56,224	57,911
Technical Handling								
No. Technical Handling		972	1,871	1,652	1,702	1,653	1,677	1,725
HR								

Staff count	592	610	631	752	760	767	775
Attrition rate	23%	21.8%	10.0%	12.0%	10.0%	9.0%	9.0%
Total salaries (USD'm)	11.8	13.1	15.1	17.4	17.9	18.1	18.2
Average salary (USD)	19,876	21,481	23,853	23,083	23,595	23,548	23,508
Finance							
Total Debt (USD'm)	79.3	15.7	13.3	10.7	8.0	5.1	2.0
Total Equity (USD'm)	(100.6)	19.0	25.5	32.0	40.6	49.1	57.2
Gearing	(79%)	83%	52%	33%	20%	10%	3%
Quick ratio (excl Inv) (USD'm)	(143.1)	(2.2)	3.4	9.8	18.0	27.6	29.7
Liquidity(USD'm)	12.1	12.5	19.2	26.6	34.1	43.1	43.8
Receivables days	120.3	71.9	53.9	51.3	48.4	47.5	46.4

### 6.3.3.2 Risks and Resilience Plan of the Air Seychelles Ltd

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	<p>Competitor airlines coming onto our routes. Impact can be as much as USD 5-10m pa. Edelweiss 5th freedom alone carries a USD 3m risk</p> <p>Risk of losing specialized staff</p> <p>Zil Air or another new carrier commencing scheduled operations to PRI. They could target tourist traffic with a lower fare than our non-resident fares. This could severely impact the profitability of domestic operations. Another related risk is another ferry operator entering the ferry market. This may force Cat Cocos to reduce its fares and cause us to further lose market share to the ferry business.</p>	<p>Keeping cost structure as minimal as possible. Signing partnerships, codeshare and interline agreements with potential competitors.</p> <p>Ensuring competitive salary package, succession planning and potential insourcing of consultants/expats to develop capacity</p> <p>Keeping the operating costs as low as possible is critical. Ensuring the product is of a good quality and the optimal aircraft is being used for the route. Adding more codeshares with international carriers coming to Seychelles also helps protect the non-resident market share as our EASA compliance advantage only allows us to do this.</p>
Financial Risks	<p>SCAA fee increases. Risk factor USD 1.2-1.5m</p> <p>More costly than expected engine overhaul costs. Potentially USD 4m per engine needs to be provision (in addition to reserves to lessors). Engine overhauls most likely due between 2026-2027 but cannot be precisely predicted. An unplanned removal can happen anytime.</p> <p>Fuel price is a major risk for any airline. A 10% increase in fuel cost compared to what was projected, would increase the fuel bill by USD 1.7m</p> <p>Other airlines pulling out of Seychelles is a risk for our ground handling and domestic operations. This can be for any number of reasons including high local fees, pandemics, aircraft shortages and runway obstruction.</p>	<p>Lobbying and trying to explain the negative financial and economic impacts</p> <p>Keeping an internal cash reserve. Seeking more quotes as MROs come online. Engine wash rig bought to clean and better maintain engine. Cycling which aircraft is operating in the desert for the Afghan operations (as this is a harsh environment).</p> <p>Main mitigations would be ACMI and charter flying which does not expose us to fuel risk if structured well. Fuel hedging is another possibility, but this also comes with risk and premiums.</p> <p>HM has little control over this risk and mitigation remains ensuring our costs are as variable and low as possible and that we keep high cash reserves to weather potential storms.</p>
Operational Risks	Shortage of pilots and poaching by international carriers	Adjustment of salary package and intense training programme to upgrade pilots to cope with attrition.

	MRO availability	Seeking multiple quotes. Seeking contracts for engine transport beforehand
	Spare engine availability	Try to get a spare engine guaranteed access contract at an affordable rate, when this is available on the market again (probably will be available next year). Engine wash rig bought to clean and better maintain engine. Cycling which aircraft is operating in the desert for the Afghan operations (as this is a harsh environment).
	An accident that leads to total loss of the aircraft and loss of lives onboard is a relatively low risk but catastrophic if it happens. Reputational damage to the airline is massive as well as financial losses.	Our current mitigation is maintaining our reputable aviation insurance, having an emergency response programme and ensuring compliance with EASA safety standards. Maintaining sufficient cash reserves mitigates the risk of immediate insolvency.
<b>Compliance and Regulatory Risks</b>	Compliance to new PEMC act, companies act, employment act etc. Regular IOSA audits are critical to pass	Recruiting head of legal Trainings
<b>Environmental and Social Risks</b>	Pilot and engineer unions.	Always seeking legal advice ensuring we are also compliant with employment act
<b>PESTEL</b>	Political: Pressure to reduce local resident fares and localize key posts Economic: SCR strengthening leads to higher payroll cost in terms of USD (HM earns mostly in USD) Economic weaknesses in source country can reduce air travel	Communication to shareholder on negative impact Out of HM control. Ultimately we have to try to be as efficient as possible
	Technology: new advancement in aircraft can make current aircraft uncompetitive. Environmental: New carbon emission rules can result in HM needing to pay for carbon or offsets	Continues review of aircraft choice Continue to find ways to reduce fuel burn (lighten aircraft, change aircraft type, wash engines regularly)
	Legal: New laws on consumer protection can increase disruption costs for HM. New regulation from EASA/SCAA can increase operational costs	Largely out of HM control.
	If the Government were to allow another party perform ground handling operations in Seychelles this could impact HM by USD 12m pa in worse case scenario and even bankrupt the company. If SCAA and Government continues to allow a second FBO operator, this could at worse case impact HM negatively by USD 2.5m pa. If GoS and SCAA adds another airside lounge operator for VIP or CIP, this could impact HM negatively by USD 2.3m pa. If another cargo handler is added, this could impact HM negatively by USD 3.2m pa.	Main mitigation strategy would be to ensure that service levels are high, even at the cost of some profitability. Secondly, lobbying the Government is important, explaining them the risks and the fact that the loss of HM profits would directly impact the Government as a shareholder and taxpayers. The revenue would not increase, but having two operators in such a small market replicating fixed costs would reduce overall profitability. Especially, if the business is given to a foreign entity, profits will be moved away from Seychelles and into other countries. Thirdly, ensuring our operating costs are as low as possible, to fend off potential competitors.

6.3.3.3 List of External Reporting's by the Air Seychelles Ltd

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
<b>Audited Financial Statements</b>	Suppliers (lessors, Airbus, IATA etc), SRC, Ministry of Transport, PEMC, Nouvobanq	Financial Statements	Annual
<b>Annual Report</b>	Suppliers, SRC, Ministry of Transport, PEMC, Nouvobanq	Financial Statements, mission, vision, values, Chairman/CEO report, business summaries and statistics	Annual
<b>Draft Financial Statements</b>	PEMC	Financial Statements	Quarterly
<b>Management Reports</b>	Nouvobanq	Detailed P&L	Quarterly
<b>Annual Return</b>	Registrar	Shareholding pattern, charges, directors etc.	Annual
<b>Request for Information</b>	Organized Crime Unit (Seychelles Police)	Evidence for prosecution and judicial proceedings	Occasional
<b>Request for Information</b>	ACCS	Evidence for prosecution and judicial proceedings	Occasional
<b>Flight Handling Report</b>	All scheduled airlines	Providing a full overview of the flight.	An hour after flight departure. Daily
<b>Flight Handling Statistics for international and domestic</b>	SCAA, Internally to HM	Details of passengers in and out for all flights, including cargo and mail details.	Monthly
<b>Investigation of complaints by airlines related to their flight</b>	Respective airline	Summary of the investigation from the nature of the complaint	When required
<b>Specific airline reports pertaining to flight handling such as TRC checklists</b>	Respective airline	Flight monitoring information	Daily
<b>Perishable tonnage</b>	SCAA	All carrier-import	Monthly
<b>Statistics summary</b>	SCAA	For all carrier	Monthly
<b>Summary mail</b>	SCAA	For all carrier	Monthly
<b>Statistic for HM</b>	SCAA	per sector	Monthly
<b>Praslin statistics summary</b>	SCAA	Praslin statistics summary	Monthly

## **6.3.4 Stakeholder Engagement**

### *6.3.4.1 Statement by CEO*

As the CEO of Air Seychelles, I would like to reaffirm my unwavering dedication to establishing clear objectives and executing strategic directives and performance benchmarks as stipulated by our esteemed Board of Directors. My commitment to achieving excellence in all aspects of our organisation remains steadfast.

In order to drive Air Seychelles to new heights, all stakeholders must be aligned with the vision and mission of the company working in harmony. The pride associated with the success of national airline airlines is fueled by passion. Dedication, where a good working relationship with the board is essential to the effective running of the business. We must continuously innovate and collectively identify new opportunities with an adaptive and flexible mindset while being vigilant through a robust risk management approach, mitigating risks and prominent challenges. By doing so, we will position ourselves to ensure success in an ever-changing business landscape.

Air Seychelles is fully committed to optimising resource allocation for maximal gains and will continue to ensure effective resource management, which is crucial for maximizing our potential and achieving our key performance indicators (KPIs). By carefully evaluating and allocating our resources, we will ensure that we are utilizing them efficiently and effectively to support our strategic objectives. Having been previously subjected to complex financial challenges, Air Seychelles has adopted a robust Business Review programme and weekly reports to its directors, stakeholders and PEMC. We are committed to overcoming challenges through innovative solutions and a culture of continuous improvement. By fostering an environment where creativity and collaboration thrive, we will be better equipped to seize opportunities and overcome obstacles.

Our focus remains on delivering exceptional results and exceeding expectations, positioning ourselves as the employee of choice where people are motivated to contribute to the success of the company. With the support of our dedicated team, we will work diligently to establish and achieve our objectives while surpassing the performance benchmarks set by the Board of Directors.

I want to express my gratitude to all our shareholders for your continued trust and support. Together, we will navigate the complexities of the ever-changing business landscape, optimize our resource allocation, and drive our organization towards sustained success. It is, therefore our collective responsibility to ensure the success of our national airline, and we must ensure we keep the wind under its wing and continue to be one of the most valuable entities to the people of Seychelles.

*Mr. Sandy Benoiton  
Chief Executive Officer*

#### *6.3.4.2 Foreword by Chairperson*

Historically Air Seychelles has been directed by the Government to fulfill the economic needs of the country which included opening direct routes to Europe and Asia with expensive wide body aircraft, capping domestic resident fares and avoiding non-tourism related charter/ACMI work. This, in combination with the certain financial and operational decisions by Etihad to that end, led Air Seychelles to an unsustainable debt of over USD 140m and a heavily loss making operation.

A strategic shift began in 2017, where sustainability of the company was placed in the forefront. The company exited the heavily loss making wide body aircraft, loss making European/Asian routes, switched to more economic A320 NEO narrowbody aircraft, exited overly expensive contracts, restructured salaries, increased resident domestic fares to sustainable levels and through the Company reorganization process reduced its debt by over 66%. This has allowed the company to generate a USD 8.4m profit in 2023.

It is important to continue focusing primarily on profitability and the economic benefits will then follow from that through sustainable routes and employment. Even if profitability is the primary objective, Air Seychelles will endeavor to provide economic benefits to Seychelles as a secondary objective. This includes connecting Seychelles to thinner tourism, labour and medical markets such as South Africa, Colombo, Bombay, Tel Aviv and Mauritius which are not connected by other airlines. If profitable and feasible Air Seychelles will endeavor to connect Seychelles with stronger source markets further afield such as Italy, Austria, Russia and Germany through the A321 XLR aircraft. Unlike the previous strategy of using a large expensive wide body aircraft to Europe, the A321 XLR is much smaller, lower risk and more economic with technology advancement allowing this to be the longest ranged narrowbody aircraft.

Air Seychelles aims to continue providing over 620 jobs to the local economy including many high value jobs to improve the standard of living for Seychellois with over 99% of the employees currently being Seychellois.

Air Seychelles will also continue to ensure ground, cargo, technical and lounge services to other airlines are provided at a high level while maintaining the profit levels. Simultaneously, Air Seychelles will continue to provide domestic services as an alternative to the ferry and continue to find ways to maintain affordability of the service and improve the quality. Air Seychelles is reexamining its domestic fleet to this end.

*Mr. Francois Jackson  
Chairperson of Air Seychelles*

#### **6.3.4.3 Statement by the Responsible Minister**

Air Seychelles assumes a pivotal role in the advancement of our aviation sector. The Seychellois government places the utmost importance on fostering consistent consultation and collaboration among government agencies, airlines, local communities, and all relevant stakeholders. This collaborative endeavor aims to facilitate proactive decision-making concerning route development, market opportunities, and overarching societal objectives. By engaging multiple stakeholders, our overarching goal is to optimize connectivity and fortify the competitiveness of Seychelles' aviation sector.

Our unwavering commitment lies in nurturing the sustainability and resilience of Air Seychelles and all airlines operating within our nation. Our initiatives are multifaceted, addressing environmental impact, economic viability, and operational resilience. To this end, we actively champion fuel efficiency, explore sustainable aviation technologies, and provide essential financial and regulatory support.

Central to our aviation industry's growth is the steadfast dedication to fostering fair competition and ensuring equitable market access. We are resolute in our mission to create a level playing field within the aviation industry, thereby acting as a catalyst for innovation and enhanced service delivery. Our approach is thoughtfully calibrated to distinguish between international scheduled airlines and local operators to accommodate their unique needs.

Air Seychelles stands as a linchpin, seamlessly providing both international and domestic air services. We wholeheartedly acknowledge the significant social responsibilities vested in Air Seychelles, particularly its mandate to offer affordable travel to our residents on domestic flights. Our government's unwavering commitment is to uphold the airline's competitiveness and sustainability while harmonizing these objectives with its essential role in international connectivity.

National airlines, epitomized by Air Seychelles, possess a unique set of advantages deeply rooted in their local expertise, regional knowledge, and tailored services. Our profound understanding of the intricacies of our local market, including the diverse demands of serving our archipelago, sets us apart. We remain cognizant of the dynamic nature of the aviation industry, as underscored by the recent global pandemic. Consequently, we have adeptly tailored our strategy, with a renewed focus on charter services to underserved markets. In this niche, we have discovered an arena where our expertise and agility can truly shine.

Sustaining a robust presence in the domestic aviation market, Air Seychelles ensures convenient travel for both tourists and our local residents. Our role in facilitating travel to various islands, including the second-largest, Praslin, remains of paramount importance.

In Seychelles, our aviation landscape thrives on diversity, boasting three domestic airlines, each offering specialized services tailored to distinct segments of our tourism and connectivity needs. Air Seychelles, Zil Air, and the Island Development Company (IDC) synergize with one another, collectively enriching Seychelles' aviation ecosystem.

We strongly advocate for a robust collaboration between Air Seychelles and the Island Development Company (IDC). By fostering such collaboration, we aim to enhance operational efficiencies, thereby propelling the comprehensive development of Seychelles' aviation sector. Collaborative endeavors, including the sharing of maintenance facilities, pooling engineering expertise, and optimizing fleet management, hold substantial potential for cost savings and environmental sustainability.

In conclusion, I reiterate our unwavering commitment to Air Seychelles and the broader aviation sector. Our dedication remains steadfast as we persistently endeavor to ensure that our policies and strategies promote sustainability, fairness, and excellence within our aviation industry. Together, we shall continue to elevate Seychelles as a beacon of excellence in the global aviation arena.

*Mr. Antony Derjacques  
Minister for Transport*

### *Disclaimer*

*The Medium-Term Financial Strategy (MTFS) for the Seychelles Civil Aviation Authority (SCAA) reflects the organization's current structure and operations. Please note that, effective January 1st, 2025, SCAA will be restructured into two separate entities: the Seychelles Airports Authority (SAA) and a reconstituted SCAA. This organizational split will impact the financial and operational projections outlined in this MTFS*

#### 6.4.1 Strategic Overview

##### 6.4.1.1 *Mandate*

The Seychelles Civil Aviation Authority (SCAA) was established under the Seychelles Civil Aviation Authority Act, 2005 and the Civil Aviation Act, 2005 as an administrative and financial body corporate to provide for the services, facilities and regulation of civil aviation activities in Seychelles with the power to do anything for the purpose of discharging or facilitating the discharge of its functions.

Following an executive decision to separate the functions of the Authority between the regulator and service providers into two separate entities, the new Seychelles Civil Aviation Authority Act, 2024 enacted on ...of August 2024, establishes a new entity with regulatory functions in safety and security oversight, whilst the service provision and commercial aspects of the organization have been established under a new Act called the Seychelles Airports Authority Act, 2024. In consequence, the Seychelles Civil Aviation Authority Act 2005 has been repealed.

Since the opening of the Seychelles International Airport in 1972, the local aviation industry has seen significant development in terms of infrastructure and human development and expertise, commensurate with international requirements. Seychelles became a signatory to the International Civil Aviation Organisation (ICAO) on the 25<sup>th</sup> of 1977 and as a Contracting State of ICAO, Seychelles operates within the established privileges and obligations of the Articles of the Chicago Convention, the Standards and Recommended Practices (SARPs) of its nineteen Annexes and other guidance documents as published.

*Article 44 of the of the Convention on International Civil Aviation states that 'The aims and objectives of ICAO are to develop the principles and techniques of international air navigation and to foster the planning and development of international air transport so as to:*

- a. insure the safe and orderly growth of international civil aviation throughout the world,*
- b. encourage the arts of aircraft design and operation for peaceful purposes,*
- c. encourage the development of airways, airports and air navigation facilities for international civil aviation,*
- d. meet the needs of the peoples of the world for safe, regular, efficient and economical air transport,*
- e. prevent economic waste caused by unreasonable competition,*
- f. insure that the rights of contracting States are fully respected and that every contracting State has a fair opportunity to operate international airlines,*
- g. avoid discrimination between contracting States,*
- h. promote safety of flight in international air navigation,*
- i. promote generally the development of all aspects of international civil aeronautics.*

The air transport industry is a significant contributor to national and global economic growth and social development. It creates employment, facilitates trade and supports sustainable development of the tourism industry across the world.

Global and regional aviation connectivity is a vital enabler of the Seychelles international tourism market and many other critical drivers impacting national economic well-being, sustainable and prosperous development as a small island nation.

Under the SCAA Act 2024, the Authority has been mandated with the following functions:

- advise the Government on all matters relating to civil aviation;
- license, certify, and oversee individuals and organizations involved in aviation activities, including pilots, air traffic controllers, aircraft maintenance organizations, aerodromes and aviation training institutions, air navigation and air navigation facilities and equipment;
- establish and enforce regulations to ensure adequate levels of safety, security, and environmental sustainability in the civil aviation industry;
- regulate the operation of aerodromes and the provision of aerodrome services and facilities;
- regulate the operation of civil aviation activities including air navigation services and facilities;
- conduct risk-based inspections, audits, and investigations to monitor compliance with civil aviation regulations, standards, and recommended practices;
- to promote understanding of civil aviation policies and programmes;
- cooperate closely with the authority responsible for aircraft accident and incident investigation in Seychelles including, facilitating the sharing of information, expertise, and resources to ensure comprehensive and effective accident investigations, promoting safety and security improvement and lessons learned across the aviation industry;
- establish and maintain effective safety and security oversight mechanisms, including safety management systems, state safety programme, proactive safety culture promotion, incident and accident investigation capabilities, and comprehensive reporting mechanisms;
- regulate and enforce safety and security standards for ground service providers operating within the civil aviation sector in Seychelles;
- develop and review national standards for security equipment and systems used in aerodromes in accordance with the National Civil Aviation Security Programme;
- establish and implement a National Civil Aviation Security Programme and related matters;
- promote research and development initiatives on matters relating to civil aviation;
- charge fees for services provided by the Authority;
- issue directives to relevant entities for the implementation of the National Civil Aviation Security Programme and policies;
- approve security programs of aircraft operators, aerodrome operators, and other entities related to civil aviation;
- collaborate and enter into agreements and arrangements with organisations or authorities in respect of any matter relating to civil aviation and any other matter as the Authority thinks expedient;
- promote cooperation and exchange of information with other countries or international organisations;
- establish, co-ordinate and maintain state aviation safety and security programmes;
- license or certify aerodromes, regulated agents and air navigation service providers;
- conduct safety oversight activities in the following areas: airworthiness (air), aircraft operations (ops), air navigation services (ans), personnel licensing (pel) and aerodrome and ground aids (aga).
- conduct security and facilitation oversight activities;
- to exercise safety oversight in and regulate civil aviation activities relating to the Convention and annexes thereto as amended from time to time;
- act internationally as the national body representing Seychelles in respect of matters relating to civil aviation;
- perform such other functions as may be delegated to the Authority by the Minister under the Civil Aviation Act.

#### 6.4.1.2 *Vision*

A leading civil aviation organization, connecting the world with Seychelles.

#### 6.4.1.3 *Mission*

To manage, promote and develop a sustainable, safe and secure civil aviation system in Seychelles through effective oversight and economic regulation of air transport.

#### 6.4.1.4 *Strategic Priorities for 2025-2027*

The financial strategy for the next three years will be guided by the new organization's vision and mission statements which set the strategic priorities for the new SCAA as follows:

- Improved SCAA's safety oversight effectiveness to meet ICAO's Global Aviation Safety Targets by 2030.
- Improved SCAA's security oversight effectiveness to meet ICAO's Aspirational Global Targets in aviation security by 2030.
- Continuous staff development and quality training to meet industry needs, whilst making use of emerging technologies.
- Improved stakeholder collaboration so as to address non-compliance issues.
- Recognition as a reliable, reputable and resilient civil aviation organization by ICAO and the industry.
- Application of effective economic regulation of the local air transport sector.

The goals and strategic objectives for the next (3) years are derived from these five (5) priority areas. Note that all objectives and activities to be outlined within this document will be executed on the principle that the Authority will contribute towards minimizing the adverse environmental effects of civil aviation activities, through adoption of smart technology, improved infrastructure, quality training and regional cooperation schemes as recommended by ICAO, IATA, AFCAC, SADC and COMESA.

The priority areas as established will essentially ensure availability of resources for efficient, safe and sustainable operations have led to the following strategic objectives and goals:

##### **1. Financial Sustainability**

- Financial stability of the Authority is crucial and the core enabler to an effective safety and security oversight operation that enhances the level of compliance as prescribed under the ICAO USOAP and USAP Continuous Monitoring Approach mechanisms as applicable. Most importantly, under safety compliance, this will contribute towards the planned establishment and implementation of the State safety programme (SSP) which is an ICAO requirement.

##### **2. Development of Air Transport and Environmental Protection.**

- Foster the development of a sound and economically-viable civil aviation system and air transport with focus on economic policies, regulation and supporting oversight activities.
- Minimize the adverse environmental effects of civil aviation activities within the national territory.

##### **3. Goals**

- Achieve a continuous reduction of operational safety and security risks.
- Strengthen the safety and security oversight capabilities of Seychelles aviation industry.

- Implement an effective State safety programme.
- Increase collaboration at the regional level to enhance safety and security.
- Expand the use of industry programmes and safety information sharing networks.
- Ensure and promote appropriate infrastructure needed to support safe and secure operations.

#### *6.4.1.5 Key Challenges*

- A persisting challenge is the ability to attract, recruit and retain qualified and experienced technical staff through an attractive renumeration package, which supports career progression.
- Lack of an effective mechanism to conduct amendments to international standards and recommended practices as published by ICAO in timely manner.
- Stakeholder engagement and commitment to address in a timely manner, non-compliance identified from inspections and audits.
- Ineffective enforcement policies and actions that could stop operation of critical infrastructure where serious safety and security concerns have been identified by the Authority.

## 6.4.2 Outlook of Financial Strategy

### 6.4.2.1 Projected Financial Position of Seychelles Civil Aviation Authority

**Disclaimer:** In view of the ongoing transition process, being the separation of the current SCAA into two separate entities, SAA and new SCAA which comes into effect officially on the 1<sup>st</sup> of January 2025, a Projected Statement of Financial Position shall not be prepared. This is due to the process of Transfer of Assets and Liabilities from current SCAA to the two entities still being in discussion and therefore an accurate Financial Position for 2025 cannot be presented. Only the Projected Statement of Comprehensive Income and Statement of Cash Flow shall be prepared.

### 6.4.2.2 Projected Statement of Comprehensive Income of Seychelles Civil Aviation Authority

Description	SCR ('000)						
	2021	2022	2023	2024	2025	2026	2027
Aeronautical Revenue	256,425	425,188	457,379	472,844	31,975	35,807	36,454
Non-Aeronautical Revenue	35,659	48,214	54,029	56,966	-	-	-
Other Income	1,259	846	523	371	46,000	-	-
	<b>293,343</b>	<b>474,248</b>	<b>511,932</b>	<b>530,181</b>	<b>77,975</b>	<b>35,807</b>	<b>36,454</b>
Less: IATA Charges	(2,521)	(5,107)	(5,456)	(6,566)	-	-	-
<b>Total Operating Income</b>	<b>290,822</b>	<b>469,141</b>	<b>506,476</b>	<b>523,616</b>	<b>77,975</b>	<b>35,807</b>	<b>36,454</b>
Employment Benefit Costs	(195,336)	(215,557)	(252,966)	(266,578)	(34,210)	(34,210)	(34,210)
Other Operating Overheads	(62,209)	(78,210)	(101,058)	(131,093)	(12,317)	(12,611)	(12,914)
	<b>33,278</b>	<b>175,374</b>	<b>152,452</b>	<b>125,944</b>	<b>31,448</b>	<b>(11,015)</b>	<b>(10,671)</b>
Exchange Movements	(33,946)	(3,213)	1,737				
<b>Earnings Before Depreciation, Interest, ECL &amp; Tax</b>	<b>(668)</b>	<b>172,160</b>	<b>154,189</b>	<b>125,944</b>	<b>31,448</b>	<b>(11,015)</b>	<b>(10,671)</b>
Depreciation	(40,630)	(38,044)	(36,746)	(38,406)	-	-	-
Expected Credit Loss (ECL)	(3,918)	2,467	1,004	1,034	-	-	-
Finance Income	3,853	2,470	2,519	3,383	-	-	-
Finance Costs	(1,478)	(2,740)	(4,868)	(4,339)	-	-	-
<b>Profit/(Loss) Before Taxation</b>	<b>(42,841)</b>	<b>136,314</b>	<b>116,098</b>	<b>87,617</b>	<b>31,448</b>	<b>(11,015)</b>	<b>(10,671)</b>
Business Tax	648	(34,059)	(28,759)	(21,804)	-	-	-
<b>Profit/(Loss) For The Year and Total Comprehensive Income/(Expense)</b>	<b>(42,193)</b>	<b>102,254</b>	<b>87,339</b>	<b>65,813</b>	<b>31,448</b>	<b>(11,015)</b>	<b>(10,671)</b>
Dividend Payment	-	(15,000)	(17,000)	(34,000)	-	-	-
<b>Retained Profit</b>	<b>(42,193)</b>	<b>87,254</b>	<b>70,339</b>	<b>31,813</b>	<b>31,448</b>	<b>(11,015)</b>	<b>(10,671)</b>

### 6.4.2.3 Projected Cash flow Statement of Seychelles Civil Aviation Authority

SCR ('000)

Description	Actual Figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>Cash Flows from Operating Activities</b>							
Profit/Loss Before Taxation	(42,841)	136,314	116,098	87,617	31,448	(11,015)	(10,671)
<b>Adjustments</b>							
Depreciation of PPE	40,630	38,044	36,746	38,406			
Loss/(Profit) from Disposal of PPE	(171)	(388)	(26)	(27)			
Transfer to Expenditure (WIP)	-	-	388	-			
Provision for Expected Credit Losses	3,918	(2,467)	(1,004)	(1,034)			
Leave Accrued	329	1,128	2,495	2,053			
Gratuity and Compensation Charged	13,795	9,221	15,364	14,596			
Interest Receivable/Payable	-	(2,470)	(2,519)	(3,400)			
Exchange Difference on Cash and Bank Balances	29,101	4,653	1,596	1,436			
	<b>44,762</b>	<b>184,035</b>	<b>169,138</b>	<b>139,647</b>	<b>31,448</b>	<b>(11,015)</b>	<b>(10,671)</b>
<b>Movements in Working Capital</b>							
(Increase)/Decrease in Inventories	(1)	(1,302)	(3,506)	(223)	-	-	-
(Increase)/Decrease in Trade & Other Receivables	(26,700)	(24,085)	(7,672)	(6,110)	(31,975)	(3,832)	(647)
Increase/(Decrease) In Accounts Payable	1,573	15,127	(10,414)	904	-	-	-
<b>Net Cash Generated from Operations</b>	<b>19,634</b>	<b>173,774</b>	<b>147,546</b>	<b>134,217</b>	<b>(527)</b>	<b>(14,847)</b>	<b>(11,318)</b>
Net Tax Received/(Paid)	13,382	(8,341)	(18,376)	(29,801)	-	-	-
Gratuity and Compensation Paid	(12,627)	(11,864)	(10,547)	(14,056)	-	-	-
<b>Net Cash Outflow from Operating Activities</b>	<b>20,389</b>	<b>153,569</b>	<b>118,624</b>	<b>90,360</b>	<b>(527)</b>	<b>(14,847)</b>	<b>(11,318)</b>
<b>Cash Flows from Investing Activities</b>							
Addition to PPE	(4,019)	(12,108)	(6,699)	(16,250)	-	-	-
Addition to WIP	(36,571)	(67,300)	(51,711)	(62,018)	-	-	-
Proceeds from Disposal	755	433	433	300	-	-	-
Interest Received	-	2,718	2,182	2,618	-	-	-
Additions to Short Term Investments	(4,317)	(2,652)	(1,153)	(865)	-	-	-
Receipt of Long-Term Deposit		-	-	-	-	-	-
	<b>(44,151)</b>	<b>(78,910)</b>	<b>(56,949)</b>	<b>(76,215)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>							
Loan Receipts/(repayment)	33,349	18,810	(1,288)	(11,704)	-	-	-
Exchange Movements on Borrowings	(2,773)	(2,250)	228	233	-	-	-

Dividend Paid	-	(15,000)	(17,000)	(34,000)	-	-	-
<b>Seed Capital</b>	-	-	-	-	46,000	-	-
	<b>30,576</b>	<b>1,560</b>	<b>(18,060)</b>	<b>(45,471)</b>	<b>46,000</b>	<b>-</b>	<b>-</b>
<b>Net Increase/Decrease in Cash &amp; Equivalents</b>	<b>6,814</b>	<b>76,219</b>	<b>43,616</b>	<b>(31,326)</b>	<b>45,473</b>	<b>(14,847)</b>	<b>(11,318)</b>
<b>Movement in Cash and Cash Equivalents</b>							
01-Jan	98,497	76,210	147,777	189,797	-	45,473	30,626
Increase/Decrease	6,814	76,219	43,616	(31,326)	45,473	(14,847)	(11,318)
Exchange Difference on Cash and Bank Balances	(29,101)	(4,653)	(1,596)	(1,436)	-	-	-
<b>Cash as at 31<sup>st</sup> December</b>	<b>76,210</b>	<b>147,777</b>	<b>189,797</b>	<b>157,035</b>	<b>45,473</b>	<b>30,626</b>	<b>19,309</b>
Fixed Deposits	73,243	75,896	77,049	81,371	-	-	-
<b>Net Cash &amp; Equivalents</b>	<b>149,454</b>	<b>223,672</b>	<b>266,846</b>	<b>238,406</b>	<b>45,473</b>	<b>30,626</b>	<b>19,309</b>

#### 6.4.2.4 *Projected Capital Investment Plan of Seychelles Civil Aviation Authority*

The Seychelles Civil Aviation Authority (SCAA) could not provide a detailed capital investment plan due to the ongoing reorganization associated with the split of the authority into two entities, SCAA and the Seychelles Airports Authority (SAA). This split, formalized by the enactment of the SAA Act, which comes into effect on 1st January 2024,

### 6.4.3 **Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies**

#### 6.4.3.1 *Tax Implications by the Operations of Seychelles Civil Aviation Authority*

#### 6.4.3.2 *Anticipated Dividend Declarations By Seychelles Civil Aviation Authority*

#### 6.4.3.3 *Debt Payments Forecasts By Seychelles Civil Aviation Authority*

#### 6.4.3.4 *Anticipated Subventions and Grants By Seychelles Civil Aviation Authority*

#### 6.4.3.5 *Contingencies of Seychelles Civil Aviation Authority*

Details have not been provided for; **Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies**. This exclusion is due to the ongoing split of SCAA into SCAA and SAA, with the **SAA Act being enacted effective 1st January 2024**. As a result, the financial information is currently under reorganization, making it difficult to furnish accurate projections at this time.

#### 6.4.3.6 *Assumptions used for the Financial Projections of Seychelles Civil Aviation Authority*

The SCAA revenue upon the separation will start off with two main streams of revenue.

- Disembarkation Fees: The fee at US\$5 is levied on all arriving passengers upon arrival of international flights. For the year 2025, SCAA foresees approximately 431,269 billable passengers amounting to US\$2.2 million, which equivalents to SR31.4 million.
- The safety regulatory fee is budgeted at SR3.97 million, comprising of the revised charges.
- Additionally, a SEED capital of SR46 million will be poured into the authority's inflow as a start-up fund to support the first-year operation ensure their sustainability during the transitioning period.

This sums up to a total revenue of SR81.4 million.

### **Operating Expenditure**

Since the authority will now be operating independently, their operating costs is expected to rise significantly to establish their support services functions such as Human Resource, Finance, ICT etc... SCAA will now require additional support service staff to ensure their books, day-to-day operations and staff welfare are well maintained. Hence, additional recruitment will be required and other human resource cost namely learning and development, staff benefits, and human resource support costs will be included.

This budget also caters for other recurring costs such as rental, legal and auditing fees, insurance, ICT support & maintenance costs and maintenance of the authority's assets. A sum of SR46.4 million is estimated to meet the operating costs in the first year of separation.

## 6.4.4 KPIs, Risk Management Strategy and Reporting Obligations

### 6.4.4.1 Key Performance Indicators of the Seychelles Civil Aviation Authority

Title of Key Performance Indicators	Description	Achievements of KPIs						
		Actual Figures			Provisional	Forecast		
		2021	2022	2023	2024	2025	2026	2027
Seychelles Civil Aviation Authority	ICAO USOAP overall safety oversight compliance rating.	41.04%	42.14%	42.14%	42.14%	65%	70%	80%
	ICAO USAP overall security oversight compliance rating.	58%	58%	58%	62.97%	above 75%	Above 80%	Above 85%
	No. of audited areas below 60%.	7	6	6	6	5	4	2

#### 6.4.4.2 Risks and Resilience Plan of the Seychelles Civil Aviation Authority

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	<ul style="list-style-type: none"> <li>• Constraints on revenue could lead to a weaker financial position and impact on SCAA's financial sustainability (considering that SCAA will be operating as a standalone and independent civil aviation authority, with the separation)</li> <li>• Potential Revenue streams are unable to support internal capacity building impacting on implementation of safety and security oversight programmes.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of revised Safety and Security Scheme of Charges.</li> <li>• Explore new revenue generation strategies e.g. exportation of expertise in airworthiness to other states and introduction of new charges.</li> <li>• Regular reporting to the Management and Board on the SCAA's financial position.</li> </ul>
	<ul style="list-style-type: none"> <li>• Poor Stakeholder Relations</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain proactive engagement with industry stakeholders.</li> <li>• Develop a stakeholder management plan for SCAA.</li> </ul>
Financial Risks	<ul style="list-style-type: none"> <li>• Fluctuating interest rates, exchange rates, credit risks and liquidity risks.</li> <li>• Failure to deliver the planned sources of funding would have a significant negative financial impact on the delivery of SCAA plans.</li> </ul>	<ul style="list-style-type: none"> <li>• Strong focus on cost containment.</li> <li>• Reserves Management Strategy.</li> <li>• Strong financial control systems with regular operational cash flow and cash balance position reporting.</li> </ul>
Operational Risks	<ul style="list-style-type: none"> <li>• Disruptions to operational activities could result in a significant financial/reputational impact on SCAA.</li> <li>• Unavailability and Vulnerability of ICT Services.</li> <li>• Cyber Security</li> </ul>	<ul style="list-style-type: none"> <li>• Put in place well-developed business continuity plans and ensure resilience in our key systems and processes to ensure optimal response to any business continuity events and minimise the impact of the disruption.</li> <li>• Development of ICT Business Continuity Plan to manage significant disruption from a failure of ICT systems and preventive ICT security management.</li> <li>• Investment in ICT infrastructure, network, and ICT professionals.</li> <li>• ICT Governance (Policies &amp; Procedures).</li> <li>• Building internal capacity and upskilling of ICT professionals.</li> <li>• Introduction of Robust anti-virus and anti-spam mail solutions against cyber threats.</li> </ul>
	<ul style="list-style-type: none"> <li>• Failure to attract, recruit and/or retain qualified and experienced technical staff.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of the Staff Retention Policy and review of the Remuneration Framework.</li> <li>• Implementation of new Scheme of Service</li> </ul>
Compliance and Regulatory Risks	<ul style="list-style-type: none"> <li>• Ineffective aviation safety and security oversight, and administration, resulting in non-compliance with ICAO SARPs.</li> <li>• Non-compliance/conformance to relevant legislation and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Closure of the ICVM CAP and Universal Security Audit Programme (USAP) Continuous Monitoring Approach (CMA) Corrective Actions.</li> <li>• Technical Cooperation with other states.</li> <li>• Inspections, Audits &amp; Operational assessments.</li> <li>• Develop a framework/mechanism to process and publish updated ICAO SARPs in a timely manner.</li> </ul>

		<ul style="list-style-type: none"> <li>• Continuous technical training.</li> </ul>
		<ul style="list-style-type: none"> <li>• Non-compliance with regulations and standards related to climate change and environmental sustainability.</li> </ul>
		<ul style="list-style-type: none"> <li>• Implement mitigation measures under CORSIA for period 2023-2025.</li> <li>• Ensure aviation-related environmental activities are consistent with the ICAO and UN system environmental protection policies and practices.</li> </ul>
<b>Environmental and Social Risks</b>		
	<ul style="list-style-type: none"> <li>• Global economic uncertainty, resulting in a reduction in passengers, rising fuel and energy costs, supply chain issues and significant currency fluctuations. These could have potential adverse impact on our business and operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Close monitoring of the economic environment to ensure macroeconomic risk factors are well understood and mitigated where possible.</li> </ul>
<b>PESTEL</b>	<ul style="list-style-type: none"> <li>• Global economic crisis, resulting in a reduction in passengers, rising fuel and energy cost, disruption in supply chain and significant currency fluctuations.</li> <li>• Environmental concerns including climate change and sustainability are becoming increasingly important in aviation.</li> <li>• Potential Change in Government may introduce various uncertainties including regulatory changes and socio-economic policy shifts.</li> </ul>	<ul style="list-style-type: none"> <li>• Close Monitoring of the economic environment to ensure macroeconomic risk factors are well understood and mitigated where possible.</li> <li>• Development of SCAA Business Continuity Management System.</li> <li>• Implementation of programmes to protect and preserve the environment.</li> <li>• Maintain engagement with policy makers and decision makers at Government Level</li> </ul>

#### 6.4.4.3 List of External Reporting's by the Seychelles Civil Aviation Authority

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
1. Annual Budget			4 months prior to the commencement of the preceding financial year.
2. Annual Report			Within 5 months from the end of every financial year.
3. Audited Financial Statements			Within 5 months from the end of the financial year.
4. Quarterly Reporting (Statement of the financial position, showing changes in cash position and operational performance of the public enterprise during that Quarter, including details of debt performance)		Details Not provided	Within 20 days after the end of every quarter of the financial year.
5. Statement of Corporate Intent (Note that this has been merged with the MTFS)			One month after the start of the financial year. End of January.
6. Statement of Financial and Operational Performance			20 days after the end of every month.

7. Estimates of the Profit & Loss,  
Capital Expenditure, Cash flow and  
Balance sheet projections.

As may be determined by the  
commission.

## 6.4.5 Stakeholder Engagement

### 6.4.5.1 Statement by CEO

It gives me great pleasure to present the SCAA's Medium-Term Financial Strategy (MTFS) for the next triennium (2025-2027). This MTFS sets out SCAA's financial plan for achieving its strategic objectives and priorities, taking into consideration its funding, its revenue sources and spending ambitions over the next three years.

- It focuses on linking its expenditure to the Authority's strategic priorities, in a cost-effective manner.
- It highlights the underlying financial strategy, financial assumptions, and financial risks.
- It summarises the financial projections for income and expenditure.

As part of the new SCAA's financial planning process, this MTFS incorporates a three-year plan annual budget and sets parameters which will guide deployment of resources and management of finances to ensure that a balanced budget and sustainable financial position is maintained in order to support its regulatory functions and obligations under the new SCAA Act 2024. This financial plan also considers the rate of inflation which may impact on the exchange rates and operational costs.

The key focus for SCAA for the next triennium will be to improve its effective implementation scores in aviation safety and security, through effective capacity building at technical level, participating in regional cooperation programmes from Regional Safety Oversight Organizations (RSOOs), and other regional bodies as may be recommended by ICAO. It's important that we remain positive and continue striving towards achieving our objectives.

‘Connecting the world with Seychelles’ through effective oversight and compliance will remain our core priority, thereby emphasizing the new SCAA's commitment to ensuring industry recognition as a reputable organization, having adequate financial and human resources that are highly trained to detect non-compliance to civil aviation standards and recommended practices, and take enforcement actions where necessary to protect the travelling public, prevent unlawful interference or other related activities that may endanger an aircraft and its passengers, whilst providing a safe and secure aviation environment.

Taking appropriate enforcement actions in preventing serious incidents or accidents and strengthening of the Authority's capabilities remain in the forefront. We understand that this is a challenging time, but together we will get through as a team. One of the Authority's priorities for 2025-2027 is to certify Seychelles International Airport.

It is worth noting that the Authority has declared the year 2025 theme as ‘Attaining a higher level of compliance’. This theme is in line with one of our strategic priorities and a program for this theme will be deployed throughout 2025-2027, targeting specifically non-compliance to standards and ineffective resolution of safety and security issues at the level of the service providers and operators. It is through their unwavering commitment to address and resolve deficiencies identified through inspections and audits conducted by the Authority that the overall effective implementation score for Seychelles will improve to a higher level.

Over the next three years, the Authority expects to fully implement its revised scheme of charges that will complement our revenue, leading to our long-term goal to reduce reliance on traditional revenue sources, mitigate global risks and enable business continuity, as part of our commercial strategy.

I am confident that under the stewardship of our new Board, the new SCAA will remain committed to delivering on set performance targets, whilst maintaining strict financial discipline of its resource allocation to ensure a sustainable operation as the State Aviation Regulator.

*Mr. Garry Albert  
Chief Executive Officer*

#### 6.4.5.2 *Foreword by Chairperson*

Building upon the achievements of 2023, the financial strategy set out in this MFTS ensures that SCAA's finances are aligned to the delivery of its strategic objectives through the coming years and presents a clear route which – if followed carefully – will secure a much-improved financial position in future years. It also enhances the process of deepening the transparency and inclusivity of our strategic financial planning.

With its renewed financial strength, the SCAA is now in a better position to re-energise its business, and to deliver on its strategic objectives which are Financial Sustainability, Service and Operations excellence and Safety and Security compliance. The investments planned for the next three years will ensure that key risks such as the airport's ageing infrastructure are addressed and will support the increased capacity demand for the air transport industry.

The aviation industry will always face challenges, which if not addressed in good time, impedes our ability to deliver quality products and services and achieve set targets. A persisting challenge is the recruitment and retention of qualified staff, and implementation of major projects required and critical for continued smooth and safe operation of the airports. We will be putting forward a staff retention strategy, inclusive of a review of our remuneration framework to tackle our human capital challenges. We will also endeavor to modernize our operations and venture into alternative forms of investments as will be further detailed in our updated investment plan.

Despite unforeseen delays for the separation of the SCAA, the process is expected to be completed in 2024. This separation will allow the new Civil Aviation Authority and the Airport Authority to renew their vision, further strengthen their mandate and pave ahead with plans to modernise the civil aviation industry and continued success for the future. Government is also expected to pronounce on a concrete way forward for implementation of the Airport development project as per the Master Plan Review.

Whilst we acknowledge that there are several risks associated with the medium-term financial forecast as clearly future events cannot be accurately predicted, and the economic outlook can change quickly, the Authority remains aware of these risks and will actively be managing them.

The Board remains committed to ensuring that SCAA continues to improve its financial sustainability, remain a high performance by the organization, improve its service delivery & enhance passenger experience through more efficient, smooth, and safe operations.

*Mr. Wilfred Fock Tave  
Chairperson SCAA*

#### *6.4.5.3 Statement by the Minister Responsible for Transport*

The Seychelles Civil Aviation Authority (SCAA) remains steadfast as the cornerstone of our aviation industry, committed to safeguarding safety, ensuring security, and enhancing the overall passenger experience in our skies. As the Minister responsible for Civil Aviation, I emphasize the critical importance of a comprehensive approach that encompasses safety, security, infrastructure investment, and a seamless passenger journey in our nation's air transport network.

Our commitment to the SCAA extends beyond the mere advancement of our aviation sector. It is about fostering a culture of safety, where proactive measures are taken to continually improve safety standards and uphold stringent security protocols. We are dedicated to further investing in cutting-edge technologies and infrastructure that ensure the highest level of safety and security for all air travellers.

The SCAA's role is not solely about optimizing connectivity and fortifying competitiveness. It equally involves substantial investment in infrastructure to support the growing demands of our aviation sector. We're committed to substantial investment in modernizing our airports, air traffic control systems, and other vital infrastructure, ensuring a seamless and efficient experience for passengers while upholding the highest safety standards.

Moreover, our vision for the SCAA embraces a holistic passenger-centric approach. We aim to enhance the overall travel experience by advocating for measures that prioritize passenger convenience, comfort, and satisfaction. This includes initiatives to streamline airport procedures, improve waiting areas, and invest in passenger-friendly technologies, ensuring a hassle-free and enjoyable journey for all travellers.

The sustainability and resilience of the SCAA and its stakeholders are fundamental pillars of our strategy. While we champion environmental impact, economic viability, and operational resilience, we equally recognize the pivotal role safety and security play in sustaining and growing our aviation sector. Our commitment encompasses actively advocating for fuel efficiency, exploring sustainable aviation technologies, while ensuring safety and security standards are uncompromised.

Central to our aviation industry's growth is our dedication to fostering fair competition and ensuring equitable market access. We remain resolute in our mission to create a level playing field, while ensuring safety and security measures are at the forefront of our operations, thereby acting as a catalyst for innovation and enhanced service delivery.

In addition to our core objectives, the SCAA is dedicated to cultivating and retaining local talent, while creating high-paying job opportunities for our Seychellois community. We recognize the significance of nurturing our local workforce, empowering individuals with the skills and knowledge vital to the aviation sector. Our aim is to provide comprehensive training and career pathways that allow our citizens to excel within the SCAA and the broader aviation industry. By investing in education and skill development programs, we seek to empower our citizens with the expertise necessary for a successful career in aviation. Our commitment is to offer opportunities for career advancement, competitive compensation, and a supportive environment that recognizes and values the contributions of our local professionals.

In conclusion, our dedication to the SCAA and the broader aviation sector remains unwavering. We persistently strive to ensure that our policies and strategies promote safety, security, sustainability, fairness, and excellence within our aviation industry, and also the cultivation of local talent and the creation of high-paying job opportunities for our archipelago. Together, we will continue to elevate Seychelles as a beacon of excellence in the global aviation arena, ensuring safety, security; a skilled local workforce that forms the foundation of our industry, and for our valued citizens and tourists, a superior passenger experience."

*Mr. Antony Derjacques  
Minister for Transport*

## **6.5 Seychelles Airports Authority (SAA)**

### **6.5.1 Strategic Overview**

#### *6.5.1.1 Mandate*

The Seychelles Airports Authority (SAA) will be established and come into effect 1<sup>st</sup> January 2025 under the Seychelles Airports Authority Act 2025, as a body corporate responsible for the operation and management of airports, of air traffic management services and associated aviation services and to provide for matters connected therewith or incidental thereto. The SAA and its affairs are administered by a CEO reporting to a Board of Directors appointed by the President, in consultation with the responsible for Civil Aviation.

The Authority has the following functions:

1. to acquire, develop, manage, maintain, control and operate airports in Seychelles;
2. to ensure efficient air traffic management, including the optimisation of air traffic control services and airspace management;
3. to coordinate air navigation services within the Seychelles Flight Information Region, including the management of air traffic flow, to ensure safe, reliable, and efficient air traffic operations throughout the region;
4. to operate or cause an airport to be operated as a commercially viable entity;
5. to provide associated aviation services; and
6. to develop and implement a master airport development plan;
7. to impose charges and fees for use of the airport and its facilities;
8. to provide any service or facility for the purposes of —
  - (i) the landing, parking and take-off of aircraft; and
  - (ii) the handling or clearing of aircraft;
  - (iii) the supply of provisions to aircraft, including, but not limited to, food, oils and fuels, and the emergency servicing of aircraft on an apron;
  - (iv) the handling of aircraft passengers and their baggage and of cargo at all stages while they are on the premises of an airport, including the transfer of such passengers and their baggage, and of cargo, to and from an aircraft; and
  - (v) to undertake any other lawful activity at any airport;
9. to provide safety and security measures for the handling of passengers, baggage, cargo and aircraft together with the personnel requisite thereto, in accordance with local and international standards and recommended best practices and procedures.

#### *6.5.1.1 Vision*

A leading organisation bringing excellence to your airport experience.

#### *6.5.1.2 Mission*

To deliver the highest standards in safety, security, and quality of service.

#### 6.5.1.3 *Strategic Priorities for 2025-2027*

This SAA Medium-Term Financial Strategy is guided by the renewed Organization's vision 'A leading organization bringing excellence to your airport experience' which sets the strategic priorities for SAA, being:

- Safety and Security First
- Innovation and Modernisation
- Business Acumen and Financial Sustainability
- People at the Centre of our Development
- Five (5) Star Level Service

The goals and strategic objectives for the next (3) years are derived from these five (5) priorities areas. Note that all objectives and activities to be outlined within this document will be executed on the principle that we minimize the adverse environmental effects of civil aviation activities, through adoption of smart infrastructure, operations, and services in line with sustainable environment development.

The priority areas as established will essentially ensure availability of resources for efficient, safe and sustainable operations have led to the following strategic goals and objectives:

##### **1. Financial Sustainability**

- To have a more commercially oriented, as well as efficient and cost-effective SAA operation that creates more returns and value for its shareholder.

##### **2. Operations and service excellence.**

- To improve services provided to our customers, and in particular, airlines and passengers.
- To improve the operating environment, capacity and efficiency of airport operations through modern infrastructure and specialized facilities.
- To create a more cohesive work environment, develop our talents, lead exceptionally, and engage our employees.

##### **3. Safety and Security Compliance**

- To be compliant with regulatory guidelines and meet all aviation and airport operating standards, ensuring the continued safety, security, and efficiency of civil aviation

#### 6.5.1.4 *Key Challenges*

- A persisting challenge is the ability to attract, recruit and retain qualified staff.
- Delays in implementation of major projects critical for continued smooth and safe operation of the airports.
- Delays in the implementation of revised charges e.g. ANS, impacting on revenue forecasts.
- Capacity constraints
- Ageing Infrastructure, Aviation Equipment and Airport Systems
- Global economic uncertainty, resulting in rising fuel and energy costs could have potential adverse impact on our business and operations.
- Global political instability could have an impact on air travel and hence impact on SAA revenue.

## 6.5.2 Outlook of Financial Strategy

### 6.5.2.1 Projected Financial Position of Seychelles Airports Authority

SCR (000)

Description	Actual Figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>Assets</b>							
<b>Non-Current Assets</b>							
Property, Plant & Equipment	326,155	323,107	340,276	442,781	521,587	612,136	777,625
Investment Property	52,683	49,135	45,587	42,039	38,491	34,943	31,395
Capital Work in Progress	44,303	92,219	99,466	40,371	77,728	90,361	152,197
Deferred Tax Asset	25,092	-	-	-	-	-	-
Long Term Deposit	-	-	-	-	-	-	-
	<b>448,233</b>	<b>464,461</b>	<b>485,329</b>	<b>525,191</b>	<b>637,806</b>	<b>737,441</b>	<b>961,217</b>
<b>Current Assets</b>							
Inventory	6,359	7,662	11,167	11,390	9,112	7,290	5,832
Trade and Other Receivables	86,881	113,184	122,198	128,308	134,723	141,459	148,532
Current Tax Receivables	5,594	6,311	-	-	-	-	-
Cash and Bank Balances	149,454	223,672	266,846	238,406	130,285	27,566	(190,618)
	<b>248,288</b>	<b>350,829</b>	<b>400,211</b>	<b>378,104</b>	<b>274,121</b>	<b>176,315</b>	<b>(36,254)</b>
<b>Total Assets</b>	<b>696,521</b>	<b>815,290</b>	<b>885,540</b>	<b>903,295</b>	<b>911,926</b>	<b>913,756</b>	<b>924,963</b>
<b>Reserves</b>							
Capital Reserve	184,908	184,908	184,908	184,908	184,908	184,908	184,908
Retained Earnings	413,928	501,182	571,521	603,334	618,600	640,348	663,105
	<b>598,836</b>	<b>686,090</b>	<b>756,429</b>	<b>788,242</b>	<b>803,508</b>	<b>825,256</b>	<b>848,013</b>
<b>Liabilities</b>							
<b>Non-Current Liabilities</b>							
Borrowings	17,302	33,992	34,728	20,650	6,982	-	-
Gratuity and Compensation	4,703	3,377	5,005	4,311	5,587	5,726	5,841
Deferred Tax Liabilities	-	1,344	1,617	1,740	2,184	2,058	2,400
Current Tax Payables	-	-	3,799	4,197	-	-	-
	<b>22,004</b>	<b>38,714</b>	<b>45,149</b>	<b>30,899</b>	<b>14,752</b>	<b>7,784</b>	<b>8,241</b>
<b>Current Liabilities</b>							
Borrowings	13,275	13,144	11,349	13,493	14,919	6,846	55
Gratuity and Compensation	11,864	10,547	13,737	12,934	16,760	17,179	17,522
Accrued Leave	10,066	11,194	13,689	11,635	11,286	11,060	10,065
Trade & Other Payables	40,475	55,602	45,188	46,092	50,700	45,631	41,068
	<b>75,680</b>	<b>90,486</b>	<b>83,962</b>	<b>84,154</b>	<b>93,665</b>	<b>80,716</b>	<b>68,710</b>
<b>Total Equity &amp; Liabilities</b>	<b>696,521</b>	<b>815,290</b>	<b>885,540</b>	<b>903,295</b>	<b>911,926</b>	<b>913,756</b>	<b>924,963</b>

6.5.2.2 *Projected Statement of Comprehensive Income of Seychelles Airports Authority*

SCR (000)

Description	Actual Figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
Aeronautical Revenue	256,425	425,188	457,379	472,844	465,641	470,293	477,933
Non-Aeronautical Revenue	35,659	48,214	54,029	56,966	59,805	60,774	62,245
Other Income	1,259	846	523	371	352	369	388
	<b>293,343</b>	<b>474,248</b>	<b>511,932</b>	<b>530,181</b>	<b>525,798</b>	<b>531,436</b>	<b>540,566</b>
Less: IATA Charges	(2,521)	(5,107)	(5,456)	(6,566)	(6,960)	(7,021)	(7,130)
<b>Total Operating Income</b>	<b>290,822</b>	<b>469,141</b>	<b>506,476</b>	<b>523,616</b>	<b>518,838</b>	<b>524,415</b>	<b>533,436</b>
Employment Benefit Costs	(195,336)	(215,557)	(252,966)	(266,578)	(288,998)	(289,036)	(295,582)
Other Operating Overheads	(62,209)	(78,210)	(101,058)	(131,093)	(145,038)	(141,875)	(141,762)
	<b>(257,544)</b>	<b>(293,767)</b>	<b>(354,024)</b>	<b>(397,671)</b>	<b>(434,037)</b>	<b>(430,912)</b>	<b>(437,345)</b>
Exchange Movements	(33,946)	(3,213)	1,737		924	1,019	
Earnings Before Depreciation, Interest, ECL & Tax	<b>(668)</b>	<b>172,160</b>	<b>154,189</b>	<b>125,944</b>	<b>85,725</b>	<b>94,523</b>	<b>96,091</b>
Depreciation	(40,630)	(38,044)	(36,746)	(38,406)	(40,149)	(41,979)	(43,901)
Expected Credit Loss (ECL)	(3,918)	2,467	1,004	1,034	1,065	1,097	1,130
Finance Income	3,853	2,470	2,519	3,383	3,400	3,570	3,749
Finance Costs	(1,478)	(2,740)	(4,868)	(4,339)	(3,020)	(1,547)	(60)
<b>Profit/(Loss) Before Taxation</b>	<b>(42,841)</b>	<b>136,314</b>	<b>116,098</b>	<b>87,617</b>	<b>47,022</b>	<b>55,663</b>	<b>57,009</b>
Business Tax	648	(34,059)	(28,759)	(21,804)	(11,755)	(13,916)	(14,252)
<b>Profit/(Loss) For The Year and Total Comprehensive Income/(Expense)</b>	<b>(42,193)</b>	<b>102,254</b>	<b>87,339</b>	<b>65,813</b>	<b>35,266</b>	<b>41,748</b>	<b>42,757</b>
Dividend Payment	-	(15,000)	(17,000)	(34,000)	(20,000)	(20,000)	(20,000)
<b>Retained Profit</b>	<b>(42,193)</b>	<b>87,254</b>	<b>70,339</b>	<b>31,813</b>	<b>15,266</b>	<b>21,748</b>	<b>22,757</b>

### 6.5.2.3 Projected Cash flow Statement of Seychelles Airports Authority

SCR (000)

Description	Actual Figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>Cash Flows from Operating Activities</b>							
Profit/Loss Before Taxation	(42,841)	136,314	116,098	87,617	47,022	55,663	57,009
<b>Adjustments</b>							
Depreciation of PPE	40,630	38,044	36,746	38,406	40,149	41,979	43,901
Loss/(Profit) from Disposal of PPE	(171)	(388)	(26)	(27)	(48)	(132)	(251)
Transfer to Expenditure (WIP)	-	-	388	-	-	-	-
Provision for Expected Credit Losses	3,918	(2,467)	(1,004)	(1,034)	(1,065)	(1,097)	(1,130)
Leave Accrued	329	1,128	2,495	2,053	349	226	995
Gratuity and Compensation Charged	13,795	9,221	15,364	14,596	16,539	18,436	18,782
Interest Receivable/Payable	-	(2,470)	(2,519)	(3,400)	(3,570)	(3,749)	(3,936)
Exchange Difference on Cash and Bank Balances	29,101	4,653	1,596	1,436	1,564	1,611	1,643
	<b>44,762</b>	<b>184,035</b>	<b>169,138</b>	<b>139,647</b>	<b>100,939</b>	<b>112,937</b>	<b>117,013</b>
<b>Movements in Working Capital</b>							
(Increase)/Decrease in Inventories	(1)	(1,302)	(3,506)	(223)	2,278	1,822	1,458
(Increase)/Decrease in Trade & Other Receivables	(26,700)	(24,085)	(7,672)	(6,110)	(6,415)	(6,736)	(7,073)
Increase/(Decrease) In Accounts Payable	1,573	15,127	(10,414)	904	4,609	(5,070)	(4,563)
<b>Net Cash Generated from Operations</b>	<b>19,634</b>	<b>173,774</b>	<b>147,546</b>	<b>134,217</b>	<b>101,411</b>	<b>102,953</b>	<b>106,835</b>
Net Tax Received/(Paid)	13,382	(8,341)	(18,376)	(29,801)	(12,807)	(12,955)	(13,916)
Gratuity and Compensation Paid	(12,627)	(11,864)	(10,547)	(14,056)	(12,934)	(17,877)	(18,324)
<b>Net Cash Outflow from Operating Activities</b>	<b>20,389</b>	<b>153,569</b>	<b>118,624</b>	<b>90,360</b>	<b>75,670</b>	<b>72,120</b>	<b>74,595</b>
<b>Cash Flows from Investing Activities</b>							
Addition to PPE	(4,019)	(12,108)	(6,699)	(16,250)	(20,407)	(18,539)	(19,823)
Addition to WIP	(36,571)	(67,300)	(51,711)	(62,018)	(132,357)	(123,076)	(247,854)
Proceeds from Disposal	755	433	433	300	300	300	300
Interest Received	-	2,718	2,182	2,618	2,671	2,724	2,778
Additions to Short Term Investments	(4,317)	(2,652)	(1,153)	(865)	(882)	(1,700)	(1,734)
Receipt of Long-Term Deposit		-	-	-	-	-	-
	<b>(44,151)</b>	<b>(78,910)</b>	<b>(56,949)</b>	<b>(76,215)</b>	<b>(150,675)</b>	<b>(140,290)</b>	<b>(266,332)</b>
<b>Cash Flows from Financing Activities</b>							
Loan Receipts/(repayment)	33,349	18,810	(1,288)	(11,704)	(13,493)	(14,919)	(6,802)
Exchange Movements on Borrowings	(2,773)	(2,250)	228	233	314	321	305
Dividend Paid	-	(15,000)	(17,000)	(34,000)	(20,000)	(20,000)	(20,000)
<b>Seed Capital</b>	-	-	-	-	-	-	-

	<b>30,576</b>	<b>1,560</b>	<b>(18,060)</b>	<b>(45,471)</b>	<b>(33,179)</b>	<b>(34,599)</b>	<b>(26,498)</b>
<b>Net Increase/Decrease in Cash &amp; Equivalents</b>	<b>6,814</b>	<b>76,219</b>	<b>43,616</b>	<b>(31,326)</b>	<b>(108,185)</b>	<b>(102,768)</b>	<b>(218,235)</b>
<b>Movement in Cash and Cash Equivalents</b>							
01-Jan	98,497	76,210	147,777	189,797	157,035	47,287	(57,092)
Increase/Decrease	6,814	76,219	43,616	(31,326)	(108,185)	(102,768)	(218,235)
Exchange Difference on Cash and Bank Balances	(29,101)	(4,653)	(1,596)	(1,436)	(1,564)	(1,611)	(1,643)
<b>Cash as at 31<sup>st</sup> December</b>	<b>76,210</b>	<b>147,777</b>	<b>189,797</b>	<b>157,035</b>	<b>47,287</b>	<b>(57,092)</b>	<b>(276,969)</b>
Fixed Deposits	73,243	75,896	77,049	81,371	82,998	84,658	86,352
<b>Net Cash &amp; Equivalents</b>	<b>149,454</b>	<b>223,672</b>	<b>266,846</b>	<b>238,406</b>	<b>130,285</b>	<b>27,566</b>	<b>(190,618)</b>

#### 6.5.2.4 Projected Capital Investment Plan of Seychelles Airports Authority

Project Name	Project Purpose and Description	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional			Forecast	
						2021	2022	2023	2024	2025	2026	2026	2027
<b>Modernisation of ANS Facilities &amp; Telecom Equipment</b>	Implementation of SAAB ADS-B Surveillance / Virtual Tower (Praslin) / Installation of new Instrument Landing System / New ANS Building / AIMS/AMHS	81,218,091	Capital Reserves	2022	-	-	2,265,324	165,800	55,000	5,250,000	24,763,989	48,717,978	
<b>Communications Projects (HF &amp; VHF Equipment)</b>	Installation of Masts and Cabin at gate 7 / VHF Masts + Shipping / Bonne Espoir & St. Louis HF Stations	27,640,931	Capital Reserves	2021	-	2,828,448	2,828,450	830,678	6,352,892	736,462	2,324,000	11,740,000	
<b>Terminal Expansion &amp; Refurbishment</b>	Extension of International Passenger Terminal (Arrival/Dep) / Refurbishment of Domestic Praslin Terminal	50,189,468	Capital Reserves	2021	-	1,113,244	5,579,628	1,762,780	2,355,862	18,990,214	9,666,907	10,720,833	
<b>Water Reticulation</b>	Containerized Sewage Treatment Plant	4,900,000	Capital Reserves	2026	2027	-	-	-	-	-	2,022,222	2,877,778	
<b>Airport &amp; Technical Buildings</b>	New Headquarters / Caiman Office Project / D'offay Building Offices / New Staff Parking	147,600,621	Capital Reserves	2021	-	112,577	-	-	5,760,000	18,108,593	30,229,451	93,390,000	
<b>International Apron, Pavements &amp; Perimeter Works / Airfield Signages &amp; Other Barriers</b>	Pavement Surface Repairs / Resurfacing of Extended Apron / ULD Stillages (Storage & Works) / Taxiway Mandatory Signage Equipment / AVGDS Installation	28,003,264	Capital Reserves	2022	-	-	916,012	4,034,095	3,151,761	11,691,396	5,605,000	2,605,000	
<b>Praslin Airside &amp; Related Infrastructure Works</b>	Extension of Airport Apron & Pavement Surfacing / Resurfacing of Hardshoulder Edges	20,000,000	Capital Reserves	2024	-	-	-	-	2,000,000	6,200,000	5,800,000	6,000,000	
<b>Other Airport Management Projects</b>	Refurbishment of ACMC Office / Designated Smoking Area / Jet Blast Deflector Installation / Reorganisation of Parking	7,404,000	Capital Reserves	2024	2025	-	-	-	219,000	7,185,000	-	-	
<b>Drainage</b>	Airside Drainages & Fencing of NPA/REPA (Northern End of Airport)	3,102,400	Capital Reserves	2024	2025	-	-	-	620,480	2,481,920	-	-	

<b>AVSEC Security Facility</b>	Civil Works at Security Gates / Cargo Terminal – Building Modification	8,566,228	Capital Reserves	2024	2026	-	-	-	2,813,925	5,624,397	127,906	-
<b>Intrusion Detection &amp; Access Control</b>	Fencing & Seaside Barriers / Rehabilitation of landside/airside airport fencing (clearing, repairs, replacement & new)	12,734,410	Capital Reserves	2024	-	-	-	-	684,410	4,050,000	4,000,000	4,000,000
<b>NPA, Runway, Flood &amp; Approach Lighting</b>	SIA Flood Lights / Runway Lights Replacement / Threshold/Approach Lights Replacement / AGL	9,985,000	Capital Reserves	2025	2026	-	-	-	-	5,706,250	4,278,750	-
<b>Electrical Network Distribution Upgrade</b>	Consultancy & Containerized Generator	7,143,750	Capital Reserves	2025	2026	-	-	-	-	2,093,750	5,050,000	-
<b>Praslin Electrical &amp; Technical Services Projects</b>	AGL Upgrade / Generator Room System / Baggage Handling System	21,847,338	Capital Reserves	2022	-	-	929,041	-	-	2,607,660	9,792,979	8,517,660
<b>ANS &amp; HF Equipment</b>	Voice Recorders / HF Equipment / Aerodrome Simulator	38,080,376	Capital Reserves	2021	-	11,055,471	15,967,892	1,141,077	818,436	2,097,500	-	7,000,000
<b>ATM Modernization</b>	New ATM System (Adacel/Aireon) / RESA Airport Systems Integration	79,103,159	Capital Reserves	2021	2025	20,382,313	27,207,452	15,181,747	13,046,527	3,285,120	-	-
<b>Fire Tenders for Mahe/Praslin</b>	Scania 4x4 / Falcon 6x6	40,992,343	Capital Reserves	2022	2026	-	3,294,936	16,980,191	6,797,216	9,280,000	4,640,000	-
<b>Fire Rescue Boat</b>	Rescue Boat / Shallow Water Rescue Craft	12,375,000	Capital Reserves	2024		-	-	-	328,750	986,250	-	11,060,000
<b>Specialised Airport Vehicles</b>	Specialised Fire Service Command Vehicle / Sweeper Truck / Ambulance for Praslin	12,850,000	Capital Reserves	2024	2026	-	-	-	1,481,155	8,993,845	2,375,000	-
<b>Other Airport Management Assets</b>	Sweeper mat / Water Pumps / Heavy Duty Dryer	2,170,000	Capital Reserves	2024	2025	-	-	-	470,000	1,700,000	-	-
<b>Chiller &amp; Air Conditioning System</b>	SIA Chiller System Replacement / Power Distribution Unit	4,889,462	Capital Reserves	2023	2026	-	-	64,462	-	2,412,500	2,412,500	-
<b>New PA System - SIA/Praslin</b>	New PA System	2,006,462	Capital Reserves	2023	2025	-	-	765,538	340,924	900,000	-	-
<b>Ground Lighting &amp; Other Assets</b>	Mobile Flood Lights / UPS / Flood Masts	9,064,170	Capital Reserves	2021	2025	1,530,617	4,207,332	1,733,822	1,336,619	255,780	-	-
<b>Baggage Handling System Software</b>	Upgrade of software and Programmable Logic Controller for BHS in Intl Departure at SIA	2,586,174	Capital Reserves	2024	2024	-	-	-	2,586,174	-	-	-
<b>Specialised Airport Vehicles</b>	Holland Tractors / Articulated Boom Truck / Mower / ETS Workboat	6,042,601	Capital Reserves	2021	2025	1,298,240,	74,081	97,900	3,838,680	733,700	-	-

<b>FIDS &amp; Accessories</b>	Flight Information Display Screens & Associated Accessories	850,000	Capital Reserves	2024	2024	-	-	-	850,000	-	-	-	-
<b>ICT Infrastructure Upgrade</b>	ICT Network & Server Upgrade	10,972,146	Capital Reserves	2022	2023	-	10,991,958	(19,812)	-	-	-	-	-
<b>IT Equipment &amp; Other Assets/Systems</b>	1. Printers 2. Datacard Replacement 3. Network Topology Redesign	1,485,675	Capital Reserves	2024	2024	-	-	-	1,485,675	-	-	-	-
<b>Sage Software &amp; Server (Finance)</b>	New Accounting Software + Integration with Departments (Sage 300 Licenses & Training)	2,300,000	Capital Reserves	2023	2024	-	-	1,208,046	1,091,954	-	-	-	-
<b>X-ray Screening Machine Replacement</b>	X-ray Screening Machine (Int'l Hold Baggage Screening + Gate2/Departure Terminal) / Explosive Body Scanner / Walk Through Screening Machine / Explosive Trace Detector	59,662,010	Capital Reserves	2023	-	-	-	2,274,959	2,412,051	6,075,000	7,675,000	41,225,000	
<b>Video Security Surveillance &amp; Access Control</b>	Video Security Surveillance - CCTV cameras & other equipment - Phase 3 Praslin	17,223,380	Capital Reserves	2021	2026	3,742,881	8,663,136	517,363	500,000	1,900,000	1,900,000	-	
<b>Customer Feedback Solution</b>	Hardware & Software for Customer Feedback System for Airport Users	1,235,520	Capital Reserves	2024	2026	-	-	-	411,840	411,840	411,840	-	
<b>Airport Signages</b>	Signages for Terminal	800,000	Capital Reserves	2025	2025	-	-	-	-	800,000	-	-	
<b>Parking Management System Upgrade</b>		2,028,946	Capital Reserves	2022	2025	-	20,101	-	208,846	1,800,000	-	-	
	Land and Building					-	1,435,037	350,200	-	-	-	-	-
	Plant, Machinery & Equipment					2,951,711	4,378,090	2,831,141	2,750,000	4,845,000	4,861,000	5,452,250	
	Telecom, IT Equipment & Sec. Surveillance					477,175	4,522,190	708,389	4,600,000	5,161,500	5,677,650	6,245,415	
	Utility Vehicles					-	487,826	1,193,043	5,000,000	5,000,000	5,000,000	5,000,000	
	Other Assets					589,707	1,285,051	1,616,195	3,900,000	5,400,000	3,000,000	3,125,000	
<b>Total Capital Costs</b>						46,082,384	95,053,537	53,437,615	78,268,178	152,763,675	141,614,193	267,676,914	

## 6.5.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

### 6.5.3.1 Tax Implications by the Operations of Seychelles Airports Authority

SCR ('000)

Type of Tax	Actual Figures			Provisional		Forecast		Anticipated Risks
	2021	2022	2023	2024	2025	2026	2027	
Business Tax	648	(34,059)	(28,759)	(21,646)	(10,953)	(12,905)	(12,746)	Details not provided
PIT	17,407	18,052	20,281	23,233	25,875	26,528	27,052	
VAT	4,235	6,518	7,623	8,127	8,509	8,647	8,860	
PSF Levy	8,589	14,673	18,600	20,889	20,694	20,901	21,214	
Net Tax in SCR	29,580	73,303	75,263	72,759	66,030	68,974	69,873	
Disembarkation Fee	2,146	3,927	4,240	4,028	4,313	4,377	4,443	
<b>Total</b>	<b>62,605</b>	<b>82,414</b>	<b>97,248</b>	<b>107,390</b>	<b>114,468</b>	<b>116,522</b>	<b>118,696</b>	

**Business Tax:** The Business Tax computation is after adjusting capital allowance (assets under value of SR 100,000 completely amortised as per Business Tax and deferred tax on non-cash provision). Prevailing rate is used, 25% from 2023 onwards.

**PIT:** The average PIT rate on actual total salary as at 2022 is 10%. Thus the forecasted rate is set at 11% to take into account recruitment of employees above senior positions where their marginal rate could be above 15%.

**VAT:** VAT is forecasted at 15% on total non-aeronautical revenue. Aeronautical revenue is Zero rated as per the VAT Act.

**PSF Levy:** This is forecasted based off resident departing passengers at a rate of SR400 as per the PSF Regulation.

**Disembarkation Levy:** This is forecasted based off arriving passengers including children at a rate of USD10. The fee is yet to be enacted.

### 6.5.3.2 Anticipated Dividend Declarations By Seychelles Airports Authority

SCR ('000)

Nature of Dividend	Actual Figures			Provisional		Forecast		Anticipated Risks
	2021	2022	2023	2024	2025	2026	2027	
<b>Dividends in Cash</b>	-	15,000	17,000	20,000	20,000	20,000	20,000	
<b>Dividends in lieu of Cash</b>			26,812	32,325	30,639	27,193	27,248	
<b>Customs</b>								
<i>Rental</i>			600	615	630	646	662	
<i>X-ray Screening Machine (Replacement)</i>			2,275	1,737				
<b>Met Office</b>								
<i>Land Lease</i>			1,334	1,367	1,402	1,437	1,473	
<i>Cost Recovery Contribution</i>			5,500	8,500	8,500	5,000	5,000	
<b>Government of Seychelles</b>								
<i>INAD Facility</i>			103	105	108	110	113	

Details not provided

**Dividends in Cash:** Dividend is forecasted on net profit after tax and taking the amount of capital investment program over the years. Net retained profit should not be lower than SR50m after paying all contributions to Government.

#### Dividends in Lieu of Cash:

- **Customs' Rental of Cargo Building:** Supposed to charge SR50,000 per month, the provisional amount for the year 2024-2027 includes an inflation increase of 2.5% pa.
- **X-ray Screening Machine (Replacement):** The X-ray machine at the Cargo Area has been replaced, at an estimated cost of SR4 million.
- **Met Office land Lease:** Area of 295m<sup>2</sup> @SR350/- per m<sup>2</sup>, SR 103,250 per month. A Provisional sum increase at a rate of 2.5% pa to cater for Inflation.
- **Cost Recovery Contribution:** To cater for the provision of Meteorological Services to ANS, airlines and operators, SR8.5 million for 2024 and 2025. Estimated at SR5 million if proposed new ANS charges are approved.
- **GOS: INAD Facility:** In providing the service to the Government of Seychelles, which is estimated at SR103k in 2023, forecasted to increase by 2.5% pa (inflation).

### 6.5.3.3 Debt Payments Forecasts By Seychelles Airports Authority

(‘000)

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	Total Borrowings and Debt Servicing							
				Actual Figures			Provisional		Forecast		
				2021	2022	2023	2024	2025	2026	2027	
Loan 01 From Nouvobanq	Borrowings	Financing Infrastructure Projects and Purchase of Other Assets	\$ 5,000	2,082	2,131	710	77	-	-	-	
	Interest for the Year			R1,478	R2,700	R4,815	R4,339	R3,019	R1,547	SR60	
	Repayment of Capital			R30,577	R47,136	R46,077	R34,144	R21,901	SR6,846	SR55	
	Balance carried forward			\$2,082	\$3,351	\$3,259	\$2,504	\$1,579	\$550	\$81	

### 6.5.3.4 Anticipated Subventions and Grants By Seychelles Airports Authority

The SAA does not anticipate to receive any government or external subventions and grants within the medium term.

### 6.5.3.5 Contingencies of Seychelles Airports Authority

(‘000)

Nature of Contingencies	Funding Agency	Purpose	Total Liability Amount	Realized Guarantees							
				Actual Figures			Provisional		Forecast		
				2021	2022	2023	2024	2025	2026	2027	
Guarantees	Government	SCAA Separation: SSR Seed Fund	-	-	-	-	-	-	-	-	-
		SAHC: Seed Fund (USD)	-	-	-	\$1,300	-	-	-	-	-
		ADAC: Airport Development Costs	-	-	-	-	-	-	-	-	-
Potential Payments Due to Legal Actions by 3 <sup>rd</sup> Parties		Kankan: Litigation following damage of shop in Terminal during repairs.	SR1,084	-	-	542	-	-	-	-	-
		Other Litigations	-	-	-	-	100	100	100	100	

**Other Litigations:** The amount is only a provision in case we have an incident or accident to passengers or meeters/greeters at the terminal. While such is mitigated under insurance, there may be cases whereby SAA would pay to alleviate insurance costs.

### 6.5.3.6 Assumptions used for the Financial Projections of Seychelles Airports Authority

#### **Aeronautical Revenue:**

Aeronautical revenue is generated from Air Transport services provided in the Seychelles Flight Information Region (FIR). Sources of revenue are from Landing fees, Passenger Service Fees (PSF) and Air Navigation Fees.

#### **Landing Fees**

Landing fees are applicable to all aircrafts (except those that have been granted exemptions) that lands and uses parking space at the Seychelles International Airport and Praslin Domestic Airport. The fees are collected in Seychelles Rupees for International Scheduled and Domestic Landings and in USD for Adhoc landing from Adhoc, private and chartered flights. For International landings, SAA foresees a monthly average of 60 commercial flights per week according to the airline's flight schedule. Growth from Adhoc flights is assumed based on current and past performances. Domestic frequencies remain with the current average of 32 daily flights. All landings are charged according to the take-off weight, parking duration and night surcharges (if any)

#### **Passenger Service Fees (PSF)**

PSF is levied on all departing passengers. The fee for is charged in USD for international non-residents and Seychelles Rupees for residents and exempts children below 12 years of age. For domestic, charges are in Euro for non-residents, and in Seychelles Rupees for the locals. For International departures, we foresee a total of 404,857 billable pax of which 87% are visitors and the remaining being residents. This is estimated from statistical data and trending, global airlines developments and new operations in the budgeted period.

#### **Air Navigation Fees**

Air navigation charges are fees that airlines pay (except those that have been granted exemptions) to use the airspace and services of the Flight Information Region (FIR). Fees are calculated using a pre-determined formula influenced by distance flown in the FIR, and the Maximum Take-Off Weight (MTOW) of the aircraft. The fees are classified into scheduled and non-scheduled flights for international flights operating at Seychelles International Airport (SIA), and scheduled and non-scheduled overflights. Scheduled commercial flights are approved flights on a schedule whilst non-schedule is on request flights operating at SIA. Overflights are scheduled or non-scheduled flights transiting the FIR which routes can at any time be affected by regional factors (adjacent airspace closure, war etc.) which may decrease or increase revenue. The fee is in USD.

#### **Non-Aeronautical Revenue**

Non-Aeronautical revenue generates income on the commercial operations and services provided within the airport boundaries. Sources of revenue are from Retail, F&B and Cargo concessions, rental & leases, Advertising & pay parking, Fuel throughput, Aviation security fees and other airport fees. A significant increase is from rental & lease due to the revision in fees the year prior and the upgrade of the pay parking system.

#### **Operating Expenditure**

Key bases for growth in spendings are mainly from Human Resource Cost from salary increment because of staff assessment following consultancy exercise. Consequently, SAA is reviewing its structure with the upcoming separation where there are additional costs to be incurred.

With a high labor-intensive workforce, the authority remains accountable in ensuring there are qualified personals to ensure all international and local obligations and requirements are attained. The increase therefore considers recruitments, promotions, creation of new positions and the review of salary to remain competitive and retain the highly invested trained manpower. Learning & Development is critical as the authority requires highly trained professionals with specialized technical skills, hence an increase in training costs. Additionally, with the separation currently ongoing, there may be further costs to ensuring the smooth transition which includes promotional and marketing costs, uniforms and other related costs.

The additional expenses focus on the maintenance of airport infrastructures, rentals of offices and recurring costs to ICT and ANS services and support cost as well as finance cost. Contribution to Meteorological Services is also

catered in this budget pending the review of Air Navigation Fees approval with the new Terminal fees being implemented. Following the separation, SAA will be funding SCAA with a start-up fund to support the first-year operation.

## 6.5.4

### 6.5.4.1

### KPIs, Risk Management Strategy and Reporting Obligations

*Key Performance Indicators of the Seychelles Airports Authority*

Title of Key Performance Indicators	Description	Achievements of KPIs						
		Actual Figures			Provisional		Forecast	
		2021	2022	2023	2024	2025	2026	2027
Air Transport Planning	Average No. of Weekly Flights operating into SEZ.	31	54	50	60	62	64	
	International Passenger Throughput.	300,000	795,634	847,032	923,478	917,157	935,500	
	New Routes.	1	1	1	1	1	1	
	Growth in Aeronautical Revenue.	25%	66%	8%	11%	2% over 2024 forecast	2% over 2024 forecast	
Business Development	New Airport Business Ventures.	1	2	1	1	1	1	
	Average Spending per passenger.	USD 12	USD 29	USD 30	USD 27.5	USD 33	USD 35	
	% increase in non-aeronautical Revenue.	40% increase	26%	10%	11%	10%	10%	
Marketing & Customer Experience	Way Finding.		25	0		NIA	NIA	
	Recorded Complaints.	51	30	86		30	30	
	Website Traffic.	-	1,000	NIA		3000	5000	
	Stakeholder Engagement Meetings.	0	2	2		10	10	
	Passenger Satisfaction.		75%	NA		80%	80%	
	Social Media followers.	4,423	5,500	7,335		10,000	13,000	
	Social Media reach.	6600	8000	26,577		42,000	50,000	
Corporate Communication	Number of media communications.	36 (3 per month)			52 + consistent annual adverts and monthly pages.			
			44	60		60	65	
	Social Media followers (facebook).	7,000	9103	110,510	15,000	16,000	17,500	
Airport Management	First Bag on Belt.	15.5 mins	16 mins	<14mins	≤12			
	Luggage Delivery Efficiency.	5.8	6.8	6.2	>7.0			
	Average clearance time of all passengers.	49	41	36	≤ 40	≤39 minutes	≤ 39 minutes	
	Deviation from SOBT (Standard off Block Time).	Mean: 0.2 minutes Median: -6 minutes	-100%	Median: -7	Mean: ≤ 0	≤+1	≤+1	

<b>Airport Infrastructure &amp; Contract</b>	Feedback to airport stakeholders for airport works application within 14 days of receiving application.	75% of the time	57% of the time	75% of the time	86% of the time	86% of the time	86% of the time
	Electrical Power.	<b>99.9%</b>	100%	100%	100%	100%	100%
<b>Electrical &amp; Technical Services</b>	Availability of airfield Lighting.	<b>99.9%</b>	100%	100%	99.90%	99.90%	99.90%
	Availability of water supply.	<b>99.9%</b>	100%	100%	100%	100%	100%
	Availability of Fire Tender for CAT 9 operations.	<b>99.9%</b>	99.90%	99.90%	99.90%	99.90%	99.90%
	Category 9 Fire Cover at SIA.	<b>100%</b>	99.90%	99.90%	99.90%	98%	98%
<b>Fire &amp; Rescue Services</b>	Category 3 Fire at PRA.	<b>100%</b>	99.90%	99.90%	99.90%	98%	98%
	No. of ATS incidents /accidents (Occurrence reports).	<b>0</b>	0	3	0	10	10
<b>Air Navigation Services</b>	Reliability of Communications (Loss of Contact).	<b>99.9%</b>	99.90%	99.691%	99.90%	99.90%	99.90%
	Reliability of Navigational Facilities.	<b>99.9%</b>	100%	99.779%	100%	100%	100%
	Reliability of Data Link.	<b>99.9%</b>	99.90%	99.364%	99.90%	99.90%	99.90%
	Number of data errors identified and fixed.	<b>99.9%</b>	99.90%	91.8%	99.90%	99.90%	99.90%
	Accuracy and data rates in data sets.		<b>99.9%</b>	100%	99.90%	99.90%	99.90%
	Quantitative measure of data completeness, consistency, integrity and timeliness.		<b>99.9%</b>	100%	100%	100%	100%
<b>Safety Management</b>	Number of Aircraft Accident.	<b>0</b>	0	0	0	0	<b>0</b>
	Number of Near misses/10,000 movements where avoiding actions are required.	<b>0</b>	0%	0 (50% improvement over previous year)	(50% improvement over previous year)	(50% improvement over previous year)	(50% improvement over previous year)
	Number of RWY incursions where avoiding actions are required.	<b>0</b>	0	0	0	0	0
	Number of RWY incursions where no avoiding actions were required.	<b>0.273</b>	1.35	0.675 (50% improvement over previous year)	50% improvement over previous year	50% improvement over previous year	50% improvement over previous year
	Number of Failures of ATS NAVAID function.	<b>0.546</b>	0.27	0	0	<b>0</b>	<b>0</b>
	Number FODs (including animal)	<b>20.763</b>	24	17.64 (25% improvement)	25% improvement	25% improvement	25% improvement

Strategic Pillar	Key Performance Indicator (KPI)	Target Value	Current Value	Performance Trend	Improvement Status	Overall Status	Risk Exposure	Mitigation Strategy
Finance	Number of Animal carcasses resulting in a hazardous or potentially hazardous situation.	22.129	17.03	12.77 (25% improvement over previous year)	25% improvement over previous year			
	% of corrective actions related to safety cases completed							
	Annual Revenue Growth Rate.	8%	61%	6%	4%	10% over previous year	10% over previous year	10% over previous year
	Profit Margin.	19%	22%	16%	17%			
	Annual Return on Investment.	0	0	0	0	0	0	0
	Liquidity Ratio.	4.83:1	3.9:1	4.7:1	4.5:1			
	Debt Ratio.	5%	6%	5% (Below 30%)	4% (Below 30%)	2% (Below 30%)	1% (Below 30%)	1% (Below 30%)
Corporate Strategy	Minimum Cash Reserve.	198 million (excl. Fixed deposit)	100 million	100 million	100 million			
	Preparation of Performance Reports as per the SCAA Planning & Reporting Framework.	75%	50%	100%	100%	100%	100%	100%
Internal Audit	Ensure completion of audits as per the annual audit plan.	91%	93%	95%	95%	95%	95%	95%
Human Resources & Administration	Injuries.	15	12	<3	<3	<3	<3	<3
	Labour Turnover.	8.8%	8.48%	<10%	<10%	<10%	<10%	<10%
	Number of staff disciplined due to absenteeism and lateness.	14	11	<10	<10	<10	<10	<10
	Key positions filled internally as per Succession Plan.	3	11	100%	100%	100%	100%	100%
ICT	Availability of ICT Core infrastructure services.	99.97%	-	97%	97%	97%	97%	97%
	Customer Satisfaction Survey.	-	-	70%	70%	70%	72%	72%
Infrastructure Projects	Ratio of Earned Value (EV) to Planned Value (PV).	1.11	1.29	1.21	0.70 (as of 06/24)	0.85	0.85	0.85
	Ratio of Earned Value (EV) to Actual Cost (AC)	1.11	1.29	1.23	1.08 (as of 06/24)	0.80	0.80	0.80

#### 6.5.4.2 Risks and Resilience Plan of the Seychelles Airports Authority.

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
<b>Strategic Risks</b>	Delays in completion of infrastructure projects leading to capacity constraints, could negatively impact the passenger experience, impact operational efficiency and cause financial and reputational damage.	<ul style="list-style-type: none"> <li>Project Management improvements with well-defined procedures in place to manage infrastructure projects, ensuring that they are closely monitored and delivered within budget and specific time frame.</li> </ul>
	Decline in service levels leading to loss of customer.	<ul style="list-style-type: none"> <li>Maintain focus on improving service offerings.</li> <li>Participation in the ACI Accreditation Program.</li> <li>Promoting a Service Excellence Culture in SAA and the Airport Community.</li> <li>Customer Service Trainings for staff and airport stakeholders.</li> <li>Airport Surveys and complaint handling system.</li> <li>Customer Relationship Management Strategy /System.</li> <li>Implementation of SLAs and minimum operating standards.</li> </ul>
	<ul style="list-style-type: none"> <li>Constraints on revenue, that could lead to weaker financial position and impact on SAA's financial sustainability.</li> <li>Our current and future operating decisions and/or capital investment plans are not supported by key stakeholders, leading to an inability to deliver on our strategy and/or capital investment program.</li> <li>Funding of unplanned projects beyond SCAA's mandate.</li> </ul>	<ul style="list-style-type: none"> <li>Cost Containment Strategies</li> <li>Commercial strategy for diversification of revenue.</li> <li>Review of fees.</li> <li>Reserves Management Strategy.</li> <li>Improve financial control effectiveness with regular operational cash flow and cash balance position reporting.</li> <li>Close monitoring of the economic environment to ensure macroeconomic risk factors are well understood and mitigated where possible.</li> <li>Stakeholder engagement on key plans and developments as per our mandate.</li> </ul>
<b>Financial Risks</b>	<ul style="list-style-type: none"> <li>Fluctuating interest rates, exchange rates, credit risks and liquidity risks</li> <li>Failure to deliver on planned sources of funding would have significant negative financial impact on the delivery of SAA's capital investment plans.</li> </ul>	<ul style="list-style-type: none"> <li>Strong focus on cost containment.</li> <li>Reserves management Strategy</li> <li>Strong Financial control systems with regular operational cash flow and cash balance position reporting.</li> <li>Upgrading of Financial Systems and policies.</li> <li>Review of the SAA Investment Plan,</li> </ul>
<b>Operational Risks</b>	<ul style="list-style-type: none"> <li>Disruption in operation as a result of IT Failure and Cyber Security breach</li> <li>Ageing Airport Infrastructure &amp; airport /Aviation equipment /systems becoming obsolete</li> </ul>	<ul style="list-style-type: none"> <li>Development of ICT Business Continuity Plan to manage significant disruption from a failure of ICT systems and preventive ICT security management</li> <li>Investment in ICT infrastructure, network and IT professionals.</li> <li>Develop an Information System Security Strategy.</li> <li>Establishment of a Security Operations Center.</li> <li>Introduction of Robust anti-virus and anti-spam mail solutions against cyber threats.</li> <li>Prioritization of funding of business-critical investment areas e.g. Departure lounge, ATM modernization, Passenger and cargo</li> </ul>

		<ul style="list-style-type: none"> <li>facility and security screening machine and airside projects.</li> <li>Finalization of Airport Master Plan.</li> <li>Development of a Comprehensive Equipment/Asset replacement plan.</li> </ul>
	<ul style="list-style-type: none"> <li>Failure to attract, recruit and/or retain qualified and experienced technical staff.</li> </ul>	<ul style="list-style-type: none"> <li>Development of the Staff Retention Policy and review of the renumeration Framework.</li> <li>Implementation of new Scheme of Service.</li> </ul>
<b>Compliance and Regulatory Risks</b>	<ul style="list-style-type: none"> <li>Non-compliance/conformance to relevant legislation, regulations, policies and procedures could compromise safety and security, threaten the operation of the airport and damage our reputation.</li> </ul>	<ul style="list-style-type: none"> <li>Internal and external audits.</li> <li>Training and awareness sessions on regulations, policies and procedures.</li> <li>Policy and Procedure Management Framework.</li> <li>Policies, frameworks, manuals and procedures monitored.</li> <li>Development of a Compliance risk management plan.</li> </ul>
<b>Environmental and Social Risks</b>	<ul style="list-style-type: none"> <li>Non-compliance with regulations and standards related to climate change and environment sustainability</li> <li>Extreme weather events as a result of climate change that causes flight schedules disruption, impact on air traffic safety and airport infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Implement mitigation measures under CORSIA for period 2023-2025.</li> <li>Implement New Environment Policy for the Airport Authority.</li> <li>Ensure aviation-related environmental activities are consistent with the ICAO and UN system environmental protection policies and practices.</li> <li>Development of SCAA Business Continuity Management System</li> <li>Review of contingency and emergency plans.</li> </ul>

#### 6.5.4.3 List of External Reporting's by the Seychelles Airports Authority

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
Annual Budget			4 months prior to commencements of the preceding financial year.
Annual Report			Within 5 months from the end of every financial year.
Audited Financial Statements			Within 5 months from the end of every financial year.
Quarterly Reporting (Statement of the financial position, showing changes in cash position and operational performance of the public enterprise during that Quarter, including details of debt performance)		Details not provided	Within 20 days after the end of every quarter of the financial year.
Statement of Corporate Intent (Note this has been merged with MTFS)			One month after the start of the financial year. End of January.
Statement of Financial and Operational Performance			20 days after the end of every month.
Estimates of the Profit & Loss, Capital Expenditure, Cash Flow and Balance Sheet projections.			As may be determined by the Commission.

## 6.5.5 Stakeholder Engagement

### 6.5.5.1 Statement by CEO

I am pleased to present the Seychelles Airports Authority's (SAA) Medium Term Financial Strategy (MTFS) for the years 2025-2027. The MTFS sets out in financial terms SAA's plan for achieving its objectives and priorities, balancing available funding and spending ambitions over the next three years. It also highlights the underlying financial strategy, financial assumptions, and financial risks.

The Financial strategy of SAA is to:

- Provide stable and sustainable budgets.
- Link spending to the Authority's strategic priorities.
- Pursues cost effectiveness.
- It ensures financial sustainability.

As part of the SAA's Financial Planning process, the MTFS sets parameters to guide the organization's deployment of resources and management of finances to ensure that a balanced budget and sustainable financial position is maintained to effectively deliver on its mandate, which is to operate and manage the Seychelles International and Praslin airports, to provide air traffic management services and associated aviation services. The MTFS also considers the rate of inflation which may impact of the exchange rates and operational costs.

Amongst the highest priorities for SAA is to address the Seychelles International Airport's capacity constraints and ageing infrastructure, and to increase its revenue through more commercial offerings, as well as continued review of airport fees. The plan is to construct a new passenger terminal, to meet forecast traffic and passenger growth, equipped with the latest technologies, and all the required landside and airside facilities. This project is being planned for implementation following the completion of the Master Plan review, which is expected to be completed in 2024, following which, the Government is expected to pronounce on the way forward.

SAA's focus in the immediate short-term will be to maintain the continuity of operations, through targeted investment in key business critical areas and replacement of ageing equipment and systems. A key element of the Authority's growth strategy will be to ensure there is considerable investment in airport infrastructure and timely provision of facilities to overcome capacity constraints and accommodate increased activity levels. This will also create more opportunities for the business community to partake in new commercial opportunities at the airport.

Excellence in customer service will remain as a core priority further emphasizing SAA's commitment to ensuring a positive and pleasant customer experience. There will be continued emphasis on safety and security to ensure our readiness to protect public safety, prevent unlawful interference and provide a safe environment at our airports.

Being a highly regulated industry, compliance with regulations remains critical for SAA to effectively execute its mandate. Enforcement and strengthening of the Authority's capabilities and efforts towards achieving this objective will remain in the forefront. The required budgetary support will be allocated towards activities aimed at achieving the SIA Aerodrome certification.

Over the next three years, several fee reviews are being planned for implementation namely for Air Navigation, Passenger Service Fee, landing and parking. Revenue diversification is also an important element of the Authority's commercial strategy, to reduce reliance on traditional revenue sources, mitigate risks and enable business continuity through diversification.

Under the stewardship of its Board, the SAA remains committed to delivering on the plans laid out whilst ensuring that we maintain a financially sustainable financial position and continue reaping maximum returns for its shareholders

*Mr. Garry Albert  
Chief Executive Officer SCAA*

#### **6.5.5.2 Foreword by Chairperson**

Following two years of active work and submissions, by the legal team, the Seychelles Airports Authority (SAA) and the Seychelles Civil Aviation Authority (SCAA) Bills have been enacted. The Board welcomes the new legislation that is expected to create more succinct legal provisions for the SAA and SCAA, focused on their respective mandates.

Building upon the achievements of 2024, the financial strategy set out in this MFTS ensures that SAA's finances are aligned to the delivery of its strategic objectives through the coming years and presents a clear route which – if followed carefully – will secure a much-improved financial position in future years. It also enhances the process of deepening the transparency and inclusivity of our strategic financial planning.

With its renewed financial strength, the SAA is now in a better position to re-energize its business, and to deliver on its strategic objectives which are Financial Sustainability, Service and Operations excellence and Safety and Security compliance. The investments planned for the next three years will ensure that key risks such as the airport's ageing infrastructure are addressed and will support the increased capacity demand for the air transport industry.

The aviation industry will always face challenges, which if not addressed in good time, impedes our ability to deliver quality products and services and achieve set targets. A persisting challenge is the recruitment and retention of qualified staff, and implementation of major projects required and critical for continued smooth and safe operation of the airports. We will be putting forward a staff retention strategy, inclusive of a review of our remuneration framework to tackle our human capital challenges. We will also endeavor to modernize our operations and venture into alternative forms of investments as will be further detailed in our updated investment plan. Government is also expected to pronounce on a concrete way forward for implementation of the Airport development project as per the Master Plan Review.

Whilst we acknowledge that there are several risks associated with the medium-term financial forecast as clearly future events cannot be accurately predicted, and the economic outlook can change quickly, the Authority remains aware of these risks and will actively be managing them.

The Board remains committed to ensuring that SAA continues to improve its financial sustainability, remain a high performance by the organization, improve its service delivery & enhance passenger experience through more efficient, smooth, and safe operations.

*Mr Wilfred Fock Tave  
Chairperson SCAA*

### 6.5.5.3 Statement by the Responsible Minister

The Seychelles Airports Authority (SAA) remains steadfast as the cornerstone of our aviation industry, committed to safeguarding safety, ensuring security, and enhancing the overall passenger experience in our skies. As the Minister responsible for Civil Aviation, I emphasize the critical importance of a comprehensive approach that encompasses safety, security, infrastructure investment, and a seamless passenger journey in our nation's air transport network.

Our commitment to the SCAA extends beyond the mere advancement of our aviation sector. We are dedicated to further investing in cutting-edge technologies and infrastructure that ensure the highest level of safety and security for all air travellers and enhances service delivery.

The SAA's role is not solely about optimizing connectivity and fortifying competitiveness. It equally involves substantial investment in infrastructure to support the growing demands of our aviation sector. We're committed to substantial investment in modernizing our airports, air traffic control systems, and other vital infrastructure, ensuring a seamless and efficient experience for passengers while upholding the highest safety standards.

Moreover, our vision for the SAA embraces a holistic passenger-centric approach. We aim to enhance the overall travel experience by advocating for measures that prioritize passenger convenience, comfort, and satisfaction. This includes initiatives to streamline airport procedures, improve waiting areas, and invest in passenger-friendly technologies, ensuring a hassle-free and enjoyable journey for all travelers.

The sustainability and resilience of the SAA and its stakeholders are fundamental pillars of our strategy. While we champion environmental impact, economic viability, and operational resilience, we equally recognize the pivotal role safety and security play in sustaining and growing our aviation sector. Our commitment encompasses actively advocating for fuel efficiency, exploring sustainable aviation technologies, while ensuring safety and security standards are uncompromised.

Central to our aviation industry's growth is our dedication to fostering fair competition and ensuring equitable market access. We remain resolute in our mission to create a level playing field, while ensuring safety and security measures are at the forefront of our operations, thereby acting as a catalyst for innovation and enhanced service delivery.

In addition to our core objectives, the SAA is dedicated to cultivating and retaining local talent, while creating high-paying job opportunities for our Seychellois community. We recognize the significance of nurturing our local workforce, empowering individuals with the skills and knowledge vital to the aviation sector. Our aim is to provide comprehensive training and career pathways that allow our citizens to excel within the SAA and the broader aviation industry. By investing in education and skill development programs, we seek to empower our citizens with the expertise necessary for a successful career in aviation. Our commitment is to offer opportunities for career advancement, competitive compensation, and a supportive environment that recognizes and values the contributions of our local professionals.

In conclusion, our dedication to the SAA and the broader aviation sector remains unwavering. We persistently strive to ensure that our policies and strategies promote safety, security, sustainability, fairness, and excellence within our aviation industry, and the cultivation of local talent and the creation of high-paying job opportunities for our archipelago. Together, we will continue to elevate Seychelles as a beacon of excellence in the global aviation arena, ensuring safety, security; a skilled local workforce that forms the foundation of our industry, and for our valued citizens and tourists, a superior passenger experience.”

*Mr. Antony Derjacques  
Minister For Transport*

## 6.6 Seychelles Port Authority (SPA)

### 6.6.1 Strategic Overview

#### 6.6.1.1 Mandate

The Seychelles Ports Authority Act amended in 2024 mandates the SPA:

- (a) to regulate, control and administer all matters relating to the safety and security of the port and its facilities;
- (b) to promote the development of the infrastructure relating to the port;
- (c) to maintain port installations and to promote the use, improvement and development of the port;
- (d) to encourage the use of reliable and sufficient equipment in the provision of port services;
- (e) to participate in matters pertaining to search and rescue;
- (f) to collect all harbor dues, rental fees and other moneys payable to the Authority under this Act or any other law;
- (g) to plan, execute, monitor and evaluate training programmes of employees designed to ensure conformity with the standards of the services provided by them;
- (h) to act in collaboration with other public authorities and entities for the prevention of marine source pollution, protection of marine environment and to respond to marine environment incidents;
- (i) to advise the government or any public authority on any matter relating to merchant shipping and the prevention and control of marine pollution;
- (j) to represent Seychelles on maritime matters at both the national and international level;
- (k) to do all such other things as will contribute to the attainment of the objectives of the Authority.

#### 6.6.1.2 Vision

SPA's vision is "*To continuously transform and sustain Port Victoria as a viable maritime hub.*"

#### 6.6.1.3 Mission

SPA's mission is "*To safeguard the maritime gateway to the Seychelles socio-economy by providing adequate and reliable port infrastructure and efficient services.*"

#### 6.6.1.4 Strategic Priorities for 2025-2027

##### 1. Port Victoria Rehabilitation & Extension Project

During the years spanning this MTFS, SPA will be focusing on delivering the Port Victoria Rehabilitation & Extension Project, which includes:

- Construction of 310m of new quay southwards of the existing quay with a deeper berth to accommodate vessels of drafts up to 14m. The project is expected to cost around EUR 82m as per latest cost estimate and construction is expected to start from around October 2025 and the new quay is expected to be operational from April 2027; and

- Selection of a new concessionaire to finance and develop all terminal/back of quay infrastructure and facilities such as paving, warehouses and terminal offices, and equipment such as ship to shore mobile harbour cranes, yard cranes, reach stackers, empty handlers, trucks and trailers, then to operate and transfer back to SPA all facilities and equipment at the end of the concession period. The selection process is expected to start by December 2024 and the new Concessionaire appointed by September 2025.

## 2. Re-organisation of Mahe Quay

To free up terminal space for container operations during the construction period, SPA will be relocating its administrative functions from the Commercial Port to nearby Ex-IDC complex, demolishing the building and paving the yard. This will permit the existing operator Land Marine Ltd (LML) to shift containers currently being stored at the unpaved Ex-Coast Guard area to the north side of the Commercial Port.

The Port and Marine Operations functions will continue to reside on the northern end of the port (Mahe Quay North), until they are relocated to Ile du Port, to make way for the future cruise passenger terminal, which will complement the Victoria Waterfront Project, and refurbishment or reconstruction of the existing quay once the new berth is operational in Mahe Quay South.

SPA and LML, are also in discussion to start constructing some much needed terminal facilities such as staff accommodation and new warehouses.

## 3. Replacement of Marine Assets

SPA will maintain course on its strategy to improve its marine fleet to be ready to serve the bigger vessels expected to call in Port Victoria once the new berth in Mahe Quay South is operational. This includes the disposal of Tug Boat Alouette, which is the oldest vessel in the fleet, and replacement of Tug Boat Mamelles by a new Azimuth Stern Drive (ASD) 50-60 Ton Bollard Pull (TBP) tug boat to form part of the fleet of vessels capable of handling larger vessels.

With the arrival of the new Pilot Boat Zirondel in the 4<sup>th</sup> quarter of 2024, replacing Pilot Boat Riga that was disposed by sinking early in 2024, Pilot Boat Marianne and Pilot Boat Merle (both very old and constantly out of operation, under repair, will eventually be disposed to make way for procurement of a second new pilot boat.

## 4. Port Victoria Access Channel

Also part of making Port Victoria accessible to larger vessels, a feasibility study will be commissioned for the enlargement, deepening and realignment of the Port Victoria entrance channel, to render the channel safer and deeper these bigger vessels. This will require the repositioning of the Light House closer to Ile de Romainville, planned to form part of a larger development to turn the Light House in a maritime museum and tourist attraction to keep alive this very important part of the country's national heritage, while opening Port Victoria for more traffic.

## **5. Increasing International Vessel Calls**

To drive up traffic, which will in turn drive up revenues, SPA undertakes to attract more shipping lines to lead to more fishing, container and cruise vessel calls. This will be done through networking at relevant events, where these shipping lines gather, and collaboration with the relevant ministries such as Fisheries, Industries and Tourism, to obtain commitments on vessel calls, cargo and passenger throughputs and to build strategic alliances with relevant partners.

## **6. New Southbound Road**

To reduce congestion caused by port traffic over the long term and to reduce safety risks of southbound container carrying vehicles using the current route through the Docklands/SEYPPEC/STC Hypermarket area, SPA will also be seeking grant financing to undertake a feasibility study to introduce a new southbound road on the outskirts of the Queenie Bay area leading to Roche Caiman Sports Complex.

## **7. Inter-Island Quay Domestic Passenger and Cargo Facility**

While the major focus will be on delivering this much needed modern Commercial Port, SPA will also be ensuring that domestic port facilities and fish landing facilities are maintained and modernized.

A new passenger terminal at Inter Island Quay is currently in design phase, being done through a Public Private Partnership (PPP) format was tendered in September 2023 and awarded Inter Island Boats. To complement this, SPA has already started implementing a new pay parking facility on V18476 and V18468, which are located opposite the Inter Island Quay port facility. The Ministry of Lands and Housing has granted SPA permission to build and operate the car park for 5 years out of which 2 years has already been used up. SPA has made a request to the MLH to extend the duration of this permit for it to recoup the investment.

## **8. La Digue Passenger Terminal**

A new passenger terminal on La Digue Island to replace the small existing passenger shelter is currently in design phase to be implemented in 2025. The financing format is under consideration with dependency on the total cost of the project. SPA has budgeted SCR 15m for the project.

## **9. Praslin Passenger Terminal**

A new, larger passenger terminal on Praslin on Kato Nwanr Island is also in concept phase. It is expected that the existing terminal will reach capacity in the short to medium term and land has already been allocated for the construction of a larger terminal following the same standards that are now being implemented in the new La Digue Passenger Terminal. A feasibility study will be undertaken to determine when this project can be implemented. The land allocated for it will currently be used as a pay parking facility.

## **10. Communication with Vessels**

The SPA is currently establishing a more effective communication system between Mahe, Praslin, and La Digue, which will enable all vessels to communicate via VHF radio (currently lacking on Praslin and La Digue). Additionally, SPA will be procuring advanced technologies such as radar, AIS, GPS, VHF radios, vessel tracking software, and microwave connectivity to efficiently monitor vessels within the port limits. Such visibility will also significantly enhance navigational safety and improve data collection for invoicing, thereby reducing revenue leakage.

#### **11. Inter-Island Cargo**

In line with the strategy to segregate cargo from passenger traffic at Inter Island Quay, as has been implemented on Praslin and now La Digue, a new Inter Island Cargo terminal at Roche Caiman is in concept phase to be implemented in the medium to long term. This new facility will play an important role in reducing congestion on the Victoria by-pass road and improving the safety of passengers at the existing facility, as well as providing more berths for passenger vessels.

#### **12. Industrial Fishing Port**

The heavily utilized Industrial Fishing Port is currently in a very dilapidated state and also need refurbishment to meet the needs of the fisheries sector. The re-development of the Industrial Fishing Port facilities currently in concept phase.

SPA will also be initiating consultations to put in place a new masterplan for the development of Port Victoria as a thriving maritime hub for the next 30 years. This will require synergies with and involvement of port stakeholders and relevant Ministries, agencies and authorities. SPA aims to create more hinterland facilities for development of the fishing industry as well as other upcoming export oriented industries. This requires for SPA to take stock of all land leased to it for port development and to start preparing concepts for development, either by SPA, private parties or SPA and private parties as a PPP.

#### **13. Developments on SPA land**

SPA as a landlord port authority has been allocated many parcels of land for development of port facilities as well as creating opportunities for the development of back of quay facilities as well as blue economies by private parties.

On Kato Nwanr Island on Praslin, land has been allocated based on a sublease agreement to investors for commercial developments such as retail outlets, offices and services to complement Ero Passenger Terminal. Not far from it, on Eve Island at the cargo terminal, land has been and continues to be subleased to investors for storage of frozen and dry goods in transit to complement the cargo activities. On Mahe, around the fishing ports, land continues to be allocated to interested parties undertaking developments to complement and service the fishing industry.

#### **14. Sustainable (Green) Port**

All new developments will be undertaken under an umbrella of sustainability, in line with the newly adopted Sustainable (Green) Port approach, aligned with the Green Port Policy being developed at national level. The sustainability agenda will drive initiatives such as:

- Improving governance by giving sustainability due importance in all relevant and applicable policies and SOPs;
- Driving financial sustainability by improving revenue generation and cost efficiency, leading to a healthier bottom line for the SPA. This will permit SPA to accumulate the necessary reserves to finance the maintenance and redevelopment of its port facilities and premises, and managing its operational risks;
- Digitalization of operations to reduce paper consumption while improving efficiency and transparency. Such digitalization includes the Port Victoria Management Information System (PVMIS), which is a platform for declaration of vessels and clearing of international cargo, and the Domestic Voyages Management Information System (DVMIS), which is a platform for declaration of domestic voyages bound for SPA terminals on other islands. The implementation of these systems will lead to more control and speedier invoicing and collection of revenues [already embarked and 60% completed, talk about HRIS as well];
- Emphasizing on the continuous improvement of SPA's employees' performance through their on-going training and development, and catering for their welfare and well-being;
- Energy efficiency in operations ultimately to reduce SPA's carbon footprint and cost of operating its assets such as premises and vessels. Under this theme, SPA will be over the long term replacing assets with those that are more energy efficient and installing Photo Voltaic (PV) panels on its buildings, wherever possible and permitted;
- Reduction of waste from SPA activities, which eventually end up at the landfill. Initiatives such as segregation of waste, reuse and recycling of those wastes that can be reused and recycled and reduction of largely paper waste by the formerly described digitalization;
- Creating more green spaces in and around port facilities and reducing/preventing pollution from port activities; and
- More engagement with Victoria as a port city and with the local community that is impacted by the ports that SPA operates.

## 15. Support for Developments

Given the pivotal role of ports in the socio-economic development of the country and the extensive social benefits derived from their existence, SPA undertakes to continue investing in the development of Port Victoria and all port facilities under the management of the Authority. While SPA will continue to identify new avenues to generate revenues, while controlling its costs and maintaining its tariffs at a competitive level, it is necessary that the Government considers how to support SPA in this endeavor through concessions and tax exemptions. The latter would make a significant effect on the Authority's cash flow during the extension of Mahe Quay.

#### 6.6.1.5 *Key Challenges*

##### 1. Finance vs the Need to Develop

SPA's extensive mandate requires it to provide adequate port facilities to serve many industries, primarily the fishing and tourism sectors of the economy, while also meeting the needs of the general economy and a population that are highly dependent on imports to continually enjoy the high standard of living that we aspire for all Seychellois.

On the opposite side of the same coin, SPA competes with other ports existing and new in the region, which are luring the fishing vessels that drive the very engine of port business, requiring SPA to charge competitive tariffs while providing a better service than its competitors. It is important to note that SPA's tariffs are regulated by law and subject to the approval of the Cabinet of the Minister.

The specific challenge faced by SPA now is how to finance the capital intensive development of international port facilities (access channel, berths, tug and pilot boats) in light of the numerous risks that it faces, to improve maritime connectivity while keeping its tariffs at a competitive level.

##### 2. Constraints of Existing Facilities

Port facilities play a key role in connecting a country to others to facilitate trade and plays a key role in determining the cost of freighting goods, whether by containers or in bulk. The existing port facilities for international cargo vessels restrict the size of vessels that can call in Port Victoria. The depth and width of the access channel, basin and berths permit vessels of maximum draft of 11.5m to call into port. Furthermore, a lack of ship to shore cranes further restrict container freighting to older geared vessels carrying a maximum of 2,000 TEU of containers. This results in a cost of freight that is higher than other countries that can accommodate bigger, new, more cost efficient, ungeared vessels.

##### 2. Economic Reliance on Tourism and Fisheries

The high dependency of the SPA and the country on the fisheries sector is an on-going concern for SPA amid decreasing fish stock and increase in quotas, which SPA has very little control over. It is imperative that the Government identifies and grows other industries in a bid to diversify the economy, to ensure a steady stream of exports over the long term. In the interim, fishing vessels are abandoning Seychelles for more lucrative opportunities in neighboring countries such as Madagascar, Oman, Tanzania, Mombasa in Kenya, and the Maldives.

##### 3. Working in Partnership with Government

There is a very real need for entities such as the Seychelles Fishing Authority (SFA), Ministry of Fisheries, Ministry of Industries, Ministry of Finance, Ministry of Lands, Seychelles Maritime Safety Administration (SMSA), and the Ministry of Tourism to work in synergy with the SPA, where all parties can leverage their collective expertise and resources for better coordination when planning for

port developments and negotiating agreements that have an impact on the economics of the port. In the past, PVREP has encountered many roadblocks, when other Ministries, agencies and departments have misjudged the importance of this project and not given due priority to SPA's requests. One such example is the delay in the relocation of the Police and Prison related activities at the Ex-Coast Guard Area, which is the area that will be first to develop in this project.

#### 4. Legislation Related Challenges

The slow speed at which legislations are drafted and approved has proven to be a hindrance to both SPA and its regulator, Seychelles Maritime Safety Authority. International conventions such as the MARPOL Convention and IMDG Code have both been ratified by Seychelles but not yet domesticated through regulation.

SPA has now amended the SPA Act to give it greater flexibility in its commercial undertaking, however, the Port Regulations have yet to be updated to give SPA enforcement for many issues concerning pollution, safety and security. SPA still heavily relies on the Police and other entities with enforcement powers e.g. Department of Environment. However, their presence is very Ltd at ports.

Being a public enterprise, SPA is required by law to follow the Public Procurement Act. While SPA recognizes the rationale behind this, the waiting periods during the process of making requests and review of evaluations, can sometime create delays in the implementation of projects and procurement of much needed parts or services for marine assets, which leads to downtime (tugs and pilot boats) and loss of revenues and projects not meeting their deadlines.

#### 5. Land and Development Planning

As mentioned in the previous section, SPA makes available land leased to it to private developers to invest in facilities that are complementary to port facilities and the port business. However, it oftentimes encounters delays in obtaining the head leases for these properties or registration of sub-leases, delaying entry into concession agreements. The most recent and pertinent example is the registration of the sub-lease and commercial agreement of Land Marine Ltd for it to undertake the role of container and general cargo terminal operator at Mahe Quay. These two agreements were signed in 2022 and have yet to be registered due to delay in the subdivision of the quay to remove it from the demised premises.

The SPA Act makes provision for SPA to give approval for development of marinas, slipways and landing places throughout the Harbour, which is 10 nautical miles from any coast of any island in the archipelago. Yet SPA is not consulted when such developments are submitted to the Planning Authority. SPA thus finds it difficult to control the standard of such developments.

#### 6. Stakeholder Perceptions and Cooperation

SPA has a large number of stakeholders, which includes port operators and the general public. There is an omnipresent perception by many stakeholder groups that SPA generates excessive revenue and

can thus achieve much more than its cash flow would otherwise allow. SPA spends significant energy to manage the challenges that comes with this, such as but not Ltd to high bids in procurements, customers not taking their responsibility to settle their debts, and obtaining information from operators even when such information submission is regulated by law.

#### **7. Human Resource Challenges**

Port Operations being a very specialized domain requires a specific skillset to be developed through training and experience. Oftentimes SPA finds it challenging to attract people with these skills from the local market. As much as SPA would like to maintain a 100% Seychellois workforce, it may sometimes have to resort to expatriate staff to fulfil certain key roles.

#### **8. Technological Challenges**

As SPA forges ahead on its digitalization journey, it faces the same problem currently affecting individuals and businesses alike – internet connectivity. SPA's systems will all be cloud-based on servers overseas, necessitating for users to have a reliable internet connection. Should the country lose international connectivity, systems such as PVMIS and DVMIS will not be accessible to users, which may lead to slowdown in the operations as users revert to the old manual process.

Introduction of technology also brings about data protection and cybersecurity challenges that must be met with regulations, policies and systems.

#### **9. Reporting Challenges**

As a reporting entity, SPA must always meet the deadlines set by PEMC. With records having been manual for more than a decade now, ad-hoc requests cannot always be met within the specified deadlines. Oftentimes the information being requested requires accessing records for many reporting periods kept manually, compilation and analysis of such records prior to submission. Tight deadlines are therefore a significant challenge for the SPA Finance Department, who, thanks to the manual system, spend a large amount of time on invoicing for port services. SPA would like to request flexibility to provide the required information when it comes to ad-hoc requests.

## 6.6.2 Outlook of Financial Strategy

### 6.6.2.1 Projected Financial Position of Seychelles Port Authority

	SCR ('000)						
	Actual figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
Property and equipment	266,200	283,657	311,576	452,263	864,606	1,624,873	1,885,383
Investment property	17,200	16,071	32,536	31,634	31,181	31,181	31,181
Intangible assets	400	246	144	-	4,197	4,766	4,766
Deferred Tax Assets	6,000	4,340	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>289,800</b>	<b>304,315</b>	<b>344,256</b>	<b>483,898</b>	<b>899,984</b>	<b>1,660,819</b>	<b>1,921,330</b>
<b>Current Assets</b>							
Inventories	3,300	2,985	4,387	7,167	8,076	8,076	8,076
Investment in financial asset at amortised cost	-	25,043	30,727	53,681	53,681	53,681	53,681
Trade and other receivables	31,400	39,801	49,603	31,765	37,122	53,599	55,891
Cash and cash equivalents	190,100	196,199	228,287	232,576	156,696	184,287	47,057
<b>Total Current assets</b>	<b>224,800</b>	<b>264,028</b>	<b>313,004</b>	<b>325,189</b>	<b>255,575</b>	<b>299,643</b>	<b>164,704</b>
	-						
<b>TOTAL ASSETS</b>	<b>514,600</b>	<b>568,342</b>	<b>657,260</b>	<b>809,087</b>	<b>1,155,559</b>	<b>1,960,462</b>	<b>2,086,034</b>
	-						
<b>EQUITY AND LIABILITIES</b>	-						
Equity and reserves	-	-					
Capital reserve	8,400	7,486	6,662	6,662	6,662	6,662	6,662
<b>Retained earnings</b>	<b>475,100</b>	<b>519,863</b>	<b>576,878</b>	<b>675,572</b>	<b>784,216</b>	<b>911,513</b>	<b>1,043,678</b>
<b>Total Equity</b>	<b>483,500</b>	<b>527,349</b>	<b>583,540</b>	<b>682,234</b>	<b>790,878</b>	<b>918,176</b>	<b>1,050,340</b>
<b>LIABILITIES</b>							
Non-Current Liabilities							
Borrowings	8,200	7,470	44,338	75,662	297,211	977,126	970,942
Deffered Tax Liabilities	-	-	11,045	11,045	11,045	11,045	11,045
<b>Retirement benefit obligations</b>	<b>4,600</b>	<b>8,960</b>	<b>8,516</b>	<b>6,929</b>	<b>4,577</b>	<b>825</b>	<b>(172)</b>
<b>Total Non-Current Liabilities</b>	<b>12,800</b>	<b>16,430</b>	<b>63,899</b>	<b>93,635</b>	<b>312,833</b>	<b>988,997</b>	<b>981,816</b>
<b>Current Liabilities</b>							
Retirement benefit obligations-Current	4,700	1,312	1,799	472	-	-	-
Tax liability	5,100	12,956	(5,976)	17,788	37,827	38,326	38,461
Trade and other payables	8,400	10,296	13,997	14,957	14,020	14,964	15,418
<b>Total Current Liabilities</b>	<b>18,200</b>	<b>24,564</b>	<b>9,820</b>	<b>33,217</b>	<b>51,847</b>	<b>53,290</b>	<b>53,878</b>
<b>Total liabilities</b>	<b>31,000</b>	<b>40,994</b>	<b>73,720</b>	<b>126,852</b>	<b>364,680</b>	<b>1,042,286</b>	<b>1,035,694</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>514,500</b>	<b>568,342</b>	<b>657,260</b>	<b>809,087</b>	<b>1,155,559</b>	<b>1,960,462</b>	<b>2,086,034</b>

### 6.6.2.2 Projected Statement of Comprehensive Income of Seychelles Port Authority

SCR ('000)

	Actual figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>INCOME</b>							
Port related services	150,300	168,703	179,399	252,045	299,537	322,293	335,741
Hire of boats	800	1,002	757	527	743	767	790
Rental income	14,300	35,025	36,361	38,550	35,062	36,815	40,172
Other income	200	531	2,347	25,113	1,002	1,052	1,104
<b>Gross income</b>	<b>165,600</b>	<b>205,260</b>	<b>218,864</b>	<b>316,235</b>	<b>336,343</b>	<b>360,927</b>	<b>377,807</b>
Cost of services	(18,600)	(19,368)	(21,817)	(20,860)	(26,780)	(27,545)	(28,384)
<b>Net Income</b>	<b>147,000</b>	<b>185,891</b>	<b>197,047</b>	<b>295,375</b>	<b>309,563</b>	<b>333,382</b>	<b>349,423</b>
<b>EXPENSE</b>							
Employee costs	(70,000)	(73,471)	(84,228)	(108,063)	(109,680)	(111,337)	(117,400)
Premises costs	(3,000)	(2,753)	(3,873)	(1,767)	(1,309)	(1,374)	(1,443)
Operating overheads	(9,600)	(9,967)	(16,711)	(20,688)	(23,994)	(21,981)	(22,519)
Depreciation	(21,600)	(22,930)	(24,137)	(29,452)	(25,399)	(24,216)	(27,477)
Expected Credit Loss		463	2,435	-	-	-	-
<b>Operating Expenses</b>	<b>(104,200)</b>	<b>(108,657)</b>	<b>(126,515)</b>	<b>(159,970)</b>	<b>(160,381)</b>	<b>(158,908)</b>	<b>(168,839)</b>
<b>Operating Profit</b>	<b>42,800</b>	<b>77,234</b>	<b>70,532</b>	<b>135,405</b>	<b>149,181</b>	<b>174,473</b>	<b>180,584</b>
Foreign exchange gain/(Loss)	(74,000)	(13,373)	13,077	(311)	(1,500)	(1,500)	(1,500)
Finance Cost	(100)	-	-	(3,763)	(3,256)	(2,877)	(2,498)
<b>Profit/(Loss) before tax</b>	<b>(31,300)</b>	<b>63,862</b>	<b>83,610</b>	<b>131,331</b>	<b>144,425</b>	<b>170,096</b>	<b>176,586</b>
Taxation charge	(2,100)	(19,073)	(30,903)	(32,636)	(35,781)	(42,799)	(44,421)
<b>Profit/(Loss) for the year and other comprehensive income</b>	<b>(33,400)</b>	<b>44,789</b>	<b>52,707</b>	<b>98,695</b>	<b>108,644</b>	<b>127,297</b>	<b>132,164</b>

### 6.6.2.3 Projected Cash flow Statement of Seychelles Port Authority

SCR ('000)

	Actual Figures			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Cash flows from operating activities</b>							
Profit before taxation	131,200	63,862	83,610	131,458	144,425	170,096	176,586
<i>Adjustments for:</i>							
Depreciation of property and equipment	14,700	22,930	24,137	29,452	25,399	24,216	27,477
Expected Credit Loss	13,600	(463)	(2,435)	-	-	-	-
Retirement benefit obligation charge	7,500	7,263	6,710	6,728	8,139	6,946	10,150
Loss on disposal	-	20	-	-	-	-	-
Bad Debts written off	200	-	-	-	-	-	-
Prior year adjustment	4,500	-	4,308	-	-	-	-
Interest accrued	(900)	(218)	(989)	3,070	2,203	1,772	1,338
VAT Credit Refund	(8,500)	-	-	-	-	-	-
Prior year adjustment - Others	(300)	-	-	(22,789)	-	-	-
Currency translation differences on borrowings	5,200	(771)	-	-	-	-	-
Currency translation differences	(90,900)	12,685	(12,229)	-	-	-	-
	<b>76,300</b>	<b>105,306</b>	<b>103,113</b>	<b>147,919</b>	<b>180,167</b>	<b>203,030</b>	<b>215,551</b>
<i>Changes in working capital:</i>							
- (Increase)/Decrease in inventories	100	363	(1,402)	(2,780)	(909)	-	-
- Decrease/(Increase) in trade and other receivables	1,700	(7,973)	(7,616)	14,142	(5,357)	(16,477)	(2,292)
- Increase/(Decrease) in trade and other payables	2,400	1,863	3,700	1,783	(464)	891	517
	<b>4,200</b>	<b>99,559</b>	<b>97,795</b>	<b>161,064</b>	<b>173,436</b>	<b>187,444</b>	<b>213,776</b>
Tax paid	(22,100)	(9,556)	(34,453)	(18,597)	(23,707)	(42,300)	(44,286)
Gratuity and compensation paid	(5,100)	(6,346)	(6,666)	(9,136)	(10,963)	(10,645)	(11,211)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>53,300</b>	<b>83,657</b>	<b>56,676</b>	<b>133,331</b>	<b>138,767</b>	<b>134,498</b>	<b>158,279</b>
<b>Cash flows from investing activities</b>							
Purchase of property and equipment	(143,300)	(40,048)	(51,216)	(153,006)	(424,284)	(748,608)	(475,644)
Sale of property & Equipment		-	-	23,097	-	-	-
Purchase of investment property		-	(18,026)	-	-	-	-
Purchase of intangible assets	100	-	-	-	-	-	-
Purchase of investment in financial assets	(23,500)	(25,043)	(25,774)	(28,000)	-	-	-
Proceeds from redemption of investment in financial asset		-	20,090	-	-	-	-
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(166,700,000)</b>	<b>(65,090)</b>	<b>(74,927)</b>	<b>(157,909)</b>	<b>(424,284)</b>	<b>(748,608)</b>	<b>(475,644)</b>
<b>Cash flows from financing activity</b>							
Interest Received		218	989	28	1,002	1,052	1,104
Borrowings received		-	38,163	38,108	227,733	693,000	231,000
Borrowings Repaid		-	(1,892)	(6,604)	(6,184)	(6,184)	(6,184)
Interest Payment		-	-	(7,711)	(12,914)	(46,167)	(45,786)
<b>Net Cashflow from financing activities</b>		<b>218</b>	<b>37,260</b>	<b>23,821</b>	<b>209,637</b>	<b>641,700</b>	<b>180,134</b>
<b>Increase/(Decrease) in cash and cash equivalents</b>		<b>18,785</b>	<b>19,010</b>	<b>(756)</b>	<b>(75,881)</b>	<b>27,591</b>	<b>(137,230)</b>

1 January,	227,000	190,099	196,199	228,287	232,576	156,696	184,287
Increase/(Decrease)	(113,600)	18,785	19,010	(756)	(75,881)	27,591	(137,230)
Currency translation differences	90,900	(12,685)	13,077	5,046	-	-	-
<b>31 December,</b>	<b>204,300</b>	<b>196,199</b>	<b>228,287</b>	<b>232,576</b>	<b>156,696</b>	<b>184,287</b>	<b>47,057</b>

#### 6.6.2.4 Projected Capital Investment Plan of Seychelles Port Authority

SCR ('000,000)

Project Name/Location	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Forecast				Anticipated Risks
							2024	2025	2026	2027	
<b>Major Capital Investments</b>			<i>SCR Mn</i>				<i>SCR Mn</i>	<i>SCR Mn</i>	<i>SCR Mn</i>	<i>SCR Mn</i>	
Dry Docking of Tug Ste Anne	Dry Docking for classification requirements	Uninterrupted service with regulatory compliance	20.1	Equity	2025	Sep-25		20.1			
Dry Docking of Tug Mamelles	Dry Docking for classification requirements	Uninterrupted service with regulatory compliance	14	Equity	2026	Dec-26			14		
Dry Docking of Tug Alouette	Dry Docking for classification requirements	Uninterrupted service with regulatory compliance	22	Equity	2026	Dec-26	6.5		22		
Acquisition of New Pilot Boat	Facilitate efficiency of the Port by replacing aged fleet	Faster reliable response to ship calls, securing interruptions, minimizing risks to human life	18.2	Equity	2025	Dec-25	4.8	18.2			
Tug Boat	Dredging works for New Finger Jetty		2	Equity	2024	Dec-24	2				
Acquisition of New Tug Boat			85.24	Equity	2024	Dec-24	85.24				
PVREP	Extension of Quay Length by 300 Mtrs and renovation of Existing Quay with limited dredging	Extra Space for Container Handling, Facilitation of modern vessels with bigger draught.	1,173	EIB/AFD	2025	Dec-27	12.65	250.2	750.7	125.1	
Mahe Quay	Sanitary Facilities for Stevedores	Improved facility for Stevedores	0.5	Equity	2025	Dec-25	0.5				
Mahe Quay	Fencing & Surfacing		1.5	Equity	2025	Dec-25		1.5			
Mahe Quay	Development of Inter Island Cargo Terminal		75.0	Equity	2026	Dec-28			5	10	
Fishing Port	Installation of Seypac Pipe Duct		1.0	Equity	2024	Dec-24	1				
Mahe Quay	Surfacing Work at Mahe & Fishing Port		0.8	Equity	2024	Dec-24	0.8				
Mahe Quay	Relocation to IDC		3.5	Equity	2024	Dec-24	3.5				
Bel Ombre	Bel Ombre Development		1.5	Equity	2025	Dec-25		1.5			
La Digue	Passenger Terminal Building		40.0	Equity	2025	Dec-26	32	8			

La Digue	Phase 1 - Sea Wall Alignment/Dredging		4.4	Equity	2024	Dec-24	4.4				
La Digue	Phase 2 - Final Settlement		2.6	Equity	2024	Dec-24	2.6				
La Digue	Phase 1 & 2 Consultancy Fee		0.5	Equity	2024	Dec-24	0.5				
La Digue			0.65	Equity	2024	Dec-26	0.65				
Praslin	New Passenger Terminal at Ero (Retention Fee)			Equity		Dec-24	1.4				
Praslin	Yard Lighting, Road Surfacing & Pay Parking System		3.0	Equity	2024	Dec-24	3				
Praslin	Ero Terminal (Improvement to existing sewage system)		0.1	Equity	2024	Dec-24	0.1				
Praslin	Ero Terminal (Installation of PVC Curtains)	To prevent water splashing under seating area	0.3	Equity	2024	Dec-24	0.3				
Praslin	Ero Passenger (Supply & Fixing of Tabular Piles)	To secure New Pontoons	0.5	Equity	2024	Dec-24	0.5				
Praslin	Improvement at Eve Island Cargo Yard		1.0	Equity	2024	Dec-24	1				
Inter Island Quay	Car Park Project		5.0	Equity	2024	Dec-24	5				
Acquisition of New Pilot Boat incl. of mobilisation	Facilitate efficiency of the Port by replacing aged fleet	Faster reliable response to ship calls, securing interruptions, minimizing risks to human life	14.8	Equity	2024	Dec-24	16.4				
								152.34	324	799.7	135.1

***Replacements and upkeep of Assets (PPE)***

Nav Aids & Equipment							3.18	1.86			
Software							0.59	2.78	0.75		
Office Equip & Computer Accessories							2.29	0.64			
Furnitures & Fittings							0.08	0.06	0.03		
Building Improvements							0.14				
Plant & Machinery							0.07	0.15			
Other Assets							4.46	2.08	0.59	2	
Vehicles							1.99	0.80			
Total							12.73	8.29	1.52	2	
<b>Grand Total</b>							<b>165.07</b>	<b>332.29</b>	<b>801.22</b>	<b>137.10</b>	

\*Details not provided on Actual Figures 2021-2023 & anticipated risks

### 6.6.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

#### 6.6.3.1 Tax Implications by the Operations of Seychelles Port Authority

Type of Tax	TAX IMPLICATION						SCR ('000)	
	Actual Figures		Provisional		Forecast			
	2022	2023	2024	2025	2026	2027		
Business Tax	16,700	17,700	32,600	35,800	42,800	44,400		
PIT	5,100	6,500	7,200	7,900	8,700	9,600		
VAT	(870)	(1,490)	(1,490)	(1,490)	(1,490)	(1,490)		
<b>Total</b>	<b>20,930</b>	<b>22,710</b>	<b>38,310</b>	<b>42,210</b>	<b>50,010</b>	<b>52,510</b>		

#### 6.6.3.2 Anticipated Dividend Declarations By of Seychelles Port Authority

With the large capital outflow during the years 2025-2027 as SPA reinvests in aged infrastructure and forges forward with its transformation SPA does not anticipate to be declaring any dividend in cash. To show Government how SPA contributes to the socio-economic development of the country, a methodology is being developed for Dividend in Lieu of Cash to recognize the Social Responsibility incurred by SPA.

#### 6.6.3.3 Debt Payments Forecasts By Seychelles Port Authority

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	Total Borrowings and Debt Servicing							
				Actual Figures			Provisional		Forecast		
				2021	2022	2023	2024	2025	2026	2027	
Loan 01 From European Investment Bank	Borrowings	Port Victoria Rehabilitation & Extension Project	EUR 40.5m	-	-	-	-	-	EUR 40.5m	EUR 40.5m	
	Interest for the Year		-	-	-	-	-	-	EUR 2m	EUR 2m	
	Repayment of Capital		-	-	-	-	-	-	-	-	
	Balance carried forward		-	-	-	-	-	-	-	-	
Loan 02 From Agence Française de Développement	Borrowings	Port Victoria Rehabilitation & Extension Project	EUR 16.5m	EUR 500k	EUR 500k	EUR 500k	EUR 500k	EUR 15.9m	EUR 16.5m	EUR 16.5m	
	Interest for the Year			EUR 2.6k	EUR 2.7k	EUR 21k	EUR 25k	EUR 642k	EUR 836k	EUR 836k	
	Repayment of Capital		-	-	-	-	-	-	-	-	
	Balance carried forward										
<b>TOTAL</b>			<b>EUR 57m</b>	-	-	-	-	-	-	-	

#### 6.6.3.4 Anticipated Subventions and Grants By Seychelles Port Authority

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount (Forex)	Total Receipts of Subventions and Grants							
				Actual Figures			Provisional		Forecast		
				2021	2022	2023	2024	2025	2026	2027	
Subventions	Government	-	-	-	-	-	-	-	-	-	SPA does not anticipate any subventions within the medium term
	IMF	-	-	-	-	-	-	-	-	-	
	ADB	-	-	-	-	-	-	-	-	-	
	EU, etc.	-	-	-	-	-	-	-	-	-	
Grants	Government	-	-	-	-	-	-	-	-	-	-
	IMF	-	-	-	-	-	-	-	-	-	-
	ADB	-	-	-	-	-	-	-	-	-	-
	EU, etc.	Port Victoria Rehabilitation & Extension Project	Not Provided	-	-	-	-	-	EUR 4.6m	EUR 15.4m	
<b>TOTAL</b>			-	-	-	-	-	-	EUR 4.6m	EUR 15.4m	

#### 6.6.3.5 Contingencies of Seychelles Port Authority

Nature of Contingencies	Funding Agency	Purpose	Total Liability Amount	Realized Guarantees							
				Actual Figures			Provisional		Forecast		
				2021	2022	2023	2024	2025	2026	2027	
Guarantees	Government	Port Victoria Rehabilitation & Extension Project	EUR 70m*	EUR 614k	EUR 614k	EUR 614k	EUR 614k	EUR 614k	EUR 18.9m	EUR 70m	EUR 70m
	Guaranteed for other PEs	-	-	-	-	-	-	-	-	-	-
Potential Payments Due to Legal Actions by 3 <sup>rd</sup> Parties	Government	-	-	-	-	-	-	-	-	-	-
	Case 01	-	-	-	-	-	-	-	-	-	-
	Case 01	-	-	-	-	-	-	-	-	-	-
	etc.	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>EUR 70m*</b>	<b>EUR 614k</b>	<b>EUR 614k</b>	<b>EUR 614k</b>	<b>EUR 614k</b>	<b>EUR 614k</b>	<b>EUR 18.9m</b>	<b>EUR 70m</b>	<b>EUR 70m</b>

\*Please note that the guarantees for the loans are higher than the loan amount: EIB Loan EUR 12.5m, Guarantee EUR 15m, EIB Loan EUR 28m, Guarantee EUR 35m, AFD Loan EUR 16.5m, Guarantee EUR 20m. The loan to guarantee ratio is on average 1:1.228

#### 6.6.3.6 Assumptions used for the Financial Projections of Seychelles Port Authority

- a. Inflation and Exchange rate is as per information prescribed by PEMC below:

	2025	2026	2027
Inflation Rate	2%	3.5%	3.5%
Exchange Rate:			
SCR/US\$	14.69	14.92	15.16
SCR/EURO	16.51	16.82	17.13

- b. All Revenues were projected using the actuals of current year (Jan-Jul) and actuals of previous years (Aug-Dec), except for container forecast. However, change in the maritime industry is highly dependent on the global economy, cost of freight, domestic consumption of goods, development in fishing industry, actions of nearby competitor ports and internal socio-political climate.
- c. The above assumption basis will impact all Harbour Dues Income except Rental Income and Concessionaire.
- d. The full implementation of the Tariff Review has been factored in the Financial Projection, which is the 2<sup>nd</sup> phase of the 75% increase in the tariffs as approved in the Harbour Dues Regulation 2023.
- e. The Loan Facility of EUR 4.86m from Nouvobanq is repayable over a period of 10 years. This loan was taken to partly finance the acquisition of Tug Boat Mamelles (delivered), Tug Boat Silwet (delivery date September 2024) and Pilot Boat Zirondel (delivery date October 2024) at the variable interest rate of EURIBOR 3 Months + a margin of 4% (currently 6.17%). Any variation in EURIBOR will have an effect on this facility and projected cash flows and interest costs. However, loan agreement includes a clause to convert the facility to SCR during the tenor of the loan to mitigate foreign exchange risks. Any conversion utilizing such option will have an impact on cash flows projected.
- f. Direct operational costs were projected based on maintenance and fuel requirements needed to operate the tugboats and pilot boats. Furthermore, the quays and jetty maintenance is estimated based on the technical requirements assessed by the project team.
- g. Gratuity and retirement benefits payments for budgetary purposes is based on the manpower requirement of the authority for the next 3 years as they fall due.

## 6.6.4 KPIs, Risk Management Strategy and Reporting Obligations

### 6.6.4.1 Key Performance Indicators of the Seychelles Port Authority

Title of Key Performance Indicators	Description	Achievements of KPIs						
		Actual Figures			Prov.	Forecast		
		2021	2022	2023	2024	2025	2026	2027
<b>Financial</b>								
<b>Gearing ratio</b>	Total debt divided by equity				10%	27.3%	51.6%	48%
<b>Debt to Capital ratio</b>	Debt divided by Debt + Equity				0.11	0.38	1.06	0.92
<b>Liquidity ratio</b>	Current assets divided by current liabilities				9.5	5.3	5.7	2.9
<b>Business Growth</b>								
<b>Container throughput</b>	TEUs of containers discharged and loaded				88,622	90,815	93,267	95,533
<b>Container vessel calls</b>	Port calls by container vessels	120	128	146	148	141	142	142
<b>General cargo</b>	Tons of general cargo discharged and loaded							
<b>General cargo vessel calls</b>	Port calls by general cargo vessels	15	7	8	10	13	13	13
<b>Bulk Fish</b>	Tons of fish landed, transhipped (in reefer vessels and containers)				431,638	546,333	482,338	491,292
<b>Fishing vessel calls</b>	Port calls by fishing vessels	742	678	669	658	678	710	745
<b>Bulk Petroleum</b>	Tons of petroleum products discharged and loaded				566,055	559,780	587,769	617,157
<b>Petroleum vessel calls</b>	Port calls by petroleum vessels (all products)	34	24	33	44	47	47	47
<b>Bulk Cement</b>	Tons of cement discharged	21,500			18,076	28,896	30,341	31,858
<b>Cement tanker calls</b>	Port calls by cement tankers	6	10	5	5	6	6	6
<b>Cruise passengers</b>	Number of cruise passengers disembarked				66,832	60,788	63,827	67,019
<b>Cruise vessel calls</b>	Port calls cruise vessels	4	12	35	48	48	48	48
<b>Business Efficiency</b>								
<b>Gross margin</b>	Gross profit divided by turnover				90%	91%	91%	92%

#### 6.6.4.2 Risks and Resilience Plan of the Seychelles Port Authority

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	SPA's 5-year strategic plan expired in 2024 and SPA although is aware of its vision, it lacks the necessary strategic objectives that will guide its decision making for the short and medium term. It also lacks a development masterplan that will illustrate the vision for the development of port facilities for the next 50 years. SPA therefore stands the risk of making decisions that are not necessarily aligned to the long term goal or undertake developments that were never envisaged based on political and/or public pressure.	SPA will be engaging a consultancy firm to prepare a 5-year strategic plan as well as a 50-year development plan that will guide SPA over the medium and long term. Strategy Department being custodian of these plans will ensure that they remain relevant and where revisions are required, these are addressed to keep the documents current.
	As has been the case in the past, even if there was a strategy and masterplan in place, the strategic objectives contained therein are oftentimes not considered when decisions were made. A repetition of this may lead the SPA towards making misaligned decisions, which may derail it from achieving its strategic outcomes and vision.	SPA's board and management are committed to making decisions based on SPA's strategic intent. Key Performance Indicators emanating from these documents will be incorporated in departmental and individual performance objectives to ensure complete alignment from strategic to operational level.
	The strategic decision of port operators, users, relevant Ministries and agencies may not always be congruent with SPA's vision. For example, SPA wishes to improve efficiency in the cargo import and export processes to reduce cargo dwelling time and thus need for storage space on terminals. This involves many stakeholders. If these stakeholders decide to not cooperate by changing the way they operate the vision may never material or at best take much longer than planned.	SPA engages its stakeholders through the Port Stakeholders Committee and maintains conversations about port facilities and service delivery. Where necessary to bring strategic changes, SPA engages with relevant Ministries, agencies and departments to gain buy-in and solicit their support.
	Operating within a globalized economy and the country's heavy reliance on tourism and the fisheries sector brings about important economic risks. When there are downturns in the country's main source of foreign visitor and destination for fish export port business suffer from the slowdown in economic activity.	SPA closely monitors economic indicators to detect potential threats to its operations and performance.
Financial Risks	SPA's revenues are currently largely in SCR but has borrowed in EUR for PVREP. Each time SPA converts SCR into foreign currency it stands a chance of doing so at unfavourable rates.	SPA will be structuring the concession agreement to collect revenues in EUR to mitigate these risks. SPA also attempts to match its currency of revenue with the currency in which it makes its expenditures in addition to seeking options to convert its foreign currency loans into SCR if necessary.
	SPA has had to borrow heavily for PVREP and purchase of new marine assets. These loans give rise to interest rate risks. The EUR loans are tied to EURIBOR, which is impacted by the economic environment in the EU. With the recent high EURIBOR rates employed to combat high inflation	To keep the cost of capital low it is important that SPA finances its investments from low cost sources and manages any variability in the rates. The PVREP loans have options to convert the floating rate to fixed, which may provide some comfort when it comes to variability. Finance Department also continually monitors domestic and

	<p>rates, SPA's cost of capital has gone up quite significantly.</p>	<p>international interest rates to advise management and the board if these rates are becoming alarming and actions may need to be taken to curb the increase in WACC.</p>
	<p>Liquidity Risk: SPA will start paying back the capital borrowed for PVREP from 2023. Such large payments have to be met by the project revenues, which is the concession revenues.</p>	<p>The concession revenues will have to exceed the maximum repayment amount and be sufficient to repay the loans as well as provide to the operational expenses for running Mahe Quay. SPA will ensure in its selection of the new concessionaire, get the best deal to avoid having to fall back on other revenue streams to repay the loans.</p>
<b>Operational Risks</b>	<p>Port facilities, particularly the Commercial and Industrial ports, are inherently subject to many safety risks due to dangerous cargoes (e.g. petroleum in bulk, containers containing explosives and other flammable and explosive products), dangerous activities (movement of heavy plant and equipment). Most facilities, particularly Mahe Quay, serve different types of vessels and cargoes in a single location, multiplying many risks of something going wrong, having catastrophic on human life and the port facilities.</p>	<p>SPA has improved its stance on safety by creating a Section whose role is to ensure that SPA and all port operators and users comply to internationally accepted safety norms and the law. Safety officers conduct regular inspections of all SPA premises and port facilities, and will be undertaking regular safety risk assessments at each location. New digitalized systems (PVMIS and DVMIS) are being introduced to ensure that cargos are declared and dealt with according to their type.</p>
	<p>Port facilities are restricted areas that should not be accessed by unauthorized persons. However, there is always the risk of port facilities being accessed by an unauthorized party. SPA does not have law enforcement powers and have to rely on the Police, who has very Ltd presence in ports.</p>	<p>SPA employs a large number of security officers to enforce the Port Facility Security Plan. Officers are stationed at the port facilities where they control entry and undertake patrols to detect any unauthorized access and/or activities.</p>
	<p>The risk of maritime accidents around port facilities is quite significant, particularly in narrow entrance channels into Port Victoria, Baie Ste Anne and La Passe. In Port Victoria, should a vessel be grounded in the entrance channel, international trade would stop entirely until the vessel(s) is (are) dealt with. This will have extensive negative impact on the economy of the country. This risk will increase significantly as the size of vessels calling into Port Victoria increases. [Risk of the light house and one way traffic system, refloating of sunk vessels]</p>	<p>SPA is very cognizant of the risk of paralyzing the economy of the country and is putting in place a vessel traffic management system to monitor vessels within the Port Victoria Limit. International vessels are also required by law to make use of a port pilot to navigate the channel, thereby reducing the risk of grounding. SPA employs and trains pilots to safely guide these vessels into port and makes use of aids to navigation and tugs. To further reduce the risk of grounding by the larger vessels that are expected in future, SPA will be widening, deepening and realigning the entrance channel.</p>
	<p>SPA have specialised human resource needs, particularly in the operations department. This, coupled with SPA's inability to offer the high remunerations offered for such individuals on the private sector may impede its ability to hire high caliber candidates.</p>	<p>SPA continues to enhance the skills and expertise of its employees through its training programs to ensure they attain the required level of performance. SPA collaborates with the Seychelles Maritime Academy and engages employees in internationally recognized training programs. SPA also considers non-monetary benefits in its welfare policy such as rewards and recognitions for good performance. The salary structure is currently under review and may lead to changes that could increase the attractiveness of the salaries offered by SPA. Any increases will be done in consideration of SPA's revenues being able to</p>

		absorb the impact without putting its strategic objectives at risk.
	SPA loses many opportunities for international vessels to call at Port Victoria because of the limitations of its channel, depth of berths, and lack of shore cranes at Mahe Quay, the only quay designated for larger vessels. Furthermore, different classes of such vessels have to compete for berthing space, which is assigned based on a priority system. Importer of cargo that are delayed outside port incur demurrage charges that they normally pass on to their customers, resulting in unnecessary price increases in the economy.	To improve SPA's attractiveness to larger vessels, it is undertaking the Port Victoria Rehabilitation & Extension Project (PVREP) and improving its fleet of tugs and pilot boats. The new concessionaire is also expected to redevelop the port and provide shore cranes to cater for ungeared container and general cargo vessels.
	Materialisation of operational risks often lead to financial losses, oftentimes that could have been avoided if the risks had been correctly managed. SPA does not currently have a formalized system for the management of its risks, operational or otherwise.	SPA will be implementing an enterprise risk management system, which will identify and analyse risks, propose the appropriate risk management strategies and controls. This will quantify requirements for insurance and reserves for risk management.
<b>Compliance and Regulatory Risks</b>	Risk of non-compliance with Seychelles Laws: SPA's role as a landlord port authority is extensive in scope and at times complex. It has to remain compliant to many laws. E.g. as a commercial entity it has to comply to all tax laws, as an employer it has to remain compliant to the Employment Act and as a State Owned Entity it has to comply to the Public Entities Monitoring Commission Act and Public Procurement Act. Non-compliance may lead to prosecution in court, sanctions and penalties, and loss of reputation.	The SPA employs an in-house Legal Team and maintains a Legal Counsel on retainer. The Legal Team keeps track of all the laws that the SPA is required to comply to and provide their input in matters where there may be legal risks. Legal is also represented on the Audit & Risk Committee to alert the Committee of any Legal Risks that may materialize.
	As a result of Seychelles' membership in the International Maritime Organisation (IMO), the SPA is required to comply to IMO conventions such as the International Ship and Port Security (ISPS) Code, FAL and MARPOL Conventions. Failure to keep itself informed may result in inadvertent non-compliance, which may impact Seychelles' membership with the IMO.	The SPA Legal Team also maintains a good relationship with the Seychelles Maritime Safety Authority to keep updated on the conventions and also contributes to the domestication of these international regulations.
	SPA's marine assets are also at risk of non-compliance with the requirements of classification society, which is an international norm. Where such non-compliance occurs, the reputation of SPA as a responsible port authority and provider of marine services may be questioned and the resale value of these assets such as tugs and pilot boats may drop significantly, impacting SPA financially.	The marine operations department ensures that all marine assets are maintained as per the standards of the classification society under which the vessels are built. Vessels are dry-docked as per these requirements to ensure that they are always in their best shape. SPA will be investing in a vessel management system that will keep track of the health of the vessels and maintenance work done on them.
<b>Environmental and Social Risks</b>	As the climate of the earth changes sea level continues to rise and extreme weather conditions become more prevalent, increasing inherent risks such as maritime accidents and flooding at	SPA is cognizant of these risks and their impacts and ensures that in the design of its new quays and port facilities sea level rise and extreme weather conditions is taken into consideration. Mitigants include sufficient

<b>PESTEL</b>	<p>high tides. The latter has been recently noted at the Industrial Fishing Port at equinox tides. Such impacts impede operations, reducing revenues and increases cost of repairs and damages to third parties.</p>	<p>height of the quay deck above the mean sea level, and adequate and effective drainage at the back of quay to quickly move water. Operationally, during extreme weather events, additional precautions are taken such as additional mooring lines for larger vessels at berth and tugs on standby to deal with any incidents.</p>
	<p>Port activities may result in pollution of the nearby bodies of water if care is not taken. As a landlord, SPA may be liable for pollution caused by its own operations and those of port operators and sublessees of SPA land. The impact of such pollution may be far reaching as dangerous substances may impact nearby protected marine areas such as the Sainte Anne Marine Park. This in turn may have an impact on the marine ecosystem, destroy sea life, fishing grounds and the local economy that relies on these areas.</p>	<p>SPA has in place an Environment Section that regularly inspects port facilities and premises to identify environment risks and provide recommendations to the respective entities (whether SPA, port operator, port user, Sublessee or Lessee) and monitors the implementation of the recommendations. The Environment Team also serve as the first response team for environment related incidents, who coordinate with the Department of Environment at national level to deal with such incidents.</p>
	<p>Ports are places of business, where may different organisations operate and employ staff to deliver port related services. The Commercial Port and Industrial Fishing Port are places of work for a large number of dock workers, SPA and border control staff. Ports are not normally isolated but rather exist in a community. The activities of the Commercial Port for example impact the central districts of Mont Fleuri, English River, Saint Louis, Bel Air and Mont Buxton and the capital city of Victoria. Congestion is a particularly big concern in Victoria because of port traffic [contribution of], particularly vehicles carrying containers to and from the fishing ports from and to the Commercial Port.</p>	<p>While social impacts are more nuanced and more difficult to quantify, SPA, through its Sustainability agenda aims to reduce its impact on these communities through various initiatives that reduces road congestion (new southbound road), involves the community (permitting port visits), creating more green spaces, SPA involving in community engagement activities with local schools and elderly homes. Additionally, when undertaking new projects, SPA ensures that an Environment Impact Assessment (EIA) mandated by the Environment Act is undertaken. The EIA process ensures that communities impacted are consulted in the process and where they are impacted, these impacts are managed to the satisfaction of the Department of Environment.</p>
	<p><b>Political Risks:</b> Being a Government owned entity, SPA regulated tariffs are subject to the approval of the Cabinet of Ministers, which may be challenged by the National Assembly. SPA was only able to raise increase the tariffs contained in the Harbour Dues Regulations 13 years after the last increase. This deprived SPA many years of revenues, which could have gone into essential developments of port facilities and built reserves for PVREP.</p>	<p>To avoid forfeiting future revenues arising out of lack of political will to change the status quo, SPA will be pushing for an automatic increase in its tariffs based on the Consumer Price Index to align the increase with inflation through its Harbour Dues Regulation.</p>
<b>Economic Risks</b>		<p>The Seychelles is highly reliant on tourism and fisheries, which are vulnerable to global economic downturns. A slowdown in these sectors directly affects port business, leading to reduced economic activity. We have seen during the COVID 19 epidemic how the reduced tourist arrivals impacted the overall economy and resulted in a drop in container throughput and revenues overall. SPA monitors economic indicators to anticipate potential threats to its operations and performance.</p>
<b>Social Risks</b>		Covered above

	<p><b>Technology Risks:</b> SPA and most other port stakeholders use technology to operate. SPA recently launched the Port Victoria Management Information System (PVMIS) which will eventually facilitate most port processes. With all activities relying on this system, any failure or unavailability could potentially paralyse all port operations, creating delays and disruption in the general economy.</p>	<p>The PVMIS is a cloud based system with redundancy built in. The system is built on international best practices and standards with the aim of reducing the risk of failure and unavailability.</p>
	<b>Environment Risks</b>	Covered above
	<p><b>Legal Risks:</b> To conduct its business SPA enters into many contracts whether with employees, consultants, suppliers, contractors, concessionaires, sublessees and lessees, etc. Such contracts if not correctly drafted, present or renewed when expired may not protect SPA from legal risks that may arise from disputes.</p>	<p>The Legal Team is engaged in reviewing and vetting of all contracts into which SPA enters, while the respective departments that manage the contracts ensures that such contracts are present and/or renewed when expired.</p>

#### 6.6.4.3 List of External Reporting's by the Seychelles Port Authority

<b>Name/Title of the Report</b>	<b>Recipients of the Report</b>	<b>Description of the purpose, content and inclusion of the report</b>	<b>Frequency and Timing of the Report</b>
Audited Financial Statements	Ministry of Finance Ministry of Transport PEMC European Investment Bank Agence Française de Développement	Financial Results, Financial Position and Cash flow for the year	Annually, within 3 months of year end
Annual Report	Ministry of Finance Ministry of Transport PEMC European Investment Bank Agence Française de Développement	Operational performance	Annually, within 3 months of year end
Annual Budget	Ministry of Finance Ministry of Transport PEMC European Investment Bank Agence Française de Développement	Annual budget	Annually
Mid-Term Financial Strategy	Ministry of Finance Ministry of Transport PEMC		
Procurement Plan	Procurement Oversight Unit	Annual procurement plan	Annually
Quarterly Financial Statements	PEMC		

## 6.6.5 Stakeholder Engagement

### 6.6.5.1 Statement by CEO

As the CEO of the Seychelles Ports Authority, I am proud to present our Medium-Term Financial Strategy (MTFS) for the period 2025 to 2027. This document outlines our strategic vision, financial outlook, and operational plans to ensure the continued success and growth of our ports.

Our strategic vision is to position Port Victoria as the premier port in the region for fishing vessels and cruise ships, known for its efficiency, sustainability, and customer service excellence. We aim to achieve this by focusing on several key areas. Firstly, we will enhance our digital infrastructure through the implementation of the Port Victoria Management Information System (PVMIS) and the Domestic Voyages Management Information System (DVMIS), which will streamline operations and reduce paper consumption.

Secondly, we are committed to the continuous professional development of our employees, as we believe that our people are our greatest asset. We will invest in their training and well-being to ensure they have the skills and motivation to deliver exceptional service.

Thirdly, we are dedicated to reducing our environmental impact by improving energy efficiency and reducing waste. We will replace assets with more energy-efficient alternatives and install Photo Voltaic (PV) panels on our buildings to harness solar energy, starting with our new passenger terminal on La Digue island.

To drive revenue growth, we aim to attract more shipping lines and increase vessel calls through strategic partnerships and by showcasing our port's capabilities at industry events. We are also committed to sustainability, ensuring that all new developments align with the Green Port approach and contribute to the preservation of our environment.

Financially, we project a comprehensive income statement that reflects our commitment to generating revenue, managing costs effectively, and achieving a healthy bottom line. Our financial strategy will ensure we have the reserves necessary for the maintenance and redevelopment of our port facilities.

This MTFS is a roadmap for the SPA's future, guiding us towards a sustainable, efficient, and profitable operation. We are confident that with the support of our stakeholders and the dedication of our team, we will achieve our strategic objectives and continue to serve as a vital economic hub for the Seychelles and the wider region.

*Mr. Sony Payet  
Chief Executive Officer*

#### *6.6.5.2 Foreword by chairperson*

As we embark on the journey to realize the ambitions set forth in this Medium-Term Financial Strategy (MTFS) from 2025 to 2027, it is with a profound sense of purpose and optimism that I present this foreword. The MTFS is not merely a financial document; it is a roadmap for the future of our maritime gateway, a testament to our commitment to excellence, and a beacon of hope for the socio-economic prosperity of the Seychelles.

The strategic priorities outlined in this MTFS are ambitious yet attainable. They reflect our dedication to modernizing our port infrastructure, enhancing our operational efficiency, and embracing sustainable practices that will ensure the longevity of our natural resources and the vitality of our economy. The Port Victoria Rehabilitation & Extension Project, with its new quay and deeper berths, is a cornerstone of our vision, enabling us to accommodate larger, more cost-efficient vessels and reducing the cost of freight for our nation.

We recognize the challenges ahead, including the capital-intensive nature of our developments, the limits of our port facilities and the risks the Authority has to contend with. However, we are confident that through strategic planning, stakeholder engagement, and a relentless pursuit of financial sustainability, we will overcome these obstacles. Our focus on attracting more shipping lines and diversifying our economic base will not only drive up traffic and revenues but also ensure a steady stream of exports and a vibrant maritime sector.

The MTFS is also a call to action for collaboration across government entities and industries. The success of our ports is intrinsically linked to the success of the Seychelles as a whole, and it is imperative that we work together to make our ports a success. By doing so, we will create a resilient and diversified economy that can withstand the challenges of the future.

In closing, I invite all stakeholders to join us in this transformative journey. The MTFS is a living document, a work in progress that will evolve as we implement its strategies and learn from our experiences. Together, we can make the Seychelles Ports Authority a leader in the region, a model of efficiency, sustainability, and customer service excellence.

I am proud to present this MTFS and look forward to the achievements that lie ahead.

*Mr. Brain Loveday  
Acting Chairperson SPA*

#### *6.6.5.3 Statement by the Responsible Minister – Minister for Transport*

As the Minister for Transport, I am honored to present the Medium-Term Financial Strategy for the Seychelles Ports Authority. This strategic document is a testament to our commitment to enhancing the maritime infrastructure and services that are vital to the economic prosperity of our nation.

The SPA plays a crucial role in connecting Seychelles to the global economy, facilitating trade, and supporting key sectors such as fisheries and tourism. Our ports are the lifeline of our economy, and it is imperative that we invest in their modernization and expansion to meet the growing demands of international trade and ensure the sustainability of our maritime gateway.

The Port Victoria Rehabilitation & Extension Project is the foundation of our strategy, aimed at attracting and accommodating larger vessels and reducing freight costs. This project, along with the development of new passenger terminals and the introduction of sustainable practices, will position Seychelles as a competitive and environmentally responsible maritime hub.

We recognize the challenges posed by the capital-intensive nature of these developments and the competitive landscape of regional ports. However, through strategic partnerships, stakeholder engagement, and a focus on financial sustainability, we are confident in our ability to overcome these obstacles.

The MTFS also emphasizes the importance of diversifying our economic base to reduce dependency on the fisheries sector. By working collaboratively with various ministries and stakeholders, we aim to create a resilient and diversified economy that can withstand future challenges.

In conclusion, the MTFS is a roadmap for the future of our ports, guiding us towards a sustainable, efficient, and profitable operation. I extend my gratitude to all stakeholders for their support and dedication, and I look forward to the successful implementation of this strategy.

*Mr. Antony Derjacques,*

*Minister for Transport*



## 6.7 Seychelles Public Transport Corporation (SPTC)

### 6.7.1 Strategic Overview

#### 6.7.1.1 *Mandate*

Established in December 1977 as a body corporate under the Seychelles Public Transport Corporation Decree, CAP 221, the primary function of the Seychelles Public Transport Corporation (SPTC) is: “the corporation shall exercise its powers so as to provide, or secure or promote the provision of an efficient, adequate, and economical system of public transport within Seychelles for the general public, consistent with a reasonable and adequate level of fares being charged” Section 15 (1).

SPTC is fully owned by the Seychelles’ Government. The SPTC’s public bus service operates everyday: 7 days a week 5:10 AM with last bus leaving the terminal at 7:00 PM from Monday to Saturday and at 6.30pm on Sunday on Mahe. On Praslin bus services is from 5.50am to 7.30pm.

In the pursuit of financial independence from government subvention, SPTC has diversified into additional services: Marketing: Advertise on travel cards, billboards and pillars of the Terminals, buses, PA system, website, mobile App and branded products as SPTC taps into most of the country’s commuters. Mechanical: Full maintenance and breakdown services to the general public.

#### 6.7.1.2 *Vision*

“To operate a modern and sustainable public transport system that furthers the development and aspirations of our country.”

#### 6.7.1.3 *Mission*

To be a proud public transport operator that embraces innovation in the industry supported by modern and robust infrastructure. Enhance customers travel experience through the provision of a safe, reliable and effective service. Capacity building, development and empowerment of our most valuable asset; our people. To operate a sustainable business, availing of adequate resources so as to ensure self-sufficiency. Develop an organizational culture of engagement, professionalism and commitment. Engage all partners and stakeholders through meaningful and effective communication. Socially responsible and environmentally friendly public transport operator.

#### 6.7.1.4 *Strategic Priorities for 2025-2027*

SPTC is operating in line with its Sector Strategic Plan 2021-2025 which is now being updated up until 2028. Focus of this plan revolves around 4 main Strategic Choice as follows;

**Strategic Choice 1:** Infrastructure rehabilitation and modernization of facilities for effective and safe operation.

**Strategic Choice 2:** Unsatisfactory service delivery and customer travel experiences.

**Strategic Choice 3:** Identify and take measures to address issues affecting operations and people performance in SPTC.

**Strategic Choice 4:** Fiscal Risk management and performance of the corporation to create sustainable financial growth and independence.

For the period 2024-2026 focus will be on the following;

**Strategic Choice 1:** Infrastructure rehabilitation and modernization of facilities for effective and safe operation.

- 1) Construction of new bus depot on ILE Eve, Praslin;
- 2) Construction of added facilities on our depot at Barbaron;
- 3) Construction of Expatriate staff House;
- 4) Construction of driver's rest room at Port Launay;
- 5) Expansion of Baie Lazare Bus Depot;
- 6) Maintain and Upgrade bus fleet;
- 7) Install CCTV on Buses; and
- 8) Update the Accident and Emergency Response including disaster plan
- 9) Transport House

**Strategic Choice 2:** Unsatisfactory service delivery and customer travel experiences.

- 1) Customer Service Re-Branding;
- 2) Adopt Customer Centric Approach of service delivery;
- 3) Develop/Adopt/Implement Digitalisation work flow process & Paperless programme;
- 4) Setting standard by KPI and implementing result base management; and
- 5) Implement modern passenger Information System (Onboard, Terminal and or Main Bus Stops).

**Strategic Choice 3:** Identify and take measures to address issues affecting operations and people performance in SPTC.

Improve the internal management, control and people performance at all levels of SPTC.

- 1) Undertake review and streamlining of the organization structure to remove bureaucracy, inefficiency and redundant posts and functions;
- 2) Provide technical training and leadership training and programmes to SPTC's staff to address identified development gaps, needs and skills shortages;
- 3) Develop a succession plan; and
- 4) Train and strengthen the role of the Inspector Team or opt for the privatization of this function for more effective inspection and control.

**Strategic Choice 4:** Fiscal Risk management and performance of the corporation to create sustainable financial growth and independence.

- 1) Prepare a Commercialization Plan per department so as to focus on generating additional revenue;
- 2) Develop a Business Plan for the corporation focusing on both medium term as well as long term plans;
- 3) Develop a Funding Plan with clear funding strategies including other potential sources of revenue from its operations;
- 4) Assess the effectiveness of the procurement plan and project management framework established to ensure more effective capital expenditure and implementation of capital projects;
- 5) Invest in renewable energy systems like solar panels across SPTC through Public Private Partnership;
- 6) Review bus fares to align with market value or seek compensation for the difference in bus fare set by the government and the true economic tariff calculated; and
- 7) Seek to expand space for business within the existing SPTC Depots, terminal and infrastructure to boost income.

#### 6.7.1.5 Key Challenges

Challenges	Description
Ageing workforce especially driver groups.	Large percentage of our drivers are in the upper age group and the Corporation had to resolve in employing expatriate drivers.
Inadequate Talents & Skills.	
Appealing salary packages.	Inability to pay competitive salaries
Financing	Unable to implement projects as per actual requirement so as to improve and maintain infrastructures, fleet as well as required technologies.
Organization culture	General tendency is not geared towards efficiency and cost savings.
Accelerated depreciation to fleet due to saline.	The aesthetics of our fleet as well as other mechanical components gets affected more than factory standards.
Ticket Fair price control by GoS and the inability of SPTC to adjust to real price according to changes in market conditions.	Rising cost and same revenue level which could result in cash flow issues
Road conditions including lack of safe turning points.	Unable to deliver good services to our commuters
Increased Traffic congestions.	Enhanced delays in our service delivery
Customer increased expectations.	Unable to maintain with the global trend which also impact our customers' expectations
Geographical locations of infrastructures/set-ups	Bus depots are spread across Mahe and Praslin making it difficult for effective management
Topography hence limiting type of buses and or buses to cater for special needs.	Unable to meet certain specific needs such as for the elders as well as people with disabilities

## 6.7.2 Outlook of Financial Strategy

### 6.7.2.1 Projected Financial Position of Seychelles Public Transport Corporation

SCR ('000)

Description	Actual Figures			Provisional 2024	Forecast			
	2021	2022	2023		2025	2026	2027	
<b>ASSETS</b>								
<b>Non-current asset</b>								
Property and equipment	<b>81,373</b>	<b>71,203</b>	<b>97,554</b>	<b>190,853</b>	<b>218,999</b>	<b>234,545</b>	<b>248,691</b>	
<b>Current assets</b>								
Inventories	21,590	24,368	26,152	14,768	15,985	17,473	19,224	
Investment in financial assets	16,088	16,023	16,167	-	-	-	-	
Trade and Other receivables	6,462	8,437	16,001	10,434	9,109	8,481	8,181	
Cash and Cash equivalents	7,135	22,076	14,686	(11,219)	(23,067)	(40,812)	(56,316)	
	<b>51,275</b>	<b>70,903</b>	<b>73,007</b>	<b>13,983</b>	<b>2,027</b>	<b>(14,857)</b>	<b>(28,911)</b>	
<b>Total assets</b>	<b>132,648</b>	<b>142,106</b>	<b>170,561</b>	<b>204,836</b>	<b>221,026</b>	<b>219,688</b>	<b>219,781</b>	
<b>RESERVES AND LIABILITIES</b>								
<b>Reserves</b>								
Capital grants	71,970	60,347	80,968	206,777	255,377	291,377	325,977	
Retained earnings	17,587	40,724	44,359	(51,343)	(83,513)	(118,706)	(152,820)	
	<b>89,557</b>	<b>101,071</b>	<b>125,327</b>	<b>155,434</b>	<b>171,864</b>	<b>172,671</b>	<b>173,156</b>	
<b>LIABILITIES</b>								
<b>Non-current liability</b>								
Retirement Benefit Obligations	29,858	27,462	30,323	28,041	28,623	28,623	28,623	
<b>CURRENT LIABILITIES</b>								
Bank Overdraft	-	-	-	-	-	-	-	
Trade and Other Payables	13,233	13,574	14,911	21,361	20,540	18,394	18,002	
	<b>13,233</b>	<b>13,574</b>	<b>14,911</b>	<b>21,361</b>	<b>20,540</b>	<b>18,394</b>	<b>18,002</b>	
<b>Total Liabilities</b>	<b>43,091</b>	<b>41,035</b>	<b>45,234</b>	<b>49,402</b>	<b>49,162</b>	<b>47,017</b>	<b>46,624</b>	
<b>Total Reserves and Liabilities</b>	<b>132,648</b>	<b>142,106</b>	<b>170,561</b>	<b>204,836</b>	<b>221,026</b>	<b>219,688</b>	<b>219,781</b>	

6.7.2.2 *Projected Statement of Comprehensive Income of Seychelles Public Transport Corporation*

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
Revenue	103,447	175,454	189,793	183,202	180,927	182,728	184,548
Operating expenses	(50,287)	(57,847)	(54,368)	(53,857)	(53,615)	(55,510)	(56,218)
<b>Operating profit</b>	<b>53,161</b>	<b>117,607</b>	<b>135,424</b>	<b>129,345</b>	<b>127,312</b>	<b>127,219</b>	<b>128,330</b>
Administrative expenses	(127,043)	(128,550)	(138,636)	(176,634)	(162,030)	(165,151)	(165,441)
Charge for allowance for credit losses	(1,676)	1,120	(4,068)	-	-	-	-
Interest income – banks	412	126	186	-	-	-	-
Other income	72,652	29,147	10,713	2,508	2,548	2,739	2,996
<b>Profit / (Loss) before foreign exchange movement</b>	<b>(2,494)</b>	<b>19,449</b>	<b>3,620</b>	<b>(44,781)</b>	<b>(32,170)</b>	<b>(35,193)</b>	<b>(34,115)</b>
Foreign exchange movements	(1,201)	3,688	15	-	-	-	-
<b>Profit / (Loss) for the year</b>	<b>(3,694)</b>	<b>23,136</b>	<b>3,635</b>	<b>(44,781)</b>	<b>(32,170)</b>	<b>(35,193)</b>	<b>(34,115)</b>
<b>Other comprehensive income:</b>							
Grant received during the year	1,955	3,176	39,990	-	-	-	-
Release to statement of profit or loss				-	-	-	-
- Depreciation charge and assets scrapped	(14,959)	(14,799)	(19,369)	-	-	-	-
<b>Total other comprehensive expense for the year</b>	<b>(13,004)</b>	<b>(11,623)</b>	<b>20,621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive (income) / expense for the year</b>	<b>(16,698)</b>	<b>11,513</b>	<b>24,256</b>	<b>(44,781)</b>	<b>(32,170)</b>	<b>(35,193)</b>	<b>(34,115)</b>

### 6.7.2.3 Projected Cash flow Statement of Seychelles Public Transport Corporation

SCR ('000)

Description	Actual Figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>Cash flows from operating activities</b>							
(Profit / (Loss) for the year	(3,694)	23,136	3,635	(44,781)	(32,170)	(35,193)	(34,115)
<b>Adjustments for:</b>							
Depreciation on property and equipment	17,459	16,561	20,281	18,300	20,454	20,454	20,454
Purchase of property and equipment through capital grant	(1,955)	(3,228)	(39,990)	(98,435)	(48,600)	(36,000)	(34,600)
Exchange movement on financial assets	903	78	(10)	-	-	-	-
Accrued interest	(54)	(35)	(131)	-	-	-	-
Charge of provision for credit impairment	1,676	(1,120)	4,068	-	-	-	-
Write off	-	61	-	-	-	-	-
Release of depreciation charge	(14,959)	(14,799)	(19,369)	-	-	-	-
Grants related to assets received	1,955	3,228	39,990	98,435	48,600	36,000	34,600
Charge for retirement benefit obligations	4,506	3,022	5,733	4,823	582	-	-
(Gain) / loss on sale of motor vehicle	-	(302)	(63)	-	-	-	-
	<b>5,837</b>	<b>26,551</b>	<b>14,144</b>	<b>(21,658)</b>	<b>(11,134)</b>	<b>(14,739)</b>	<b>(13,661)</b>
<b>Changes in working capital</b>							
- Decrease / (Increase) in inventories	1,626	(2,778)	(1,785)	3,857	(1,217)	(1,488)	(1,752)
- Decrease / (Increase) in trade and other receivables	(1,866)	(855)	(11,632)	(1,300)	1,325	628	300
- Increase / (Decrease) in trade and other payables	(3,438)	341	1,337	5,000	(822)	(2,145)	(393)
	<b>2,159</b>	<b>23,258</b>	<b>2,064</b>	<b>(14,101)</b>	<b>(11,848)</b>	<b>(17,745)</b>	<b>(15,505)</b>
Retirement benefit obligation paid	(4,713)	(5,418)	(2,872)	(6,639)			
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(2,554)</b>	<b>17,840</b>	<b>(807)</b>	<b>(20,740)</b>	<b>(11,848)</b>	<b>(17,745)</b>	<b>(15,505)</b>
<b>Cash flow from investing activities</b>							
Purchase of property and equipment	(2,326)	(3,275)	(6,859)	(98,435)	(48,600)	(36,000)	(34,600)
Proceeds from sale of motor vehicle	-	353	281	-	-	-	-
Refund on Work in Progress	216	-	-	-	-	-	-
Purchase of investment in financial assets	(217)	(32)	(23,639)	-	-	-	-
Proceeds from redemption of investment in financial assets	6,149	54	23,636	15,945	-	-	-
<b>Net cash inflow / (outflow) from investing activities</b>	<b>3,822</b>	<b>(2,900)</b>	<b>(6,582)</b>	<b>(82,490)</b>	<b>(48,600)</b>	<b>(36,000)</b>	<b>(34,600)</b>
<b>Cash flow from financing activities</b>							
Capital grant received	-	-	-	98,435	48,600	36,000	34,600
<b>Net cash inflow / (outflow) from operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,435</b>	<b>48,600</b>	<b>36,000</b>	<b>34,600</b>
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>1,268</b>	<b>14,940</b>	<b>(7,389)</b>	<b>(4,795)</b>	<b>(11,848)</b>	<b>(17,745)</b>	<b>(15,505)</b>
<b>Movement in cash and cash equivalents</b>							
At January 1,	5,867	7,135	22,076	(6,424)	(11,219)	(23,067)	(40,812)
Increase / (Decrease) during the year	1,268	14,940	(7,389)	(4,795)	(11,848)	(17,745)	(15,505)
<b>At December 31</b>	<b>7,135</b>	<b>22,076</b>	<b>14,686</b>	<b>(11,219)</b>	<b>(23,067)</b>	<b>(40,812)</b>	<b>(56,316)</b>

#### 6.7.2.4 Projected Capital Investment Plan of Seychelles Public Transport Corporation

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures		Provisional		Forecast		SCR ('000)	Anticipated Risks
							2021	2022	2023	2024	2025	2026	2027	
<b>Major Capital Investments</b>														
Vehicles/Buses	Govt						-	-	33,263	25,500	34,800	26,100	26,100	
Workshop Infrastructure Upgrade	Govt						332	-	-	3,650	-	-	-	
Special Tools & Equipments	Govt						-	110	-	1,500	-	-	-	
Integrated Operational Software	Govt						-	-	-	-	-	-	-	
IT infrastructures	Govt						-	122	440	-	-	-	-	
Computer / Accessories	Govt						-	-	-	275	-	-	-	
IT equipments	Govt								1,617	1,850	-	-	-	
ITS development	Govt						-	-	-	2,190	-	-	-	
Building infrastructure / Expansion	Govt						-	-	-	40,000	10,600	9,500	8,500	
Building infrastructure/ Renovation	Govt						1,623	48	181	9,800	-	-	-	
Install CCTV on SPTC premises	Govt						-	-	1,206	-	-	-	-	
TMU Machines for new buses	Govt						-	2,804	3,283	-	-	-	-	
TMU Machines for new buses	Govt						-	-	-	-	-	-	-	
TMU Machines for new buses	Govt						-	-	-	2,000	-	-	-	
POS Machines	Govt						-	-	-	200	-	-	-	
Destination Boards / Tools	Govt						-	-	-	970	1,000	-	-	
ERP System	Govt						-	-	-	1,500	-	-	-	
Development of Praslin depot (Ile Eve)	Govt						-	-	-	2,000	-	-	-	
Barbarons	Govt						-	-	-	2,000	-	-	-	
Baie Lazare depot	Govt						-	-	-	2,500	-	-	-	
Ile Du Port Depot infrastructure	Govt						-	-	-	2,000	-	-	-	
Other depots	Govt						-	-	-	500	-	-	-	
Changing (Victoria/Anse aux Pins)	Govt						-	-	-	-	-	-	-	
Buses	Indian Grant						-	-	-	-	-	-	-	
Admin vehicles	Govt						-	-	-	-	1,200	400	-	
Admin Infrastructure upgrade	Govt						-	-	-	-	1,000	-	-	
<b>TOTAL</b>							<b>1,955</b>	<b>3,228</b>	<b>39,990</b>	<b>98,435</b>	<b>48,600</b>	<b>36,000</b>	<b>34,600</b>	

Details Not Provided

Details not provided

### 6.7.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

#### 6.7.3.1 Tax Implications by the Operations of Seychelles Public Transport Corporation

Type of Tax	Actual Figures		Provisional		Forecast		Anticipated Risks	SCR ('000)
	2021	2022	2023	2024	2025	2026		
<b>Business Tax</b>	STC does not anticipate any Business tax in the medium term							
PIT	5,614	6,072	4,318	7,158	7,342	7,545	7,545	
VAT	STC does not anticipate any VAT in the medium term							
Etc..								

#### 6.7.3.2 Anticipated Dividend Declarations By Seychelles Public Transport Corporation

SPTC does not anticipate in declaring any dividend

#### 6.7.3.3 Debt Payments Forecasts By Seychelles Public Transport Corporation

SPTC does not anticipate any debt obligations.

#### 6.7.3.4 Anticipated Subventions and Grants By Seychelles Public Transport Corporation

SCR ('000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount (Forex)	Total Receipts of Subventions and Grants							
				Actual Figures			Provisional		Forecast		
				2021	2022	2023	2024	2025	2026	2027	
Subventions	Government	Details not Provided	70,000	26,000	8,138	44,000	32,000	35,100	32,100		
	IMF	-	-	-	-	-	-	-	-	-	
	ADB	-	-	-	-	-	-	-	-	-	
	EU, etc	-	-	-	-	-	-	-	-	-	
Grants	Government	Details not provided	1,955	3,228	25,470	98,435	48,600	36,000	34,600		
	IMF	-	-	-	-	-	-	-	-	-	
	ADB	-	-	-	-	-	-	-	-	-	
	EU, etc	-	-	-	-	-	-	-	-	-	
<b>TOTAL</b>		-	<b>71,955</b>	<b>29,228</b>	<b>33,608</b>	<b>142,435</b>	<b>80,600</b>	<b>71,100</b>	<b>66,700</b>		

#### 6.7.3.5 Contingencies of Seychelles Public Transport Corporation

SPTC does not anticipate any contingent liabilities

#### 6.7.3.6 Assumptions used for the Financial Projections of Seychelles Public Transport Corporation

##### Financial Statement Assumptions

##### Revenue Assumptions

1. Pax ranged between 53,000 to 55,000 pax per day, is forecasted using historical data incorporating seasonal trends and including cashless projections. This range is expected to be constant for the budgeting period.
2. Since SPTC went 100% cashless, leakage recovery 3% to 5% expected.
3. cashless ticket fare SR 10/- is used in revenue predictions and different rates are applied for special categories.

4. Special Hires / Rental income / Advertisements are predicted based on contracts and renewal expectancies.

### Cost Assumptions

1. Operating expenses mainly includes direct running costs of bus schedules, such as Fuel, Tyre, Lubricants, spare parts and consumables, predicted based on scheduled running KMs and consumption averages.
2. Administrative expenses mainly include Salaries & wages, predicted based on staff budget, scheme of services, average salaries, costs of increment plans.
3. The operational maintenance related expenses are predicted based on forecasted operational levels mainly derived from divisional budgets.
4. The operational requirements of existing service levels such as adequacy of insurance cover, security services etc. are considered for the predictions of incremental costs and add-ons of service contracts.
5. General price inflations are predicted to be 2.5% per year. This assumption affects cost projections of fuel, Tyres, Lubricants, spare parts, Salaries & wages, raw materials, stores, service charges and utilities etc.
6. Provision of Retirement Benefit Obligations are derived from Compensation scheme formulated by Human Resource according to the Government circulars.

### CAPEX

1. CAPEX includes Technical, IT, Corporate and operational requirements such as infrastructure upgrades, fleet replacement, Depot expansion programs, Property renovations and special tool requirements etc. Derived from divisional budgets, assessed and approved by the Management and Board.
2. The 95% of capex finances are expected to flow from Government Grants

### WORKING CAPITAL ASSUMPTIONS

1. Average Inventories holdings are expected to be increased between 7% to 9%. This is due to increase in spare parts for new fleets and existing fleets.
2. Average Trade receivables are expected to reduce between 13% - 22% due to shortened credit periods.
3. Average Trade payables are expected to decline between 4% to 16%.
4. The accumulating Cash & Equivalent shortfall of 2025 to 2027 are expected to be funded through subvention.

## 6.7.4 KPIs, Risk Management Strategy and Reporting Obligations

### 6.7.4.1 Key Performance Indicators of the SPTC

Title of Key Performance Indicators	Description	Achievements of KPIs						
		Actual Figures			Provisional	Forecast		
		2021	2022	2023		2024	2025	2026
Operated KM		5,479,926	5,982,602	5,400,000	5,868,000	5,928,000	5,988,000	5,988,000
Operated Trips		-	-	462,300	462,300	462,300	462,300	462,300
PAX per KM		2	2	2	3	3	3	3
Cost Per KM		35	35	31	34	34	35	35
Fuel Consumption		2,512,228	2,701,649	2,347,826	2,819,852	2,848,684	2,877,517	2,877,517

#### 6.7.4.2 Risks and Resilience Plan of the Seychelles Public Transport Corporation

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
<b>Strategic Risks</b>	Infrastructure developments delayed or not undertaken, altogether	Legal contracts and Insurance policies for the construction
<b>Financial Risks</b>	Unanticipated financial losses and major fiscal risk to SPTC	Financial and fiscal risks assessment framework Periodic revisions in Management meetings Enhanced Risk reporting and monitoring strategies
<b>Operational Risks</b>	Proposed revenue generating activities are not carried out as planned	Define financial targets Devise and assess alternative plans Promote a diversified market research
<b>Environmental and Social Risks</b>	Traditional organization culture and change aversive workforce	Training on value creating activities Enhance employee performance metrics Promote team works

#### 6.7.4.3 List of External Reporting's by the Seychelles Public Transport 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
<b>Audited Financial Report</b>	Board of Directors/Parent Ministry/M.O.F/PEMC	This report provides an opinion on the accuracy, completeness, and fairness of the FS. As well as the adequacy of internal controls and compliance with accounting standards and regulations	Per annum – (beginning of 2 <sup>nd</sup> quarter)
<b>Annual Report</b>	Board of Directors/Parent Ministry/M.O.F/PEMC	This report provides an overview of the main activities of the Corporation during the year as well as its achievements	Per annum – (beginning of 2 <sup>nd</sup> quarter)
<b>Access To Information Annual Report</b>	Information Commission	Summary of Information Request received during the respective year	Per annum – (beginning of 2 <sup>nd</sup> quarter)

## **6.7.5 Stakeholder Engagement**

### *6.7.5.1 Statement by CEO*

SPTC is driven by its strategic plan that is established by the Board of Directors. The plan is adopted over a five-year period and at the beginning of each year an operational plan is prepared in line with the 5-year strategic plan. It lists all objectives to be achieved for the respective year and each department is given specific objectives under the responsibility of its Head of Department.

This set up ensures that the Corporation's strategic plan is translated across each and every single person in the organization and even more so now, with the successful implementation of the Result Based Management system which we have adopted in 2023.

We have well aligned our work efforts towards achieving both short and long term objectives of the Corporation. While we make headways in improving our service delivery, we face numerous challenges both financial as well as non-financials. With the spectrum of skills sets across our Executive team we address these challenges head-on and implement mitigation strategies as well as engage key stakeholders to partake in achieving common goals. Given the nature of our service achieving such common goals are indeed of national interest.

We made a bold move in 2023 to go 'cashless' on our buses and this is paving the way for more exciting modernization as well as digitalization across the Corporation's work processes. While this move is having a positive impact on our cash takings we also have an array of opportunities which we remain committed to exploit for the benefit of the Corporation.

We are putting together our business plan that is meant to put into perspective all opportunities we are to capitalize upon as well as highlight key areas for improvement especially in terms of cost reduction and or enhanced productivity.

Despite the COVID pandemic our milestone achievements of our strategic plan is remarkable all thanks to the hard work and devotion of our team. We remain engaged to achieve fully all the plans of the Corporation.

*Mr. Geffy Zialor  
Chief executive Officer*

#### 6.7.5.2 *Foreword by Chairperson*

“Touzour La” is the motto we had adopted to celebrate 45 years of operations of service in December 2022. This moto is a reminder to all our staff as well as our stakeholders on the role SPTC has been playing in the economy since its creation in 1977. With a clear mandate of providing or secure or promote the provision of an efficient, adequate and economical system of public transportation within Seychelles, this very same moto “Touzour La” is also a commitment we make to the nation at large of our service delivery.

It is therefore not a coincident that our 5-year sector strategic plan of 2021-2025 has placed massive emphasis on the general enhancement of service delivery as the ultimate goal. This will remain a focus in our revised plan of 2024-2028.

While our economy experience continued growth, our commuters increasingly requires that our transport infrastructure and facilities are expanded and modernized so that we can continue not only to fulfill our mandate but also to address their evolving needs. We are vital in the socio-economic development of our country and we are not only proud of the prospect we have to our country but we remain unbending in fulfilling our role.

For this very reason, key strategies to be reiterated in our updated sector strategic plan 2024-2028, will cover the following areas;

- To improve the business environment and operation through modern infrastructure and facilities
- To improve customer service delivery in SPTC
- To improve travel experiences of people using the SPTC services and facilities
- To improve the internal management, control and people performance at all levels of SPTC
- To strengthen financial and fiscal risk management and reporting
- To have a more commercially oriented, as well as efficient and cost-effective operation that creates more returns and values for its shareholder.

The CEO of the Corporation with the support of its Executive team will be tasked to implement specific and target projects that will be geared towards the attainment of these key strategies, to ensure that SPTC achieve its vision which is **“To operate a modern and sustainable public transport system that furthers the development and aspirations of our country”**

This Medium Term plan will be an extract from our 5-year strategic plan and will inherently therefore have the Board of Directors Oversight.

*Mr. Andy Moncherry  
Chairperson SPTC*

#### *6.7.5.3 Statement by the Responsible Minister*

Public transport is a vital component of our nation's infrastructure, providing essential connectivity for our citizens and visitors alike. The SPTC plays a crucial role in ensuring that our transport system is efficient, reliable, and accessible to all.

As the Minister responsible for transport, one of my main goals is to ensure the sustainability of public transportation as sustainability is the heart of our vision for public transport in Seychelles. We are always looking at implementing practices that will ensure the long-term continuation of the operation of SPTC. Furthermore, we are embracing renewable energy solutions and efficient operational practices, to create a transport system that not only serves our community today but also preserves our islands for future generations. One of our goals is to look at how we can introduce electric public buses.

In recent years, we have witnessed significant advancements in our public transport services, reflecting our commitment to enhancing the quality of life for Seychellois by continuous modernization of our public transport system. The SPTC has undertaken numerous initiatives aimed at modernizing our fleet, improving service delivery, and embracing innovative technologies. This year, SPTC went fully cashless. These efforts not only enhance passenger experience but also contribute to our broader goals of reducing environmental impact.

We are looking at improving the infrastructure for SPTC so that they can further improve the services they provide. Along with the help of the Ministry of Lands, we have secured land at Ile Du Port on Mahe and land at Eve Island on Praslin, these areas will be utilised by SPTC to improve their infrastructures, which ties in with our goals of sustainability and modernization.

As we look to the future, the SPTC is poised to play an even more significant role in shaping the transportation landscape of Seychelles. Together, we will continue to invest in our public transport system, ensuring it meets the evolving needs of our society while preserving the unique beauty of our islands.

*Mr. Antony Derjacques  
Minister For Transport*



## 6.8 Seychelles Petroleum Company Group Ltd. (SEYPEC)

### 6.8.1 Strategic Overview

#### 6.8.1.1 Mandate

Fulfilling the country's energy requirements through the supply of fuel.

#### 6.8.1.2 Vision

SEYPECs vision is to become the leading oil company in the Western Indian Ocean, making Seychelles a regional and strategic hub for petroleum-related activities.

#### 6.8.1.3 Mission

SEYPEC's mission is to ensure the security of supply of petroleum for Seychelles energy needs and in doing so, provide its customers with fast, responsive and reliable services and quality products. SEYPEC engages directly or indirectly in all petroleum-related activities that adds value to its business.

#### 6.8.1.4 Strategic Priorities for 2025-2027

Expand SEYPECs customer base in the regional markets:

- 1) Map out regional requirements for petroleum products
- 2) Assess market opportunities for high sea bunkering and onshore supply
- 3) Develop a joint venture with a shipping company for charter
- 4) Promote offshore bunkering services
- 5) Promote onshore supply in the region
- 6) Reassess the bulk product supply chain to optimise the company's market competitiveness

Promote health, safety, security and environmental awareness to stakeholders:

- 1) Raise awareness of health and safety policies inclusive of ISO 45001, Emergency Evacuation Plan and Fire Policy at all levels within the company
- 2) Develop and implement education programmes and forums to ensure employees understand their individual roles and responsibilities within the health and safety strategy
- 3) Develop a health and safety communication plan for its stakeholders
- 4) Systematically review all incidents to determine root causes and apply corrective actions
- 5) Develop the competencies of employees to identify hazards and ensure that risks are effectively controlled within their area of work
- 6) Raise awareness of best practices in personal health to promote an optimal work life balance
- 7) Ensure that industry approved tools are available for use in all department

Mitigate negative impacts of the company's operations on the environment:

- 1) Ensure the supply of products that promote cleaner emissions into the environment
- 2) Ensure that all waste are disposed in an environmentally safe manner
- 3) Improve control measures across the company's operations to minimise the risks of spillages

- 4) Purchase environmentally friendly goods and service

Develop an effective public relations and communication policy to enhance our corporate image:

- 1) Ensure that staff are well informed about developments within the company
- 2) Expand the remit of the BP meetings to include the dissemination of information regarding company services and activities
- 3) Promote forums of communication between line managers, supervisors and subordinates
- 4) Enhance the public relations of the company to maximize engagement of stakeholders
- 5) Develop a greater presence across social media platforms
- 6) Showcase the successes of SEYPEC as a reputable business and employer
- 7) Enhance the company's presence in the community through donations
- 8) Enhance SEYPEC's image through Modernisation of its brand
- 9) Introduce appropriate attire across all service stations to ensure a standardized company image
- 10) Engage regularly with customers to ascertain customer satisfaction for continuous improvement

Consolidate talent management to build synergies and improve business performance

- 1) Determine present and future requirements of the organization to ensure efficient staff establishment
- 2) Ensure continuous implementation of the training and development plan to improve capacity building in the workplace
- 3) Institutionalize performance management of employees to achieve company objectives
- 4) Continue to develop an equitable staff recognition Programme

Enhance the company's asset management philosophy:

- 1) Implement a defined vehicle management plan
- 2) Assess and implement options for feasible tanker fleet replacement
- 3) Upgrade operational equipment to align the company to modern industry standards and practices
- 4) Reinforce the management of LPG cylinder stock through the use of RFID
- 5) Maintain an efficient and secure IT support for the organisation
- 6) Enforce a robust preventive maintenance schedule for all operational assets
- 7) Integrate energy efficient methodologies across the company's operations to reduce negative impact on the environment

Manage the Company's Finances to Optimize Shareholder's Wealth:

- 1) Enhance credit control procedures to minimise risk of financial losses
- 2) Improve the control and management of budget at operational level
- 3) Explore investment opportunities available in the market to maximize financial returns
- 4) Modernize financial transactions to maximize the use of digital platforms and promote efficiency

- 5) Establish and execute an internal audit Programme

#### 6.8.1.5 *Key Challenges*

##### Health and Safety:

- 1) Adapting to ISO 45001 standards for health and safety.
- 2) Need to shift from safety being a stand-alone function to involving all employees.
- 3) Engaging the workforce at all levels in health and safety matters.

##### Viability of Tanker Fleet:

- 1) Aging tanker fleet requires replacement strategy.
- 2) Competing with newer, more fuel-efficient tankers.

##### Depot Assets/Operational Equipment:

- 1) Need for investment in technology for bunkering.
- 3) Marketing strategy for the Indian Ocean region requires improvement.
- 4) Equipment upgrades for safety and operational efficiency.

##### LPG Management:

- 1) Transition from steel to composite cylinders causes shortages.
- 2) Proper disposal strategy needed for scrapped steel cylinders.

##### Petrol Stations:

- 1) Non-compliant practices by station operators affect SEYPEC's standards.
- 2) Need to reinforce operator education for compliance.

##### Communication:

- 1) Need for more extensive communication through mainstream and social media.
- 2) Proactive public relations approach for timely engagement.

##### Human Resources:

- 1) Moderate attrition rate necessitates more spending on training and development.
- 2) Focus on improving retention strategies and recognition.
- 3) Address attendance issues and abuse of sick leave.

##### Cybersecurity:

- 1) Vulnerabilities identified in IT system require timely updates, upgrades, and monitoring.
- 2) Installation of a robust firewall system.

**Payment and Credit Control:**

- 1) Need for a more robust collection process and synchronization with ERP.
- 2) Encourage digital payment methods to boost efficiency.

**Government Control:**

- 1) Government-imposed social policies affecting financial sustainability.
- 2) Subsidies, price controls, and salary increases may strain company finances.

**Cost of Fuel - World Market Movements:**

- 1) Fluctuations in global fuel prices impacting foreign currency requirements and competitiveness.
- 2) Challenges for smaller entities in Seychelles due to economies of scale.

**Multiple Currency Trading:**

- 1) Trading in two base currencies (SCR and US\$) with currency fluctuation risks.
- 2) Potential impact on financial performance if currency values deviate significantly from the optimal point.
- 3) Unavailability of foreign exchange that could have an adverse effect in the company trading potential.

## 6.8.2 Outlook of Financial Strategy

### 6.8.2.1 Projected Financial Position of SEYPEC

	USD ('000)						
	Actual figures		Provisional		Forecast		
	2021	2022	2023	2024	2025	2026	2027
	USD						
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
Property, plant and equipment	321,522	176,187	167,413	183,542	178,520	169,195	227,483
Right-of-use assets	2,316	2,217	2,174	2,119	2,076	2,033	1,989
Intangible assets	1,372	1,526	1,272	-	-	-	-
Investment in subsidiaries	-	-	-	5	5	5	5
Investment in financial assets	4	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>325,213</b>	<b>179,930</b>	<b>170,859</b>	<b>185,665</b>	<b>180,601</b>	<b>171,233</b>	<b>229,477</b>
<b>Current assets</b>							
Inventories	19,371	34,413	15,273	23,241	23,241	23,241	23,241
Tax recoverable		55	378				
Trade and other receivables	35,200	34,290	34,278	36,582	36,582	36,582	36,582
Cash and cash equivalents	35,385	81,901	89,354	111,246	138,438	176,680	176,488
Non-current assets held for sale	4,610	-	-				
<b>Total Current assets</b>	<b>94,566</b>	<b>150,659</b>	<b>139,283</b>	<b>171,070</b>	<b>198,261</b>	<b>236,504</b>	<b>236,311</b>
<b>Total Assets</b>	<b>419,779</b>	<b>330,589</b>	<b>310,142</b>	<b>356,735</b>	<b>378,862</b>	<b>407,736</b>	<b>465,789</b>
<b>EQUITY AND LIABILITIES</b>							
Capital and reserves							
Share capital	8,595	3,299	3,299	3,299	3,299	3,299	3,299
Other reserves	254,529	223,312	223,396	220,824	220,824	220,824	220,824
Retained earnings	99,760	19,297	31,856	86,956	106,534	133,183	135,434
	<b>362,885</b>	<b>245,908</b>	<b>258,552</b>	<b>311,079</b>	<b>330,658</b>	<b>357,306</b>	<b>359,558</b>
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
Long term Loan							54,000
Lease liabilities	2,372	2,371	2,370	2,192	2,016	1,841	1,666
Deferred tax liabilities	7,669	5,182	3,471	2,685	2,685	2,685	2,685
Length of service provision	1,691	2,140	2,400	-	-	-	-
<b>Total Non-current Liabilities</b>	<b>11,732</b>	<b>9,693</b>	<b>8,241</b>	<b>4,877</b>	<b>4,701</b>	<b>4,526</b>	<b>4,351</b>
<b>Current liabilities</b>							
Lease liabilities	3	3	1	1	1	1	1
Trade and other payables	45,160	74,984	43,348	40,778	43,504	45,904	47,880
<b>Total Current liabilities</b>	<b>45,163</b>	<b>74,987</b>	<b>43,349</b>	<b>40,779</b>	<b>43,505</b>	<b>45,905</b>	<b>47,880</b>
<b>Total Liabilities</b>	<b>56,895</b>	<b>84,681</b>	<b>51,590</b>	<b>45,656</b>	<b>48,205</b>	<b>50,430</b>	<b>52,231</b>
<b>Total equity and liabilities</b>	<b>419,779</b>	<b>330,589</b>	<b>310,142</b>	<b>356,735</b>	<b>378,863</b>	<b>407,736</b>	<b>465,789</b>

6.8.2.2 *Projected Statement of Comprehensive Income of SEYPEC*

USD ('000)

STATEMENT OF COMPREHENSIVE INCOME	Actual figures		Provisional		Forecast		
	2021	2022	2023	2024	2025	2026	2027
	USD	USD	USD	USD	USD	USD	USD
Revenue	308,000	485,282	469,010	445,250	436,994	437,893	446,018
Cost of sales	(299,743)	(461,865)	(430,757)	(403,389)	(397,677)	(402,017)	(414,394)
Gross profit	<b>8,257</b>	<b>23,417</b>	<b>38,253</b>	<b>41,861</b>	<b>39,317</b>	<b>35,875</b>	<b>31,623</b>
Selling & marketing expenses	(32)	(31)	(34)	(52)	(313)	(113)	(117)
Administrative expenses	(10,890)	(13,009)	(13,435)	(17,024)	(18,017)	(18,290)	(18,666)
Other income	7,925	11,753	6,967	15,895	14,118	19,134	5,094
Reversal/(charge)of credit impairment	(629)	318	(176)	-	-	-	-
Other gains/(losses)-Net	(38,607)	2,733	3,390	4,493	-	-	-
	<b>(33,976)</b>	<b>25,182</b>	<b>34,965</b>	<b>45,174</b>	<b>35,104</b>	<b>36,606</b>	<b>17,934</b>
Finance cost	(229)	(222)	(208)	(283)	(215)	(221)	(228)
Fiance income	290	9	9	-	-	-	-
<b>Profit/(loss)before taxation</b>	<b>(33,916)</b>	<b>24,970</b>	<b>34,766</b>	<b>44,890</b>	<b>34,889</b>	<b>36,386</b>	<b>17,706</b>
Taxation(charge)/credit	22,123	(2,573)	(4,463)	(6,827)	(8,276)	(7,888)	(7,384)
<b>Profit/(loss)for the year</b>	<b>(11,793)</b>	<b>22,397</b>	<b>30,304</b>	<b>38,063</b>	<b>26,613</b>	<b>28,498</b>	<b>10,322</b>

6.8.2.3 *Projected Cash flow Statement of Seychelles Petroleum Company Ltd.*

	USD ('000)						
	Actual figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
	USD						
<b>Cash flows generated from operations</b>							
<b>Cash generated from /(used in )</b>							
<b>Operations</b>	(17,094)	<b>61,489</b>	<b>36,698</b>	<b>37,365</b>	<b>47,172</b>	<b>48,521</b>	<b>33,136</b>
Finance income	290	9	9	-	-	-	-
<b>Tax refund</b>	(16,805)	<b>61,499</b>	<b>36,708</b>	<b>37,365</b>	<b>47,172</b>	<b>48,521</b>	<b>33,136</b>
			468				
Tax Paid	(10,450)	(4,472)	(6,964)	(264)	(5,551)	(5,495)	(5,408)
Retirement benefit obligations	(155)	(544)	(529)	(280)	(280)	(280)	(280)
<b>Net cash generated /(used in )from operating activities</b>	<b>(27,410)</b>	<b>56,483</b>	<b>29,682</b>	<b>36,821</b>	<b>41,340</b>	<b>42,746</b>	<b>27,447</b>
<b>Cash flows from investing activities</b>							
Purchase of property and equipment	(3,949)	(2,596)	(2,861)	(14,957)	(14,177)	(33,028)	(73,390)
Proceeds from sale of equipment	27	5,894		16,954	16,954	45,276	
Repayment of lease liability	(3)	(1)	(3)	-	-	-	-
Addition to financial assets	-	-	-	-	-	-	-
Redemption of financial assets	10,106	-	-	-	-	-	-
Finance costs	(229)	(222)	(208)	-	-	-	-
<b>Net cash generated from investing activities</b>	<b>5,952</b>	<b>3,075</b>	<b>(3,072)</b>	<b>1,997</b>	<b>2,777</b>	<b>12,248</b>	<b>(73,390)</b>
<b>Cash flows from financing activities</b>							
	-	-	-	-	-	-	60,000
<b>Loans</b>	-	-	-	-	-	-	(6,000)
Principal Payback	(16,496)	(17,175)	(17,150)	(16,926)	(16,926)	(16,756)	(8,245)
<b>Dividends and Net cash used in financing activities</b>	<b>(16,496)</b>	<b>(17,175)</b>	<b>(17,150)</b>	<b>(16,926)</b>	<b>(16,926)</b>	<b>(16,756)</b>	<b>45,755</b>
	-	-	-	-	-	-	-
<b>Net increase /(decrease )in cash and cash</b>	<b>(37,954)</b>	<b>42,383</b>	<b>9,460</b>	<b>21,892</b>	<b>27,191</b>	<b>38,237</b>	<b>(187)</b>
<b>Movement in cash and cash equivalents</b>							
At January 1,	21,757	35,385	81,901	89,354	111,246	138,438	176,675
Increase /(Decrease )	(37,954)	42,383	9,460	21,892	27,191	38,237	(187)
Foreign exchange differences	51,582	4,132	(2,006)	-	-	-	-
<b>At December 31</b>	<b>35,385</b>	<b>81,901</b>	<b>89,354</b>	<b>111,246</b>	<b>138,438</b>	<b>176,675</b>	<b>176,488</b>

#### 6.8.2.4 Projected Capital Investment Plan of Seychelles Petroleum Company Ltd.

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Finds	Year of Project Commenced	Expected Completion Date	Actual		Provisional		Forecast		
							2021	2022	2023	2024	2025	2026	2027
<i>Major Capital Investments</i>													SCR (000)
3 HMT UNIDECK INTERNAL FLOATING ROOFS TANKS	-	-	-	Internal	-	31/03/2020	-	-	-	-	-	-	-
99KW PV SYSTEM INSTALLATION FOR VICTORIA	-	-	-	Internal	-	31/03/2020	-	-	-	-	-	-	-
PIPELINE FISHING PORT BUNKER PIPELINE	-	-	-	Internal	-	30/06/2020	-	-	-	-	-	-	-
CONCRETING OF INTERIOR OF TANK 22, 23 & 24 BUNDWALL	-	-	-	Internal	-	30/06/2020	-	-	-	-	-	-	-
BOUNDARY WALL PROJECT AT SOUTH TANK FARM	-	-	-	Internal	-	30/09/2020	-	-	-	-	-	-	-
AUTOMATIC TANK GUAGING SYSTEM INSTALLATION FOR AIRPORT DEPOT	-	-	-	Internal	-	31/12/2020	-	-	-	-	-	-	-
Coriolis meters on bunker pipeline network	-	-	-	Internal	-	31/03/2021	2,483	-	-	-	-	-	-
BELOMBRE RE-fuelling STATION	-	-	-	Internal	-	30/09/2021	6,683	-	-	-	-	-	-
Renewal of bund wall and concreting of interior at north Tank Farm (Tanks 1-15)	-	-	-	Internal	-	30/09/2021	16,335	-	-	-	-	-	-
Parking shed for tanker trucks at Victoria depot	-	-	-	Internal	-	30/09/2021	1,986	-	-	-	-	-	-
TANKS GAUGES AND ALARMS UPGRADE FOR PORT VICTORIA	-	-	-	Internal	-	31/01/2022	-	4,605	-	-	-	-	-
Filing Carousel LPG DEPOT NEW PORT	-	-	-	Internal	-	31/01/2022	-	3,409	-	-	-	-	-
LPG FILLING PLANT MODIFICATIONS - NEWPORT - LPGPLT-MOD	-	-	-	Internal	-	31/03/2022	-	1,734	-	-	-	-	-
BEAUVALLON PETROL STATION & Tank Replacement at BVSS	-	-	-	Internal	-	30/09/2022	-	9,795	-	-	-	-	-
INSTALLATION 85KW PHOTO-VOLTAIC SYSTEM AT VICTORIA DEPOT	-	-	-	Internal	-	30/09/2022	-	1,776	-	-	-	-	-
Replacement of firefighting pipeline (red colour) and vertical pipes for fuel tanks 26, 27 & 28	-	-	-	Internal	-	30/09/2022	-	1,300	-	-	-	-	-
Renovation of Beau Vallon Petrol Station	-	-	-	Internal	-	2023	-	-	207	-	-	-	-
INTERIOR INSPECTION OF JETA1 TRANSFER PIPELINE AND AIRPORT DEPOT HYDRANT NETWORK	-	-	-	Internal	-	2023	-	-	3,664	-	-	-	-
INSTALATION OF SOLAR PANEL BELOMBRE RE-fuelling STATION	-	-	-	Internal	-	2023	-	-	219	-	-	-	-

Renewal of bund wall and concreting of interior at north Tank Farm	-	-	-	-	Internal	-	2023	-	-	37	-	-	-	-	-
Filtering Unit for Jet A1 Tanker Discharge Pipeline	-	-	-	-	Internal	-	2023	-	900	1,288	-	-	-	-	-
Interior surface concreting at tanks 16, 17 & 25 on Victoria depot	-	-	-	-	Internal	-	2023	-	-	2,556	-	-	-	-	-
Extension to store warehouse - Phase 2	-	-	-	-	Internal	-	2023	-	-	14	-	-	-	-	-
CIVIL WORKS FOR INSTALLATION OF ONE NEW FUEL TANK AT COAST GUARD, PERSEVERANCE	-	-	-	-	Internal	-	2023	-	-	106	-	-	-	-	-
Internal Floating Roofs for Unleaded Mogas Tanks – Phase 2	-	-	-	-	Internal	-	2023	-	-	4,646	-	-	-	-	-
Renew Fire Water Deluge pipes on four tanks on Praslin Depot.	-	-	-	-	Internal	-	2023	-	-	323	-	-	-	-	-
Replacement of 110m of 20" firefighting pipeline in front of LPG bullet tanks.	-	-	-	-	Internal	-	2024	-	-	757	900	-	-	-	-
Replacement of submerged pipeline from Commercial Port North to Fishing Port.	-	-	-	-	Internal	-	2023	-	-	1,001	-	-	-	-	-
Fixing of a pump to the Jet A1 sampling pipeline network at the Port Victoria Depot	-	-	-	-	Internal	-	2023	-	-	3,165	-	-	-	-	-
RFID PROJECT	-	-	-	-	Internal	-	2023	-	-	467	-	-	-	-	-
Replacement of 1 light mast near the Bulk loading gantry	-	-	-	-	Internal	-	2023	-	-	412	-	-	-	-	-
Construction of walkway in North tank farm	-	-	-	-	Internal	-	2023	-	-	145	-	-	-	-	-
SPDF PROJ - FUEL STORAGE & DELIVERY FACILITY - ASSUMPTION	-	-	-	-	Internal	-	2023	-	-	2,638	-	-	-	-	-
Sand blasting & epicoating of tanks 22, 23 & 24 on Victoria depot.	-	-	-	-	Internal	-	2023	-	-	997	-	-	-	-	-
INSTALL JET A1 DOPING PUMP FOR STADIS ON TRANSFER LINE AT PVD	-	-	-	-	Internal	-	2023	-	-	40	-	-	-	-	-
INSTALATION OF DEADMANS SWITCH PROJECT AIRPORT DEPOT	-	-	-	-	Internal	-	2023	-	-	37	-	-	-	-	-
BELOMBRE Dredging	-	-	-	-	Internal	-	2025	-	-	402	378	3,000	-	-	-
Repair of rock armouring and backfill at La Digue Petrol Station	-	-	-	-	Internal	-	2023	-	-	2,295	-	-	-	-	-
Installation of an additional Avgas tank and pumping facility at the Airport Depot	-	-	-	-	Internal	-	2023	-	-	555	-	-	-	-	-
RPLACE TWO SETS OF STAIRS AND RAILS AND MANUFACTURE TWO NEW SETS FOR THE FOUR LPG TANSK ON PRASLIN	-	-	-	-	Internal	-	2023	-	-	193	-	-	-	-	-
Cleaning and Epicoating of tank 2 and 8 shells to 1.4m height	-	-	-	-	Internal	-	2023	-	-	230	-	-	-	-	-
REPLACEMENT OF TANK NO BOTTOM PLATE	-	-	-	-	Internal	-	2024	-	-	307	1,200	-	-	-	-

Drain at pump house number 5	-	-	-	-	Internal	-	2023	-	-	83	-	-	-	-
RELOCATION OF SEA WATER PUMPING SATION AT THE COMMERCIAL PORT	-	-	-	-	Internal	-	2026	-	-	300	6,000	5,000		
INSTALL ELECTRICAL PUMP AND ALTER PIPELINES FOR JET A1 SAMPLING SYSTEM AT PVD (CONT 2022)	-	-	-	-	Internal	-	2024		200	50	50	-	-	-
NEW LUBRICANT SHED FOR PORT VICTORIA DEPOT	-	-	-	-	Internal	-	2024	-	-	1,750	-	-	-	-
MARINE FUEL STATION FOR BAIE STE. ANNE PRASLIN JETTIES	-	-	-	-	Internal	-	2025	-	-	39	1,125	3,375	-	-
Repair works to rock armouring on Praslin Depot	-	-	-	-	Internal	-	2024	-	-	4,300	-	-	-	-
Construct shed for spray booth on Victoria depot	-	-	-	-	Internal	-	2024	-	-	1,500	-	-	-	-
DIVERT TANKER LOADING AND DISCHARGE POINTS AND PIPELINES AT COMMERCIAL PORT	-	-	-	-	Internal	-	2025	-	-	-	3,000	3,000		
WORKSHOP, OFFICE, MEETING ROOM AND TOILETS PRASLIN DEPOT	-	-	-	-	Internal	-	2024	-	-	2,500	2,100			
ADDITIONAL OFFICE IN WAREHOUSE	-	-	-	-	Internal	-	2024	-	-	391	-	-	-	-
PARKING FACILITIES FOR LPG TANK TRAILERS PORT VICTORIA DEPOT	-	-	-	-	Internal	-	2024	-	-	161	-	-	-	-
REFUEL PONTOON FOR LA DIGUE PETROL STATION	-	-	-	-	Internal	-	2025	-	-	1,300	1,400	-	-	-
TYRE STORE FOR AIRPORT PETROL STATION	-	-	-	-	Internal	-	2024	-	-	750	-	-	-	-
RENOVATION OF STAFF QUARTERS PORT VICTORIA DEPOT	-	-	-	-	Internal	-	2024	-	-	500	-	-	-	-
ROAD AND KERB REPAIRS AND NEW WALKWAY PORT VICTORIA DEPOT	-	-	-	-	Internal	-	2024	-	-	1,000	-	-	-	-
RE-ROOFING OF LPG TANKER TRUCK PARKING SHED PORT VICTORIA DEPOT	-	-	-	-	Internal	-	2024	-	-	350	-	-	-	-
INSTALL SEWERAGE HOLDING TANK AT AIRPORT PETROL STATION	-	-	-	-	Internal	-	2024	-	-	150	-	-	-	-
REPAIR BOUNDARY AND BUNDWALL LA DIGUE PETROL STATION	-	-	-	-	Internal	-	2024	-	-	500	-	-	-	-
RE-SURFACE FORECOURT LA DIGUE PETROL STATION	-	-	-	-	Internal	-	2024	-	-	1,500	-	-	-	-
REPLACE ROOF AT VICTORIA SOUTH PETROL STATION	-	-	-	-	Internal	-	2024	-	-	325	-	-	-	-

XSI501ENN - tanker ETD Jan 27	-	-	-	-	Internal/External	-	2027	-	-	-	79,758	119,637	199,395	398,790		
XSI501FNN - tanker ETD Apr 27	-	-	-	-	Internal/External	-	2027	-	-	-	79,758	-	-	-		
REPLACE FIRE WATER TANK FOR PRASLIN DEPOT (NEW)	-	-	-	-	Internal	-	2025	-	-	-	-	1,900	-	-		
REPLACE TANK 28 DELUGE PIPELINE	-	-	-	-	Internal	-	2025	-	-	-	-	900	-	-		
RE-ROOF OPERATIONS AND TECHNICAL BUILDING NEW PORT	-	-	-	-	Internal	-	2025	-	-	-	-	850	-	-		
RE-LOCATE BAIE LAZARE PETROL STATION *	-	-	-	-	Internal	-	2026	-	-	-	-	2,000	5,000	-		
RE-LOCATE ANSE ROYALE PETROL STATION *	-	-	-	-	Internal	-	2026	-	-	-	-	2,000	8,000	-		
CONCRETE AIRPORT DEPOT TANK FARM *	-	-	-	-	Internal	-	2025	-	-	-	-	3,500	-	-		
SURFACE LPG DEPOT BUND WALL - PHASE 2 (NEW)	-	-	-	-	Internal	-	2025	-	-	-	-	2,000	-	-		
INTERNAL FLOATING ROOF FOR ULM TANK ON PRASLIN DEPOT (NEW)	-	-	-	-	Internal	-	2025	-	-	-	-	850	-	-		
CLAD FENCE AREA AT THE WAREHOUSE PVD	-	-	-	-	Internal	-	2025	-	-	-	-	400	-	-		
PARTITION LPG MAINTENANCE SHED	-	-	-	-	Internal	-	2025	-	-	-	-	400	-	-		
ALTER WELDING AND FABRICATION WORKSHOP	-	-	-	-	Internal	-	2025	-	-	-	-	300	-	-		
REPLACE SUBMERSIBLE PIPELINE FISHING PORT TO IPHS	-	-	-	-	Internal	-	2026	-	-	-	-	-	1,500	-		
REPLACE TEST RIG AIRPORT DEPOT	-	-	-	-	Internal	-	2026	-	-	-	-	-	600	-		
REPLACE CHAIN LINK FENCE WITH SOLID WALL AT PORT VICTORIA (STC BOUNDARY)	-	-	-	-	Internal	-	2026	-	-	-	-	-	2,200	-		
REPLACE CHAIN LINK FENCE WITH SOLID WALL AT PRASLIN DEPOT (FACING THE ROAD)	-	-	-	-	Internal	-	2026	-	-	-	-	-	2,200	-		
UPGRADE TO FIRE-FIGHTING SYSTEM AT THE PORT VICTORIA DEPOT TO SUIT NFPA REVISED NORM	-	-	-	-	Internal	-	2026	-	-	-	-	-	2,000	-		
REPLACE POTABLE WATER TANK FOR PORT VICTORIA DEPOT (NEW)	-	-	-	-	Internal	-	2026	-	-	-	-	-	90	-		
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	27,487	23,719	26,871	180,447	428,380	917,217

\*SEYPEC did not provide the project purpose and description, expected outcomes, total estimated costs, or anticipated risks in their Capital Investment table.

### 6.8.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

#### 6.8.3.1 Tax Implications by the Operations of Seychelles Petroleum Company Ltd.

Type of Tax	TAX IMPLICATION							USD (000)	
	Actual Figures			Provisional	Forecast				
	2021 (USD)	2022 (USD)	2023 (USD)	2024 (USD)	2025 (USD)	2026 (USD)	2027 (USD)		
<b>Business Tax</b>	22,123	(2,573)	(4,463)	(6,827)	(8,276)	(7,888)	(7,384)		
<b>PIT</b>	-	-	-	-	-	-	-		
<b>VAT</b>	-	-	-	-	-	-	-		
<b>Total</b>	22,123	(2,573)	(4,463)	(6,827)	(8,276)	(7,888)	(7,384)		

\*Details not provided on PIT

#### 6.8.3.2 Anticipated Dividend Declarations By Seychelles Petroleum Company Ltd.

Nature of Dividend	DIVIDEND							SCR ('000)	
	Actual Figures			Provisional	Forecast				
	2021 (SCR)	2022 (SCR)	2023 (SCR)	2024 (SCR)	2025 (SCR)	2026 (SCR)	2027 (SCR)		
<b>Dividends in Cash</b>	260,000	250,000	250,000	250,000	250,000	250,000	150,000		

#### 6.8.3.3 Debt Payments Forecasts By Seychelles Petroleum Company Ltd.

SEYPPEC does not have any anticipated debt obligations.

#### 6.8.3.4 Anticipated Subventions and Grants By Seychelles Petroleum Company Ltd.

SEYPPEC does not anticipate in obtaining any subventions or grants.

#### 6.8.3.5 Contingencies of Seychelles Petroleum Company Ltd.

SEYPPEC does not anticipate any contingent liabilities.

### 6.8.3.6 Assumptions used for the Financial Projections of Seychelles Petroleum Company Ltd.

#### Forex

- USD Rate: 14.77 for 2024 – 2025; 14.92 for 2026; 15.16 for 2027

#### Sales:

- Past trends of sales and demand forecasts for the fuel products by the large companies have been used to create the revised 2024 & 2025 budgets. In general, based on past trends it is expected that there will be a yearly increase per product per segment on volumes for 2026 & 2027.

#### Prices:

- Prices as of end of June 2024, which is the premium charged by the supplier have been used to forecast the prices for the budget, at a constant current level since prices is very dependent on market conditions (backwardation/contango) which we cannot forecast. We have considered the expected margin which is based on the average margins received in 2024.

#### Tanker

- Sale of Pioneer for USD 17.3m in late 2024 and sell Progress for USD 17.3m in Jan 25
- Earnings for 2025/2026 are based on the current time charter rates for the tankers not being sold.
- Sale of Prelude and Patriot in Dec 26 for USD 22.4m and USD 23.8m respectively
- Earnings for 2027 is on a time charter rate provided by American Bureau of Shipping

#### Expenses

- Expenses for the provisional 2024 and 2025 budget are based on requirements of the company. For 2026, a 3.5% inflationary increase was applied on certain expenses from 2025 and for 2027 a 3.5% inflationary increase was applied on certain expenses from 2026.

## 6.8.4 KPIs, Risk Management Strategy and Reporting Obligations

### 6.8.4.1 Key Performance Indicators of the Seychelles Petroleum Company Ltd.

KPIs are to be designed and approved by the BoDs of SEYPEC.

### 6.8.4.2 Risks and Resilience Plan of the Seychelles Petroleum Company Ltd.

Details Not Provided

### 6.8.4.3 List of External Reporting's by the Seychelles Petroleum Company Ltd.

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
Balance of Payments Data	Staff from the Central Bank of Seychelles	A summary in terms of data tables of key inflows and outflows from the company as well as key movements in terms Debtors and Payables	Quarterly
Quarterly indicator	National Bureau of Statistics	Domestic and re-export data (both volumes & values)	Quarterly
SEYPEC Stats	Staff from the Central Bank of Seychelles	Domestic data, re-export data, Summary of fuel imports, Summary of FX purchases	Quarterly
Management accounts	PEMC	Profit and loss account, Balance sheet, cash flow position, Domestic and re-export data	Quarterly
Petroleum Supply & sales	Energy Commission	A summary of all imports and sales by sector and major consumers	Annual

## 6.8.5 Stakeholder Engagement

### 6.8.5.1 Statement by CEO

As the CEO of the Seychelles Petroleum Company, I am honored to reaffirm my commitment to fulfilling the strategic objectives and performance benchmarks set by SEYPEC, as we continue to lead the company towards excellence in the energy sector. Next year will mark a significant milestone as SEYPEC celebrates its 40th anniversary of existence.

In line with our renewed strategy for the tanker business, we are taking steps to replace two of our older vessels, ensuring that our fleet remains efficient and capable of meeting market demands. Furthermore, we are also in the process of planning two new fuel stations in the south of Mahé, which will replace the existing Anse Royale and Baie Lazare stations, enhancing our service reach in the Southern region.

As part of our continued commitment to fostering a strong and dynamic workforce, we are reviewing our HR and remuneration policies to ensure they reflect best practices and meet the evolving needs of our employees. Staff training will remain a priority, as we recognize the importance of continuous development in maintaining operational excellence. Looking ahead, we are also preparing to implement a comprehensive business continuity plan for 2025. This plan will ensure that SEYPEC remains resilient and prepared for any unforeseen disruptions, safeguarding both our operations and our ability to serve the nation.

The industry in which SEYPEC operates is dynamic and constantly evolving. As such, we remain fully committed to staying ahead of the curve, whether through the adoption of innovative technologies or exploring new market opportunities. Our company's growth strategy hinges on adapting to changing market dynamics and remaining relevant to the expectations of our customers.

While challenges such as market volatility, environmental concerns, and regulatory changes are inherent in our industry, we view these as opportunities for growth and improvement. SEYPEC is committed to developing proactive strategies to mitigate risks and embrace adversity as a path toward excellence.

We aim to optimize our resources, ensuring that every investment aligns with our strategic objectives. Through a disciplined approach to cost management, we will continue to enhance our operational efficiency and profitability. Our success will be measured by our ability to meet our goals, aligning our entire organization with a culture of accountability, innovation, and continuous improvement.

Together, the SEYPEC team will navigate challenges, seize opportunities, and maximize resources to fulfill the vision we have set for the company and ensure its continued success in the years to come.

*Mrs. Sarah Romain  
Chief Executive Officer*

#### 6.8.5.2 *Foreword by Chairperson*

It is with great pleasure that I reflect on the journey of the Seychelles Petroleum Company as its Chairperson and share its vision for the future. As SEYPEC prepares to celebrate its 40th anniversary in 2025, we take pride in the company's legacy of resilience, growth, and unwavering commitment to national energy security. Nationalized in 1985 to safeguard Seychelles' energy needs, SEYPEC has become a cornerstone of our nation's development.

Over the years, SEYPEC has made significant investments in infrastructure, technology, and human capital to meet the evolving needs of the population. These investments have included building new petrol stations, expanding our storage depots, acquiring a specialized vehicle fleet for fuel distribution, and developing a robust shipping arm. At the heart of these efforts is a dedicated pool of skilled workers who have continuously ensured that SEYPEC remains a beacon of reliability in the energy sector.

Today, SEYPEC's operations, both domestically and internationally, are robust and well-positioned to meet the future's challenges. Our commitment to sustainability is firm as we continue to play a pivotal role in securing Seychelles' energy future. Looking ahead, SEYPEC aims to strengthen its visibility and solidify its position as a key player in the energy landscape. By the culmination of 2025 and beyond, we envision SEYPEC being recognized as a critical partner in advancing energy sustainability and security for the nation.

SEYPEC has a long-standing track record of contributing significantly to Seychelles' economy, and this will continue as the company generates revenue and contributes to the national budget. Our strategic priorities align with the broader national goals of Seychelles, focusing on technology innovation, environmental responsibility, and community engagement. We aim to be seen not only as a reliable provider of energy but as a responsible corporate entity that positively contributes to the nation's well-being.

The Medium-Term Financial Strategy (MTFS) continues to provide a guiding framework for our financial planning, ensuring that SEYPEC achieves sustainable growth and financial stability. This strategy will act as our compass as we navigate the coming years and work toward realizing our long-term vision.

SEYPEC is dedicated to supporting the nation's prosperity and is ready to embrace the future with resolve, innovation, and responsibility. Together with our valued partners, stakeholders, and talented team, we will continue to illuminate the path towards a brighter, more sustainable future for Seychelles.

#### 6.8.5.3 *Statement by the Responsible Minister*

As SEYPEC approaches its 40th anniversary, we recognize the company's pivotal role in securing Seychelles' energy needs and driving economic development. Since its nationalization in 1985, SEYPEC has been a cornerstone of our economy, significantly contributing to the national budget while maintaining a reliable energy supply.

The investments SEYPEC has made in its infrastructure, technology, and workforce have positioned the company to meet both domestic and international demands. With plans to modernize its tanker fleet and expand its fuel stations, SEYPEC is well-prepared to continue meeting the needs of our people and economy.

However, as we navigate global energy challenges, it is clear that the path forward requires a transition to more sustainable practices. SEYPEC is tasked with playing a greater role in accelerating our shift toward renewable energy, integrating green solutions, and supporting our broader goals of energy sustainability. This includes exploring new technologies, developing alternative energy sources, and actively participating in initiatives that will reduce our carbon footprint and ensuring long-term economic stability.

SEYPEC's strategic importance extends beyond energy supply; it is a key contributor to our fiscal framework, supporting government revenues through its operations. The company's robust financial management, guided by the Medium-Term Financial Strategy, will ensure it remains a strong pillar in Seychelles' development.

As Minister responsible for SEYPEC, I am confident in the company's leadership and commitment to this vision. Together, we will build a more sustainable, secure, and prosperous energy sector that benefits our economy and ensures a brighter future for all Seychellois.

## 6.9 Public Utilities Corporation (PUC)



### 6.9.1 Strategic Overview

#### 6.9.1.1 Mandate

Our mission is to ensure safe, reliable, and cost-effective delivery of electricity, water, and wastewater services.

#### 6.9.1.2 Vision

We envisaged to be a model organization supporting socio-economic development in Seychelles.

#### 6.9.1.3 Mission

- We envision a Seychelles where we provide an efficient, safe, and reliable supply of electricity and treated water, along with responsible wastewater management, all while prioritizing the well-being of the environment and our customers.
- Our goal is to cultivate a trust-based workplace culture where employees feel a strong sense of belonging and loyalty, fostering their growth and development.
- We actively promote the sustainable development of renewable energy to reduce our dependence on imported fossil fuels, contributing to our envisioned future for Seychelles.
- We aspire to continuously adapt to technological advancements, striving to enhance our services in line with our vision for Seychelles.

#### 6.9.1.4 Strategic Priorities for 2025-2027

PUC's strategic objectives for 2025-2027 encompass five key perspectives, each with its own set of goals:

##### 1. People and Workplace Perspective:

- **Cultivate a Trust-Based Workplace:** Foster a workplace culture built on trust, where employees feel a strong sense of belonging and loyalty.
- **Prioritize Employee Well-Being:** Ensure the well-being and safety of employees through effective risk management.
- **Attract, Develop, and Retain a Diverse and Skilled Workforce:** Attract, nurture, and retain a diverse and talented workforce.

##### 2. Innovation and Growth Perspective:

- **Drive Continuous Business Process Improvement:** Continuously improve internal processes to enhance efficiency and effectiveness.
- **Adopt Technological Advances for Future Needs:** Embrace and implement technological advancements to meet future industry requirements.

##### 3. Internal Processes Perspective:

- **Plan, Build, and Maintain Infrastructure:** Strategically plan, construct, and maintain infrastructure while acquiring necessary resources.
- **Responsible Resource Management:** Utilize resources responsibly and cost-effectively.

- **Demonstrate Commitment to Environmental Sustainability:** Show dedication to environmental sustainability in all operations.

#### 4. Customer Focus Perspective:

- **Provide Safe, Reliable Utility Services:** Ensure the delivery of safe and reliable utility services.
- **Enhance Customer Experience:** Improve the overall customer experience.
- **Promote Conservation and Efficient Use of Services:** Raise awareness about the importance of conserving and efficiently using utility services.

#### 5. Financial Perspective:

- **Facilitate Economic Growth:** Foster an environment conducive to economic growth.
- **Maintain Financial Strength:** Ensure a robust financial foundation.
- **Sustain Affordable Rates:** Keep utility service rates affordable for customers.

##### 6.9.1.5 Key Challenges

PUC, a multi-utility company in a small island state, confronts unique challenges that impact its operations. Unlike larger utilities with the advantage of regional network integration, PUC must achieve self-sufficiency across all operational areas. Limited financial resources, infrastructure constraints, and a shortage of skilled personnel further exacerbate these challenges. With rising customer expectations, PUC must prioritize continuous improvement in service delivery, strengthen stakeholder relationships, focus on customer needs, and enhance its corporate image.

#### Key Focus Areas and Challenges

1. **Performance-Oriented Culture:** Cultivate a culture that values performance, fosters employee engagement, and respects external stakeholders, including regulators. Develop a more efficient and skilled workforce to meet the demands of a self-sufficient multi-utility company.
2. **Customer Service Enhancement:** Improve customer service and care to meet rising expectations, focusing on customer satisfaction and relationship-building.
3. **Business Process Improvement:** Enhance operational efficiency through streamlined processes that support continuous improvement and better service delivery.
4. **Cost Management and Tariff Enforcement:** Ensure cost-effective operations and enforce tariffs that recover economic costs while maintaining affordability for customers.
5. **Asset Replacement and Refurbishment:** Sustain security, reliability, and service levels through ongoing maintenance and upgrades in all utility sectors.
6. **Capacity Expansion:** Meet the growing demand for utilities by expanding capacity and ensuring infrastructure readiness.
7. **Controlling our Environmental Impact:** Continuously enhance our wastewater infrastructure to ensure that treated effluent meets safety standards for environmental discharge. Additionally, we aim to reduce greenhouse gas emissions associated with our operations, contributing to a more sustainable environment.
8. **Renewable Energy Transition:** Adapt to the changing landscape of energy production with a focus on transitioning to renewable sources. Take an exemplary role in deploying medium-sized renewable energy plants to support sustainability goals.
9. **Infrastructure Challenges:** Address issues related to wayleave access, easement agreements, and development in water catchment areas to maintain infrastructure integrity.
10. **Ltd Service Corridors:** Overcome limitations in accessing service corridors along main and secondary roads to ensure uninterrupted service delivery.

11. **Supply Chain Vulnerability:** Manage exposure to disruptions and challenges in the global supply chain to secure necessary resources for operations.
12. **Energy and Water Efficiency:** Implement demand management, conservation, and sustainability initiatives to enhance energy and water efficiency.

**Challenges Linked with Key Performance Drivers:**

1. **Health and Safety:** Prioritizing the safety and well-being of employees and the public, ensuring a secure working environment.
2. **Climate Change Commitments:** Fulfilling commitments related to climate change, focusing on sustainability and reducing environmental impact.
3. **Network Performance:** Optimizing the efficiency and reliability of utility networks to ensure consistent and high-quality service delivery.
4. **Technological Advancements:** Embracing and integrating new technologies to enhance operational efficiency, innovation, and service quality.
5. **Economic Conditions:** Adapting strategies to align with macroeconomic conditions and economic growth forecasts, particularly in the context of Seychelles.
6. **Stakeholder Engagement:** Building and maintaining strong, effective relationships with diverse stakeholders to foster collaboration and support.
7. **Regulatory Relationships:** Managing and nurturing relationships with regulatory bodies to achieve favourable outcomes and compliance.
8. **Legislative and Environmental Compliance:** Adhering to all legislative requirements and environmental regulations to maintain compliance and promote sustainability.

In summary, PUC operates in a challenging environment with multiple performance drivers. By addressing these key areas and focusing on continuous improvement, the corporation can enhance utility services and meet the evolving needs of its stakeholders.

## 6.9.2 Outlook of Financial Strategy

### 6.9.2.1 Projected Financial Position of Public Utilities Corporation

Description	SCR ('000)						
	2021	2022	2023	2024	2025	2026	2027
	SCR						
<b>ASSETS</b>							
<b>Non-Current Assets</b>	<b>3,701,634</b>	<b>3,837,998</b>	<b>3,952,644</b>	<b>4,393,576</b>	<b>4,939,504</b>	<b>5,412,696</b>	<b>5,726,874</b>
Property, plants and equipment	1,903,950	2,239,101	3,222,251	3,218,930	3,226,321	3,716,749	3,737,451
Intangible assets	4,809	2,436	169	-	-	3,048	39,076
Capital work in progress	1,791,658	1,595,354	730,022	1,174,363	1,712,901	1,692,599	1,950,037
Right-of-use assets	341	-	-	-	-	-	-
Trade and other receivables	875	1,107	202	283	282	300	311
<b>Current Assets</b>	<b>1,703,781</b>	<b>1,753,292</b>	<b>1,882,335</b>	<b>1,865,855</b>	<b>1,721,349</b>	<b>1,750,335</b>	<b>1,819,282</b>
Inventories	765,994	722,609	790,253	875,927	891,253	926,770	1,007,624
Trade and other receivables	244,837	269,123	363,618	493,676	493,362	524,411	543,411
Cash and cash equivalents	692,950	761,560	728,464	496,252	336,733	299,154	268,246
<b>Total Assets</b>	<b>5,405,415</b>	<b>5,591,290</b>	<b>5,834,979</b>	<b>6,259,431</b>	<b>6,660,853</b>	<b>7,163,031</b>	<b>7,546,156</b>
<b>EQUITY AND LIABILITIES</b>							
Equity							
Assigned capital	1,439,744	1,439,744	1,439,744	1,439,744	1,439,744	1,439,744	1,439,744
Retained earnings / (revenue deficit)	1,218,731	1,420,797	1,516,615	1,737,217	2,086,563	2,356,581	2,598,877
<b>Total Equity</b>	<b>2,658,474</b>	<b>2,860,540</b>	<b>2,956,359</b>	<b>3,176,960</b>	<b>3,526,307</b>	<b>3,796,324</b>	<b>4,038,620</b>
Non-Current Liabilities	2,351,262	2,270,206	2,408,561	2,542,301	2,579,114	2,776,046	2,880,234
Borrowings	1,266,952	1,175,814	1,293,820	1,444,661	1,476,795	1,630,051	1,666,742
Lease liability	-	-	-	-	-	-	-
Trade and other payables	43,719	48,437	58,866	59,371	61,152	62,987	64,877
Employee benefit liabilities	109,718	91,654	106,130	115,512	136,102	157,001	178,214
Deferred grants	930,873	954,300	949,745	922,757	905,065	926,007	970,402
<b>Current Liabilities</b>	<b>395,678</b>	<b>460,545</b>	<b>470,059</b>	<b>540,169</b>	<b>555,432</b>	<b>590,660</b>	<b>627,301</b>
Borrowings	94,058	110,510	118,917	155,855	156,372	172,400	191,638
Lease liability	491	-	-	-	-	-	-
Trade and other payables	187,936	243,056	250,334	276,282	291,027	310,229	327,632
Employee benefit liabilities	7,444	23,356	24,324	30,891	30,891	30,891	30,891
Deferred grants	105,749	83,622	76,484	77,141	77,141	77,141	77,141
<b>Total Liabilities</b>	<b>2,746,941</b>	<b>2,730,750</b>	<b>2,878,620</b>	<b>3,082,470</b>	<b>3,134,546</b>	<b>3,366,707</b>	<b>3,507,536</b>
<b>Total Equity and Liabilities</b>	<b>5,405,415</b>	<b>5,591,290</b>	<b>5,834,979</b>	<b>6,259,431</b>	<b>6,660,853</b>	<b>7,163,031</b>	<b>7,546,156</b>

### 6.9.2.2 *Projected Statement of Comprehensive Income of Public Utilities Corporation*

Description	SCR ('000)						
	2021	2022	2023	2024	2025	2026	2027
	SCR						
<b>Revenue:</b>	<b>1,811,621</b>	<b>2,044,322</b>	<b>1,952,049</b>	<b>2,314,018</b>	<b>2,637,893</b>	<b>2,732,628</b>	<b>2,829,843</b>
Revenue from operations	1,687,614	1,937,351	1,868,382	2,237,500	2,565,201	2,663,570	2,764,238
Other income	124,007	106,971	83,667	76,518	72,693	69,058	65,605
<b>Expenditure</b>	<b>1,325,456</b>	<b>1,837,159</b>	<b>1,854,519</b>	<b>2,078,814</b>	<b>2,246,792</b>	<b>2,417,063</b>	<b>2,542,671</b>
Direct operating expenses	1,016,533	1,197,953	1,092,635	1,180,317	1,267,740	1,377,709	1,450,604
Staff cost	250,403	273,256	324,383	339,128	400,975	406,990	413,095
Other operating overheads	264,162	225,482	269,617	333,581	390,090	386,586	405,153
Exchange difference	(402160)	(51612)	3,205	38,977	1,007	15,456	18,647
Depreciation of property, plant & equipment	186,956	186,749	161,814	185,928	186,218	228,770	245,346
Amortisation of intangible assets	3,865	2,373	2,268	169	-	762	9,007
Amortisation of right-of-use	3,035	341	-	-	-	-	-
Provision for/(reversal of) credit impairment	2,663	2,618	597	715	761	790	819
<b>Profit / (Loss) from operations before financing activities</b>	<b>486,165</b>	<b>207,163</b>	<b>97,530</b>	<b>235,204</b>	<b>391,101</b>	<b>315,565</b>	<b>287,172</b>
<b>Finance income</b>	<b>13,423</b>	<b>11,568</b>	<b>12,868</b>	<b>13,982</b>	<b>17,337</b>	<b>17,306</b>	<b>17,314</b>
<b>Finance expense</b>	<b>(10030)</b>	<b>(16666)</b>	<b>(14579)</b>	<b>(28585)</b>	<b>(59091)</b>	<b>(62854)</b>	<b>(62190)</b>
<b>Profit for the year and total comprehensive income</b>	<b>489,558</b>	<b>202,066</b>	<b>95,819</b>	<b>220,601</b>	<b>349,347</b>	<b>270,017</b>	<b>242,296</b>

### 6.9.2.3 Projected Cash flow Statement of Public Utilities Corporation

Description	SCR ('000)						
	2021	2022	2023	2024	2025	2026	2027
SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
<b>Operating Activities</b>							
<b>Operating profit before working capital changes</b>	237,533	273,806	220,455	409,890	533,535	522,388	533,458
<b>Profit for the year</b>	489,558	202,066	95,819	220,601	349,347	270,017	242,296
<b>Adjustment for:</b>							
<b>Net gain on termination of leases</b>	(139)	-	-	-	-	-	-
<b>Amortisation of deferred grants</b>	(123640)	(106867)	(83642)	(76518)	(72693)	(69058)	(65605)
<b>Fixed Asset written off</b>	9,982	34	36				
<b>Profit on disposal</b>	(228)	(104)	(25)				
<b>Finance income received</b>	(13423)	(11568)	(12868)	(14589)	(21012)	(20981)	(20990)
<b>Finance expense</b>	10,030	16,666	14,579	28,585	59,091	62,854	62,190
<b>Strategic parts expense</b>	24,540	15,739	13,601				
<b>Depreciation of property plant and equipment</b>	186,956	186,749	161,814	185,928	186,218	228,770	245,346
<b>Amortisation of Intangible asset</b>	3,865	2,373	2,268	169	-	762	9,007
<b>Amortisation of right-of-use</b>	3,035	341	-	-	-	-	-
<b>Provision of obsolete inventory</b>	6,319	299	-			2,500	10,000
<b>Provision of credit impairment</b>	2,663	2,618	597	715	761	790	819
<b>Foreign currency differences on borrowing</b>	(595531)	(80587)	25,680	36,074	517	16,027	19,238
<b>Employee benefit obligation charge</b>	14,037	16,610	25,370	26,023	30,816	31,278	31,747
<b>Exchange (losses)/gains on cash and cash equivalent</b>	219,510	29,439	(22773)	2,903	490	(571)	(591)
<b>Movement in working capital:</b>							
<b>Trade and other receivables</b>	(13864)	(27135)	(94187)	(130853)	(447)	(31856)	(19830)
<b>Inventories</b>	(18335)	43,085	(67644)	(85674)	(15326)	(38017)	(90854)
<b>Movement in bank balances retained for letter of credit</b>	948	9,163	(106566)				
<b>Trade and other payables</b>	(68856)	59,837	17,706	26,453	16,527	21,036	19,292
<b>Cash generated from operations</b>	<b>137,428</b>	<b>358,757</b>	<b>(30235)</b>	<b>219,817</b>	<b>534,288</b>	<b>473,552</b>	<b>442,066</b>
<b>Interest received on overdue trade debtors</b>	12,265	10,788	9,857	13,982	17,337	17,306	17,314
<b>Employee benefit paid</b>	(17707)	(18761)	(9926)	(10075)	(10226)	(10379)	(10535)
<b>Net cash inflow from operating activities</b>	131,985	350,783	(30304)	223,724	541,399	480,479	448,845
<b>Investing activities</b>							
<b>Additions to property, plant and equipment</b>	(27743)	(33364)	(13054)	(6778)	(8000)	(10000)	(10070)
<b>Proceeds from disposal of property, plant and equipment</b>		104	25				7,580
<b>Additions in capital work in progress</b>	(231506)	(308004)	(280216)	(620169)	(724147)	(692707)	(566031)
<b>Movement in term deposits</b>	(25730)	(10549)	(83387)				
<b>Interest on term deposit</b>	1,124	643	1,468	578	3,617	3,617	3,617
<b>Interest on loan to employees</b>	34	9	16	28	59	59	59
<b>Net cash outflow from investing activities</b>	(283821)	(351160)	(375147)	(626341)	(728472)	(699031)	(564845)
<b>Financing activities</b>							
<b>Proceeds from borrowings</b>	183,252	83,995	202,533	213,850	182,377	324,558	202,700
<b>Repayment of borrowings</b>	(99868)	(78094)	(101800)	(62144)	(150243)	(171302)	(166009)
<b>Government and other grants received</b>	81,204	108,168	71,949	50,187	55,000	90,000	110,000

<b>Principal paid on lease liabilities</b>	(3157)	(491)	-	-	-	-	-
<b>Interest paid</b>	(10030)	(16666)	(14579)	(28585)	(59091)	(62854)	(62190)
<b>Net cash inflow from financing activities</b>	151,401	96,912	158,103	173,308	28,043	180,402	84,501
<b>Net change in cash and cash equivalents</b>	(435)	96,535	(247348)	(229309)	(159029)	(38150)	(31499)
<b>Movement in cash and cash equivalents</b>							
<b>At Jan 1</b>	867,458	647,741	714,837	728,464	496,252	336,733	299,154
<b>Increase during the year</b>	(207)	96,535	(247348)	(229309)	(159029)	(38150)	(31499)
<b>Exchange gain/(losses) on cash and cash equivalent</b>	(219510)	(29439)	22,773	(2903)	(490)	571	591
<b>At Dec 31 (Cash and cash equivalent as per AFS)</b>	647,741	714,837	490,262	-	-	-	
<b>Cash and bank balances as per SOFP</b>	692,950	761,560	728,464	496,252	336,733	299,154	268,246

#### 6.9.2.4 Projected Capital Investment Plan of Public Utilities Corporation

Project Name	Project purpose and description	Expected Outcome of the Project	Total estimated Project cost	Source of Funds	Year Project commenced	Expected Completion date	SCR ('000)						
							Actual Figures			Provisional		Forecast	
							2021	2022	2023	2024	2025	2026	2027
							SCR	SCR	SCR	SCR	SCR	SCR	SCR
Electricity projects	-	-	-	Loan Financing Institutions, GoS and	-	-	231,506	308,004	280,216	547,910	427,698	433,463	179,802
	-	-	-	PUC	-	-							
Water & Sewerage projects	-	-	-	Loan Financing Institutions, GoS and	-	-							328,799
	-	-	-	PUC	-	-							359,894
Corporate projects	-	-	-	Loan Financing Institutions, GoS and	-	-							69,606
	-	-	-	PUC	-	-							80,296
GRAND TOTAL	-	-	-		-	-	231,506	308,004	280,216	547,910	826,103	873,653	924,525
							As per AFS 2021	As per AFS 2022	As per AFS 2023				

\*PUC did not provide the project purpose and description, expected outcomes, total estimated costs, or anticipated risks in their Capital Investment table

### 6.9.3 Projected TAX, Dividend, Debt Payments, Subventions, Grants and Contingencies

#### 6.9.3.1 Tax Implications by the Operations of Public Utilities Corporation

Type of Tax	Actual Figures		Provisional		Forecast		SCR (000) Anticipated Risks
	2021	2022	2023	2024	2025	2026	
	SCR	SCR	SCR	SCR	SCR	SCR	SCR
<b>Business Tax</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>PIT</b>	16,119	14,853	18,807	20,696	26,269	26,663	27,063
<b>VAT</b>	40,308	28,980	49,099	58,886	72,573	70,676	67,630
<b>Withholding Tax</b>	11,170	7,267	2,500	2,100	7,500	5,500	8,500
							Impacts/worsen the cashflow position
							Overpayment or underpayment due to wrong interpretation of DTAs.

#### 6.9.3.2 Anticipated Dividend Declarations By Public Utilities Corporation

- PUC's strategy towards surplus equity is to re-invest into infrastructure renovation and expansion.

### 6.9.3.3 Debt Payments Forecasts By Public Utilities Corporation

EUR / SCR ('000)

Lending Organization	Purpose of Borrowings	Description	Total Debt Amount (Capital)	Total Borrowings and Debt Servicing							
				Actual Figures				Provisional		Forecast	
				2021	2022	2023	2024	2025	2026	2027	
European Investment Bank	Project Neptune – Water & Sanitation	Borrowings	€ 26,737,000	-	-	-	-	-	-	-	-
		Interest for the Year		-1,586,700	3,404,904	3,353,257	3,226,346	3,019,750	2,818,307	3,274,039	
		Repayment of Capital		9,699,584	9,408,268	14,428,478	27,947,065	28,479,219	29,013,959	29,548,699	
		Balance carried forward		421,649,934	372,620,430	374,968,415	348,592,443	326,750,929	303,872,209	279,924,009	
Agence De Francaise Development	Project Neptune – Water & Sanitation	Borrowings	€10,000,000	-	-	-	-	-	-	-	-
		Interest for the Year		-640,724	1,296,521	1,104,284	1,104,543	990,238	874,271	753,345	
		Repayment of Capital		13,107,692	11,876,000	12,410,692	12,462,693	12,700,001	12,938,463	13,176,924	
		Balance carried forward		144,184,614	118,759,999	111,696,230	99,701,537	88,899,998	77,630,766	65,884,610	
Arab Bank for Economic Development in Africa (BADEA)	33 kV South Mahe	Borrowings	\$ 11,000,000	17,141,445	13,206,804	5,922,616	-	-	-	-	-
		Interest for the Year		3,009,982	3,279,706	2,824,696	3,618,795	3,465,584	3,274,266	3,077,407	
		Repayment of Capital				7,683,660	8,934,015	9,671,706	9,823,135	9,981,148	
		Balance carried forward		130,111,495	138,307,366	137,501,483	132,151,182	135,403,887	127,700,758	119,773,777	
Saudi Fund	33 kV South Mahe	Borrowings	\$ 20,000,000	23,009,116	21,176,096	8,336,605	-	22,331,846	-	-	-
		Interest for the Year		2,035,074	3,935,083	3,654,371	3,910,121	3,628,701	3,646,203	3,300,588	
		Repayment of Capital		30,120,002	19,306,668	19,440,000	19,946,667	19,586,667	19,893,333	20,213,333	

		Balance carried forward		200,677,771	194,818,573	185,060,602	169,937,187	186,073,332	169,093,332	151,599,999
African Development Bank	Mahe Sustainable Water Augmentation	Borrowings	\$ 20,600,000	52,978,011	41,921,211	7,212,570	-	-	-	-
		Interest for the Year		746,632	7,722,588	4,932,443	14,037,385	13,835,089	12,669,258	11,468,370
		Repayment of Capital		12,986,513	16,572,812	19,157,632	21,233,621	21,663,864	22,003,053	22,356,989
		Balance carried forward		215,792,702	232,830,359	222,493,243	207,058,484	205,806,701	187,025,945	167,677,416
Abu Dhabi Fund for Development	Ile de Romainville Solar Park	Borrowings	\$ 8,500,000	3,774,836	4,953,003	2,084,940	-	-	-	-
		Interest for the Year		2,383,309	2,272,424	2,291,814	2,233,841	2,066,866	1,930,121	1,789,343
		Repayment of Capital				8,256,575	8,474,860	8,324,941	8,455,283	8,591,293
		Balance carried forward		117,178,669	117,618,815	112,259,465	106,710,435	99,899,288	93,008,118	85,912,934
Nouvobanq	Desalination extension II - Providence	Borrowings	SCR 159,351,000	84,351,000	-	-	-	-	-	-
		Interest for the Year		8,089,457	9,668,235	7,998,080	6,453,076	4,805,287	2,730,394	583,076
		Repayment of Capital		21,772,099	20,046,087	21,677,783	23,265,910	24,998,859	27,073,752	14,352,820
		Balance carried forward		131,415,212	111,369,125	89,691,341	66,425,431	41,426,572	14,352,820	-
Nouvobanq	2 x 8 MW Generator sets	Borrowings	SCR 329,700,000	-	-	179,066,176	-	-	-	-
		Interest for the Year		-	-	4,897,004	15,245,492	19,106,900	17,576,226	15,951,144
		Repayment of Capital		-	-	-	-	24,817,251	26,347,925	27,973,007
		Balance carried forward		-	-	179,006,176	179,006,176	304,882,749	278,534,824	250,561,817

Nouvobanq	Praslin 4x2 MW Generator Sets	Borrowings	€ 14,600,000	-	-	-	-	120,544,706	58,857,693	-
		Interest for the Year		-	-	-	-	8,172,398	13,642,803	13,504,267
		Repayment of Capital		-	-	-	-	-	15,752,847	19,814,940
		Balance carried forward		-	-	-	-	183,273,080	229,819,153	214,239,881
<hr/>										
World Bank	HV and LV Network Upgrade to allow increase of Distributed Renewable Generation	Borrowings	\$ 12,500,000	-	-	-	-	-	186,500,000	-
		Interest for the Year		-	-	-	-	-	3,691,678	4,737,500
		Repayment of Capital		-	-	-	-	-	-	-
		Balance carried forward		-	-	-	-	-	186,500,000	189,500,000
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Arab Bank for Economic Development in Africa (BADEA)	La Plaine Hollandaise Dam	Borrowings	\$ 12,500,000	-	-	-	-	-	-	189,500,000
		Interest for the Year		-	-	-	-	-	-	3,751,062
		Repayment of Capital		-	-	-	-	-	-	-
		Balance carried forward		-	-	-	-	-	-	189,500,000
<hr/>										
Government of Seychelles	GoS Advance - Utilities for IEA developments	Borrowings	SCR 118,400,000	-	-	-	-	39,200,000	79,200,000	-
		Interest for the Year		-	-	-	-	-	-	-
		Repayment of Capital		-	-	-	-	-	-	23,680,000
		Balance carried forward		-	-	-	-	39,200,000	118,400,000	94,720,000

#### 6.9.3.4 Anticipated Subventions and Grants By Public Utilities Corporation

SCR ('000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount	Total Receipts of Subventions and Grants								
				(Forex)	Actual Figures			Provisional		Forecast		
					2021	2022	2023	2024	2025	2026	2027	
				SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	
Subventions	Government	-	-	-	-	-	-	-	-	-	-	
	EIB	-	-	-	-	-	-	-	-	-	-	
	AfDB	-	-	-	-	-	-	-	-	-	-	
Grants	Government	Capital Projects	SCR	60,000	60,000	60,000	40,000	45,000	80,000	100,000		
	EIB	-	-	-	-	-	-	-	-	-	-	
	AfDB (AWF)	-	-	4,000	-	3,000	-	-	-	-	-	
<b>TOTAL</b>				<b>64,000</b>	<b>60,000</b>	<b>63,000</b>	<b>40,000</b>	<b>45,000</b>	<b>80,000</b>	<b>100,000</b>		

#### 6.9.3.5 Contingencies of Public Utilities Corporation

SCR ('000)

Nature of Contingencies	Funding Agency	Purpose	Total Liability Amount	Realized Guarantees							
				Actual Figures			Provisional		Forecast		
				2021	2022	2023	2024	2025	2026	2027	
				SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
Guarantees	Government	-	-	-	-	-	-	-	-	-	-
	Guaranteed for other Pes	-	-	-	-	-	-	-	-	-	-
Potential Payments Due to Legal Actions by 3rd Parties	Government										
	PUC	Litigation by third parties	SCR	2,299	15,000	-	-	2,500	4,000	4,000	
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>			<b>SCR</b>	<b>2,299</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>2,500</b>	<b>4,000</b>	<b>4,000</b>	

#### 6.9.3.6 Assumptions used for the Financial Projections of Public Utilities Corporation

##### **Financial Projections Assumptions for Public Utilities Corporation:**

1. Consistent Implementation of Fuel-Related Tariff Changes:
  - Assumption: Fuel-related tariff changes will be consistently implemented as prescribed under the PUC Act.
2. Tariff Increase:
  - Assumption: A tariff increase of 8 cents per kWh in the year 2025 has been factored for electricity, being the balance on 8.4% tariff increase approved by Cabinet.
  - Assumption: Increase associated with appreciation of the USD vs SCR of 1.57% has been factored in the average tariff for the electricity services only in 2026 and 2027.
3. Fuel Price Projections:
  - Assumption: Fuel prices have been projected at 9.83 SCR/litre for HFO and 13.00 SCR/litre for LFO in 2025, based on current fuel prices.
  - Assumption: The fuel prices have been increased by 1.57% for 2026 and 2027 to cater for appreciation of the USD vs SCR.
  - Assumption: Fuel cost savings of SCR 51,274,797 have been assumed in 2026 and 2027 when IPPs are expected to contribute 20.2 MWH of energy production from renewable energy sources.
4. Modest Growth Rates:
  - Assumption: Growth rates of 3% per annum have been assumed for the demand of electricity and water.
  - Assumption: For wastewater, a growth rate of 5% is assumed for 2026, based on new La Digue customers coming on board. For 2027, the growth rate is assumed at 2%.
5. Inflation Rate:
  - Assumption: An inflation rate of 3.5% has been assumed and has been applied on the base case of 2025 for the years 2026 and 2027 only on local costs.
6. Exchange Rate Assumptions for 2025 and Beyond:
  - Assumption: Exchange rates for 2025 to 2027 are as follows:

Currency	2025	2026	2027
USD	14.69	14.92	15.16
Euro	16.51	16.82	17.13

7. Capital Investment and Borrowings:
  - Assumption: Capital investment and borrowings are constrained by national debt ceiling limits.
8. Access to Development Grants:
  - Assumption: PUC will continue to have access to development grants from the Government for capital projects, as follows:

2025	2026	2027
45,000,000	80,000,000	100,000,000

9. Advances from Government:
  - Assumption: PUC will be granted advance of funds from Government to finance utilities in respect of Industrial Estates Authority (IEA) developments. Such advances

will be interest-free and will be repayable over such terms as will be determined by Ministry of Finance.

2025	2026	2027
39,200,000	79,200,000	13,200,000

- The above has not been considered in the MTFS as IEA has not yet communicated its list of developments.

10. Exclusion of Extraordinary Events:

- Assumption: The potential impact of unforeseen extraordinary events, such as natural disasters, pandemics, or other Force Majeure events, on the Corporation's financial and operational performance has not been factored into the projections.

11. Monopoly Ownership of Regulated Transmission Networks:

- Assumption: PUC will continue to be the sole owner of regulated transmission networks.

12. Consideration of Changes in International Financial Reporting Standards (IFRS):

- Assumption: Any known changes in international financial reporting standards (IFRS) that may impact the Corporation's financial reporting and disclosures have not been considered.

These assumptions provide the foundation for the financial projections of the Public Utilities Corporation.

## 6.9.4 KPIs, Risk Management Strategy and Reporting Obligations

### 6.9.4.1 Key Performance Indicators of the Public Utilities Corporation

Title of Key Performance Indicators	Description	Achievements of KPIs						
		2021	2022	2023	2024	2025	2026	2027
FINANCIAL PERFORMANCE TARGETS		SCR	SCR	SCR	SCR	SCR	SCR	SCR
Financial Metrics	Revenue from Operations	1,687,613,847	1,937,351,306	1,868,381,897	2,237,499,667	2,565,200,538	2,663,570,293	2,764,237,989
Financial Metrics	Net Profit	489,557,976	202,065,814	95,818,838	220,601,252	349,346,654	270,017,231	242,296,106
Financial Metrics	Earnings before Interest (EBIT)	486,164,970	207,163,410	97,529,671	235,203,682	391,100,573	315,564,890	287,172,158
Financial Metrics	Total Assets	5,405,414,980	5,591,290,481	5,834,979,091	6,259,430,535	6,660,852,871	7,163,030,741	7,546,155,831
Financial Metrics	Shareholders' Equity	2,658,474,405	2,860,540,219	2,956,359,057	3,176,960,309	3,526,306,963	3,796,324,193	4,038,620,299
Financial Metrics	Total Debt	1,361,010,397	1,286,324,667	1,412,736,965	1,600,516,269	1,633,167,409	1,802,450,651	1,858,379,683

### 3.1 Key Performance Indicators of the Public Utilities Corporation (continued)

Title of Key Performance Indicators	Description	Targets	Achievements of KPIs						
			Actual Figures			Provisional	Forecast		
			2021	2022	2023		2024	2025	2026
FINANCIAL RATIOS									
Financial Ratios	Current Ratio	> 1 time	4.31	3.81	4.00	3.45	3.10	2.96	2.90
Financial Ratios	Quick Ratio	> 1.5 times	2.37	2.24	2.32	1.83	1.49	1.39	1.29

<b>Financial Ratios</b>	Debt-to-Equity	< 82%	51%	45%	48%	50%	46%	47%	46%
<b>Financial Ratios</b>	Total Debt to Capital	< 45%	34%	31%	32%	34%	32%	32%	32%
<b>Financial Ratios</b>	Gross Profit	>=22%	40%	38%	42%	47%	51%	48%	48%
<b>Financial Ratios</b>	Operating Cost Coverage ratio (times)	>1 time	1.41	1.12	1.05	1.11	1.16	1.11	1.10
<b>Financial Ratios</b>	Net Profit	>= 5%	29%	10%	5%	10%	14%	10%	9%
<b>Financial Ratios</b>	Return on Capital Employed	>= 1%	10%	4%	2%	4%	6%	5%	4%
<b>Financial Ratios</b>	Return on Equity	>= 4%	18%	7%	3%	7%	10%	7%	6%
<b>Financial Ratios</b>	Return on Assets	>= 3%	9%	4%	2%	4%	5%	4%	3%

#### 6.9.4.2 Risks and Resilience Plan of the Public Utilities Corporation

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
<b>Strategic Risks</b>	<ul style="list-style-type: none"> <li>Failure to deliver the plans and targets.</li> <li>Failure to properly manage PUC's interaction with stakeholders.</li> </ul>	<p>Develop a comprehensive strategic plan with clear objectives, milestones, and KPIs. Regularly review and update the plan as needed.</p> <p>Strengthen stakeholder engagement efforts, including regular communication, feedback mechanisms, and relationship-building activities.</p>
<b>Financial Risks</b>	<ul style="list-style-type: none"> <li>Price volatility of fuel and materials and exchange rate fluctuations.</li> <li>Inability to implement appropriate tariffs.</li> <li>Accessibility to capital, or lack thereof, to undertake critical capital projects.</li> </ul>	<p>Implement quarterly adjustments of electricity tariffs based on previous quarter fuel prices.</p> <p>Implement competitive procurement and financial hedging strategies to mitigate the impact of price volatility.</p> <p>Conduct thorough tariff analysis and cost recovery assessments. Seek regulatory approvals for necessary tariff adjustments.</p> <p>Diversify funding sources, explore partnerships, and ensure efficient use of existing resources.</p>
<b>Operational Risks</b>	<ul style="list-style-type: none"> <li>Managing Ltd water storage capacity to cope with unpredictable climate change.</li> <li>Failure to achieve productivity gains.</li> <li>Failure to provide continuity of service due to high rate of failures associated with aging assets.</li> <li>Disruptions in the continuity of service associated with low probability but high impact incidents such as fire and floods.</li> <li>Threat to business continuity in the event of IT systems failure, data and communications systems.</li> <li>Equipment nearing obsolescence due to rapid advancements in technology</li> </ul>	<p>Invest in infrastructure upgrades to increase water storage capacity and improve resilience to climate change impacts.</p> <p>Continuously optimize operational processes, invest in technology, and provide training to improve workforce efficiency.</p> <p>Prioritize asset management and maintenance, allocate resources for asset renewal, and continue with preventive maintenance programs.</p> <p>Develop robust disaster preparedness and recovery plans, including backup systems and emergency response protocols.</p> <p>Upgrade and migrate existing 'on-premise' ERP system to cloud-based system.</p> <p>Assess equipment obsolescence risks, prioritize replacements, and communicate technology refresh strategy transparently to stakeholders. Proactively monitor the technology landscape, develop a clear equipment lifecycle plan, allocate budget for technology upgrades, build strategic supplier partnerships, consider future-proofing when procuring new equipment, and invest in workforce training.</p>
<b>Compliance and Regulatory Risks</b>	<ul style="list-style-type: none"> <li>Failure to comply with relevant laws and legislation, such as Environment Act, Employment</li> </ul>	<p>Continue to train and inform managers about regulatory laws, risks and compliance.</p>

	<p>Act, and Occupational Health and Safety legislation.</p> <ul style="list-style-type: none"> <li>Changes in legislation and/or regulations with significant implications for the business model.</li> </ul>	<p>Establish a compliance checklist to facilitate monitoring and ensure adherence to all applicable laws and regulations.</p> <p>Conduct regular compliance audits.</p> <p>Stay informed about regulatory changes, engage with regulatory authorities, and adapt operations and strategies accordingly.</p>
<b>Environmental and Social Risks</b>	<ul style="list-style-type: none"> <li>Environmental damage caused by PUC's assets or activities.</li> <li>Loss of expertise and skills upon retirement or departure of key staff.</li> <li>Impact on service delivery and productivity due to issues associated with health and safety, absenteeism and degradation in culture and work ethics.</li> </ul>	<p>Implement environmental impact assessments, adopt sustainable practices, and invest in eco-friendly technologies.</p> <p>Develop a robust talent retention and succession plan. Invest in training and development programs.</p> <p>Promote a culture of health and safety, implement wellness programs, and address workplace issues promptly.</p>
<b>PESTEL</b>	<p>PUC operates in an environment where political stability, regulatory compliance, and economic conditions are critical factors. Meeting the expectations of customers, addressing workforce challenges, and adapting to technological advancements are also important considerations. Environmental sustainability and compliance with laws and regulations play a vital role in shaping the corporation's strategic objectives and risk management strategies.</p>	

*Please note that the specific strategies may vary depending on the circumstances and evolving risks.*

#### **6.9.4.3 List of External Reporting's by the Public Utilities 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
<b>Annual Financial Statements</b>	All stakeholders and members of the public	Audited Financial Statements signed by the Board of Directors, including the Report of the Auditor General	Annually
<b>Annual Report</b>	All stakeholders and members of the public	The Annual Report highlights the operational and financial performance of the Public Utilities Corporation for the reporting year. It also contains the Audited Financial Statements, together with the Report of the Auditor General.	Annually
<b>Quarterly Progress Report</b>	Shareholder, Responsible Ministry, PEMC, Board of Directors, PUC management team	The Quarterly Progress Report states and defines the goals and targets of the Corporation, and provides a status update of these goals as well as actions taken during each reporting quarter.	Quarterly

<b>All reporting requirements as mandated by PEMC</b>	PEMC	<p>These include:</p> <ul style="list-style-type: none"> <li>- Signed minutes of board and committee meetings;</li> <li>- Quarterly progress reports</li> <li>- Governance checklist and supporting documentation</li> <li>- Any other information requested.</li> </ul>	<p>Upon approval by the Chairperson.</p> <p>Quarterly</p> <p>Annually</p> <p>As and when required</p>
<b>Mandatory information for outsourcing / procurement</b>	Procurement Oversight Unit, National Tender Board, Procurement Committee of PUC.	<p>These may include:</p> <ul style="list-style-type: none"> <li>- Evaluation reports</li> <li>- Justifications for using certain procurement methods</li> <li>- Application for approval to deviate from the normal procurement method in case of emergency projects, etc.</li> </ul>	As and when required
<b>Cabinet Memorandums and Information Notes to Cabinet</b>	Cabinet, Responsible Minister, Board of Directors.	<p>These include:</p> <ul style="list-style-type: none"> <li>- Request for permission to initiate major projects</li> <li>- Request for permission to enter into loan agreements</li> <li>- Presentation of information or disclosure which may be highly significant or be of national importance.</li> </ul>	As and when required
<b>Information sought through the Access to Information Act</b>	The solicitor of information, subject to the provisions of the Information Act.	<p>These may include:</p> <ul style="list-style-type: none"> <li>- Customer related queries or complaints</li> <li>- Information about the Corporation's activities</li> </ul>	As and when required
<b>Any other periodic or ad hoc reports</b>	The solicitor of the required report, competent authorities.		As and when required

## 6.9.5 Stakeholder Engagement

### 6.9.5.1 Statement by CEO

"As the CEO of the Public Utilities Corporation (PUC), I am committed to steering our organization towards a future of sound performance, marked by continuous improvements, innovation, sustainability, and a steadfast dedication to meeting the expectations of our customers and stakeholders.

In the unique context of small island states, PUC faces complex challenges that demand a strategic and proactive approach. I am acutely aware of the limitations posed by the absence of regional utility network integration and our complex operations, which often hinder the Corporation from realizing economies of scale. However, these challenges serve as catalysts for innovation and self-sufficiency in every facet of our operations."

Our journey is fraught with hurdles such as Ltd access to critical resources, including finance, infrastructure, and skilled manpower. Nevertheless, these challenges are not insurmountable; they are opportunities for us to demonstrate resilience, creativity, and adaptability in achieving our goals.

The evolving landscape of customer expectations necessitates a fundamental shift in our focus. We must relentlessly pursue continuous improvement in service delivery, strengthen our relationships with stakeholders, and prioritize their concerns. Building a sustainable workforce to meet the demands of our operations is critical, and I am resolutely committed to this endeavor.

Our key focus areas encompass a spectrum of challenges and opportunities:

1. **Workforce Development:** Our top priority is developing a highly skilled, productive, and efficient workforce. We are committed to equipping our employees with the tools, training, and support they need to excel in their roles.
2. **Performance-Oriented Culture:** We will cultivate a performance-oriented culture that values and respects our employees and external stakeholders, including regulators, while continually striving to exceed their expectations.
3. **Climate Actions:** We are committed to taking proactive steps in addressing climate change. This includes leading initiatives in electricity and water demand management, environmental quality, and sustainability. We will also take an active role in the deployment of medium-sized renewable energy plants, positioning PUC at the forefront of the transition to renewable energy
4. **Customer-Centric Approach:** We are dedicated to enhancing customer service and care, ensuring that our customers' needs are consistently met with excellence, reinforcing our reputation as a trusted utility provider.
5. **Cost Management and Tariff Enforcement:** We will rigorously manage costs and enforce economic cost recovery tariffs to ensure the financial sustainability of PUC.
6. **Asset Maintenance and Expansion:** Ongoing replacement and refurbishment of assets will be prioritized to uphold security, reliability, and service levels.
7. **Capacity Expansion:** We will invest in expanding our capacity to meet growing consumption demands, aligning with Seychelles' economic growth.
8. **Efficiency Improvements:** Enhancing business processes is essential to deliver operating efficiencies and improve our overall performance.

Furthermore, I recognize that the performance of PUC hinges on various external factors, including legislative requirements, environmental obligations, safety, stakeholder engagement, economic conditions, regulatory relationships, technological advancements, and our commitment to addressing climate change.

In line with these goals, we have established measurable performance targets that reflect our commitment to delivering high-quality service. While some targets may take time to fully realize, we will assess our performance annually against these benchmarks.

Resource allocation will be optimized to ensure maximal gains, and I am dedicated to attaining the key performance indicators (KPIs) as defined by the Board of Directors.

In conclusion, the challenges we face are substantial, but they are overshadowed by our determination to succeed. I pledge my full commitment to leading PUC towards a future defined by resilience, continuous improvement, sustainability, and effective service delivery. "

*Joel Valmont  
Chief Executive Officer*

#### 6.9.5.2 *Foreword by Chairperson*

Dear Stakeholders and Partners,

As we journey towards a brighter future and more sustainable tomorrow, I am honoured to reflect on the remarkable achievements of the Public Utilities Corporation (PUC), its current standing, and the exciting way forward.

#### **A Legacy of Service Commitment**

For decades, PUC has proudly served the people of Seychelles, providing essential utilities such as electricity, water, and wastewater services. Our steadfast commitment to quality and reliability has been the cornerstone of our nation's prosperity. We are grateful for the trust and support you have placed in us.

#### **Current Status and Looking Ahead**

As we look towards 2025, the projects we have undertaken in recent years are beginning to bear the fruits of progress: our financial health is stabilizing, and operational efficiency is on the rise. Our infrastructure and service delivery have been significantly improved, and we are now actively addressing capacity shortages. Additionally, we are making substantial strides in our climate action initiatives, including the deployment of renewable energy solutions and sustainability measures. This trend of optimization and environmental responsibility looks set to continue in the years to come.

#### **Future Trajectory and Public Perception**

In the immediate future (2025 – 2027), our goal is to position PUC as a model example of sustainability and innovation. We aim to be recognized by the Government and the public as a forward-thinking organization that not only delivers essential services but also significantly contributes to advancing national priorities. Our commitment to integrating cutting-edge solutions and fostering environmental stewardship will underscore our role as a key player in shaping a sustainable future for Seychelles.

#### **Strategic Priorities**

Our strategic priorities are closely aligned with the evolving needs of Seychelles' society. We have prioritized the following principles:

- **Workforce Development:** Developing a sustainable, skilled workforce is our top priority. We are committed to investing in our employees through training and development programs to ensure they are well-equipped to meet current and future operational demands.
- **Infrastructure Enhancement:** Our commitment to upgrading aging infrastructure and expanding capacity will ensure a dependable supply of electricity and water.

- **Environmental Stewardship:** PUC is dedicated to minimizing our environmental footprint through proactive climate actions. We will invest in sustainable practices and technologies to support our commitment to environmental responsibility.
- **Customer-Centric Approach:** We recognize that our customers are at the heart of our success. We will focus on delivering exceptional customer service and addressing concerns expediently.
- **Financial Sustainability:** We will maintain fiscal responsibility, ensuring that our remuneration policies align with national guidelines while focusing on prudent financial management.

## **Contribution to National Priorities**

PUC's role extends far beyond utility provision. We are dedicated to advancing national priorities by bolstering economic prosperity, protecting our environment, and enhancing societal well-being. Our initiatives aim to create employment opportunities, drive investment in renewable energy, and improve the overall quality of life in Seychelles.

## **Economic Contributions**

Historically, PUC has been a significant contributor to Seychelles' economy. Moving forward, we are committed to sustaining and increasing this impact through prudent financial management, strategic infrastructure expansion, and collaborative partnerships.

## **Performance Targets and the Medium-Term Financial Strategy (MTFS)**

We recognize and embrace the performance targets set by the Board of Directors. Our commitment to achieving these goals will be guided by the Medium-Term Financial Strategy (MTFS), which will help us make informed decisions to benefit our stakeholders and uplift our nation.

## **In Conclusion**

The future is full of promise and potential. PUC is not only a provider of essential services but also a key architect of a brighter future for Seychelles. With your continued support and partnership, we are confident in our ability to become a sustainable and customer-centric utility provider.

Thank you for entrusting us with the privilege of serving you and our nation.

*Stephen Rousseau  
Chairperson  
Public Utilities Corporation*

#### *6.9.5.3 Statement by the Responsible Minister*

The provision of electricity, water and sewerage is crucial to the current quality of life of the population and a determinant of all future possibilities for economic and social development in Seychelles. These services have to be deployed to the maximum extent possible, supplied in a reliable manner and be affordable to the consumer. The Public Utilities Corporation, being the body mandated by law to provide these services, has since its incorporation been continuously working towards achieving these objectives for the entire country. So far PUC has been able to match the demands of the country on electricity and water, putting Seychelles at par with developed countries in terms of access, and it continues to work to achieve large-scale sewer coverage. Throughout this time PUC has been able to keep costs to the consumer relatively contained, despite major shifts in conditions in external markets. The company's recent projects such as raising of the La Gogue dam, south Mahe network enhancement and La Digue sewerage project has demonstrated its position as a key asset of the country with the ability to employ resources effectively to help the country achieve its development targets.

To deliver on its mandate the company is working to maintain a sustainable financial position, supported by a solid governance framework that guarantees quality of output under adequate controls. At the same time that it is enhancing its regulatory compliance regime, to align with the updated requirements for all public enterprises, it is also incorporating environmental and sustainability into its operations. Its current financial performance shows that with the appropriate optimization, there is a potential revenue base to support the majority of activities in sewerage, water and electricity, but this would require strong commitment to change by both the company, its beneficiaries and government. The operation of the company nonetheless provides the confidence that PUC, with the full backing of government as its main shareholder should remain a going concern for the foreseeable future.

Going forward the company aims is to set itself as a model of sustainability and innovation that other state-owned enterprises could emulate. Its core ambitions include ensuring a good financial position, maintaining a competent pool of highly competent workers, enhancing quality of delivery for its entire client base, expanding and modernising its infrastructure, and incorporating environmental stewardship. With these targets in mind, PUC management has proposed this medium-term financing strategy 2025 to 2027, which provides an oversight of the conditions under which the PUC is forecast to operate and the dynamics of its finances during these coming 3 years as it seeks to continue its investment efforts to meet these multiple goals. Components having significant influence on the company's finances under this strategy, especially major investments in energy, have been discussed in detail with government, and we are confident in the numbers presented by management for that period.

Government is desirous and supportive of these noble aims of PUC as it aligns with our national plans and with our vision for public enterprises. Government shall continue in its active engagement with the company, through the established oversight structure of PEMC and the Board, whilst acknowledging the critical function of PUC in national development and the need to provide close support to the company to guarantee services to the population.

*Flavien Joubert  
Minister*



## 6.10 Petro Seychelles Ltd. (Petro)

### 6.10.1 Strategic Overview

#### 6.10.1.1 Mandate

Petro Seychelles is responsible for supervising the Petroleum Operations in the EEZ and ensures that a regulatory and management regime is put in place by each Operator that:

- reflects the highest standards of International Oilfield Practice including a zero- discharge policy while petroleum operations including drilling, development and production are being carried out
- protects the health and human resources of all affected by the Petroleum Operations
- ensures the public safety
- ensures the preservation of the environment, pristine marine habitats and amenities of Seychelles
- ensures that Seychelles fishermen, tourism operators and others who depend on commercial operations within and without Seychelles waters are not disadvantaged

#### 6.10.1.2 Vision

“A highly competent team running a thriving oil and gas industry, operating with due respect for the environment, other ocean users and benefiting every Seychellois for this generation and beyond”

#### 6.10.1.3 Mission

“To facilitate, regulate and ultimately participate in the exploitation of oil and gas resources within the Seychelles EEZ while ensuring the proper management of all tangible and non-tangible resources.”

#### 6.10.1.4 Strategic Priorities for 2024-2026

PetroSeychelles, in its role as an upstream oil and gas regulator, is committed to the pursuit of key strategic priorities that are directed towards the promotion of safe, responsible, and sustainable oil and gas exploration and production activities. This commitment is further reinforced by the need to remain responsive to the involving dynamics of the industry and the growing concerns of environmental sustainability. Looking ahead to the year 2025-2027, some of the key strategic priorities that will be pursued include:

##### **1. To be recognised as a potential economic pillar**

As part of PetroSeychelles’ strategy, the company will seek to further influence the National Development Strategy to include hydrocarbon exploration as a topic of national interest and as a potentially important economic activity that could also help achieve energy security by providing a local supply of natural gas for electricity generation and also by helping the economy through the export of hydrocarbon products. This will be achieved by engaging stakeholders through educational campaigns that will help remove the negative narratives currently surrounding the oil and gas industry. Some headway has already been made on this by having oil exploration listed as part of a strategic objective in the National Development Strategy 2024 to 2028.

##### **2. Prospectivity Development**

The refinement of existing, and development of new play styles, leads and prospects, is key to improving the perceived prospectivity of the Seychelles EEZ. One of the key

strategic priorities will be to continue to undertake inhouse data interpretation projects targeted towards achieving this.

**3. Attract Investment:**

Oil and gas exploration and exploitation are a very costly as well as specialised activity. PetroSeychelles will therefore need to attract investment from international oil and gas companies to fulfill its mandate. A robust promotion campaign will ensure that Seychelles remains visible to international oil and gas companies. PetroSeychelles will endeavor to get new petroleum agreements and exploration licenses signed during 2025 to 2027.

**4. Reduce Regulatory Turnaround Time:**

Securing and maintaining investment in the Upstream Sector is highly dependent on fast regulatory turnaround times. Currently the due diligence process on license applicants can take several months since PetroSeychelles relies on its partners the Financial Intelligence Unit and the Attorney General's Office to vet the financial and legal standings of companies applying. PetroSeychelles will seek to find ways to reduce the turnaround times so that investments can be secured in a timely manner.

**5. Staff Development**

Staff development is a critical strategic priority for PetroSeychelles. Investing in the professional growth and capabilities of employees can have a significant positive impact on the company's effectiveness, adaptability, and long-term success. The human resources department will work closely with staff to continuously identify training needs and professional development opportunities.

**6. Environmental Protection:**

During 2025 to 2027 PetroSeychelles will seek to bring the draft Environmental Protection (Offshore Exploration and Production) Regulations to enactment. This will help to implement stringent environmental standards and measures to mitigate potential negative impacts of drilling, production, and transportation activities on the environment. This will be done in line with the ongoing Seychelles Marine Spatial Plan.

**7. Health and Safety:**

PetroSeychelles will seek to bring the draft Seychelles Petroleum Mining (Health and Safety) Regulations to enactment. This will contribute towards the development, enforcement, and continual update of health and safety regulations to prevent accidents, protect workers, and minimize environmental incidents.

**8. Data Management:**

Development of data management strategies to handle the vast amounts of data and information generated by upstream activities, ensuring integrity and accessibility. Transcribing and transferring data to modern media and standards will continue to ensure compatibility with industry standards. Additionally, during 2025 to 2027, PetroSeychelles will seek to carry out the duplication and offsite storage of its most valuable data sets to ensure additional redundancy and business continuity.

**9. Community and Stakeholder Engagement:**

PetroSeychelles will foster open and transparent communication with local communities and all stakeholders, addressing concerns related to its activities in the EEZ. A stronger Social Media presence during 2025 to 2027 will also contribute towards this objective.

## **10. International Cooperation:**

PetroSeychelles will continue to collaborate with international counterparts and organisations to share best practices, harmonise standards, and address any cross-border issues.

## **11. Formalise Geological Survey Role:**

PetroSeychelles currently acts as the de-facto Geological Survey of Seychelles by assisting the Government with a wide gamut of geoscience related projects. PetroSeychelles will seek to formalize this arrangement by expanding its mandate to include such activities and securing a budget for the same through retainer fees or similar arrangements. Discussions with a key partner, the Disaster and Risk Management Division (DRMD), has already started to that effect.

### *6.10.1.5 Key Challenges*

The challenges facing PetroSeychelles as an upstream oil and gas regulator from 2025 to 2027 are multifaceted and will include the following:

#### **1. Funding the Company:**

The upstream sector in Seychelles is still in its exploration phase and as such the only income is through area rentals, license application fees, training and technical assistance funds from operators and the licensing of data. Currently, there are only two Petroleum Agreements in place and minimal income being generated. A key challenge for PetroSeychelles during 2025 to 2027 will therefore be to secure a reliable source of funding for the company.

#### **2. Energy Transition to Renewables**

Anthropogenic climate change, believed to be caused by man-made CO<sub>2</sub> emissions from the burning of fossil fuels is driving the current energy transition from hydrocarbons to renewables. As a result, investment in oil and gas exploration projects has slowed down and some upstream companies are even diversifying into renewable energy production. Securing investment in the upstream sector is a real challenge which will only become more challenging in the coming years.

#### **3. Geopolitical Dynamics:**

Geopolitical dynamics have been shown to have a large effect on supply and demand of oil and gas products and thus on the costs. These fluctuations in oil price affect the balance sheet of international oil companies which in turn affect their ability to invest in new exploration projects. While PetroSeychelles does not have control on worldwide geopolitical forces, the company needs to be au fait with all such developments to be in a position to adjust its strategy as and when necessary to help mitigate any negative effects they may have on investment in the Seychelles upstream oil and gas sector.

#### **4. Marine Spatial Plan:**

While it is clear that a Marine Spatial Plan (MSP) can help ensure the sustainable usage of the Seychelles EEZ, there is a danger that prioritising environmental preservation over economic development could mean that potential prospective areas become out of bounds for oil and gas prospecting. This will be a hindrance for the upstream sector which requires surveys over large enough areas to better understand the geology and thus oil and gas potential of the EEZ. Furthermore, all activities will be controlled by Management

Plans that are yet to be developed and the contents of which could impose operational limitations on PetroSeychelles.

**5. Data Management:**

Ensuring the secure and responsible management of the vast amounts of data generated by digital technologies and analytics in the upstream sector is and will remain a challenge for PetroSeychelles especially due to the unavailability of suitable digital media storage facilities locally.

**6. Technology Adoption:**

Technological development in the upstream sector occurs at a fast pace and keeping up with the latest technology requires adequate funding as well as training. This is a challenge that PetroSeychelles will face during the next three years. The company will thus need to be strategic in deciding which technology to adopt.

**7. Community and Stakeholder Engagement:**

Managing community concerns related to activities associated with upstream activities is a challenge that PetroSeychelles will need to proactively address to ensure smooth uninterrupted operations. Stakeholder consultations and involvement from project initiation stages and during implementation will help alleviate any concerns.

**8. Reporting Obligations**

Reporting obligations on State Owned Enterprises (SOEs) has increased recently. PetroSeychelles has a very small workforce and will face a real challenge meeting the reporting obligations. Increasing the workforce may also not be possible due to budgetary constraints.

## 6.10.2 Outlook of Financial Strategy

### 6.10.2.1 Projected Financial Position of PetroSeychelles

	SCR ('000)						
	Actual figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>Non-current Assets</b>							
Property and equipment	321	307	293	168	826	426	426
Intangible Assets	-	2	17	17	35	35	35
	<b>321</b>	<b>309</b>	<b>309</b>	<b>184</b>	<b>861</b>	<b>461</b>	<b>461</b>
<b>Current Assets</b>							
Trade and other receivables	49	25,405	26,502	36,485	41,752	41,481	41,481
Cash and Cash equivalents	8,583	4,776	2,374	5,039	18,813	18,813	18,813
Other current financial assets	64	65	65	4,834	4,836	4,836	4,836
	<b>8,696</b>	<b>30,246</b>	<b>28,941</b>	<b>46,358</b>	<b>65,400</b>	<b>65,130</b>	<b>65,130</b>
<b>Total Assets</b>	<b>9,017</b>	<b>30,555</b>	<b>29,250</b>	<b>46,542</b>	<b>66,261</b>	<b>65,591</b>	<b>65,591</b>
<b>Liabilities</b>							
Retirement benefit obligations	531	600	927	1,149	1,149	1,206	1,206
Deferred Income	15,316	14,460	14,460	21,717	23,717	23,717	23,717
Non Current Liabilities	<b>15,847</b>	<b>15,060</b>	<b>15,387</b>	<b>22,866</b>	<b>24,866</b>	<b>24,923</b>	<b>24,923</b>
<b>Trade and other payables</b>	<b>458</b>	<b>562</b>	<b>281</b>	<b>433</b>	<b>764</b>	<b>764</b>	<b>764</b>
Deferred income	1,664	5,781	4,798	7,684	13,212	13,212	13,212
Current Liabilities	<b>2,122</b>	<b>6,343</b>	<b>5,079</b>	<b>8,117</b>	<b>13,976</b>	<b>13,976</b>	<b>13,976</b>
Share Capital	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Retained Earning	(29,952)	(11,848)	(12,176)	(5,441)	6,420	5,692	5,692
Shareholder Loan	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Equity	<b>(8,952)</b>	<b>9,152</b>	<b>8,824</b>	<b>15,559</b>	<b>27,420</b>	<b>26,692</b>	<b>26,692</b>
<b>Total Equity and Liabilities</b>	<b>9,017</b>	<b>30,555</b>	<b>29,290</b>	<b>46,542</b>	<b>66,261</b>	<b>65,591</b>	<b>65,591</b>

### 6.10.2.2 Projected Statement of Comprehensive Income of PetroSeychelles

	SCR ('000)						
	Actual figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>Revenue</b>	2,945	3,804	3,645	6,054	10,000	10,000	10,000
<b>Cost of sales</b>	(1,387)	(1,551)	(1,690)	(4,409)	(4,416)	(4,502)	(4,502)
<b>Gross profit</b>	<b>1,558</b>	<b>2,252</b>	<b>1,955</b>	<b>1,646</b>	<b>5,584</b>	<b>5,498</b>	<b>5,498</b>
<b>Expense</b>							
Administrative and general	(5,866)	(561)	(452)	(5,324)	(5,327)	(5,445)	(5,445)
Depreciation	-	(37)	(70)	(70)	(70)	(70)	(70)
Amortisation	-	(1)	(8)	(8)	(8)	(8)	(8)
Employee expenses	-	(2,392)	(2,706)	(2,841)	(2,983)	(2,983)	(2,983)
Insurance	-	(10)	(18)	(18)	(18)	(18)	(18)
Marketing and sales promotion	-	-	(28)	(28)	(28)	(28)	(28)
Operating exchange adjustments	(8,862)	(997)	1,126	(2)	(2)	(2)	(2)
Reapairs and maintenance		(4)	(14)	(14)	(14)	(14)	(14)
Telecommunications & internet		(110)	(116)	(116)	(116)	(116)	(116)
Allowance for credit impairment	5,934	-	-	-	-	-	-
<b>Total Expense</b>	<b>(8,795)</b>	<b>(4,112)</b>	<b>(2,286)</b>	<b>(8,421)</b>	<b>(8,566)</b>	<b>(8,685)</b>	<b>(8,685)</b>
<b>Operating profit before fixed charges</b>	<b>(7,236)</b>	<b>(1,860)</b>	<b>(331)</b>	<b>(6,775)</b>	<b>(2,982)</b>	<b>(3,187)</b>	<b>(3,187)</b>
<b>Finance income</b>	5	4	3	250	250	250	250

<b>Finance cost</b>	-	-	-	-	-	-	-
<b>Finance income/(cost)</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Loss before income tax</b>	<b>(7,231)</b>	<b>(1,855)</b>	<b>(328)</b>	<b>(6,525)</b>	<b>(2,732)</b>	<b>(2,937)</b>	<b>(2,937)</b>
<b>Other comprehensive income</b>							
<b>Total comprehensive profit/(loss) for the year</b>	<b>(7,231)</b>	<b>(1,855)</b>	<b>(328)</b>	<b>(6,525)</b>	<b>(2,732)</b>	<b>(2,937)</b>	<b>(2,937)</b>

### 6.10.2.3 Projected Cash flow Statement of Petro Seychelles

	SCR ('000)						
	Actual figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>Operating Activities</b>							
<b>Loss for the year</b>	(7,231)	(1,855)	(328)	(6,525)	(2,732)	(2,937)	(2,937)
<b>Adjustment for:</b>							
Amounts released for deferred income	4,910	3,261	(983)	(983)	(983)	(983)	(983)
Depreciation charges	39	37	70	70	70	70	70
Amortisation	0	1	8	8	8	8	8
Change in compensation liability	(5,934)	92	304	304	304	304	304
Gratuity paid		(45)	(10)	(10)	(10)	(10)	(10)
Finance income		3	3	3	3	3	3
Changes in working capital	(8,215)	1,495	(936)	(7,134)	(3,341)	(3,545)	(3,545)
Increase in receivables	(17)	(5,397)	(1,097)	329	(5,267)	270	270
(Increase)/decrease in payables	121	126	(288)	(25)	330	-	-
<b>Cash generated from operating Activities</b>	<b>(8,111)</b>	<b>(3,777)</b>	<b>(2,321)</b>	<b>(6,830)</b>	<b>(8,277)</b>	<b>(3,275)</b>	<b>(3,275)</b>
<b>Interest Income</b>	<b>4</b>	<b>(4)</b>	<b>(3)</b>				
<b>Net cash generated from Operating activities</b>	<b>(8,107)</b>	<b>(3,781)</b>	<b>(2,324)</b>	<b>(6,830)</b>	<b>(8,277)</b>	<b>(3,275)</b>	<b>(3,275)</b>
<b>Cashflows from Investing Activities</b>							
<b>Payments to acquire tangible fixed assets</b>	<b>(31)</b>	<b>(26)</b>	<b>(78)</b>		<b>(400)</b>	-	-
<b>Net cash generated from /(used )investing activities</b>	<b>(31)</b>	<b>(26)</b>	<b>(78)</b>	-	<b>(400)</b>	-	-
<b>Decrease in cash and cash equivalents</b>	<b>(8,138)</b>	<b>(3,807)</b>	<b>(2,402)</b>	<b>(6,830)</b>	<b>(8,677)</b>	<b>(3,275)</b>	<b>(3,275)</b>
<b>Exchange gain on bank balances</b>	-	-	-	-	-	-	-
<b>Government Subvention</b>					5,000		
<b>cash &amp; cash equivalent at January 1</b>	7,578	8,583	4,776	2,374	5,039	18,813	18,813
<b>cash &amp; cash equivalent at December 31</b>	8,583	4,776	2,374	5,039	18,813	18,813	18,813

#### 6.10.2.4 Projected Capital Investment Plan of PetroSeychelles

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures		Actual Figures		Forecast		SCR ('000)	Anticipated Risks
							2020	2021	2022	2023	2024	2025	2026	
<i>Major Capital Investments</i>														
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Replacements and upkeep of Assets (PPE)</i>														
<b>Purchase of motor vehicle</b>	To replace ageing company car.		400	Company budget	2025	2025						400		
<b>Total</b>												400		

#### 6.10.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

##### 6.10.3.1 Tax Implications by the Operations of PetroSeychelles

Type of Tax	Actual Figures				Actual Figures		Forecast			SCR ('000)		Anticipated Risks
	2020	2021	2022	2023	2024	2025	2026	2027	2024	2025	2026	2027
<b>Business Tax</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>PIT</b>	416	419	418	613	615	647	679					713
<b>VAT</b>												
<b>Total</b>	<b>416</b>	<b>419</b>	<b>418</b>	<b>613</b>	<b>615</b>	<b>647</b>	<b>679</b>					<b>713</b>

##### 6.10.3.2 Anticipated Dividend Declarations By PetroSeychelles

Petro Seychelles does not anticipate paying any dividends for the years 2025 to 2027. Upstream oil and gas projects do not normally generate any profit in the early stages of exploration. Such projects start generating considerable turnover after the production and marketing stages.

Although Petro Seychelles does not pay dividends, the company, in its role as the de-facto geological survey, contributes to the country in several areas including *inter alia* risk and disaster assessment and management, maritime boundaries delimitation, extended continental shelf claims, as well as the provision of geotechnical data to several departments and agencies.

### 6.10.3.3 Debt Payments Forecasts By PetroSeychelles

SCR ('000)

Lending Organisation	Description	Purpose of Borrowings	Total Debt Amount (Capital)	Total Borrowings and Debt Servicing							
				Actual Figures			Actual Figures	2024	Forecast		
Debt for Other PEs (Please Specify the Name of the PE)	Borrowings	-	-	-	-	-	-	-	-	-	-
	Interest for the Year	-	-	-	-	-	-	-	-	-	-
	Repayment of Capital	-	-	-	-	-	-	-	-	-	-
	Balance carried forward	To fund the running of the company	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
<b>TOTAL</b>			<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>

Following the splitting of Seypel into Seypel and PetroSeychelles in 2012, an agreement was reached whereby Seypel would repay SCR 50,000,000 assets it had acquired from taking over PetroSeychelles in SCR 5,000,000 yearly installments over a period of ten years. Seypel decided to pay its dividends directly to Government and leave it to Government to find a mechanism by which to transfer the agreed yearly amount to PetroSeychelles. This came in the form of a loan from SSI offering a loan of SCR 20,000,000 to PetroSeychelles. The agreement for the loan was signed in 2018 but the agreement does not specify the repayment period nor the interest rate. This debt has therefore been included for complete disclosure. PetroSeychelles has nevertheless liaised with the Department of Finance to request for a write off of the loan and for Government subvention from the Seypel dividends.

### 6.10.3.4 Anticipated Subventions and Grants By Petro Seychelles

SCR (000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount	Total Receipts of Subventions and Grants							
				Actual Figures			Provisional		Forecast		
				2021	2022	2023	2024	2025	2026	2027	
				SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
Subventions	Government							5,000	5,000	5,000	
	EIB		-	-	-	-	-	-	-	-	
	AfDB		-	-	-	-	-	-	-	-	
Grants	Government	Capital Projects	-	-	-	-	-	-	-	-	
	EIB	-	-	-	-	-	-	-	-	-	
	AfDB (AWF)	-	-	-	-	-	-	-	-	-	
<b>TOTAL</b>								<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	

\*PetroSeychelles anticipates receiving subvention of SCR 5,000,000 annually from Government.

#### *6.10.3.5 Contingencies of PetroSeychelles*

PetroSeychelles does not anticipate any contingent liabilities

#### *6.10.3.6 Assumptions used for the Financial Projections of PetroSeychelles*

##### **Assumptions on salaries**

- All allowances were merged with Basic Salary as from April 2023
- A 5% increase has been added with the Basic Salary for the year 2024
- A 5% increase has been added with the Basic Salary for the year 2025
- A forecast of 5% PIT has been added each year as from 2024 -2025
- PSC Performance will be increased by 5% in 2026

##### **Assumptions on rent of office spaces and utilities**

It has been assumed that PetroSeychelles will continue to benefit from rent free inclusive of utilities at Seypec House for the next three years.

##### **Assumptions on agreements**

It has been assumed that the debt owed by SSRL will be recovered and that onwards payment of dues will be timely.

It has also been assumed that the existing Adamantine agreement will continue without any relinquishment of Scheduled lands

It has been assumed that one additional petroleum agreement will be signed in 2025. This impacts on rental fees and education bonus.

## 6.10.4 KPIs, Risk Management Strategy and Reporting Obligations

### 6.10.4.1 Key Performance Indicators of PetroSeychelles

Title of Key Performance Indicators	Description	Achievements of KPIs								
		Actual Figures			Provisional		Forecast			
		2020	2021	2022	2023	2024	2025	2026	2027	
No. of Applications Received	The number of applications received will be a measure of the effectiveness of the promotional campaign	1	0	1	0	1	1	1	1	
No. of agreements and licenses signed	The number of agreements signed will be a measure of the success of the promotion campaign as well as the prospectivity development exercise.	0	0	1	1	0	1	0	0	
Regulatory Turnaround Time	The average time it takes to process permits, licenses, and approvals	12 months		6 months	30 days	30 days	30 days	30 days	30 days	
Data Availability and Accessibility	The percentage of time data is available and accessible for authorized users.				95%	97%	98%	100%	100%	
Training Completion Rate	Percentage of employees who have successfully completed the required training and development programs within a specified timeframe.	100%	100%	50%	100%	100%	100%	100%	100%	

### 6.10.4.2 Risks and Resilience Plan of the PetroSeychelles

Risk Category		Potential Risks Identified		Risk Mitigation Strategies	
Strategic Risks		Energy Transition and Decarbonization			
		Cyber Security		Put in place next-generation Sophos firewall	
Financial Risks		Budget Constraints		To diversify seeking new revenue streams	
Operational Risks		Workforce availability and competency		Ensure timely training and employment of staff based on anticipated developments in the sector	
		Regulatory Oversight in Remote or Challenging Environments		Conduct comprehensive risk assessment and ensure regular inspections and audits. Also ensure that a robust incident reporting system is in place.	
Compliance and Regulatory Risks		Non-Compliance by Industry Operators		Regular monitoring and enforcement coupled with severe penalties	
		Resource constraints		Ensure timely availability of budget and human resource to ensure effective monitoring and enforcement	
Environmental and Social Risks		Potential for oil spills, accidents, and breaches of environmental standards.		Stringent environmental legislations and EIA requirements.	
		Marine mammal disturbance		EIA plus soft start requirements for seismic surveys	
PESTEL (See below)		Public Perception and Trust:		Community and Stakeholder Engagement	

A PESTEL analysis is a strategic way to understand the external factors influencing how an organisation operates. For PetroSeychelles, Seychelles' national petroleum exploration company, this tool can help highlight the major elements that could affect its activities.

### **PESTEL Analysis of PetroSeychelles**

#### **1. Political Factors**

- **Government Policies:** The government of Seychelles places a strong emphasis on environmental protection, focusing on conservation and sustainable resource use. This has a direct influence on PetroSeychelles' operations. Any shifts in environmental or energy policies could impact how the company conducts exploration and extraction.
- **International Relations:** Seychelles' ties with countries experienced in oil and gas exploration are key. These relationships shape partnerships, investments, and the exchange of technology. Additionally, Seychelles' participation in global agreements like the Paris Accord influences its energy decisions.
- **Political Stability:** Seychelles is known for its stable political environment, which is great for business. However, any changes in government priorities or policy could affect energy strategies or exploration licenses.

#### **2. Economic Factors**

- **Global Oil Prices:** The ups and downs of global oil prices directly affect PetroSeychelles' activities. Low prices might slow down exploration, while higher prices could make it more attractive.
- **Investment Climate:** Attracting foreign investment is crucial for Seychelles' oil and gas sector. Policies on taxes and the ease of doing business can either encourage or hinder investments in PetroSeychelles.
- **Economic Diversification:** Seychelles is working to diversify its economy beyond tourism and fishing. Success or setbacks in this strategy, including efforts in the energy sector, will likely shape PetroSeychelles' future.

#### **3. Social Factors**

- **Public Opinion:** Local opinions and those of environmental groups hold significant sway. There could be opposition to oil exploration due to environmental concerns, possibly leading to protests or policy shifts.
- **Employment Opportunities:** PetroSeychelles has the potential to create jobs and provide training for locals, contributing to social development. However, managing public expectations will be key.
- **Health and Safety:** Oil exploration poses risks to health and safety. PetroSeychelles must ensure high safety standards to protect workers and local communities.

#### **4. Technological Factors**

- **Exploration Technology:** Technological advancements in exploration and drilling could make it easier and more cost-effective for PetroSeychelles to find and extract resources. Staying updated with new technologies is critical.
- **Environmental Technologies:** Investing in technologies that minimize environmental impact can help PetroSeychelles balance its operations with the need for sustainability.
- **Data Management:** Using tools like data analytics and seismic imaging can improve decision-making and reduce exploration risks.

#### **5. Environmental Factors**

- **Climate Change:** As an island nation, Seychelles is deemed to be particularly vulnerable to climate change. This place added pressure on companies like PetroSeychelles to operate sustainably, and tighter regulations may affect fossil fuel exploration.
- **Environmental Regulations:** Seychelles has strict environmental laws. PetroSeychelles must follow these rules, which could limit their exploration activities.
- **Natural Disasters:** Offshore exploration carries the risk of disruptions from natural disasters, such as tropical storms, which could impact operations.

## 6. Legal Factors

- **Regulatory Framework:** PetroSeychelles must comply with laws governing exploration licenses, environmental standards, and safety regulations. Changes in these laws could influence its operations.
- **International Agreements:** Seychelles' commitments to global environmental and maritime laws can impact how PetroSeychelles operates, especially in offshore exploration.
- **Contractual Obligations:** The company must also honour agreements with international partners and investors. Any legal issues or breaches of contract could have serious consequences.

## Conclusion

The PESTEL analysis shows that PetroSeychelles operates in a challenging environment, shaped by political, economic, social, technological, environmental, and legal factors. To succeed, the company will need to navigate these forces carefully, balancing opportunities with responsibilities and public expectations.

### 6.10.4.3 *List of External Reporting's by the PetroSeychelles*

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
EITI Report	EITI secretariat	To report on all funds collected from oil and gas companies.	yearly
PEMC quarterly financial report	PEMC	Quarterly financial statements	quarterly
PEMC annual operations report	PEMC	Documents the operations of the company for the year.	Yearly, due 6 months after year end.
Statement of corporate intent	PEMC	The Statement of Corporate Intent is a document that outlines the company's intentions, objectives, and strategic priorities.	Every three years.
Audited Financial Statements	PEMC, Dept of Finance	the financial statements of the organization that have been examined by a certified public accountant.	Yearly, due 5 months after year end

## 6.10.5 Stakeholder Engagement

### 6.10.5.1 Statement by CEO

As we move forward over the next three years, PetroSeychelles is facing a critical moment. We're dealing with significant financial challenges, especially with no income from our current petroleum agreements. But I believe that if we stay focused on our goals and have the government's support, we can continue to make a real difference in Seychelles' energy sector.

We are fully committed to the priorities outlined in the Medium-Term Financial Strategy (MTFS) for 2025-2027. With the strong guidance of our Board of Directors, our focus will be on monetizing geological surveys and other geotechnical projects, and fine-tuning our involvement in maritime boundaries work. These initiatives are essential, not only for PetroSeychelles but for the country, as we aim to manage our natural resources responsibly while aligning with national goals.

Given our current financial situation, we need to rethink how we operate. But instead of seeing this as a setback, we see it as a chance to innovate and strengthen our regulatory framework and expand the scope of our mandate. We will also actively seek new petroleum agreements to diversify our income and attract investments.

The potential for this industry to benefit Seychelles is huge, but it will take time, effort, and strong government policies to make exploration a reality.

At PetroSeychelles, we are committed to balancing economic growth with environmental responsibility. We will continue to promote hydrocarbon exploration that aligns with the environmental and social priorities of Seychelles. Working together with stakeholders, we will ensure that our projects are sustainable and in line with the country's values.

Over the years, PetroSeychelles has contributed to the national economy through various Corporate Social Responsibility (CSR) initiatives and strategic projects. While we recognize the financial challenges we face, we are determined to continue exploring new opportunities to add value to Seychelles.

Looking ahead, our focus will remain on securing the long-term future of PetroSeychelles. With support from the government and our partners, I'm confident we can overcome these challenges and set ourselves up for future success.

Finally, I want to thank our Board, Management Team, and every employee for their hard work and commitment. Together, we'll keep pushing towards our vision of creating a thriving oil and gas industry that benefits all Seychellois, while staying true to our environmental principles. With a clear direction and the right support, I believe we can come out of these challenging times stronger and more resilient.

*Mr. Patrick Joseph*

*Chief executive Officer*

#### *6.10.5.2 Foreword by Chairperson*

As we step into the 2025-2027 period, PetroSeychelles continues to play a crucial role in Seychelles' energy sector. However, we face significant financial challenges this year due to the absence of income from existing petroleum agreements, making it imperative to secure government support through subvention to assure the company's stability and continued operations.

PetroSeychelles represents more than just a company; it embodies the dedication of a team striving to balance the exploration of natural resources with environmental preservation. The Board of Directors is committed to advancing the strategic priorities outlined in the Medium-Term Financial Strategy (MTFS) for 2025-2027. These priorities include formalising our approach to geological surveys, addressing geotechnical concerns, and refining maritime boundary delimitation efforts.

The current financial landscape necessitates an adaptation of our strategies. We recognise the urgent need to enhance our regulatory efficiency and actively pursue new petroleum agreements to diversify revenue streams and secure necessary investments. This industry's potential economic contributions hinge on successful exploration efforts and government policy directives.

The Board is deeply aware of the broader economic, environmental, and socio-political factors. We are committed to navigating these complexities with prudence and foresight, aligned with the national strategy of promoting hydrocarbon exploration while respecting environmental and socio-economic implications.

PetroSeychelles has a history of contributing to the national economy through Corporate Social Responsibility initiatives and strategic projects. Yet, as we face financial constraints, our future trajectory depends heavily on government support and our ability to attract new investments.

I encourage all stakeholders to engage with this report outlining our financial outlook and strategic initiatives. It is crucial that we work together to overcome the challenges ahead and ensure PetroSeychelles' sustainability. Our dedication remains unwavering, and I extend my deepest gratitude to our Board, Management Team, and Staff for their continued commitment to our shared vision.

In closing, I want to reaffirm our vision to establish a thriving oil and gas industry that respects the environment and benefits every Seychellois. The path forward is challenging, but with the right support and a clear focus on our strategic priorities, I am confident that PetroSeychelles will navigate these challenging times.

*Mrs. Sheriffa Morel  
Chairperson*

#### *6.10.5.3 Statement by the Responsible Minister*

In my capacity as the Minister responsible for supervising PetroSeychelles, I am firmly committed to advancing the strategic priorities outlined in the Medium-Term Financial Strategy (MTFS) for the period of 2025-2027.

One of our most remarkable achievements is the incorporation of hydrocarbon exploration into the National Development Strategy, highlighting its pivotal role in driving economic diversification through the exploration of new and emerging sectors. By actively engaging stakeholders and spearheading educational initiatives, we have successfully championed its acceptance and seamless integration into our national interests.

Moving forward, we are unwavering in our commitment to unlocking the full potential of the Seychelles of our ocean space and continental shelf. Through the identification of new prospects, we are dedicated to attracting international investment that will drive sustainable growth in our upstream sector. Petro Seychelles will proactively undertake in-depth data interpretation projects to strengthen our geological insights, thereby creating an enticing landscape for potential investors.

PetroSeychelles is dedicated to enacting robust regulations that will significantly reduce environmental impacts and prioritize the safety and well-being of our workforce. These proactive measures will not only align Petro Seychelles with global industry standards but also bolster seamless collaboration, ultimately enhancing our international reputation as a responsible and forward-thinking organization. In addition, we will implement cutting-edge data management strategies to ensure the integrity and accessibility of information generated by our upstream activities.

It is imperative to emphasize our unwavering commitment to establishing a commanding presence on social media platforms to facilitate open dialogue and instill public confidence. Engaging the entire community is paramount in championing transparent communication and effectively addressing any concerns pertaining to PetroSeychelles' operations.

In addition, we will further enhance our international partnerships by collaborating with counterparts and organizations to share best practices, standardize norms, and tackle cross-border challenges. Moreover, PetroSeychelles will solidify its position as the Official Geological Surveyor of Seychelles, broadening its mandate to assist various geoscience projects crucial for our country's development.

In conclusion, I am emphasizing the importance of collective action for the successful implementation of this strategy. Through collaborative efforts, we can propel sustainable development forward and shape the prosperous Seychelles we want to achieve. Together, let us work towards a more sustainable and resilient future for generations to come as this strategy is simply showing us the way, how and what we do to get there will depend on all of us.

*Mr. Jean-Francois Ferrari*

*Minister for Fisheries and the Blue Economy*

## 6.11 Seychelles Trading Company Ltd. (STCL)



### 6.11.1 Strategic Overview

#### 6.11.1.1 Mandate

The overarching goal of STC is to ensure the consistent availability of essential commodities defined as Category 1 products – rice, flour, sugar, salt, milk, potatoes, onions, oranges, apples, infant milk, Sunflower Oil, Sunflower Margarine, Toilet Paper and lentils. STC exist to anchor prices to ensure the cost of living in the country always remain at an affordable level based on current economic situation. In addition, STC has also extended its products portfolio to provide the Seychellois people with affordable choices in commodities.

#### 6.11.1.2 Vision

Meeting and Exceeding consumer expectations within our core mandate by trend setting industry standards.

#### 6.11.1.3 Mission

Ensure the constant availability of basic commodities and value for money for all commodities and services.

#### 6.11.1.4 Strategic Priorities for 2024-2026

- Value Chain – Improve Chain management in accordance with international best practices and norms
- Core Infrastructure – Operating with the best core infrastructure
- Organisational Culture – Adopt a result-oriented culture, characterized by high performance and meeting targets
- Food Security – Complement the food security agenda of the country
- Talent Development – Elevate leadership and functional capabilities

#### 6.11.1.5 Key Challenges

- Volatility in Foreign Exchange Rate that impact the cost of commodity
- Volatility in International commodity prices
- Non availability of competent professional work force in procurement, logistic, administration, finance and IT
- Non availability of proper infrastructure to meet current and future challenges
- Logistic issues in relating to supply chain due to conflicts and other political unrest in the world resulted regular diversion/delays occurs to shipments.

## 6.11.2 Outlook of Financial Strategy

### 6.11.2.1 Projected Financial Position of Seychelles Trading Company Ltd.

SCR ('000)

	Actual figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
Property ,plant and equipment	76,168	123,228	182,397	215,332	265,447	249,131	234,532
Intangible assets							
Right-of-use assets	10,097	7,586	7,335	7,335	7,335	7,335	7,335
Investment	53,097	48,488	74,056	74,056	74,056	74,056	20,984
Total Non-Current Assets	139,362	179,302	263,788	296,723	346,838	330,521	262,851
<b>Current Assets</b>							
Inventories	215,807	242,033	205,422	227,508	231,180	243,610	256,821
Inventory in Transit	32,031	20,495	36,019	-	-	-	-
Debtors (Net Provision)	11,542	10,341	16,820	19,625	27,216	33,644	43,513
Return Cheque	660	567	705	668	668	668	668
Salary Advance/Loan	810	1,344	(1,564)	(1,656)	(1,656)	(1,656)	(1,656)
Advance & Prepayment	2,405	3,426	1,826	2,849	2,849	2,849	2,849
Cash at Bank	48,763	80,314	75,658	84,461	43,699	81,940	126,159
Cash In Hand	6	12	12	-	-	-	-
Petty Cash/Float	828	769	743	-	-	-	-
Total Current Assets	312,851	359,301	335,641	333,455	303,955	361,055	428,353
<b>TOTAL ASSETS</b>	<b>452,213</b>	<b>538,604</b>	<b>599,429</b>	<b>630,178</b>	<b>650,793</b>	<b>691,576</b>	<b>691,204</b>
<b>EQUITY &amp; LIABILITIES</b>							
Lease liability	10,294	8,337	8,579	8,579	8,579	8,579	8,579
Deferred tax liabilities	5,463	5,561	5,587	5,587	5,587	5,587	5,587
Employee benefit obligations	25,971	29,813	32,597	32,904	32,904	32,904	32,904
<b>Total Non-current liabilities</b>	<b>41,728</b>	<b>43,712</b>	<b>46,762</b>	<b>47,070</b>	<b>47,070</b>	<b>47,070</b>	<b>47,070</b>
<b>Local creditors</b>							
Overseas Creditors	20,632	31,406	32,956	28,373	16,120	16,926	17,773
Net VAT liability	(4,672)	98	(3,174)	(4,360)	(4,360)	(4,360)	(4,360)
Tax Liabilities	(720)	17,140	(2,690)	-	-	-	-
Net wages/salaries	1,026	7,876	1,515	1,560	1,556	1,556	1,556
Borrowings	5,000	5,000	-	-	-	-	-
Accruals	838	418	613	3,225	3,225	3,225	3,225
Other payables	4,680	2,237	2,945	3,863	3,863	3,863	3,863
<b>Total Current liability</b>	<b>67,022</b>	<b>89,974</b>	<b>62,496</b>	<b>64,168</b>	<b>56,746</b>	<b>61,909</b>	<b>68,511</b>
<b>TOTAL LIABILITIES</b>	<b>108,751</b>	<b>133,686</b>	<b>109,259</b>	<b>111,238</b>	<b>103,816</b>	<b>108,978</b>	<b>115,581</b>
<b>Shareholders' Funds</b>							
Share capital	10	10	10	10	10	10	10
Contributed Capital	145,282	140,672	166,241	166,241	166,241	166,241	113,169
Retained Profit B/F	195,721	198,170	264,234	323,919	352,026	380,726	416,347
Profit for the year	2,449	66,064	59,685	28,770	28,700	35,620	46,098
Total Equity	343,462	404,917	490,170	518,940	546,977	582,598	575,623
<b>Total Equity &amp; Liabilities</b>	<b>452,213</b>	<b>538,603</b>	<b>599,429</b>	<b>630,178</b>	<b>650,793</b>	<b>691,576</b>	<b>691,204</b>

6.11.2.2 *Projected Statement of Comprehensive Income of Seychelles Trading Company Ltd.*

	SCR ('000)						
	Actual figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>Revenue</b>	990,786	1,087,084	1,030,714	1,016,840	1,054,771	1,107,509	1,162,885
Cost of sale	785,209	771,768	723,876	711,850	730,135	766,641	804,973
Commission.Credit.Card	4,255	5,178	5,115	5,162	5,359	5,627	5,909
Stock take - Shortage/(Excess)	2,598	1,831	6,585	-	-	-	-
Demurrgages	2,662	3,935	2,628	2,597	1,640	1,536	1,503
Damages/Destructions	10,997	13,423	9,936	8,101	6,595	6,516	6,464
Damages/Destructions - Claims Received	(4,470)	(1,767)	(1,656)	(1,203)	(809)	(567)	(398)
Depreciation Plant & Machinery	3,337	2,770	2,785	2,136	5,605	5,421	4,903
<b>Total Cost of Sales</b>	<b>804,589</b>	<b>797,139</b>	<b>749,269</b>	<b>728,643</b>	<b>748,525</b>	<b>785,174</b>	<b>823,355</b>
<b>GROSS PROFIT</b>	<b>186,197</b>	<b>289,945</b>	<b>281,445</b>	<b>288,197</b>	<b>306,246</b>	<b>322,335</b>	<b>339,530</b>
Rental Income	2,303	2,248	1,999	2,019	2,019	2,019	2,019
Other income	3,828	2,518	6,235	5,488	5,488	5,488	5,488
Total income	192,329	294,711	289,679	295,704	313,753	329,842	347,037
<b>Selling &amp; Distribution Expenses</b>							
Publicity & Promotion	826	1,859	1,454	1,876	2,001	2,175	2,364
Transport Charges	3,837	5,766	5,719	5,938	6,360	6,911	7,511
Vehicles Fuel	2,174	2,969	2,551	2,498	2,380	2,328	2,277
Vehicles Expenses	3,995	3,787	3,638	3,176	3,047	2,980	2,914
Parking expenses	3,327	4,052	1,904	1,964	2,078	2,258	2,454
Travel & entertainment	463	929	1,595	1,670	1,788	1,943	2,111
Donation, gifts, Disc allowed	16	55	80	56	59	64	69
Depreciation Motor Vehicles	190	1	826	2,318	3,278	2,678	2,080
<b>Total Selling &amp; Distribution Expenses</b>	<b>14,829</b>	<b>19,418</b>	<b>17,768</b>	<b>19,497</b>	<b>20,989</b>	<b>21,336</b>	<b>21,780</b>
<b>Administration Expenses</b>							
Salaries & Wages	98,929	99,825	108,486	116,764	129,099	129,099	129,099
13th Month Salary	-	6,706	6,875	8,324	8,324	8,324	8,324
Pension Fund	2,878	4,252	5,208	5,437	5,437	5,437	5,437
Overtime	204	1,997	1,398	1,540	1,540	1,540	1,540
Gratuity & compensation	5,966	6,291	6,989	6,942	6,942	6,942	6,942
Employee Benefits	1,847	2,637	3,421	3,207	3,271	3,386	3,505
Bonus & Incentives	1,345	1,440	3,160	5,660	5,660	5,660	5,660
Staff Training	170	209	335	424	433	448	463
Director fee	133	284	379	531	531	531	531
Consultancy fee	453	1,366	1,183	600	600	600	600
Licenses & insurance	1,874	1,897	1,629	1,902	1,940	2,008	2,078
Audit fees	560	666	625	8	-	-	-
Rental expenses	11,069	12,775	18,164	18,464	18,957	19,667	20,413
Depreciation - ROU Assets	5,986	848	996	-	-	-	-
Utilities	27,541	30,271	32,819	34,623	35,315	36,551	37,831
Printing and stationery	1,071	1,597	1,949	1,850	1,887	1,953	2,021
Computer expenses	1,412	999	1,972	2,162	2,205	2,282	2,362
Telephone & fax	1,873	1,480	1,741	1,774	1,809	1,873	1,938
Postage	2	5	3	2	2	2	2
Cleaning expenses	2,348	1,756	2,190	2,191	2,234	2,313	2,394
Repairs and maintenance	5,391	5,789	4,135	4,598	4,690	4,854	5,024
Security	1,992	1,973	4,712	4,891	4,989	5,163	5,344
Donation, gifts, Disc allowed	103	1,457	4,045	3,623	3,696	3,825	3,959
Depreciation	5,830	6,003	5,639	3,860	7,953	11,217	10,615
VAT disallowed	4,179	7,482	(1,399)	4,250	3,000	3,105	3,214
Miscellaneous	3,732	1,668	5,139	5,738	5,672	5,870	6,076
<b>Total Administration Expenses</b>	<b>186,887</b>	<b>201,673</b>	<b>221,794</b>	<b>239,364</b>	<b>256,186</b>	<b>262,651</b>	<b>265,372</b>
<b>Financial expenses</b>							

Interest Charge	83	87	28	28	2	0	0
Lease interest - ROU Assets	1,112	(757)	884	-	-	-	-
Bank Charges	2,212	1,769	1,518	1,745	1,628	1,618	1,617
Financial income	(300)	(36)	(185)	(43)	(5)	(2)	(2)
Exchange (Gain) or loss	(24,694)	(15,828)	(14,034)	(4,346)	(4,346)	(4,346)	(4,346)
<b>Total Financial expenses</b>	<b>(21,587)</b>	<b>(14,765)</b>	<b>(11,788)</b>	<b>(2,616)</b>	<b>(2,721)</b>	<b>(2,729)</b>	<b>(2,730)</b>
<b>Total Operating Expenses</b>	<b>180,129</b>	<b>206,325</b>	<b>227,774</b>	<b>256,246</b>	<b>274,454</b>	<b>281,258</b>	<b>284,422</b>
<b>Net profit before tax and provision</b>	<b>12,200</b>	<b>88,385</b>	<b>61,904</b>	<b>39,458</b>	<b>39,298</b>	<b>48,584</b>	<b>62,615</b>
<b>Provision</b>							
Provision for credit impairment	616	511	1,002	-	-	-	-
Provision for unrealized profit	943	(209)	(51)	1,232	1,165	1,223	1,285
<b>Profit before tax</b>	<b>10,641</b>	<b>88,083</b>	<b>60,953</b>	<b>38,226</b>	<b>38,133</b>	<b>47,360</b>	<b>61,330</b>
Corporate Social responsibility tax	533						
Tax expense	7,658	(22,019)	(1,268)	9,457	9,433	11,740	15,233
<b>PROFIT FOR THE YEAR</b>	<b>2,449</b>	<b>66,064</b>	<b>59,685</b>	<b>28,770</b>	<b>28,700</b>	<b>35,620</b>	<b>46,098</b>

### 6.11.2.3 Projected Cash flows Statement of Seychelles Trading Company Ltd.

	SCR ('000)						
	Actual Figures		Provisional		Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b><i>Cashflows from operating activities</i></b>							
<b>Profit before income tax</b>	<b>10,641</b>	<b>88,083</b>	<b>60,953</b>	<b>38,226</b>	<b>38,133</b>	<b>47,360</b>	<b>61,330</b>
<b>Adjustments for:</b>							
Depreciation of property,plant and equipment	9,686	8,626	9,250	8,314	16,835	19,317	17,598
Depreciation of right-of-use assets	6,370	848	996	-	-	-	-
Provision for employee benefit obligations	5,966	6,291	6,989	6,942	6,942	6,942	6,942
Interest Receivable	(218)	49	185	43	-	-	-
Interest Payable	83	87	28	28	5	2	2
Lease interest - ROU Assets	1,022	(1,636)	884	-	2	0	0
	<b>33,550</b>	<b>102,348</b>	<b>79,285</b>	<b>53,553</b>	<b>61,918</b>	<b>73,620</b>	<b>85,872</b>
<b><i>Changes in working capital</i></b>							
(increase)/Decrease in inventories	(11,158)	(14,691)	21,088	13,933	(3,672)	(12,429)	(13,211)
(increase)/Decrease in trade and other receivables	924	261	4,132	(3,698)	(7,590)	(6,428)	(9,869)
(increase)/Decrease in trade and other payables	(33,506)	9,812	(160)	(3,408)	(7,418)	5,162	6,602
(increase)/Decrease in other payables	3,740	(1,506)	(8,705)	2,389	(666)	0	0
<b>Cash (used in) generated from operations</b>	<b>(6,450)</b>	<b>96,223</b>	<b>95,640</b>	<b>62,769</b>	<b>42,570</b>	<b>59,925</b>	<b>69,394</b>
Interest Paid	(83)	(87)	(28)	(28)	(2)	(0)	(0)
Tax paid	(533)	(8,781)	(21,197)	(6,766)	(9,433)	(11,740)	(15,233)
Employee benefit obligations paid	(3,122)	(2,448)	(4,206)	(6,942)	(6,942)	(6,942)	(6,942)
<b>Net cash(used in)/generated from operating activities</b>	<b>(10,188)</b>	<b>84,907</b>	<b>70,209</b>	<b>49,033</b>	<b>26,193</b>	<b>41,243</b>	<b>47,220</b>
<b><i>Cashflows from investing activities</i></b>							
Purchase of property,plant and machinery	(15,065)	(57,408)	(68,227)	(41,005)	(66,951)	(3,000)	(3,000)
Disposal of Property,plant and machinery	5,887	2,848	-	63	-	-	-
Additions to property ,plant and equipment							
Additions to intangible assets							
Payments made for work in progress							
Interest received	218	(49)	(185)	(43)	(5)	(2)	(2)
<b>Net cash(used in)/generated from investing activities</b>	<b>(8,960)</b>	<b>(54,609)</b>	<b>(68,412)</b>	<b>(40,984)</b>	<b>(66,955)</b>	<b>(3,002)</b>	<b>(3,002)</b>
<b><i>Cashflow from financing activities</i></b>							
Loan repaid	-	-	(5,093)	-	-	-	-
Lease payments	(7,619)	1,200	(1,387)	-	-	-	-
Inter Divisional Transfer in	199,535	305,981	232,251	70,690	-	-	-
Inter Divisional Transfer out	(199,535)	(305,981)	(232,251)	(70,690)	-	-	-
Interest paid		-	-				
<b>Net cash generated from /(used in) financing activities</b>	<b>(7,619)</b>	<b>1,200</b>	<b>(6,480)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>(26,768)</b>	<b>31,498</b>	<b>(4,682)</b>	<b>8,048</b>	<b>(40,762)</b>	<b>38,241</b>	<b>44,219</b>
<b><i>Movement in cash and cash equivalents</i></b>							
As at January 1	76,365	49,597	81,095	76,413	84,461	43,699	81,940
Net change in cash and cash equivalents	(26,768)	31,498	(4,682)	8,048	(40,762)	38,241	44,219
<b>Net foreign exchange difference</b>							
<b>As at December 31</b>	<b>49,597</b>	<b>81,095</b>	<b>76,413</b>	<b>84,461</b>	<b>43,699</b>	<b>81,940</b>	<b>126,159</b>

#### 6.11.2.4 Projected Capital Investment Plan of Seychelles Trading Company Ltd.

SCR ('000)

Seychelles Trading Company Ltd.												
Projected Capital Investment Plan							Anticipated Risks					
Project Name	Project Purpose	Expected Outcome of the project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures		Provisional		Forecast	
							2021	2022	2023	2024	2025	2026
Eve island warehousing	Own premises to better serve	Reduced rent cost	17,227,413	Own	2020	2021	10,560,000					
Enterprise Resource Planing software	Improve overall monitoring, controls and reporting	Overall improved operational efficiencies	4,468,446	Own	2021	2026	1,490,000	2,978,446			-	-
Turn Key Cold Storage	Improved sales of Perishables and reduced opeX on handling perishables	Increased sales and reduced opeX	115,882,182	Own	2022	2024			43,200,000	52,701,934	19,980,248	
Acquisition of 5 Ton chiller Truck	Vehicle Fleet Enhancement	Reduced OPEX	1,941,000		2022	2022		1,941,000				
Acquisition of Passenger cars	Vehicle Fleet Enhancement	Reduced OPEX	1,026,528		2022	2022		1,026,528				
Eve island super market	Increase volumes	Increased profitability	2,308,117		2022	2022		2,308,117				
	Renovation of Duty Free Arrival shop	Increased no. of Customers	5,225,826		2023	2023			5,225,826			
Building of Bakery and Floor Stores	Improved efficiencies	Increased sales and reduced opeX	2,000,000		2024	2024				2,000,000		
Refurbishment of Dry Goods Stores	Improved efficiencies	Increased sales and reduced opeX	35,000,000		2024	2024				7,000,000	28,000,000	
Acquisition of long vehicles	Vehicle Fleet Enhancement	Reduced OPEX	6,300,000		2023	2023			1,300,000	5,000,000		
Acquisition of 04 chillers trucks	Vehicle Fleet Enhancement	Reduced OPEX	3,274,819						3,274,819			
Acquisition of passenger cars and bus	Vehicle Fleet Enhancement	Reduced OPEX	3,000,000		2024	2024			700,000	600,000	1,700,000	
Acquisition of trucks, reffer containers and train truck	Vehicle Fleet Enhancement	Reduced OPEX	3,500,000		2023	2023				1,400,000	2,100,000	
Acquisition of Fork lift-10 tons	Enhance logistics	Improved operational efficiencies	1,200,000		2025	2025					1,200,000	
Updating of Total IT infrastructure	Improved efficiencies	Overall improved operational efficiencies	16,191,179		2023	2023			1,045,679		15,145,500	
CCTV on New Cold Storage	Improved monitoring	Improved operational efficiencies	2,505,000		2025	2025				2,505,000		
Total Renovation of Hyper Market	Improved efficiencies	Overall improved operational efficiencies	10,500,000		2024	2025				2,500,000	8,000,000	
Building of Mini Market for Building Material-Praslin	Improved customer inter face	Increase in sales and profitability	800,000		2025	2025					800,000	
Renovation of Head Office Premises	Improved efficiencies	Overall improved operational efficiencies	3,500,000		2025	2025					3,500,000	
TOTAL INVESTMENT ON MAJOR PROJECTS			235,850,510				12,050,000	51,454,091	64,248,258	38,480,248	62,950,500	-
REPLACEMENT AND UP KEEP OF ASSETS (PPE)			19,471,918				3,015,030	5,953,928	3,978,652	2,524,308	4,000,000	

### 6.11.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

#### 6.11.3.1 Tax Implications by the Operations of Seychelles Trading Company Ltd.

Type of Tax	TAX IMPLICATION							SCR ('000)
	2021	2022	2023	2024	2025	2026	2027	
Business Tax (N/A)	8,192	22,019	15,198	9,457	9,433	11,740	15,233	
PIT	4,859	5,158	6,900	7,427	8,211	8,211	8,211	
VAT	53,295	43,582	43,499	46,125	47,846	50,238	52,750	
<b>Total</b>	<b>66,346</b>	<b>70,759</b>	<b>65,596</b>	<b>63,009</b>	<b>65,490</b>	<b>70,190</b>	<b>76,194</b>	

#### 6.11.3.2 Anticipated Dividend Declarations by Seychelles Trading Company Ltd.

Nature of Dividend	DIVIDEND						
	2020	2021	2022	2023	2024	2025	2026
Social Benefits Cost-Dividends in lieu of cash	93,348	49,352	51,352	59,940	64,369	67,851	71,696

#### 6.11.3.3 Debt Payments Forecasts by Seychelles Trading Company Ltd.

The Company does not intend to borrow funds in medium term as well as of date company has zero borrowings

#### 6.11.3.4 Anticipated Subventions and Grants by Seychelles Trading Company Ltd.

The Company does not anticipate and subvention or grants during medium term.

#### 6.11.3.5 Contingencies of Seychelles Trading Company Ltd.

\*STC does not anticipate any contingencies from government guarantees or legal proceedings

#### 6.11.3.6 Assumptions used for the Financial Projections of STCL

<b>SEYCHELLES TRADING COMPANY LIMITED</b>	
<b>BUDGETARY ASSUMPTIONS</b>	
Taken Actual Sales up to April 2024 and adjusted for current trend with Growth rate of Average 2%	
Budget is prepared based on the current level of average forex rates of 14.95 in June, 2024.	
Increment of salaries envisaged in line with approved salary structure from October 2024, 75% to 85% of market values.	
Provision of 1 Month for 13th Month salary for all employees were provided and one month bonus envisaged	
Stock write off and demurrage costs to be minimized by better operational control and inventory levels to be reduced	
Sales and Distribution expenses to be in proportion to sales level expected and 0.25% of sales provided in terms of planned Retailer Rebate as well as Sales Team commission	
It is assumed a Gross Profit margin to be remained current level of 27.1%	
More concentrated effort on reducing inventory holding at wholesale specially at Duty Free/Bonded warehouse and Building Material and obtaining maximum credit period from suppliers without procurement cost being affected	
Increase in sales to be supported by better and competitive pricing of products at below market level in congruence with government policy for keeping price level of essential foods at reasonable price level	
Enhance productivity of employees through higher training and development with defined milestones	
ERP Project and Major Capex approved & Planned and Essential Capex that held up in 2023 were taken as Capex for 2024 along with few new major projects are added to Budget 2024	
All the major capex projects to be financed through existing liquidity.	
It is assumed that all the elements of Working Capital Cycle to remain as it is at 2024 levels.	

## 6.11.4 KPIs, Risk Management Strategy and Reporting Obligations

### 6.11.4.1 Key Performance Indicators of the Seychelles Trading Company Ltd.

Seychelles Trading Company Ltd.							
KEY PERFORMANCE INDICATORS							
	Actual	Actual	Actual	Forecast	Budgeted	Budgeted	Budgeted
	2021	2022	2023	2024	2025	2026	2027
<b>MANAGEMENT CONTROL</b>							
Gross Profit Ratio	19%	26%	27%	28%	29%	29%	31%
Inventory Losses/Cost of sales - Cumulative	1.15%	1.67%	2%	1%	1%	0.8%	0.8%
Demurrage/Cost of Sales - Cumulative	0.35%	0.53%	0.36%	0.36%	0.22%	0.2%	0.2%
Payroll Cost/ Sales	10%	9%	11%	11%	15%	14.5%	13.8%
Selling & Distribution cost/Sales	1%	2%	2%	2%	2%	1.9%	2.6%
Admin Cost/Sales	9%	10%	11%	12%	9%	8.8%	8.6%
Donations,Gifts/Sales	0.01%	0.13%	0.39%	0.00%	0.35%	0.3%	0.3%
<b>WORKING CAPITAL MANGEMENT</b>							
Inventory-Mn	247.84	262.53	241.44	227.51	231.18	243.61	256.82
Inventory Holding Period	113.46	121.99	120.07	116.65	113.99	114.39	114.86
Debtors Collection Period	9.89	5.68	6.12	7.28	9.52	11.15	13.68
Supplier Credit Period	32.76	29.48	31.47	30.70	25.87	18.73	19.88
Working Capital Cycle in Days	90.60	98.19	94.72	93.24	97.64	106.82	108.65
Working Capital Cycle in Months	3.02	3.27	3.16	3.11	3.25	3.56	3.62
Working Capital-Mn	245.83	269.33	273.14	268.62	206.60	220.30	236.77
<b>PROFITABILITY</b>							
ROA (Annualized)	2.5%	15%	10%	7%	6%	7%	9%
ROE (Annualized )	0.8%	15%	12%	6%	5%	7%	8%
<b>LIQUIDITY</b>							
Current Ratio	3.98	3.80	5.37	9.81	5.36	5.83	6.25
Quick Assets Ratio	0.12	0.11	0.11	6.26	1.28	1.90	2.50
Accounts Payable/Inventory	25%	22%	26%	26%	0.23	23.7%	25%
<b>FINANCIAL STABILITY</b>							
Debt Ratio	0.29	0.25	0.18	0.00	0.34	3.46	2.93
Financial Gearing	0.00	-	0.00	0.00	0.00	0.00	0.00

#### 6.11.4.2 Risks and Resilience Plan of the Seychelles Trading Company Ltd.

Risk Category	Potential Risks Identified		Risk Mitigation Strategies
<b>Strategic Risks</b>	Below the par operational efficiencies bench mark with industry due to outdated and deleted asset base		Strategic investment on PPE
<b>Financial Risks</b>	Volatility in Foreign Exchange Rate that impact the cost of commodity		Source part of foreign currency requirement in house through duty free operation and interaction with banking and economic sources and moderate and maintain short/long term positions accordingly
	Volatility in market interest rate that impact funding of operation		Maximize utilization of internally generated funds
<b>Operational Risks</b>	Volatility in International commodity prices		Regular interaction with suppliers and other sources to gather intelligence and based on the intelligence gained to decide on procurement policy to be maintained at short or long positions.
<b>Compliance and Regulatory Risks</b>	Non availability of competent professional work force in procurement, logistic, administration, finance and IT		Obtain foreign/Local expertise and train in house staff on ladderling to take up key positions.

#### 6.11.4.3 List of External Reporting's by the Seychelles Trading Company Ltd.

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
Audited Financial Statements	Ministry of Finance	Audited financials as per Statutory requirements	Annually
	Seychelles Revenue Commission		
	Registrar of Companies		
	PEMC		
Quarterly Financials	PEMC	Reporting of results in terms of performance, including Income Statement, Statement of Position and Cash flow Statement	Quarterly

## **6.11.5 Stakeholder Engagement**

### *6.11.5.1 Statement by DCEO*

Every day, I recognize that we are living in an era of uncertainty where the future is increasingly difficult to predict. In these uncertain times, we must actively shape the future by providing the value that society demands. To achieve this, we must strengthen our core capabilities while ensuring a strong return on the opportunities presented. I am fortunate to have a highly dedicated team of professionals supporting me in this process.

Our top priority is establishing clear objectives for the medium term, specifically the period from 2025 to 2027. By thoroughly understanding the expectations of the Board of Directors of Seychelles Trading Company regarding strategic directives and performance benchmarks, we are confident in our ability to meet all the targets set for the coming years.

We have already laid out plans to invest in PPE (say what it means) to meet current and future challenges. These investments have been strategically evaluated by our esteemed professionals under the guidance of the Board of Directors. As a result, we are confident that we will meet all the key performance targets established for the 2025–2027 period.

In line with the Board of Directors' policy of zero borrowing for investments, we are committed to achieving our KPIs with zero financial gearing. While this approach may put some pressure on our working capital management, I am confident that we will maintain optimal levels of working capital while meeting our gearing targets.

It is also worth noting that the trend of unparalleled performance we set in 2022 and 2023 will serve as our benchmark for years to come. We have established plans to increase our Return on Assets (ROA) from -1.9% in 2020 to 9% by the end of 2027, while also increasing asset value by SCR 158 million over the next few years. Additionally, this will enable us to boost our Return on Equity (ROE) from 0.8% to 8.0% during the same period. We have also set a goal to achieve a Profit Before Tax (PBT) margin of at least 3.3% annually, which significantly exceeds the company's historical performance since its incorporation.

Finally, I am confident that through our dedicated efforts, we will continue to demonstrate the value of our existence for the future, striking a balance between social and economic value to realize our vision: "Meeting and exceeding consumer expectations within our core mandate by setting industry standards."

*Ag. CEO*

*David Jean-Baptiste*

#### *6.11.5.2 Foreword by Chairperson*

Quality, affordability, food security, innovation, consistent service, and convenience remain our guiding principles as we strive to deliver on our promise to "VALUE OUR CUSTOMERS' TRUST." We are dedicated to enhancing our wholesale distribution network to better support our communities by ensuring availability of affordable commodities through local retailers at district level on Mahe, Praslin and La Digue.

Since my appointment as Chairperson of Seychelles Trading Company Ltd in 2021, my fellow Board members and I recognized that the company's asset base had significantly declined was outdated and costly to maintain. To address this, we prioritized upgrading of our asset base to meet current and future challenges. During 2022 and 2023, we invested SCR 116.1 million. We have plans to further invest and maintain a relevant modern asset base which will drive in much needed efficiencies during the coming years. These investments include a modern cold storage facility, a state-of-the-art bakery and flour store, a contemporary dry goods store, a new fleet of modern delivery vehicles, and an advanced enterprise resource planning (ERP) system. We will continue to assess further necessary investments in the medium term and are prepared to act on them as needed. Importantly, we plan to fund these investments entirely from our own resources, thereby minimizing any adverse risks and impact on our operating expenses related to financing costs.

The company's value creation process relies on our dedicated senior management team and our committed staff of around 600 members. Our core values—innovation, integrity, excellence, caring, and trust—are deeply ingrained in our culture, driven by our employees. In recognition of our loyal staff, the Board of Directors provided essential guidance to implement a performance-based benefit scheme starting in late 2022, which will continue to be reviewed in the future.

On behalf of the Board of Directors, I would like to express our gratitude to the hon. minister for his invaluable guidance. I also want to acknowledge our management and employees for their dedication to achieving our KPIs and strategic objectives.

*Mr. Imtiaz Umarji  
Chairperson*

#### *6.11.5.3 Statement by the Responsible Minister*

The Seychelles Trading Company (STC) remains a critical vehicle in our efforts to reduce the cost of living for all Seychellois. By ensuring the constant availability of essential commodities; such as rice, flour, milk, and oil. STC plays a central role in stabilizing prices and anchoring the affordability of everyday necessities. This is especially crucial as we navigate global challenges, including volatility in foreign exchange rates, fluctuating international commodity prices, and the ongoing impact of global conflicts on the supply chain.

STC's mandate goes beyond price stabilization; it is about ensuring food security and providing Seychellois with access to affordable choices in commodities. With a clear vision to meet and exceed consumer expectations, STC's 2025-2027 strategic priorities focus on improving value chain management, enhancing core infrastructure, and adopting a results-driven organizational culture. These priorities, along with investments in talent development and leadership, will support STC in overcoming its challenges and solidifying its position as a key player in the national economy.

To further enhance efficiency and reduce wastage, STC is investing in new, modern infrastructure, including state-of-the-art cold storage facilities and an advanced enterprise resource planning (ERP) system. These investments will streamline operations, reduce inefficiencies, and minimize losses, ensuring that the cost savings are passed on to the public. By operating with the best core infrastructure, STC will be better equipped to maintain affordability and improve the availability of essential goods, even in the face of global disruptions.

As part of our national strategy to tackle the rising cost of living, STC's ability to source and distribute essential goods at competitive prices is indispensable. By implementing international best practices in its value chain and continuously investing in infrastructure, STC will ensure that Seychellois households can access quality, affordable products despite global economic uncertainties and supply chain challenges brought about by international conflicts.

I am confident that under its current leadership, STC will continue to support Seychelles' economic stability and food security agenda. As Minister responsible for STC, I reaffirm the government's commitment to ensuring that the company remains an effective tool in delivering essential goods to the population, safeguarding affordability, and contributing to the well-being of all Seychellois.

*Mr. Naadir Hassan*

*Minister for Finance National planning and Trade*



## 6.12 Island Development Company Group Ltd. (IDC)

### 6.12.1 Strategic Overview

#### 6.12.1.1 Mandate

- To carry on the business of the managers and developers of Islands and estates either as owners or lessees.
- To carry on farming and land settlement activities.
- To carry on the business of manufacturers of copra, coconut oil, soaps and detergents, animal feeds and of any other products.
- To carry on the business of fishing and processing of fish.
- To act as consultants on the management and development of islands and estates.
- To act as importers, exporters and distributors of goods and materials.
- To carry on business as a building and construction contractor generally including but not Ltd to all types of civil engineering works and projects.
- To carry on business as project manager and works supervisor in connection with civil engineering projects and construction projects and works generally.
- To carry on business as a provider of civil engineering and architectural services.
- To carry on business as labour contractor.
- To carry on business as importer, wholesaler, retailer and commission agent.

#### 6.12.1.2 Vision

" To transform the outer islands into a more productive and economically sustainable environment for the betterment of Seychelles"

#### 6.12.1.3 Mission

" To ensure that the islands actively contribute to the socio-economic development of the Seychelles in an environmentally sustainable manner"

#### 6.12.1.4 Strategic Priorities for 2025-2027

Priorities	2025	2026	2027
Increase in agricultural farming	✓	✓	✓
Engage in food securities	✓	✓	✓
Engage in Aquaculture	✓	✓	✓
Green Energy production for all Islands	✓	✓	✓
Increase in Air Fleets to cater the growth of the Outer Islands	✓		
To Develop sand pile for the use of the community			
To engage in developing community projects	✓	✓	✓
To works as an arm of the Government for the Development of Infrastructures of the Country	✓	✓	✓
To Develop a strong Maintenance team for maintaining the Government Assets such as Hospital, School and other infrastructures	✓	✓	✓

#### 6.12.1.5 Key Challenges

- Change in Mandate by the Government.
- Change in policies by the Government affecting IDC and its group of companies

## 6.12.2 Outlook of Financial Strategy

### 6.12.2.1 Projected Financial Position of Island Development Company Group Ltd.

	SCR ('000)					
	ACTUALS			ESTIMATES		
	2022	2023	2024	2025	2026	2027
	(SR)	(SR)	(SR)	(SR)	(SR)	(SR)
<b>Assets:</b>						
Property, Plant and equipment	291,041	276,918	443,644	717,355	675,252	653,513
Investments	5	1,394	1,838	2,038	2,038	2,038
Landings	19,043	64,100	64,907	55,664	278,189	233,969
Due from related parties/To convert as landings	14,736	-	43,582	170,000	-	-
Capital work in progress	30,853	132,364	84,524	15,000	10,000	12,800
Deferred income tax asset	6,474	14,758	16,889	16,889	16,889	16,889
<b>Non-Current Assets</b>	<b>362,151</b>	<b>489,534</b>	<b>655,385</b>	<b>976,947</b>	<b>982,369</b>	<b>919,210</b>
Landings	18,047	17,670	8,706	9,243	39,364	41,792
Asset held for sale	2,845	2,845	-	-	-	-
Biological assets	-	-	2,798	3,298	3,798	4,048
Inventories	48,392	35,311	32,555	21,259	21,910	17,860
Taxation	-	-	603	-	2,645	-
Trade and other receivables	215,830	277,053	215,367	499,953	340,050	298,141
Cash and cash equivalent	42,333	49,550	86,238	146,399	134,008	135,077
<b>Current Assets</b>	<b>327,446</b>	<b>382,430</b>	<b>346,266</b>	<b>677,507</b>	<b>536,954</b>	<b>495,007</b>
<b>Total Assets</b>	<b>689,598</b>	<b>871,964</b>	<b>1,001,651</b>	<b>1,654,454</b>	<b>1,519,323</b>	<b>1,414,217</b>
<b>Liabilities:</b>						
Employee benefit obligations	5,775	8,058	8,995	9,894	10,435	10,906
Borrowings	124,614	129,314	181,881	546,470	491,449	410,955
<b>Non- Current Liabilities</b>	<b>130,389</b>	<b>137,372</b>	<b>190,876</b>	<b>556,364</b>	<b>501,884</b>	<b>421,861</b>
Borrowings	68,423	172,961	188,526	153,174	168,941	184,030
Taxation	1,160	21,607	-	-	-	-
Trade and other payables	257,228	248,228	345,421	626,962	510,783	468,090
<b>Current Liabilities</b>	<b>326,811</b>	<b>442,796</b>	<b>533,946</b>	<b>780,136</b>	<b>679,724</b>	<b>652,121</b>
<b>Total Liabilities</b>	<b>457,200</b>	<b>580,167</b>	<b>724,822</b>	<b>1,336,500</b>	<b>1,181,608</b>	<b>1,073,981</b>
Share Capital	21,331	21,331	21,331	21,331	21,331	21,331
Retained earnings	168,922	231,134	217,452	261,457	284,098	289,499
Deferred Grants	42,144	39,331	38,046	35,166	32,286	29,406
<b>Equity</b>	<b>232,398</b>	<b>291,796</b>	<b>276,829</b>	<b>317,954</b>	<b>337,715</b>	<b>340,236</b>
<b>Total Liabilities and equity</b>	<b>689,598</b>	<b>871,964</b>	<b>1,001,651</b>	<b>1,654,454</b>	<b>1,519,323</b>	<b>1,414,217</b>

### 6.12.2.2 Projected Statement of Comprehensive Income of IDCL

	SCR ('000)					
	ACTUALS			ESTIMATES		
	2022	2023	2024	2025	2026	2027
	(SR)	(SR)	(SR)	(SR)	(SR)	(SR)
<b>Revenue</b>	546,331	1,238,261	1,008,767	2,090,937	1,302,807	1,016,721
<b>Direct costs</b>	(341,788)	(900,679)	(735,849)	(1,751,011)	(1,082,303)	(868,238)
<b>Other Income</b>	30,148	15,909	23,060	66,275	155,433	203,814
Administrative Salaries and Benefits	(80,266)	(84,041)	(89,048)	(108,775)	(114,214)	(119,925)
Bad Debts	-	-	(6,780)	-	-	-
Camp running Expenses	(4,189)	(12,160)	(8,660)	(10,600)	(8,400)	(6,720)
Communication	(6,273)	(6,687)	(8,910)	(6,284)	(6,598)	(6,928)
Depreciation (net of deferred grant credit)	(37,119)	(38,789)	(41,114)	(61,739)	(62,739)	(63,738)
Exchange (losses/gain (operating)	(7,970)	(10,393)	(2,888)	(3,177)	(4,504)	(4,459)
External transportation	(10,738)	(6,042)	(3,174)	(6,190)	(7,428)	(8,468)
Fuel for electricity generation & island use	(11,898)	(13,466)	(28,389)	(31,377)	(32,319)	(33,288)
Insurance	(2,413)	(3,438)	(4,251)	(4,320)	(4,557)	(4,769)
Impairment of inventory of graduate units	-	-	(5,981)	-	-	-
Other expenses	(15,726)	(20,290)	(26,427)	(21,564)	(21,679)	(19,411)
Rental	(986)	(1,975)	(1,324)	(358)	(358)	(358)
Repairs and maintenance	(13,898)	(15,352)	(11,548)	(15,819)	(13,684)	(12,987)
Subscriptions and donations	(1,343)	(4,539)	(974)	(5,995)	(3,553)	(3,179)
Travelling	(5,673)	(7,031)	(9,005)	(8,444)	(7,544)	(5,686)
Utilities	(4,675)	(5,421)	(6,375)	(9,607)	(10,567)	(11,338)
<b>Operating profit</b>	<b>31,526</b>	<b>123,868</b>	<b>41,130</b>	<b>111,950</b>	<b>77,791</b>	<b>51,044</b>
Finance income	58,504	7,127	8,071	4,180	19,574	20,344
Finance cost	(36,775)	(20,080)	(27,196)	(20,335)	(33,997)	(32,438)
<b>Finance costs-net</b>	<b>21,729</b>	<b>(12,953)</b>	<b>(19,125)</b>	<b>(16,155)</b>	<b>(14,423)</b>	<b>(12,093)</b>
<b>Share of losses in associate</b>	-	1,392	444	-	-	-
Profit before income tax	<b>53,255</b>	<b>112,306</b>	<b>22,450</b>	<b>95,796</b>	<b>63,369</b>	<b>38,951</b>
<b>Income tax expense</b>	(17,171)	(30,094)	(16,132)	(31,790)	(20,728)	(13,550)
Profit for the year	<b>36,084</b>	<b>82,212</b>	<b>6,317</b>	<b>64,006</b>	<b>42,641</b>	<b>25,401</b>
<b>Dividends</b>	-	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Profit for the year after dividends	<b>36,084</b>	<b>62,212</b>	<b>(13,683)</b>	<b>44,006</b>	<b>22,641</b>	<b>5,401</b>
<b>Retained earnings opening balance</b>	132,838	168,922	231,134	217,452	261,457	284,098
Retained earnings closing balance	<b>168,922</b>	<b>231,134</b>	<b>217,452</b>	<b>261,457</b>	<b>284,098</b>	<b>289,499</b>

6.12.2.3 Projected Cash flow Statement of Island Development Company Group Ltd.

SCR ('000)

	ACTUALS			ESTIMATES		
	2022 (SR)	2023 (SR)	2024 (SR)	2025 (SR)	2026 (SR)	2027 (SR)
<b>Cash flows from operating activities</b>						
<b>Profit for the year before exceptional item</b>	53,255	112,306	22,450	95,796	63,369	38,951
<b>adjustments for:</b>						
Taxation paid	(15,542)	(17,930)	(40,474)	(28,542)	(21,196)	(13,816)
Depreciation (net of adjustment for deferred grant)	37,119	38,789	41,114	58,859	59,859	60,858
Changes in provision for employee benefits	668	2,282	937	899	540	472
Profit on sale of apartment	-	(4,699)	25,125	-	-	0
Profit on disposal of tangible assets	(21,299)	(56)	(2,225)	-	-	0
Tangible assets decommissioning and scrapped	-	-	(2)	-	-	0
Changes in fair value of biological assets	-	-	(2,798)	(500)	(500)	(250)
Share of profit from associate	-	(1,390)	(444)	-	-	-
Finance costs	(21,729)	12,953	19,125	16,155	14,423	32,438
	32,473	142,256	62,807	142,667	116,494	118,653
<b>Changes in working capital</b>						
Inventories	14,662	2,731	(4,076)	11,296	(651)	4,050
Trade and other receivables	(84,024)	(61,224)	61,687	(284,586)	159,903	41,909
Trade and other payables	64,651	(14,251)	119,936	285,719	(111,675)	(38,234)
<b>Cash generated from/(utilized) in operations</b>	<b>27,762</b>	<b>69,513</b>	<b>240,354</b>	<b>155,095</b>	<b>164,071</b>	<b>126,378</b>
Proceeds from sale of apartment	-	15,049	15,958	-	-	-
Interest received	575	493	595	-	-	-
Interest paid	(11,294)	(16,390)	(26,014)	(16,155)	(14,423)	(32,438)
<b>Net Cash from / (used) in operating activities</b>	<b>17,043</b>	<b>68,665</b>	<b>230,892</b>	<b>138,940</b>	<b>149,648</b>	<b>93,940</b>
<b>Cash flows from investing activities</b>						
Payments to acquire tangible fixed assets	(39,584)	(27,479)	(210,560)	(335,450)	(20,637)	(41,999)
Investment in work in progress	(24,647)	(165,611)	(75,971)	69,524	5,000	(2,800)
Lending repaid	21,542	21,542	24,737	8,706	(252,646)	41,792
Proceeds from disposal of tangible fixed assets	12,887	56	5,000	-	-	-
Net cash used in investing activities	(29,802)	(171,492)	(256,794)	(257,220)	(268,282)	(3,007)
<b>Cashflow from financing activities</b>						
Capital grant received	-	-	1,508	-	-	-
Loans repaid	(47,959)	(85,706)	(92,171)	(57,620)	(102,300)	(109,443)
Loans received	51,599	93,555	117,799	445,253	78,997	32,438
Changes in related party balances	8,137	14,736	13,103	(126,618)	170,000	-
Dividend paid	-	(14,000)	(19,000)	(21,000)	(20,000)	(20,000)
Net cash used in financing activities	11,777	8,585	21,238	240,014	126,697	(97,006)
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(982)</b>	<b>(94,242)</b>	<b>(4,663)</b>	<b>121,734</b>	<b>8,063</b>	<b>(6,073)</b>
<b>Exchange losses on bank balances</b>	<b>(24,493)</b>	<b>(3,691)</b>	<b>(1,181)</b>	<b>(3,177)</b>	<b>(4,504)</b>	<b>(4,459)</b>
<b>Cash &amp; cash equivalent opening balance</b>	<b>48,345</b>	<b>22,870</b>	<b>(75,063)</b>	<b>(80,907)</b>	<b>37,649</b>	<b>41,208</b>
<b>Cash &amp; cash equivalent closing balance</b>	<b>22,870</b>	<b>(75,063)</b>	<b>(80,907)</b>	<b>37,649</b>	<b>41,208</b>	<b>30,677</b>
<b>Cash in hand and banks</b>	42,333	49,550	86,238	146,399	134,008	135,077
<b>Bank overdrafts</b>	(19,463)	(124,613)	(167,145)	(108,750)	(92,800)	(104,400)

<b>Cash &amp; cash equivalent closing balance</b>	<b>22,870</b>	<b>(75,063)</b>	<b>(80,907)</b>	<b>37,649</b>	<b>41,208</b>	<b>30,677</b>
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#### 6.12.2.4 Projected Capital Investment Plan of Island Development Company Group Ltd.

Project Name	Project Purpose and Description	Expected Outcome of the project	Total Estimated Project cost	Source of funds	Expected Completion Date	Actual			Projected			Anticipated Risks
						2022	2023	2024	2025	2026	2027	
<b>Major Capital Investments</b>												
Buildings and Utilities	01. Creation of infrastructure on Assumption island for utilities to be provided to the new hotel development. 02. IDC new hanger at Pt. Larue 03. New warehouse at Ile-due-port	Increase of revenue potential over utility supplies	Assumption infrastructure at SR185Mn. New Hanger at 50Mn. New warehouse SR.15Mn	IDC has borrowed SR 65m from Alsalam Bank for the new Head office and Warehouse facility at Ile Du Port. IDC has proposed to take a further loan from ABSA for USD 10Mn to create the infrastructure on Assumption.	01.Assumption infrastructure by Dec 2025 02. New Hanger Nov 2025. 03. Weare house Jan 2025	22,721	2,445	119,521	247,450	0	0	No Risk
Purchase of Aircraft	New Aircraft is required to increase the network to outer Islands to meet the passenger transfer demands for new Tourism development in Assumption Island and proposed for Coetivy Island	The New Aircraft will generate more revenues in the coming years.	Tecnam Aircraft for a value of SR 42m	3rd Aircraft was purchased with a bank loan from Alsalam Bank and Tecnam Aircraft will be purchased from IDC own funds	Tecnam Aircraft has been included in IDC fleet	-18,041	0	0	40,000	0	0	No Risk
Machinery and Fittings	Generators, Solar Panels, Declinators and Incinerator is required for the Islands survival for water and electricity and switch to green energy to save substantial electricity generating costs	Without the Electricity and water the Islands can't be developed for aviation and Tourism Development.	Replacing for Generators and utility services equipment on need basis. estimated at SR 12Mn	Own funds	To be included as and when	12,609	22,503	80,030	0	18,500	39,999	No Risk

Vehicles and Boats	New Landing craft to carry construction materials and supplies to outer Islands.	IDC is proposing a New class I landing craft in 2026 that will reduce the charter from 3rd parties to a considerable extent and save money for the company.	SR 65m	Proposed from retained funds	Yet to place the order for the Landing craft	948	2,316	2,310	30,000	637	0	No Risk
Prawns production processing Plants	New business activity for IDC to reduce the reliance on importation of prawns by the country.	This project is an import substitution for the country and at the same time going to increase the revenue for IDC substantially in the coming years. Currently 8 ponds are in production on Coetivy. Also the prawn processing plants are under installation on Ceotivy Island.	SR 40m	Initially by own funds and to be substituted by DBS loan	Partially capitalized and SR 18Mn to be at the year of 2025	0	0	0	18,000	1,500	2,000	No Risk
<b>Replacements and upkeep of Assets (PPE)</b>												
						18,23 7	27,26 5	201,86 2	335,45 0	20,63 7	41,99 9	

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

#### 6.12.3.1 Tax Implications by the Operations of Island Development Company Group Ltd.

	SCR ('000)					
	ACTUALS			PROJECTED		
	2022	2023	2024	2025	2026	2027
	(SR)	(SR)	(SR)	(SR)	(SR)	(SR)
<b>BUSINESS TAX EXPENSES</b>	21,186	20,079	32,017	21,335	14,214	8,467
<b>CSR TAX</b>	1,689	0	0	0	0	0
<b>TOURISM AND MARKETING TAX</b>	1,689	8,442	6,913	10,455	6,514	5,084
<b>VAT</b>	78,445	133,185	135,677	313,641	157,171	143,445
<b>Total</b>	<b>103,009</b>	<b>161,707</b>	<b>174,607</b>	<b>345,430</b>	<b>177,899</b>	<b>156,996</b>

#### 6.12.3.2 Anticipated Dividend Declarations By Island Development Company Group Ltd.

	SCR ('000)					
	ACTUALS			PROJECTED		
	2022	2023	2024	2025	2026	2027
	(SR)	(SR)	(SR)	(SR)	(SR)	(SR)
<b>DIVIDEND-PAID/FORECASTS</b>	0	20,000	20,000	20,000	20,000	20,000
<b>Total</b>	<b>0</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>

#### 6.12.3.3 Debt Payments Forecasts By Island Development Company Group Ltd.

	SCR ('000)					
	PROJECTED					
				2025	2026	2027
<b>Loan Number</b>	<b>Descriptions</b>			<b>(SR)</b>	<b>(SR)</b>	
<b>1</b>	<b>Alsalam Bank- WH Loan - IDC</b>					
	Borrowing/Opening Balance			<b>6,240</b>	<b>5,579</b>	<b>4,878</b>
	Interest During the year			359	318	290
	Repayment of Capital			- 1,019	- 1,019	- 1,019
	Added further disbursement			-	-	0
	<b>Balance carried forward</b>			<b>5,579</b>	<b>4,878</b>	<b>4,150</b>
<b>2</b>	<b>Alsalam Bank- Head Office Loan - IDC</b>					
	Borrowing/Opening Balance			<b>11,492</b>	<b>10,273</b>	<b>8,979</b>
	Interest During the year			660	585	504
	Repayment of Capital			- 1,879	- 1,879	- 1,879
	Added further disbursement			-	-	-
	<b>Balance carried forward</b>			<b>10,273</b>	<b>8,979</b>	<b>7,604</b>
<b>3</b>	<b>Alsalam Bank- 3rd Beechcraft Loan in USD - IDC</b>					
	Borrowing/Opening Balance			<b>33,213</b>	<b>29,249</b>	<b>25,043</b>
	Interest During the year			1,691	1,449	1,193
	Repayment of Capital			- 5,655	- 5,655	- 5,655
	Added further disbursement			-	-	-
	<b>Balance carried forward</b>			<b>29,249</b>	<b>25,043</b>	<b>20,581</b>
<b>4</b>	<b>ABSA - Assumption Loan - Proposed for IDC</b>					
	Borrowing/Opening Balance			-	<b>127,814</b>	<b>109,567</b>
	Interest During the year			8,232	7,172	6,047

	Repayment of Capital	- 25,419	- 25,419	- 25,419
	Added further disbursement	145,000	-	-
	<b>Balance carried forward</b>	<b>127,814</b>	<b>109,567</b>	<b>90,195</b>
<b>5</b>	<b>Prawns DBS Loan - IDC</b>			
	Borrowing/Opening Balance	-	<b>39,402</b>	<b>35,137</b>
	Interest During the year	1,665	1,498	1,325
	Repayment of Capital	- 5,763	- 5,763	- 5,763
	Added further disbursement	43,500	-	-
	<b>Balance carried forward</b>	<b>39,402</b>	<b>35,137</b>	<b>30,698</b>
<b>6</b>	<b>Nouvobanq- Independence House old building renovation - Green Tree Investment</b>			
	Borrowing/Opening Balance	-	<b>40,000</b>	<b>81,993</b>
	Interest During the year	-	2,095	4,715
	Repayment of Capital	0	- 5,102	- 12,246
	Added further disbursement	40,000	45,000	-
	<b>Balance carried forward</b>	<b>40,000</b>	<b>81,993</b>	<b>74,461</b>
	<b>Note: Loan repayment guaranteed by GOS</b>			
<b>7</b>	<b>Nouvobanq- SRC Loan - Green Tree Investment</b>			
	Borrowing/Opening Balance	<b>43,582</b>	<b>240,000</b>	<b>219,259</b>
	Interest During the year	-	13,836	12,557
	Repayment of Capital	-	- 34,577	- 34,577
	Added further disbursement	196,418	-	-
	<b>Balance carried forward</b>	<b>240,000</b>	<b>219,259</b>	<b>197,239</b>
	<b>Note: Loan repayment guaranteed by GOS</b>			
<b>8</b>	<b>Nouvobanq- National Library Loan - Green Tree Investment</b>			
	Borrowing/Opening Balance	<b>73,613</b>	<b>64,907</b>	<b>55,664</b>
	Interest During the year	4,180	3,643	3,073
	Repayment of Capital	- 12,886	- 12,886	- 12,886
	Added further disbursement	-	-	-
	<b>Balance carried forward</b>	<b>64,907</b>	<b>55,664</b>	<b>45,852</b>
	<b>Note: Loan repayment guaranteed by GOS</b>			
<b>9</b>	<b>Nouvobanq- CONDO Loan - Green Tree Investment</b>			
	Borrowing/Opening Balance	35,122	33,669	27,070
	Interest During the year	3,547	3,401	2,734
	Repayment of Capital	- 5,000	- 10,000	- 10,000
	Added further disbursement	-	-	-
	<b>Balance carried forward</b>	<b>33,669</b>	<b>27,070</b>	<b>19,804</b>

#### 6.12.3.4 Anticipated Subventions and Grants By Island Development Company Group Ltd.

IDC has no anticipated subventions and Grants

#### 6.12.3.5 Contingencies of Island Development Company Group Ltd.

		ACTUALS			PROJECTED				SCR ('000)
		2022 (SR)	2023 (SR)	2024 (SR)	2025 (SR)	2026 (SR)	2027		
<b>SL</b>	<b>GOVERNMENT GUARANTEES</b>	-	-	-	-	-	-		
	<b>POTENTIAL LEGAL ACTIONS:</b>								
<b>1</b>	With Britton Norman for Recovery of Advance paid for the purchase of Islander Aircraft USD 487,000	-	6,818	-	-	-	-	Process initiated to recover the money	
	<b>POTENTIAL DEFICIT AS PER THE AUDITED REPORTS OF GREEN TREE INVESTMENT</b>								
<b>2</b>	On completion of 40 Graduate apartments at the IDC Condominium sites, there is a potential loss of SR 31.9m in the books of Green Tree Investment Company Ltd. The loss is supposed to be recouped by the sales of two blocks of Luxury Units consisting of 19 apartments each for which construction has not started.			31,900				The loss can be recovered upon completion of two more Luxury Blocks and on realization of sales.	
		-	<b>6,818</b>	<b>31,900</b>	-	-			

#### 6.12.3.6 Assumptions used for the Financial Projections of Island Development Company Group Ltd.

- Hotel/Tourism Development on outer Islands depends on Government approval.
- Hotel/Tourism Development on outer Islands depends on EIA approval.
- Regulatory changes by SCAA impacting Aircraft Operations.
- Availability of unrestricted Air Operating License from SCAA.
- Changes in the Bank interest impacting on loan balances.
- Transitional Exchange rates assumed to be 14.5

### 6.12.4 KPIs, Risk Management Strategy and Reporting Obligations

#### 6.12.4.1 Key Performance Indicators of the Island Development Company Group Ltd.

Sl	Indicators	2022	2023	2024	2025	2026	2027
<b>1</b>	Net Profit Margin	6.60%	6.64%	0.63%	3.06%	3.27%	2.50%
<b>2</b>	Asset Turnover	81.29%	158.59%	107.68%	157.44%	82.10%	69.32%
<b>3</b>	Current Ratio	1.00	0.86	0.65	0.87	0.79	0.76
<b>4</b>	Return on Asset	5.23%	9.43%	0.63%	3.87%	2.81%	1.80%
<b>5</b>	Interest cover ratio	0.86	6.17	1.51	5.51	2.29	1.57
<b>6</b>	ROCE	8.69%	28.86%	8.79%	12.80%	9.27%	6.70%
<b>7</b>	Debt Ratio	66.30%	66.54%	72.36%	80.78%	77.77%	75.94%
<b>8</b>	ROE	15.53%	28.17%	2.28%	20.13%	12.63%	7.47%
<b>9</b>	Cash Ratio	12.95%	11.19%	16.15%	18.77%	19.72%	20.71%

#### 6.12.4.2 Risks and Resilience Plan of the Island Development Company Group Ltd.

SL	Risk and Resilience:	Potential Risks Identified	Risk mitigation Strategies
1	Strategic Risk	Change of Management-BoDs	For change of Management- IDC has succession Plan in place for change of management. However, the Board of Directors are appointed by the President of the country. A new BoD always follows each change. Until such time a new BoD is announced, the sitting BoD remain in the office.
		Demand for request beyond the Strategic Plan	Company has a team of professionals to take the right decisions for a strategic change of plan.
		Intense competition within construction industry, including the entry of new players or the emergence of more technologically advanced competition	Company over the years have diversified into activities such as maintenance contract for the hotel, Villas, Hospitals and any type of infrastructures beside producing water, electricity and sell to the hotels in Outer Islands to replace reliance on the commercial projects.
2	Financial Risks	Working Capital deficit	With the increased revenue on opening of Platte hotel, hotel on Assumption Island and existing hotel on Desroches Island, company does not envisage working capital shortages.
		Unexpected inflation of materials	Unexpected inflation is not controllable nor can be predicted beside a certain percentage based on current inflation rates. Construction projects always keep a cushion of 3-5% towards inflation during the pendency of the projects. Maintenance contracts are designed to exclude the cost of replaced materials paid by the principal as extras.
		High Level of Debt	The company has a strategy to reduce the external debts taken for creating IDC assets for future generations/enhance the revenues. However, in Green Tree Investment Company ltd engaged in doing BOT (Build Operate and Transfer) projects on behalf of Government of Seychelles, the debts are guaranteed by the Budget allocation by MOF. Hence the BOT project debts will not pose any burden to IDC.
		Insufficient cash reserves	Insufficient cash reserves will happen in case of too many capital investments. Company have carefully projected the investment plans for 2025, 2026 and 2027
3	Operational Risks	Labour shortages or labour demand	IDC has good proportion of local employees beside the foreign employees engaged in the construction activities. The current labour market will not pose much difficulty in the recent future.
		Supply chain Disruptions	Supply chain disruptions caused by Pandemic is unpredictable.
		Project delays	Since IDC started commercial projects, the completion dates for none of the projects have been overshoot reason being a good team of profession and well planning. The current trend will continue.
4	Compliance Risks	Legal and Liability issue due to projects	All projects come with a late delivery penalty clause. Due implementation process is adopted to avoid any delays. IDC have not experienced any delay penalties on any contract executed and handed over this far.

5	Environmental and Social Risks	Rising water level that affects the capital works	All our commercial projects are fully covered through a Contractors All Risk policy for any natural calamities. On completion of the projects, the building with all plant and machineries in situ are handed over to the Developer for their insurance cover and cancel the Contractors All Risk policy.
		Rising water level that affects the inland infrastructure	IDC have Fire Industrial policies for all assets on all the outer Islands and inner Islands with adequate cover for any loss.
6	PESTEL	Change of Mandate by the Shareholder/Government	This will pose a problem in the event the current Mandate is withdrawn and replaced by another Mandate with limitations/restrictions on the current activities. This will have to be dealt by the Shareholder/Government.
		Technology Disruptions	IDC upgrades the changing technology within the Ltd resources and the trend will be continued. Any unforeseen changes at a later date and not known currently will be analyzed when it occurs.
		Market fluctuations- changes in the demand for construction services due to economic downturns, market saturations, or shifts in customer preferences.	IDC being a fully owned Government Company, will have sufficient Government projects/maintenance contracts to perform without depending on commercial projects Ltd due to economic downturn. Instead of new projects, the maintenance of Government assets such as Hospital, schools and other infrastructure will keep the company with plenty of works.

#### ***6.12.4.3 List of External Reporting's by the Island Development Company Group Ltd.***

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
Year-end Audited Financials	PEMC/MOF	Audited Financials	Yearly

#### **6.12.5 Stakeholder Engagement**

##### ***6.12.5.1 Statement by CEO***

\*Statement has not been provided by the CEO

##### ***6.12.5.2 Foreword by Chairperson***

\*IDC currently does not have a chairperson.

##### ***6.12.5.3 Statement by the Responsible Minister***

\*Statement has not been provided by the responsible Minister.

## 6.13 Property Management Corporation (PMC)



### 6.13.1 Strategic Overview

#### 6.13.1.1 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

#### 6.13.1.2 Vision

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

#### 6.13.1.3 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.

#### 6.13.1.4 Strategic Priorities for 2025-2027

1. Introduction of the updated PMC software, which includes enhanced functionalities, particularly in the Debtors Section, scheduled for 2025.
2. Evaluating and overseeing the operations of the two sewage tankers to enhance productivity and reduce costs in 2025.
3. The newly implemented strategic plan for enhanced Corporate Governance from 2025 to 2029 aims to strengthen our strategic priorities while addressing and mitigating our weaknesses in the forthcoming periods.
4. Proposed enhancement in revenue Stream for PMC to the cabinet prior to the conclusion of 2024.

#### 6.13.1.5 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

## 6.13.2 Outlook of Financial Strategy

### 6.13.2.1 Projected Financial Position of Property Management Corporation

SCR ('000)

Description	Actual Figures		Provisional	Forecast			2027
	2021	2022	2023	2024	2025	2026	
<b>Assets</b>							
<b>Non-current assets</b>							
Property and equipment	1,122	1,235	1,358	6,594	7,594	7,794	7,294
Investment properties	325,438	357,983	393,682	443,014	501,477	554,124	550,330
Work in Progress	145,902	160,492	154,454	144,195	113,077	78,990	63,192
Right of use asset	2,016	2,218	2,318	2,268	2,218	2,218	2,218
Finance lease receivables	613,931	552,537	552,537	602,537	622,662	673,988	708,217
Home saving scheme receivables	27,370	24,633	22,169	19,952	17,957	16,162	16,970
<b>Total Non-current assets</b>	<b>1,115,779</b>	<b>1,099,098</b>	<b>1,126,518</b>	<b>1,218,560</b>	<b>1,264,985</b>	<b>1,333,276</b>	<b>1,348,222</b>
<b>Current assets</b>							
Finance lease receivables	35,628	39,191	43,110	47,421	52,163	57,380	60,249
Inventories	173	173	173	173	173	173	173
Trade and other receivables	21,130	19,017	17,116	15,404	13,864	12,477	11,229
cash and cash equivalent	110361	123403	134950	86575	47802	13190	15000
<b>Total Current assets</b>	<b>167,292</b>	<b>181,784</b>	<b>195,349</b>	<b>149,573</b>	<b>114,002</b>	<b>83,220</b>	<b>86,651</b>
<b>TOTAL</b>	<b>1,283,071</b>	<b>1,280,882</b>	<b>1,321,867</b>	<b>1,368,133</b>	<b>1,378,987</b>	<b>1,416,496</b>	<b>1,434,873</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Reserve/(deficit)</b>							
Capital reserve	66,179	72,797	80,077	88,085	96,893	106,582	111,565
Revenue surplus/(deficit)	5,568	5,993	5,083	-4,487	6,361	4,983	5,915
	<b>71,747</b>	<b>78,790</b>	<b>85,160</b>	<b>83,598</b>	<b>103,254</b>	<b>111,565</b>	<b>117,481</b>
<b>LIABILITIES</b>							
<b>Non-current Liabilities</b>							
Lease liabilities	2,016	2,218	2,218	2,218	2,218	2,218	2,218
Deferred revenue	812,755	831,766	891,539	962,007	973,582	1,021,119	1,066,591
Borrowings	250,218	225,196	202,676	182,409	164,168	147,751	118,201
Retirement benefit obligations	624	1,350	1,350	1,350	1,350	1,350	1,350
<b>Total Non-Current Liabilities</b>	<b>1,065,613</b>	<b>1,060,530</b>	<b>1,097,783</b>	<b>1,147,984</b>	<b>1,141,318</b>	<b>1,172,438</b>	<b>1,188,360</b>
<b>Current Liabilities</b>							
Deferred revenue	100,633	100,633	100,633	100,633	100,633	100,633	100,633
Borrowings	29,304	26,374	23,736	21,363	19,227	17,304	13,843
Trade and other payables	15,774	14,555	14,555	14,555	14,555	14,556	14,556
<b>Total Current Liabilities</b>	<b>145,711</b>	<b>141,562</b>	<b>138,924</b>	<b>136,551</b>	<b>134,415</b>	<b>132,493</b>	<b>129,032</b>
<b>Total Liabilities</b>	<b>1,211,324</b>	<b>1,202,092</b>	<b>1,236,707</b>	<b>1,284,535</b>	<b>1,275,733</b>	<b>1,304,931</b>	<b>1,317,392</b>
<b>Total equity and liabilities</b>	<b>1,283,071</b>	<b>1,280,882</b>	<b>1,321,867</b>	<b>1,368,133</b>	<b>1,378,987</b>	<b>1,416,496</b>	<b>1,434,873</b>

6.13.2.2 *Projected Statement of Comprehensive Income of Property Management Corporation*

SCR ('000)

Description	Actual Figures			Provisional	Forecast	Forecast		
	2020(Actual)	2021	2022	2023	2024	2025	2026	2027
<b>Revenue</b>	<b>69,784,625</b>	<b>81,701,730</b>	<b>90,367,940</b>	<b>97,582,919</b>	<b>87,682,978</b>	<b>88,438,172</b>	<b>85,806,722</b>	<b>85,866,722</b>
<b>Operating expenses</b>	<b>(64,372,937)</b>	<b>(53,479,357)</b>	<b>(62,437,615)</b>	<b>(64,625,027)</b>	<b>(59,216,000)</b>	<b>(53,047,100)</b>	<b>(52,087,500)</b>	<b>(51,257,500)</b>
<b>Operating profit</b>	<b>5,411,688</b>	<b>28,222,373</b>	<b>27,930,325</b>	<b>32,957,892</b>	<b>28,466,978</b>	<b>35,391,072</b>	<b>33,719,222</b>	<b>34,609,222</b>
<b>Other income</b>	<b>25,311,653</b>	<b>98,500</b>	<b>1,910,680</b>	<b>2,183,301</b>	<b>4,380,000</b>	<b>12,349,000</b>	<b>10,461,000</b>	<b>11,313,000</b>
<b>Employee benefits</b>	<b>(9,800,783)</b>	<b>(11,328,465)</b>	<b>(11,379,504)</b>	<b>(18,588,973)</b>	<b>(19,733,985)</b>	<b>(21,588,766)</b>	<b>(20,706,610)</b>	<b>(21,506,610)</b>
<b>Others (Admin)</b>	<b>(9,100,000)</b>	<b>(11,424,148)</b>	<b>(12,468,310)</b>	<b>(11,468,310)</b>	<b>(17,600,283)</b>	<b>(19,790,196)</b>	<b>(18,490,196)</b>	<b>(18,500,196)</b>
<b>Net profit /Comprehensive income</b>	<b>11,822,558</b>	<b>5,568,260</b>	<b>5,993,191</b>	<b>5,083,910</b>	<b>(4,487,290)</b>	<b>6,361,110</b>	<b>4,983,416</b>	<b>5,915,416</b>

6.13.2.3 *Projected Cash flow Statement of Property Management Corporation*

Description	Actual Figures			Provisional	Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Balances as at 31.12.</b>	<b>110m</b>	<b>123m</b>	<b>134m</b>	<b>87m</b>	<b>72m</b>	<b>22.5m</b>	<b>24.3m</b>
<b>PMC has signed &amp; carried out Capital projects/reroofing close to 40 m during Year 2024 unlike the past periods.</b>							

\*Cash flow statement Not provided

#### 6.13.2.4 Projected Capital Investment Plan of Property Management Corporation

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional		Forecast		SCR ('000)	Anticipated Risks
							2021	2022	2023	2024	2025	2026	2027		
<b>Major Capital Investments</b>															
	Major renovation housing estates	PPE/ Inv't in properties	205,000	Internal/Borrowing	2023-25	2024-26	25,000	20,000	40,000	30,000	30,000	30,000	30,000	CF risk	

\*PMC is intended to invest on average 30m worth of Capital Investment on housing major renovations in 2024/2025/2026/2027 p.a respectively

### 6.13.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

#### 6.13.3.1 Tax Implications by the Operations of Property Management Corporation

\*PMC is exempted from Business Tax

PMC is not allowed to register under VAT act & not subject to the claim of Input VAT.

PMC collects WHT at source from the contractors @ 1.5% and remit to SRC.

All the employees' remunerations with Cash benefits are liable for PIT/PAYE on PMC

#### 6.13.3.2 Anticipated Dividend Declarations By Property Management Corporation

Nature of Dividend	Actual Figures		Provisional		Forecast		SCR ('000)	Anticipated Risks
	2020	2021	2022	2023/24	2025	2026	2027	
Dividends in lieu of Cash	-	-	-	-	-	-	7,500	7,500
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,500</b>	<b>7,500</b>

\*PMC intend to release /re-invest (Housing Projects) to Govt 15m in 2027/2028 on new housing projects.

#### 6.13.3.3 Debt Payments Forecasts By Property Management Corporation

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	-	-	-	New Loan-MOF	-	-	40,000	
	Interest for the Year	-	-	-	-	-	(Trotters building)	-	-	-	
	Repayment of Capital	-	-	-	-	-	-	-	-	-	
	Balance carried forward	-	-	-	-	-	-	-	-	-	

\*PMC has no immediate intention to go for a 3<sup>rd</sup> borrowing/new Loan in near future /during the year 2025. However, PMC intends to go for a government borrowing from MOF for the acquisition Trotters building as a permanent office to the corporation.

#### 6.13.3.4 Anticipated Subventions and Grants By Property Management Corporation

PMC does not anticipate in receiving any subventions or grants.

### 6.13.3.5 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 <sup>rd</sup> Parties	Case 01										3,000

### 6.13.3.6 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.

## 6.13.4 KPIs, Risk Management Strategy and Reporting Obligations

### 6.13.4.1 Key Performance Indicators of the Property Management Corporation

Title of Key Performance Indicators	Description	Achievements of KPIs							
		Actual Figures			Provisional		Forecast		
		2021	2022	2023	2024	2025	2026	2027	
GP Ratio	Gross Profit Ratio	35%	31%	34%	32%	48%	50%	49%	
NP Ratio	Net profit Ratio	7%	7%	5%	(5%)Loss	8%	10%	8%	
Current Ratio	CA/CL (2:1)	1.10	1.18	1.23	0.91	0.81	0.53	0.53	

### 6.13.4.2 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	

#### 6.13.4.3 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

#### 6.13.5 Stakeholder Engagement

##### 6.13.5.1 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.

*Mr. Steve Mussard  
Acting Chief Executive Officer*

#### *6.13.5.2 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 2025-2027. 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

*Mr. Jude Commettant  
Chairperson PMC*

#### *6.13.5.3 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 2025-2027.

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.

*Mr. Billy Rangasamy  
Minister for Lands and Housing*

## 6.14 Seychelles Fisheries Authority (SFA)



### 6.14.1 Strategic Overview

#### 6.14.1.1 Mandate

The mandate of the Authority is to provide for the effective management and sustainable development of fisheries in accordance with:

- (a) internationally recognised norms, standards and best practices including the United Nations Convention on the Law of the Sea (1982) and the Code of Conduct for Responsible Fisheries, 1995 of the Food and Agriculture Organisation, Indian Ocean Tuna Commission Conservation and Management measures; and
- (b) an ecosystem approach to fisheries which ensures that the development and management of fisheries addresses the multiple needs and desires of the society without jeopardising the options for future generations to benefit from the full range of goods and services provided by marine ecosystems.

#### 6.14.1.2 Vision

Excellence in Sustainable Fisheries Management and Sector development.

#### 6.14.1.3 Mission

Ensure optimal utilization of the Fisheries Resources for the benefit of the Seychellois people through sustainable management, ecosystem-based approaches and integrated Sector development.

#### 6.14.1.4 Strategic Priorities for 2025-2027

The SFA is currently implementing its Strategic Plan for 2022-2027 consisting of six strategic priorities:

Strategy 1: Achieving excellence in sustainable fisheries management, in accordance with international standards and obligations.

Strategy 2: Optimise the economic and social benefits of the fisheries sector.

Strategy 3: Transitioning from researched-based aquaculture to commercialization of aquaculture.

Strategy 4: Contributions towards effective sector governance.

Strategy 5: Financial sustainability plan.

Strategy 6: Institutional strengthening and corporate governance.

#### **6.14.1.5 Key Challenges**

The construction of the new SFA building will require significant financial resources currently estimated around SCR 150 million. This will deplete our financial reserves. However, this will also ensure all our staff, the Ministry.

The main sources of revenue for SFA are foreign fishing license (EU and Non-EU) and additional catch surcharge under the EU Seychelles Fisheries Partnership Agreement (EU-SFPA) agreement. Whilst increasing fees would have been an ideal way to raise more revenue for the Authority, this comes with its own set of challenges.

Employee remunerations and benefits continue to be a major cost component for the Authority as X% of the total cost and X% revenue. These costs have been rising in the past years. This is primarily due to expansion in the technical departments of SFA such as Fisheries research and MCS. The trend will continue to increase due to the need for expansion within the Fisheries Management department. These expansions are in the context of wider development and implementation of fisheries management plans, and new upcoming ones such as the Tuna management plan.

With the rise in management plans, the enforcement mandate has also expanded, resulting in the need for more human and financial resources to be allocated.

Over the recent years, there have been an increase in the development of fisheries facilities, brought about by expansion in the industry. This has consequently resulted in increase in maintenance cost and staff to manage those facilities.

In order to sustain its operation, the authority needs to explore other potential sources of revenue, being mindful of the need to balance fisheries resource management, competitiveness and survival of the various fisheries sectors and long terms robustness of its financial capabilities.

## 6.14.2 Outlook of Financial Strategy

### 6.14.2.1 Projected Financial Position of Seychelles Fishing Authority

	SCR ('000)						
	Actual Figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	268,661	266,012	239,626	236,234	221,385	227,018	246,596
Capital work in progress	13,819	25,983	45,146	86,828	140,253	161,153	195,653
Investments	55	55	55	55	55	55	55
Fisheries Development Fund	57,661	61,250	62,495	64,351	65,960	67,609	67,609
Total Non-Current Assets	340,196	353,300	347,322	387,468	427,653	455,835	509,913
<b>Current assets</b>							
Inventories	1,056	850	787	807	827	847	868
Trade and other receivables	26,111	17,376	27,320	16,706	17,149	17,064	17,064
Cash and cash equivalents	240,324	250,861	332,038	353,339	380,136	400,058	412,048
Total Current Assets	267,491	269,087	360,145	370,852	398,112	417,969	429,980
<b>Total Assets</b>	<b>607,687</b>	<b>622,387</b>	<b>707,467</b>	<b>758,320</b>	<b>825,765</b>	<b>873,804</b>	<b>939,893</b>
<b>EQUITY AND LIABILITIES</b>							
Equity and reserves							
Assigned capital	1,123	1,123	1,123	1,123	1,123	1,123	1,123
Retained surplus	173,236	183,401	321,930	378,380	436,484	494,729	552,209
Total Reserves	<b>174,359</b>	<b>184,524</b>	<b>323,052</b>	<b>379,503</b>	<b>437,607</b>	<b>495,852</b>	<b>553,332</b>
<b>LIABILITIES</b>							
Non-current liabilities							
Deferred grants	240,529	239,733	222,525	218,088	223,790	209,785	220,776
Credits held for future projects	56,816	53,578	54,950	56,324	57,732	59,175	55,655
Funds held under Fisheries Development Fund	57,661	61,250	62,495	64,351	65,960	67,609	67,609
Employee benefit obligations provision	11,628	12,397	19,318	19,801	20,296	20,803	21,324
Total Non-Current Asset	<b>366,634</b>	<b>366,959</b>	<b>359,288</b>	<b>358,564</b>	<b>367,778</b>	<b>357,372</b>	<b>365,364</b>
<b>Current liabilities</b>							
Other payables, accruals and provisions	65,419	70,905	23,546	20,253	20,380	20,580	21,197
Other Liabilities		-	1,580				
Tax Provision	1,276	-	-	-	-	-	-
Total Current Liabilities	66,695	70,905	25,126	20,253	20,380	20,580	21,197
<b>Total Liabilities</b>	<b>433,329</b>	<b>437,863</b>	<b>384,415</b>	<b>378,817</b>	<b>388,158</b>	<b>377,952</b>	<b>386,561</b>
<b>Total Equity and Liabilities</b>	<b>607,688</b>	<b>622,387</b>	<b>707,467</b>	<b>758,320</b>	<b>825,765</b>	<b>873,804</b>	<b>939,893</b>

6.14.2.2 *Projected Statement of Comprehensive Income of Seychelles Fishing Authority*

SCR ('000)

	Actual			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>Revenue</b>	267,143	264,209	371,936	214,276	237,970	242,194	246,232
Other income	14,809	115	3,022	4,229	5,189	5,189	5,189
Grant Utilised	38,876	37,056	42,497	46,228	46,228	46,228	46,228
	<b>320,828</b>	<b>301,379</b>	<b>417,454</b>	<b>264,733</b>	<b>289,387</b>	<b>293,611</b>	<b>297,649</b>
Employee costs	(68,929)	(75,602 )	(95,515)	(102,424)	(116,819 )	(117,818 )	(119,452 )
Operating and other expenses	(41,537)	(40,207 )	(53,078)	(58,545)	(65,837)	(68,141)	(70,526)
Research and development costs	(5,146)	(5,056)	(2,456)	(3,913)	(4,015)	(4,155)	(4,301)
Monitoring control, surveillance and enforcement costs	(9,465)	(4,228)	(10,803)	(1,940)	(2,240)	(2,318)	(2,400)
Fisheries facilities development	(67,649)	(69,601 )	(66,885)	(3,921)	(4,167)	(4,313)	(4,464)
<b>Foreign exchange gain/(loss)</b>	(16,876)	(7,817)	(2,291)	-	-	-	-
<b>Surplus before depreciation and amortisation</b>	<b>111,226</b>	<b>98,868</b>	<b>186,425</b>	<b>93,990</b>	<b>96,309</b>	<b>96,866</b>	<b>96,506</b>
Amortisation of deferred grants	11,366	12,485	14,317	14,675	14,793	15,163	15,542
Depreciation	(23,566)	(27,135 )	(27,214)	(27,214)	(27,999)	(28,784)	(29,569)
<b>Surplus before taxation</b>	<b>99,026</b>	<b>84,218</b>	<b>173,528</b>	<b>81,451</b>	<b>83,103</b>	<b>83,245</b>	<b>82,479</b>
Tax expense	22,724	947	-	-	-	-	-
<b>Surplus for the year as previously stated</b>	<b>121,750</b>	<b>85,165</b>	<b>173,528</b>	<b>81,451</b>	<b>83,103</b>	<b>83,245</b>	<b>82,479</b>
<b>Prior year Adjustments</b>	-	-	-	-	-	-	-
<b>Surplus for the year (as restated)</b>	<b>121,750</b>	<b>85,165</b>	<b>173,528</b>	<b>81,451</b>	<b>83,103</b>	<b>83,245</b>	<b>82,479</b>

### 6.14.2.3 Projected Cash flow Statement of Seychelles Fishing Authority

SCR ('000)

	Actual Figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>Operating Activities</b>							
<b>Surplus for the year</b>	99,026	84,218	173,530	81,451	83,103	83,245	82,479
<b>Adjustments for:</b>							
Depreciation of property, plant and equipment	23,566	27,135	27,214	27,214	27,999	28,784	29,569
Amortisation	(11,366)	(12,485)	(14,317)	(14,675)	(14,793)	(15,163)	(15,542)
Movement in employee benefit obligations provisions	2,455	4,124	10,670	483	495	507	531
Movement in credit impairment provision	8,338	669	73				
<b>Operating profit/(loss) before working capital changes</b>	<b>122,019</b>	<b>103,661</b>	<b>197,170</b>	<b>94,473</b>	<b>96,804</b>	<b>97,373</b>	<b>97,037</b>
Changes in working capital							
Inventories	(519)	206	63	(20)	(20)	(20)	(21)
Trade and other receables	23,849	8,067	(10,017)	10,614	9,557	85	-
Other payables and accruals	8,342	5,486	(45,778)	(4,873)	127	200	617
Taxation paid		(329)	-				
<b>Net cash inflow/(outflow) from operating activities</b>	<b>153,691</b>	<b>117,091</b>	<b>141,438</b>	<b>100,194</b>	<b>106,468</b>	<b>97,638</b>	<b>97,633</b>
<b>Investing Activities</b>							
Additions to property, plant and equipment	(27,339)	(24,486)	(828)	(23,822)	(13,150)	(39,418)	(49,146)
Movements in capital work in progress	(11,204)	(12,164)	(19,163)	(41,682)	(63,425)	(35,749)	(34,500)
Movement in fish development funds with DBS	-	-	-	-	-	-	-
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(38,543)</b>	<b>(36,650)</b>	<b>(19,991)</b>	<b>(65,504)</b>	<b>(76,575)</b>	<b>(75,167)</b>	<b>(83,646)</b>
<b>Financing Activities</b>							
Grants received	19,252	11,689	(2,890)	5,563	5,702	5,845	5,991
Paid to Government of Seychelles	-	-	-	-	-	-	-
Movement in credits held for future projects	(11,693)	(3,237)	1,372	9,892	20,140	20,644	21,150
Transfer to consolidated fund	-	-	-	-	-	-	-
Dividends paid	(75,000)	(75,000)	(35,000)	(25,000)	(25,000)	(25,000)	(25,000)
Movement in Fisheries Development Fund	-	-	-	-	-	-	-
Derecognition of Ile due port from Capital work in progress	-	-	-	-	-	-	-
Employee benefits paid during the year	(2,715)	(3,355)	(3,752)	(3,844)	(3,938)	(4,038)	(4,138)
<b>Net cash outflow from financing activities</b>	<b>(70,156)</b>	<b>(69,903)</b>	<b>(40,270)</b>	<b>(13,389)</b>	<b>(3,096)</b>	<b>(2,549)</b>	<b>(1,997)</b>
<b>Net change in cash and cash equivalents</b>	<b>44,992</b>	<b>10,537</b>	<b>81,177</b>	<b>21,301</b>	<b>26,797</b>	<b>19,922</b>	<b>11,990</b>
<b>Movement in cash and cash equivalents</b>							
<b>At January 1,</b>	195,333	240,325	250,861	332,038	353,339	380,136	400,058
<b>Increase</b>	44,992	10,537	81,177	21,301	26,797	19,922	11,990
<b>At December 31</b>	<b>240,325</b>	<b>250,861</b>	<b>332,038</b>	<b>353,339</b>	<b>380,136</b>	<b>400,058</b>	<b>412,048</b>

#### 6.14.2.4 Projected Capital Investment Plan of Seychelles Fishing Authority

SCR ('000)

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional		Forecast		Anticipated Risk
							2021	2022	2023	2024	2025	2026	2027	
Cascade Fisheries Facilities	Facility to fishermen	Support fisherman's community	5,363	EU	2021	2023	1,365	3,514	1,153	247	-	-	-	
BSA Praslin Fisheries Facilities	Facility to fishermen	Support fisherman's community	15,148	EU	2021	2023	3,580	4,785	7,505	321	-	-	-	
AAP Fisheries Facilities	Facility to fishermen	Support fisherman's community	18,126	EU	2021	2024	3,844	8,245	2,690	5,980	-	-	-	
Victoria Fuel Depot	Facility to fishermen	Support fisherman's community	3,550	EU	2021	2023	843	1,421	942	146	-	-	-	
GA Praslin Gear Store	Facility to fishermen	Support fisherman's community	2,366	EU	2023	2024	-	-	710	1,656	-	-	-	
Glacis Gear Store	Facility to fishermen	Support fisherman's community	3,101	EU	2024	2025	-	-	-	2,171	775	155	-	
English River Reclamation & Dredging	Facility to fishermen	Support fisherman's community	3,448	EU	2024	2025	-	-	-	2,414	1,034	-	-	
Anse La Mouche Fisheries Facilities	Facility to fishermen	Support fisherman's community	10,000	EU	2025	2026	-	-	-	-	7,000	2,500	500	
Renovation of Headquarters	Offices	For staff of SFA	9,240	SFA Funding	2020	2023	1,195	1,644	4,814	3,137	-	-	-	
SFA Technical Operation Building	Offices	House the staff of SFA, MFTBE & IOTC	127,000	SFA / Ministry Budget	2024	2026	-	-	-	27,500	45,500	49,050	4,950	
<b>Total</b>							<b>10,827</b>	<b>19,609</b>	<b>17,714</b>	<b>43,572</b>	<b>54,309</b>	<b>51,705</b>	<b>5,450</b>	<b>-</b>

\*Details Not provided on anticipated Risks

#### **6.14.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies**

#### *6.14.3.1 Tax Implications by the Operations of Seychelles Fishing Authority*

TAX IMPLICATION								SCR ('000)
Type of Tax	Actual Figures			Provisional		Forecast		
	2021	2022	2023	2024	2025	2026	2027	
<b>PIT</b>	6,441	7,059	8,132	8,335	8,544	8,757	8,976	
<b>VAT</b>	1,189	597	677		-	-	-	
<b>PAYE</b>	425	158	8		-	-	-	
<b>Total</b>	<b>8,055</b>	<b>7,814</b>	<b>8,817</b>	<b>8,335</b>	<b>8,544</b>	<b>8,757</b>	<b>8,976</b>	

#### *6.14.3.2 Anticipated Dividend Declarations By Seychelles Fishing Authority*

DIVIDEND							SCR ('000)
Nature of Dividend	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
<b>Dividends in Cash</b>	50,000	75,000	75,000	35,000	25,000	25,000	25,000

#### 6.14.3.3 Debt Payments Forecasts By Seychelles Fishing Authority

\*SFA does not anticipate to obtain any loans

#### *6.14.3.4 Anticipated Subventions and Grants By Seychelles Fishing Authority*

SUBVENTION AND GRANTS										SCR ('000)
Nature of Funding	Funding Agency	Purpose	Total Liability Amount	Realized Guarantees						
				Actual Figures			Provisional		Forecast	
				2021	2022	2023	2024	2025	2026	2027
		Forex	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
Grants	Government									
	SEYCAAT	For fisheries research purposes		187	1,178		85	619	-	-
	EU	Sectoral support	€ 2,800	45,891	41,058	41,978	41,978	43,190	43,190	43,190
<b>TOTAL</b>				<b>46,078</b>	<b>42,236</b>	<b>41,978</b>	<b>42,063</b>	<b>43,809</b>	<b>43,190</b>	<b>43,190</b>

#### **6.14.3.5 Contingencies of Seychelles Fishing Authority**

\*SFA does not anticipate to obtain any guarantees or contingent liabilities due to legal proceedings

#### ***6.14.3.6 Assumptions used for the Financial Projections of Seychelles Fishing Authority***

Formulation of the budget for revenue and operating cost is based on trends and historical information. Also, in line with our strategic plan 2023-2027 which consist of six programs with different activities. Each department worked on their budget and submitted the proposed budget to finance to compile based on the actual and historical data.

The authority has also made an increase of 2% based on the previous year's figure in line with inflation rate in the country.

#### **REVENUE**

##### **LICENCES & ASSOCIATED FEES**

The provided assumptions are based on the list of industrial licenses from the previous year. However, it is subject to uncontrollable factors that can affect the forecast including changes in access agreements that are negotiated by the Ministry of Fisheries and Blue Economy. There is a possibility of license fees being prorated upon entry of these access agreements. Moreover, Fisheries vessels can apply for 6-month licenses as opposed to the full annual licenses. Foreign license fees (Industrial long liners) amount to around SCR 150million plus SCR 45million for additional catch surcharges makes SFA vulnerable to outside factors such as stock depletion and or quotas. EU Seychelles Fisheries Partnership Agreement negotiation for the next protocol will start in 2025.

##### **OTHER FISHERIES ACTIVITIES**

Based on existing and new facilities such as gear store, sales of ice and net repair and container storage.

##### **LEASE OF PROPERTIES**

Based on existing and new lease at Ile du Port and Providence, Building and warehouse leasing.

##### **OTHER FEES:**

###### **Additional catch surcharge**

- consider average catches for year 2016- 2020, where number of EU vessels remains more or less constant.
- Exclude the two exceptional year 2021 – very low catches, and 2022 very high catches.

###### **Environmental Fee:**

Moreover, the SFA expects to collect more environmental fees as the ministry intends to finalise agreements with foreign flagged purse seiners.

##### **GRANTS**

The assumption for the EU Grant is based on the sectoral support of EUR 2.8 million received annually as per the 2020-2026 EU-Seychelles Sustainable Fisheries Partnership Agreement (SFPA); this is equivalent to approximately SCR 42.7 million.

## 6.14.4 KPIs, Risk Management Strategy and Reporting Obligations

### 6.14.4.1 Key Performance Indicators of the Seychelles Fishing Authority

Title of Key Performance Indicators	Description	Achievements of KPIs							
		Actual Figures				Provisional	Forecast		
		2020	2021	2022	2023	2024	2025	2026	2024
Return on capital Employed	To measure the success of the authority in generating satisfactory profit on capital employed	53%	49%	48%	55%	29%	30%	28%	27%
Aquaculture statistics features in the National Accounts	The number of species taken up through commercial producers from BAQF activities	N/A	N/A	N/A	N/A	1	3	3	3
Current assets ratio	To evaluate the short-term solvency position of SFA to ensure the authority has the ability to pay its short term obligations.	3.13	4.01	3.80	14.33	18.31	19.53	20.31	20.28
Net Profit Ratio	Tool for measuring the overall profitability and operation performance of an entity	52%	43%	32%	46%	37%	34%	34%	33%

### 6.14.4.2 Risks and Resilience Plan of the Seychelles Fishing Authority

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
<b>Strategic Risks</b>		
	The potential for political change in the country which may result in political instability	Ensure goal congruence within the management team to ensure continuity of the business.
	Lack of proper governance framework	Have a set of approve processes, procedures, and policies that a company has in place to make certain that the company and its employees are conducting business in a legal and ethical manner.
	Lack of Business continuity plan	As part of its efforts towards improving on Governance aspect of the Authority, a business continuity plan will be developed over the course of 2025.
	Unsustainable development in the artisanal fishery sector Continued development and maintenance of facilities (e.g. Construction of market and Installation of Ice plant) that are not generating sufficient income to cover costs	A framework guiding such investments is being contemplated.
<b>Financial Risks</b>		
	The Authority is exposed to currency risk arising from future commercial transactions and liabilities that are dominated in currencies other than the functional currency. Most of our revenues are paid in foreign currency and converted into Seychelles Rupees.	Find new revenue streams to boost up the income to mitigate loss due to fluctuation of foreign currencies.
	The risk of running out of cash such that you may default on obligations.	Proper cash flow and budget management
	Changes to economic conditions such as a recession.	
	Reduction in Industrial fishing license	
	Assets register created however the evaluation of properties needs to be undertaken. This may affect the accounting statements adjustments to the balance sheet	Evaluation of properties.
<b>Operational Risks</b>		
	Lack of internal policies, SOPs, clear reporting line within the entire organization structure may create a lack of	Devise clear internal policies and SOPs; SFA Management has attended training on corporate governance and compliance

	preparedness to identify, control and respond to risks.	SFA should have an operational risk manager to take ownership of risks identified
<b>Compliance and Regulatory Risks</b>	Improper storage of documents making it inaccessible due to fungus breaching the Public Finance Management Act 2014, Regulations 7.	The authority is moving toward the digitalization of documents to ensure the information is secured and can be furnished in its original form.
	Breach of employment law creating litigation cases and liability against SFA	Familiarization with the employment laws and ensure decision taken are vetted by the internal legal team and the Attorney general office.
	Ensure regulatory reporting is done within the set deadline to avoid fines and penalty fee	The authority has established a framework to monitor and ensure compliance to the different regulations in force.
	Nonadherence to directives from the Board.	In the event where such lapses are recorded, management will be taking further disciplinary measures.
<b>Environmental and Social Risks</b>	With the changes in climate, due to the location of SFA, potential risk of natural disasters pose significant threats to the authority including building and human resources and continuity of the business.	SFA is working on a disaster management plan to ensure continuity of the business.
	SFA is located on the Fisheries port, risk of ammonia leakage in the environment can damage the health of the SFA staff.	SFA has established an evacuation plan to ensure the safety of the staff and ensure business continuity.
	Potential risk of flooding since there are a number of large capacity water tanks in close vicinity of the premises of SFA.	SFA has established an evacuation plan to ensure the safety of the staff and ensure business continuity.

#### *6.14.4.3 List of External Reporting's by the Seychelles Fishing Authority*

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
<b>Fisheries Transparency Initiative (FiTI)</b>		1 annual report on improving transparency in fisheries governance.	Quarter 4 (yearly)
<b>Southern Indian Ocean Fisheries Agreements (SIOFA)</b>		1 scientific report describing Fisheries activities of Seychelles flagged vessels in SIOFA area of competence. 1 compliance report, summarizing compliance with SIOFA Conservation and Management Measures	First quarter (yearly) SC report. Second quarter (yearly) Compliance report
<b>Indian Ocean Tuna Commission (IOTC)</b>		4 mandatory reports (National report to the Scientific Committee, Compliance questionnaire, Implementation report and letter of feedback) to be submitted according to set deadlines.	National report - November (yearly) Other reports quarter 2 (yearly)
<b>Sectoral Support Implementation Report</b>	European Union (EU)	Reports on the implementation of the sectoral support funded under the EU-Seychelles Sustainable Fisheries Partnership Agreement (SFPA). Reports on the achievement and non-achievement of the agreed KPIs and targets.	Annually. Submitted at the annual EU-Seychelles Joint Committee meeting.
<b>World Bank</b>			
<b>Annual Financial Statement (AFS)</b>	Shareholders		
<b>Annual General Meeting (AGM)</b>			
<b>Register and Annual Report on Aquaculture</b>	Ministry of Fisheries	Overview of number of licenses issued/denied, environmental and health issues, Annual production, exports/imports of aquaculture products and juveniles.	Quarterly for licenses only. Annual for all other items.

## 6.14.5 Stakeholder Engagement

### 6.14.5.1 Statement by CEO

SFA has achieved significant improvements in strategic planning and performance monitoring in recent years. The organisation continues to implement the 5-year Strategic Plan (2023-2027) approved by the Board of Directors in 2023, while the Performance Monitoring System is yielding coherence in aligning the activities and outputs of departments and staff with the strategic direction of SFA.

The SFA Strategic Plan constitutes a roadmap to delivery on the core mandate of the organisation and implementation of the Fisheries Policy and Strategy (2019). Furthermore, it responds to other sector-specific policies that have emerged in recent years, including the Seychelles National Aquaculture Policy (2023-2027) and the Harvest Strategy Policy (2023), while also addressing broader national policy agenda such as those concerning the Seychelles Marine Spatial Plan.

While responding to needs of sector, SFA is continuing to strengthen its corporate governance performance in line with the Public Enterprises Act (2023). The current year has marked a period of consolidation for the organisation, guided by the various governance structures and internal policies established by the Board of Directors, whose mandate was renewed for a further term at the beginning of the year.

In 2024, SFA celebrates its 40<sup>th</sup> Anniversary. This milestone has been marked by a new Establishment Act, a change of name to the Seychelles 'Fisheries' Authority, and a period to reflect on our many achievements while setting a course for the future. Importantly, the anniversary also coincides with a period of financial consolidation following our shift to financial autonomy in 2019. SFA will invest a portion of the reserve built in recent years to construct a new headquarters building, which will enable the majority of our staff to be housed at the same location and will improve efficiency in the long-term. As reflected in this document, it is important that the organisation continues to focus on cost recovery and identification of new sources of revenue.

SFA is continuing to modernise and enhance its service delivery to the sector. A program of digitalisation of core services, both in terms of internal services and those provided to our stakeholders, is underway. Investment in facilities serving our fishing communities has been a major part of our work recently and will continue in the coming years. However, there is a need to strengthen the financial sustainability of those investments, while recognising that the important social functions of the organisation will remain.

Seychelles' fisheries operate in a dynamic, globalized socioecological system and it is vital that our plans are adaptive to change and the emerging opportunities and challenges. A mid-term review of the Fisheries Policy and Strategy (2019) highlighted the progress made in the last 5-years, but also identified areas where SFA needs to adapt or pivot its strategy to respond to the needs of the sector. Importantly, fisheries science and management will need to be strengthened to address increasing fishing pressure, illegal fishing, trade barriers, and the risks posed by climate change. This will require investment in human capacity and the governance structures for fisheries.

*Mr. Jan Robinson  
Chief Executive Officer*

#### *6.14.5.2 Foreword by Chairperson*

The President of the Republic of Seychelles appoints members to the Board of Directors of SFA, an independent parastatal body established in January 2019. On February 8, 2024, the present board was reappointed for another three-year term. Following the official gazetting of the new act, the Seychelles Fishing Authority (SFA) formally changed its name to the Seychelles Fisheries Authority (SFA) on July 29, 2024.

The mission of the Seychelles Fisheries Authority is to ensure the responsible stewardship of our marine resources while supporting the livelihoods of our fishing communities and contributing to the economic growth of Seychelles.

The management of the SFA, under the guidance of the board, has worked collaboratively to enhance and promote key governance principles relating to transparency and accountability of the organization.

SFA works in close collaboration with its parent Ministry, the Ministry of Fisheries, and the Blue Economy, to implement the Fisheries Sector Policy and Strategy which is key to the fisheries sector's success. Other partners include Ministry of Agriculture, Climate Change and Environment, Seychelles Coast Guard, Seychelles Ports Authority, Seychelles Maritime Safety Authority, Seychelles Bureau of Standards, Fish Inspection and Quality Control unit and other key Government institutions, various fishermen and boat owners, fishers associations, NGOs as well as overseas partners.

Through unwavering commitment and collaboration, the authority has established itself as a leader in sustainable fisheries management and conservation. The nation's fisheries have become not only a critical part of the economy but also a cornerstone of cultural identity.

As for regulations, the SFA has successfully implemented regulations that protect the vital marine ecosystems, at the same time, has fostered partnerships with local fishing communities, and embraced innovation to enhance fisheries' productivity and sustainability. From promoting responsible fishing practices to protecting vulnerable species, the authority's initiatives have contributed to the resilience of marine resources and the livelihoods of those who depend on them. The financial strategy for the upcoming three years is designed to address the ongoing challenges our sector faces, including environmental sustainability, regulatory compliance, and the impacts of climate change.

The SFA is committed to implementing comprehensive financial planning and resource allocation that prioritize sustainable practices and the resilience of our fisheries.

To achieve our goals, the SFA will focus on a few key areas, including;

- Enhancing revenue streams by exploring alternative revenue sources
- Prioritizing research and development aiming to develop innovative solutions that promote sustainability and improve the efficiency of fisheries management practices.
- Capacity building, empowering the workforce and stakeholders with the necessary skills to adapt to evolving industry standards and practices.
- Strengthening Monitoring and Compliance, ensuring compliance with sustainable fishing practices and regulations, thus further protecting our valuable marine resources.
- Enhancing Community Engagement and Support to promote sustainable practices that benefit both the community and the environment.

*Mr. Radley Weber  
Chairperson SFA*

#### *6.14.5.3 Statement by the Responsible Minister*

The Seychelles Fisheries Authority was established over 40 years ago with the noble aim of developing the fisheries industry. Over the years, the SFA has evolved into a distinguished institution for fisheries management and development. The authority has successfully implemented measures to enable highly industrialized fisheries to coexist harmoniously with traditional forms of fishing. My Ministry wholeheartedly acknowledges the invaluable contribution of the Seychelles Fisheries Authority to the development of the fishing industry, which has become a cornerstone of our economy, ensuring food security and creating employment opportunities for our community members.

One of the critical mandates entrusted to the Seychelles Fishing Authority by my Ministry is the imperative transition to sustainable fisheries. This initiative holds the key to preserving our marine resources for future generations and fostering a thriving ecosystem. The SFA has actively encouraged co-management to establish a joint responsibility among stakeholders for ensuring sustainable fisheries. Leading the way in the implementation of harvest strategies, the SFA provides stakeholders with clear guidance and the necessary tools for effective fisheries management.

It is also crucial to note that our country is home to not only fishermen but also esteemed researchers, scientists, and experts in the fishing field, all of whom have been nurtured by the SFA. It is these dedicated professionals who have been instrumental in fulfilling the authority's mandate. As the Minister responsible for fisheries, I take great pride in having supported the SFA in fulfilling its mandate and in seeking continuous improvement for the future.

We are currently at a pivotal moment for our fisheries sector, and the authority's commitment to sustainable management of our marine resources remains unwavering, as does its dedication to the livelihood of all Seychellois who depend on these resources.

We are fully cognizant of the challenges ahead, from climate change to fluctuating global markets; thus, we must be adaptive and proactive. Strengthening our financial resilience while promoting best practices in sustainability, innovation, and economic diversification will be crucial to achieving our goals.

My Ministry will continue to extend its unwavering support to the management and Board of Directors of the SFA, and we trust that the best decisions will be taken to ensure the well-being of our oceans, which is vital to the sustainability of our economy. We remain committed to working tirelessly to ensure that our fisheries thrive in harmony with our beautiful marine environment.

*Mr. Jean-Francois Ferrari  
Minister for Fisheries and the Blue Economy*

## 6.15 L'Union Estate Company Ltd Estate Company Ltd.



### 6.15.1 Strategic Overview

### 6.15.1.1 *Mandate*

- To carry out agricultural and livestock development. To operate a breeding center in an effort to promote pig production.
- To acquire, establish, construct, improve, manage and operate any facilities for tourism and travelers and any facilities in the field of sports, games, recreations or either pastime.
- To carry out the business of hoteliers, restaurateurs, caterers and guesthouse keepers

### 6.15.1.2 Vision

- To upgrade and refurbish some of the existing facilities of the Estate in the next three years
- To provide augmented products and services to all its local and foreign customers through improved and new infrastructure and facilities.
- To achieve better returns on investments through extended range of agriculture products, commercial and residential infrastructure and heritage sites, and potential reviews of rents and other fees
- To develop a more sustainable business, surviving off its own cash flow, exceeding set targets
- Maintaining the highest level of customer satisfaction through consistent service, availability of products and services, and efficiency and quality of operations.

### 6.15.1.3 Mission

L'Union Estate Company Ltd Estate Co. Ltd endeavors to provide a range of entertainment, vegetables, meat, grocery and beverage services and facilities on La Digue and within the Estate in response to needs of visitors and the local community, and in the process, becomes one of the leading tourism, agricultural and hospitality service providers on the Island.

#### *6.15.1.4 Strategic Priorities for 2024-2026*

- To upgrade and refurbish some of the existing facilities of the Estate in the next three years
- To provide augmented products and services to all the local and foreign customers through improved and new infrastructure and facilities.
- To achieve better returns on investments through extended range of agriculture products, commercial and residential infrastructure and heritage sites, and potential reviews of rents and other fees
- To develop a more sustainable business, surviving off its own cash flow, exceeding set targets
- Maintaining the highest level of customer satisfaction through consistent service, availability of agricultural products and tourism services, and efficiency and quality of operations.
- Introduce high impact revenue projects i.e. Equestrian activities and the Zip line

### 6.15.1.5 Key Challenges

#### External factors

- **Political** – Global price fluctuations affect the cost of production especially of our agricultural products, cost of fuel has a direct impact on the pricing of our fresh agricultural produce.
- **Economic** – Tourism income is dependent on a number of external threats out of the control of the PE. There is an expectation for pessimism to the long-term revenue collection from gate entrance since the new of Mpox pandemic has been rising in the traditional tourism markets of Seychelles.
- **Social** – The need to collaborate closely with the local community and the stakeholders in order to sensitize the market on key areas of revenue and key foreign exchange earner is vital and very instrumental for the sustainability of the PE's business model. Cases of theft within the Estate has necessitated us to increase more security patrols within the facility and invest in long-term preventive measures provision of CCTV stations throughout the Estate and the farm.
- **Technological** – Intermittent weather patterns, global warming etc. are all contributing factors to agricultural production output. we are collaborating closely with other external stakeholders on various ways to adopt available technology in farming, the idea of hydroponics has been floated before and expect a visit from experts in the field in the near future to enable has acquire the skills and assess areas that we may need improvement on. We are also in trail of new farming methods of planting on raised beds to mitigate the effects of the ever-stubborn onion grass and the depleted soil due to over cultivation.
- **Legal** – the pig farm is currently licensed to handle only 500 pigs, there's the plan for the construction of a new pig unit for an approximate value of SR15,000,000. This will ensure the company avoids contravention of Agricultural and Environmental department by-laws.
- **Environment** – the need to improve the soil for farming through fertilizers and pesticides not harmful to the environment. Security threats posed by porous borders within the Estate means that the Estate is prone to theft of its assets and products which in turn results into loss of revenue.

#### Internal factors

- **Skilled manpower** – Skilled management staff is still a challenge though the Estate encourages continuous professional development (CPD) for its longest serving staff in management positions. The need to retain skilled workforce has made it necessary for the PE to offer skilled workers attractive remuneration packages.
- **Shift to more service-based economy** - existential factors has meant that the Estate needs to adopt and invest in more tourist attraction programs within the Estate in order to remain competitive and attract more visitors. In the next two years, the Estate shall have such huge attractions as the Zipline and the Equestrian activities.

## 6.15.2 Outlook of Financial Strategy

### 6.15.2.1 Projected Financial Position of L'Union Estate Company Ltd Estate Company Ltd.

	SCR ('000)						
	Actual figures		Provisional		Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Assets</b>							
Non-current assets							
Intangible asset	36	101	211	420	400	380	320
Property ,plant and equipment	21,382	150,214	152,398	159,184	185,211	198,835	201,214
Biological assets	-	2,944	3,262	4,200	4,950	5,000	7,200
Investments	64	4,089	5,091	5,099	5,100	5,101	660
<b>Total Non-Current Assets</b>	<b>21,483</b>	<b>157,348</b>	<b>160,961</b>	<b>168,903</b>	<b>195,661</b>	<b>209,316</b>	<b>209,394</b>
<b>Current assets</b>							
Trade and other receivables	1,347	1,043	2,001	2,500	1,000	1,800	3,500
Biological assets	2,887	4,425	3,887	3,900	7,800	8,200	8,950
Inventories	1,427	396	637	720	840	1,200	2,800
Bank and cash Balances	6,025	7,328	10,447	6,000	(2,800)	5,260	17,482
<b>Total Current Assets</b>	<b>11,685</b>	<b>13,193</b>	<b>16,972</b>	<b>13,120</b>	<b>6,840</b>	<b>16,460</b>	<b>32,732</b>
<b>Total Assets</b>	<b>33,168</b>	<b>170,541</b>	<b>177,933</b>	<b>182,023</b>	<b>202,501</b>	<b>225,776</b>	<b>242,126</b>
<b>Equity</b>							
Share Capital	7,293	7,293	7,293	7,293	7,293	7,293	7,293
Reserves	-	126,526	158,468	163,000	163,797	191,232	2,086,114
<b>Retained Earnings</b>	<b>20,648</b>	<b>28,355</b>	<b>4,172</b>	<b>3,847</b>	<b>8,875</b>	<b>10,459</b>	<b>12,063</b>
<b>Total Equity</b>	<b>27,941</b>	<b>162,173</b>	<b>169,933</b>	<b>174,140</b>	<b>179,965</b>	<b>208,983</b>	<b>2,105,469</b>
<b>Non-current liabilities</b>							
Trade and other payables	4	-	-	-	14,500	8,500	3,500
Pension Liabilities	4,157	4,569	4,670	4,750	4,200	4,500	4,860
<b>Total Non-current liabilities</b>	<b>4,161</b>	<b>4,569</b>	<b>4,670</b>	<b>4,750</b>	<b>18,700</b>	<b>13,000</b>	<b>8,360</b>
<b>Current Liabilities</b>							
Tax payable	264	1,751	505	733	1,690	1,992	2,298
Trade and other payables	802	2,048	2,825	2,400	2,145	1,800	3,500
<b>Total Current Liabilities</b>	<b>1,066</b>	<b>3,799</b>	<b>3,330</b>	<b>3,133</b>	<b>3,835</b>	<b>3,792</b>	<b>5,798</b>
<b>Total Liabilities</b>	<b>5,228</b>	<b>8,368</b>	<b>8,000</b>	<b>7,883</b>	<b>22,535</b>	<b>16,792</b>	<b>14,158</b>
<b>Total Equity and Liabilities</b>	<b>33,168</b>	<b>170,541</b>	<b>177,933</b>	<b>182,023</b>	<b>202,501</b>	<b>225,776</b>	<b>2,119,626</b>

*6.15.2.2 Projected Statement of Comprehensive Income of L'Union Estate Company Ltd Estate Company Ltd.*

	SCR ('000)						
	Actual		Provisional		Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Income</b>							
<b>Revenue</b>	20,636	37,636	37,913	38,000	62,928	69,813	68,083
<b>Grant-Ministry of Finance</b>	13,486	-	-	-	-	-	-
<b>Cost of sales</b>	(9,134)	(11,804)	(8,867)	(20,000)	(11,193)	(13,114)	(14,198)
	<b>24,988</b>	<b>25,832</b>	<b>29,046</b>	<b>18,000</b>	<b>51,735</b>	<b>56,699</b>	<b>53,885</b>
<b>Other income</b>	(218)	191	529	380	273	289	323
<b>Administrative expenses</b>	(8,431)	(16,565)	(24,898)	(13,800)	(41,442)	(44,537)	(40,892)
<b>(Loss)/profit from operations</b>	<b>16,339</b>	<b>9,458</b>	<b>4,677</b>	<b>4,580</b>	<b>10,566</b>	<b>12,451</b>	<b>13,316</b>
<b>Finance costs</b>	-	-	-	-	-	-	-
<b>Monetary loss</b>	-	-	-	-	-	-	-
<b>Profit/(loss)before tax</b>	<b>16,339</b>	<b>9,458</b>	<b>4,677</b>	<b>4,580</b>	<b>10,566</b>	<b>12,451</b>	<b>13,316</b>
<b>Income tax (expense)credit</b>	(4,982)	(1,751)	(505)	(733)	(1,690)	(1,992)	(2,130)
<b>Other comprehensive income</b>	-	-	-	-	-	-	-
<b>Total comprehensive(loss)/profit for the year</b>	<b>11,357</b>	<b>7,707</b>	<b>4,172</b>	<b>3,847</b>	<b>8,875</b>	<b>10,459</b>	<b>11,185</b>

*6.15.2.3 Projected Cash flow Statement of L'Union Estate Company Ltd Estate Company Ltd.*

	SCR ('000)						
	Actual Figures		Provisional		Forecast		
	2021	2022	2023	2024	2025	2026	2027
<b>Cash generated from operating activities</b>							
Cash generated from operations	-7,078	10,414	8,962	10,810	10,566	12,451	14,360
Tax paid	-3,435	-264	-1,751	-733	-1,690	-1,992	-2,298
Grant-Ministry of Finance	13,486	-	-	-	-	-	-
<b>Cash generated from operating activities</b>	<b>2,973</b>	<b>10,150</b>	<b>7,211</b>	<b>10,077</b>	<b>8,875</b>	<b>10,459</b>	<b>12,063</b>
<b>Cash from investing activities</b>							
Investments	-	(4,025)	(1,002)	(5,099)	(5,000)	(2,000)	-
Purchase of property, plant and equipment	(4,294)	(63,336)	(3,002)	(4,200)	(18,000)	(500)	(500)
Purchase of intangible assets	-	-	(109)	-	-	-	-
Purchase of biological assets			221				
<b>Cash utilised in investing activities</b>	<b>(4,294)</b>	<b>(67,360)</b>	<b>(3,892)</b>	<b>(9,299)</b>	<b>(23,000)</b>	<b>(2,500)</b>	<b>(500)</b>
<b>Cashflows financing activities</b>							
Repayments of borrowings	-	-	-	-	-	-	-
(Decrease)/increase in reserves	-	58,513	-	-	-	-	-
Net payments on defined benefit obligations	-	-	(200)	-	-	-	-
<b>Cash generated from financing activities</b>	<b>-</b>	<b>58,513</b>	<b>(200)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(1,321)</b>	<b>1,303</b>	<b>3,118</b>	<b>778</b>	<b>(14,125)</b>	<b>7,959</b>	<b>11,563</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>7,346</b>	<b>6,025</b>	<b>7,328</b>	<b>10,447</b>	<b>11,225</b>	<b>(2,900)</b>	<b>5,059</b>
<b>Net Cash from Operations (pulled through)</b>	-						
<b>Cash and cash equivalents at the end of the year</b>	6,025	7,328	10,447	11,225	(2,900)	5,059	16,621

#### 6.15.2.4 Projected Capital Investment Plan of L'Union Estate Company Ltd Estate Company Ltd

Project Name	Project Purpose and Description	Expected Outcome of the Project	Total Estimated Project Cost	Source of Funds	Year of Project Commenced	Expected Completion Date	Actual Figures			Provisional	Forecast			SCR ('000)
							2020	2021	2022		2023	2024	2025	
<b>Major Capital Investments</b>														
Paving of road	Between main rd and new entrance	TBD	200,000.00	Internal	2024	2024	-	-	-	-	200	-	-	None
Ticket Building	Build security room, thatched roof	TBD	1,500,000.00	Internal	2024	2025	-	-	-	-	750	750	-	None
Equipment for ticket building	QR codes software etc	TBD	750,000.00	Internal	2024	2025	-	-	-	-	500	250	-	None
Entrance gate re-work	Removal and replacement of current gate	Ongoing	250,000.00	Internal	2024	2025	-	-	-	-	125	125	-	None
Rendez-vous digouise	Building of kiosks for events	TBD	1,500,000.00	Internal	2024	2025	-	-	-	-	500	1,000		
Pergola	Behing Grann kaz	TBD	200,000.00	Internal	2024	2025	-	-	-	-	50	150	-	None
Tortoise pen	Extension of pen	TBD	100,000.00	Internal	2024	2024	-	-	-	-	100	-	-	None
Kalorifer	Conversion of Kalorifer for smoking meat	TBD	500,000.00	Internal	2025	2025	-	-	-	-	-	500	-	None
Food court	Outlets at L'embouchure	TBD	3,000,000.00	Internal	2025	2025	-	-	-	-	-	3,000	-	None

<b>Bicycle rack</b>	Target for 400 bikes on Estate	<b>Ongoing</b>	50,000.00	Internal	2022	2026	-	-	<b>16</b>	-	<b>20</b>	<b>7</b>	<b>7</b>	<b>None</b>
<b>Pti Zil</b>	Stabilization of islet	<b>TBD</b>	300,000.00	Internal	2024	2025	-	-	-	-	<b>100</b>	<b>200</b>	-	<b>None</b>
<b>Oxcart</b>	Purchase of oxcart	<b>TBD</b>	115,000.00	Internal	2024	2024	-	-	-	-	-	<b>115</b>	-	<b>None</b>
<b>Langar Pirogue &amp; Pirogue</b>	Construction of pirogue & Repairs to the Langar pirogue	<b>TBD</b>	125,000.00	Internal	2024	2024	-	-	-	-	<b>125</b>	<b>350</b>	-	<b>None</b>
<b>Petting zoo</b>	Construction of petting zoo	<b>TBD</b>	400,000.00	Internal	2022	2025	-	-	<b>100</b>	-	<b>200</b>	<b>100</b>	-	<b>None</b>
<b>Senior staff accomodation</b>	Housing construction	<b>TBD</b>	5,000,000.00	Internal	2025	2025	-	-	-	-	-	<b>2,500</b>	-	<b>None</b>
<b>Other staff accomodation</b>	Farm staff accomodation units	<b>TBD</b>	3,000,000.00	Internal	2024	2024	-	-	-	-	<b>1,500</b>	<b>1,500</b>	-	<b>None</b>
<b>Pig farm store</b>	Enlargement of feeds store	<b>TBD</b>	150,000.00	Internal	2025	2025	-	-	-	-	-	<b>150</b>	-	<b>None</b>
<b>Pig abattoir</b>	Enlargement of abattoir	<b>TBD</b>	500,000.00	Internal	2024	2024	-	-	-	-	<b>500</b>	-	-	<b>None</b>
<b>Chicken abattoir</b>	Construction of chicken abattoir	<b>TBD</b>	1,200,000.00	Internal	2024	2024	-	-	-	-	<b>1,200</b>	-	-	<b>None</b>
<b>Chemical store</b>	New chemical store	<b>TBD</b>	200,000.00	Internal	2024	2024	-	-	-	-	<b>200</b>	-	-	<b>None</b>
<b>Store</b>	Construction of store	<b>TBD</b>	400,000.00	Internal	2024	2024	-	-	-	-	<b>400</b>	-	-	<b>None</b>
<b>Club cars</b>	Purchase of club cars	<b>TBD</b>	500,000.00	Internal	2024	2024	-	-	-	-	<b>500</b>	-	-	<b>None</b>

<b>Water tank</b>	Fibre glass water tank for crop farm	<b>Ongoing</b>	80,000.00	Internal	2024	2025						<b>80</b>			
<b>New pig farm</b>	Construction of a complete new pig facility	<b>TBD</b>	15,000,000.00	External	2025	2025	-	-	-	-	-	<b>15,000</b>	-	-	
<b>Grann kaz</b>	Roof repair balustrade	<b>TBD</b>	1,500,000.00	Internal	2024	2024	-	-	-	25	<b>475</b>	<b>1,000</b>	-	<b>None</b>	
<b>Moulin</b>	Turn the Moulin into a Souvenir/bar shop for LUE	<b>TBD</b>	500,000.00		2025	2025						<b>500</b>			
<b>Purchase of Excavator</b>	Purchase of an excavator	<b>TBD</b>	1,500,000.00		2025	2025						<b>1,500</b>		<b>None</b>	
<b>L'Union Estate Company Ltd shop interior design</b>	re-design of the shop interior		400,000.00		2024	2025						<b>150</b>	<b>250</b>		<b>None</b>
<b>Contingencies</b>	to cater for any increase in construction costs or material costs		1,138,850.00	Internal	2024	2026	-	-	-	-	-	<b>3,677</b>	-	-	
<b>Total</b>							<b>11</b>	<b>12</b>	<b>9,67</b>	<b>34,204</b>	<b>3,67</b>	<b>3,67</b>	<b>3,67</b>		
							<b>6</b>	<b>5</b>	<b>2</b>		<b>7</b>	<b>7</b>	<b>7</b>		

### 6.15.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

#### 6.15.3.1 Tax Implications by the Operations of L'Union Estate Company Ltd Estate Company Ltd.

SCR (000)

Type of Tax	TAX IMPLICATION							
	Actual Figures			Provisional		Forecast		
	2021	2022	2023	2024	2025	2026	2027	
<b>Business Tax</b>	264	1,751	505	733	1,690	1,992	2,298	
<b>PIT</b>	665	738	1,092	950	1,150	1,245	12,500	
<b>VAT</b>	1,223	2,857	3,532	2,600	3,620	4,200	4,450	
<b>TOTAL TAX</b>	<b>2,152</b>	<b>5,345</b>	<b>5,129</b>	<b>4,283</b>	<b>6,460</b>	<b>7,437</b>	<b>19,248</b>	

#### 6.15.3.2 Anticipated Dividend Declarations by L'Union Estate Company Ltd Estate Company Ltd.

\*L'Union Estate Company Ltd does not anticipate any dividend declarations in the medium term

#### 6.15.3.3 Debt Payments Forecasts by L'Union Estate Company Ltd Estate Company Ltd.

Lending Organization	BORROWINGS							
	Total Borrowings and Debt Servicing							
	Actual Figures			Provisional		Forecast		
	2021	2022	2023	2024		2025	2026	2027
<b>Loan 01 From DBS</b>	-	-	-	-	-	5,000	-	-
	-	-	-	-	-	250		
	-	-	-	-	-			
	-	-	-	-	-			
<b>Loan 02 From Nouvobanq</b>					15,000			
			-		2,325			
	-	-	-					
	-	-	-					

#### 6.15.3.4 Anticipated Subventions and Grants by L'Union Estate Company Ltd Estate Company Ltd.

GRANTS AND SUBVENTION								
Nature of Funding	Funding Agency	Purpose	Total Agreed Amount (Forex)	Total Receipts of Subventions and Grants				
				Actual Figures			Provisional	
				2021	2022	2023	2024	2025
			SCR	SCR	SCR	SCR	SCR	SCR
<b>Subventions</b>	Government		13,486					
	IMF							
	AfDB							

### 6.15.3.5 Contingencies of L'Union Estate Company Ltd Estate Company Ltd.

L'Union Estate Company Ltd Estate Company Ltd. has no anticipated contingent liabilities.

### 6.15.3.6 Assumptions used for the Financial Projections of L'Union Estate Company Ltd Estate Company Ltd.

#### **Projected statement of Comprehensive Income**

- Low season for tourism starts in the month of June to July and then again in November and December
- High season for tourism is from March to April and August, September and October
- Weather seasons, supply and demand determine the crop output at the crop farm
- The current pig farm is licensed for 500 pigs, there are plans to construct a new pig farm using external funding
- The intermittent interruptions at the chicken farm means fluctuations in egg productions and thus varied turnover in egg sales
- The recruitment of more staff under the agriculture section is anticipated to translate into more production of vegetables
- Upon completion of the new pig farm, the company anticipates a ramped-up productivity in not only meat, but other meat products as well. This will contribute significantly in revenue growth in the next 2 years
- Plans to implement and commission high revenue impact projects like the Zip line and Equestrian activities is meant to ensure that visitors to the Estate get value for money.
- Most expatriates work permits would expire in March of the following year hence an increase in staff costs
- The company is mulling over new ways of maintaining and sustaining high beef yield by having and segmenting exclusive grazing areas within the Estate.
- The company anticipates and expects turbulence in international travel due to news of the mpox pandemic becoming common in the traditional tourism markets of the country.

#### **Projected Financial Position**

- All capital expenditure projects have a higher chance of lapsing into the next financial period
- The rate of corporation tax has been input at an average of 16% due to the fact that Agricultural income is exempted from Business tax.
- The 16% rate has been derived from the average of business tax paid over net income of the successive financial years
- Financing to be allocated for CAPEX projects has been factored in determining the cash and cash equivalent at the bank for the projected period.
- External funding for the construction of the new pig farm infrastructure has a direct contribution to the value of fixed assets at the end of the year.
- The company has plans to build and operate a sort of juice and snacks bar at the start of the zip line to tap into the revenue streams from both local and international visitors
- The company uses accrual accounting method in treatment of accounts receivable and accounts payable
- The company has no plan to declare dividends since retained earnings is saved for CAPEX
- A contingency fund is budgeted for based at the rate of 10% of the total projected CAPEX to cater for unforeseeable price fluctuations, work delays, signages to be erected during the project life cycle and other urgent projects of capital nature.

## 6.15.4 KPIs, Risk Management Strategy and Reporting Obligations

### 6.15.4.1 Key Performance Indicators of the L'Union Estate Company Ltd Estate Company Ltd.

	FINANCIAL KEY PERFORMANCE INDICATORS (KPIs)								Comments	
	ACTUAL			PROVISIONAL	FORECAST					
	31.12.2023	31.12.2022	31.12.2021		31.12.2024	31.12.2025	31.12.2026	31.12.2027		
	SCR	SCR	SCR		SCR	SCR	SCR	SCR		
Net Profit Margin = Net Profit/Total Revenue x 100	11%	20%	55%	10%	14%	15%	16%		The result of the profit margin calculation is a percentage eg. a 10% profit margin means for each \$R1 of revenue the company earns \$R0.10 in net profit.	
Gross profit ratio = Gross profit/net sales x 100	77%	69%	121%	47%	82%	81%	79%		Gross profit margin ratio of 50 to 70% would be considered healthy, and it would be for many types of businesses, like retailers and other producers of goods	
Asset Turnover Ratio = Net Sales / Average Total Assets	0.21	0.22	0.62	0.21	0.31	0.31	0.28		company uses its assets to produce sales. A higher ratio is favorable, it indicates a more efficient use of assets, and a lower ratio indicates the company is not using its assets	
Current ratio = Current assets/Current liabilities	5.10	4.25	10.96	4.19	1.78	4.34	5.65		to pay short-term obligations or those due within one year, a higher ratio means the company has more assets than liabilities. For eg, a current ratio of 4 means the	

#### 6.15.4.2 Risks and Resilience Plan of the L'Union Estate Company Ltd Estate Company Ltd.

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	Geo-Politics	Close coordination with parent Ministry, purchase of feeds in bulk to shield from intermittent price shocks
	Tourism	Increased attractions in the Estate
	Pandemics	The rising cases about Mpox could affect world travel, therefore there is need to invest and rely more on agricultural production and enhance more tourism attraction facilities within the Estate
	Global warming	Growing and planting the best high yielding crops based on market demands
Financial Risks	Tourism income	Increased attractions in the Estate
	Market price shocks	Leveraging economies of scale to buy needed input in bulk so as to save on transport and associated costs. Application for tax exemptions on agricultural assets importations
	Forex gains/losses	Minimising savings in FX
	High operational costs	Taking advantage of govt subsidies on agricultural inputs. Buying inputs in bulk to minimise transport costs
Operational Risks	Skilled workforce	Increased staff retention coupled with attractive salary packages
	Fluctuations on tourism numbers	Increased attractions in the Estate
	Revenue loss from stealing	Increased security patrol within the Estate, employment of more remote CCTV surveillance
	Livestock diseases	Contracting of bi-weekly VET visits
	Senior management skills	Encouraged continuous professional development (CPD)
	Increased supply	Bumper harvest means product saturation in the market, we source for more markets in order to have a wider market reach
Compliance and Regulatory Risks	Internal audit department	Recruited an Internal Auditor
	Board composition	Liaison with the parent Ministry to have this fully constituted
	Taxes	Close collaboration with the Seychelles Revenue Commission
Environmental and Social Risks	Porous borders	Introduced additional CCTV around the farm and the Estate
	Lack of cooperation from local operators	Improving dialogue and close collaboration with local operators/stakeholders
	Theft	Increased security patrols in the Estate
	Tsunamis	Working closely with relevant Ministries
PESTEL	Political	Working closely with Regulatory Bodies and Parent Ministries
	Economic	New about Mpox ravaging the traditional tourist markets of the country has made us invest more in the productivity at the farm, we have sought to employ high revenue impact projects like the upcoming zipline and Equestrian activities
	Social	Attracting skills within the local community and the country through attractive remuneration packages
	Technological	Improving agricultural output through modern farming methods. There is talk of considering hydroponics in vegetable production
	Legal	Planning to contract and have a law firm on retainer basis with the company
	Environment	Increased security patrols to mitigate theft within the Estate. Increased CCTV infrastructure and the dedication of one room for CCTV surveillance

**6.15.4.3 List of External Reporting's by the L'Union Estate Company Ltd Estate Company Ltd.**

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
Quartely report	Public Enterprise Monitoring Commission (PEMC)	Profit & Loss, Balance sheet to showcase monthly performance of the PE	Quartely
Statutory taxes	Seychelles Revenue Commission (SRC)	VAT, PIT and other statutory taxes	Monthly
Business tax	Seychelles Revenue Commission (SRC)	Corporate tax	Yearly
Pension deductions	Seychelles Pension Fund (SPF)	Staff pension contributions	Monthly
Annual return	Registrar of Companies (RoC)	Annual returns	Yearly
Annual Financial Reports	PEMC, SRC and RoC	Audited financial reports of the PE	Yearly
Annual Plan	Public Enterprise Monitoring Commission (PEMC)	Annual plan of the PE	Yearly
Strategic plan	Public Enterprise Monitoring Commission (PEMC)	Longterm plan of the PE	Every 5 years

**6.15.5 Stakeholder Engagement**

**6.15.5.1 Statement by CEO**

I would like to outline the overarching vision for the company and how the MTFS aligns with the long-term objectives. This includes setting clear financial targets, such as revenue growth, profitability and market expansion.

As per the MTFS resources will be allocated efficiently to support strategic initiatives including technological investments, human capital and product development to enhance productivity. The MTFS also discuss the importance of identifying potential risks that could impact financial performance and how to plan ahead to mitigate these risks whereby strategic initiatives emphasis could be placed in establishing key performance indicators to measure progress against the MTFS.

I would like to highlight the importance of accountability and transparency in tracking financial performance as well as acknowledge the need for flexibility in the strategy to adapt to changing market conditions or unforeseen challenges.

Finally, I would like to emphasize on a commitment to regularly review and adjust the strategy as necessary.

*Mr. Loncey Micock  
Chief Executive officer*

#### *6.15.5.2 Foreword by Chairperson*

L'Union Estate Company Ltd Estate has a rich history as a national heritage site and a leading agrotourism destination on La Digue, attracting an average 15,000 paying visitors monthly for 2024. Over the years, while we have expanded our responsibilities, our core mission remains focused on enhancing the visitor experience, preserving our heritage and position ourselves as largest farm on La Digue.

As of now, we have successfully returned to profitability post-pandemic, and on track to record growth of 2% for 2024. Our operations have been revitalized through strategic improvements and a commitment to sustainable practices. With a solid foundation, we are poised to refocus on our core mandate while diversifying our revenue streams.

Looking ahead to 2025, 2026, and 2027, we anticipate that the Government and the public will recognize L'Union Estate Company Ltd Estate as the contributor in tourism and food security on La Digue. In 2025, we project a 4% growth in revenue, followed by steady growth in subsequent years. Our strategic priorities will emphasize sustainable tourism, local agricultural production and community engagement.

Our vision aligns with national priorities, including enhancing food security and promoting sustainable tourism.

We are prioritizing:

1. Sustainable Tourism Development: To attract more visitors while preserving our natural resources.
2. Local Agricultural Production: To support the local economy and reduce dependency on imports.
3. Community Engagement: To foster a sense of ownership and pride among residents.

These focal points are selected based on their potential to drive economic growth and community well-being.

L'Union Estate Company Ltd Estate has consistently contributed to the economy, not just through tourism, but also by promoting local agriculture. Our unique offerings, such as cultural experiences and sustainable farming practices, set us apart from other attractions.

*Mr. Nigel Rosette  
Chairperson*

#### *6.15.5.3 Statement by the Responsible Minister*

The MTFS of LUE has not yet been presented and discussed with the responsible Minister.



## 6.16 Seychelles Parks and Gardens Authority (SPGA)

### 6.16.1 Strategic Overview

#### 6.16.1.1 Mandate

The Seychelles Parks Authority, (SPGA)’s mandate includes:

- a) promote the participation of Government, the public and businesses in conservation work;
- b) protect and manage effectively the ecosystems and biodiversity in designated Protected Areas which fall under the jurisdiction of the Authority;
- c) implement national conservation policies and obligations under multilateral agreements;
- d) implement forestry practices and management;
- e) protect habitats and ecosystems from anthropogenic threats such as forest fire, pollution and coral destruction
- f) undertake specialist services such as plant identification and offer specialist consultancy services;
- g) facilitate and conduct research related to biodiversity and protected areas;
- h) deliver services of a high standard for the users of the gardens and parks;
- i) engage in commercial activities related to the functions of the Authority;
- j) provide tourism and recreational activities;
- k) provide gardening and landscaping services, guided tours and similar services;
- l) promote education and awareness activities.

#### 6.16.1.2 Vision

“The parks and gardens in Seychelles are secure and thriving, sustained by adequate finances and a network of relevant stakeholders.”

#### 6.16.1.3 Mission

Our mission statement serves as the point of departure for our Strategic Plan, articulating our aspirations to “Ensure that the protected areas and gardens are managed for the benefit of all”.

#### 6.16.1.4 Strategic Priorities for 2025-2027

The Seychelles Parks and Gardens Authority, (SPGA), is a corporate body that intends to achieve its mission by concentrating on the following:

##### **1. Targeted and Strategic Conservation**

*“Building on strong conservation action to preserve and protect the country’s parks and gardens entrusted to SPGA.”*

By 2026, conservation should finance itself for the duration of the Strategic Plan and beyond. This will be achieved by the successful implementation and monitoring of the numerous Management Plans, through synergies between the various departments coupled with the effective adoption of the ideal Public-Private-Partnership model(s).

##### **2. Resourcefulness**

*“Leveraging existing SPGA resources to produce different and better results.”*

By 2026, SPGA’s resources should enable it to generate enough income to cover costs and finally become profitable.

##### **3. Financial Autonomy**

*“Strengthening SPGA’s financial autonomy by deepening and diversifying our revenue sources.”*

By 2026, SPGA should be a profitable entity through income diversification and able to reinvest in conservation and commercial initiatives and projects related to our mandates

#### 4. Financial Soundness

“Maximizing income while minimizing costs.”

By 2026 SPGA should be free of wastage, and leakages and maximize income on all available resources.

##### 6.16.1.5 Key Challenges

- 1) Lack of quality staff in Finance, Research and Park Management in order to allow SPGA to fully achieve its objectives.
- 2) Establishing SPGA into the ideal commercial entity given its recent financial autonomy
- 3) New demands in diversification of tourism activities and experience offerings
- 4) Training and re-training of existing staff in order to meet the the organization's goals, expectations and standards.
- 5) Setting up a monitoring and evaluation framework as well as legal support for the organisational needs.

##### 6.16.2 Outlook of Financial Strategy

###### 6.16.2.1 Projected Statement of Comprehensive Income of the SPGA

	SCR ('000)					
	Provisional			Forecast		
	2022	2023	2024	2025	2026	2027
<b><u>INCOME</u></b>						
Total Filmming And Photoshootting Fees	40	53	25	37	39	41
Total Beverage and Snacks Sales	-	43	60	66	69	70
Total Cinnamon Trade	1	12	-	-	-	-
Total Products	3,246	4,908	3,500	5,250	5,263	5,369
Total Mooring	586	369	350	484	489	494
Total Garden	10,615	11,713	10,000	11,700	13,916	14,056
Hotel Contribution	895	1,280	490	-	-	-
Total Trails and Reserves	1,904	2,288	3,500	4,550	4,572	4,618
Total Marine Parks	21,479	21,450	21,567	22,214	22,036	22,256
Total Rental / Hire of facilities	1,490	708	500	1,137	1,159	1,171
Total Others	1,258	534	125	125	113	169
<b><u>TOTAL INCOME</u></b>	<b><u>41,515</u></b>	<b><u>43,358</u></b>	<b><u>40,117</u></b>	<b><u>45,562</u></b>	<b><u>47,656</u></b>	<b><u>48,243</u></b>
<b><u>EXPENDITURE</u></b>						
Office Expenses	3,565	5,657	6,679	4,720	4,479	4,568
Maintenance Cost	2,381	1,387	1,011	848	1,060	1,166
Transportation Cost	2,597	2,096	2,723	3,687	3,834	4,026
Other Use Of goods and services	2,916	2,314	5,000	6,643	6,776	6,911
Other supplies	72	10		452		
<b><u>TOTAL EXPENDITURE</u></b>	<b><u>11,532</u></b>	<b><u>11,464</u></b>	<b><u>15,414</u></b>	<b><u>16,350</u></b>	<b><u>16,149</u></b>	<b><u>16,672</u></b>
<b><u>Total salary for 2025</u></b>	<b><u>29,151</u></b>	<b><u>32,436</u></b>	<b><u>29,007</u></b>	<b><u>29,207</u></b>	<b><u>29,201</u></b>	<b><u>29,201</u></b>

<b>Total Expenditure</b>	<b>40,683</b>	<b>43,900</b>	<b>44,420</b>	<b>45,557</b>	<b>45,349</b>	<b>45,872</b>
<b>DEFICIT/PROFIT</b>	<b>832</b>	<b>(543)</b>	<b>(4,304)</b>	<b>5</b>	<b>2,307</b>	<b>2,371</b>

In alignment with the Seychelles Parks and Gardens Authority's budget for the upcoming years—over 45,000,000 SCR for 2025, over SCR 47,000,000 for 2026, and SCR 48,000,000 for 2027—we are dedicated to enhancing the visitor experience in our parks. To achieve this, we are actively developing new attractions that not only enrich our offerings but also encourage repeat visits and promote positive word-of-mouth.

Each park and garden has its unique features, prompting us to engage in collaborative brainstorming sessions with our internal teams and private partners to generate innovative ideas for new attractions.

Trails and reserves contribute significantly to our overall revenue. The funds generated from these areas are strategically reinvested in maintaining the trails to the highest standards, ensuring the safety and well-being of our visitors.

Our nursery and national parks are integral to showcasing the cultural and traditional heritage of Seychelles, featuring unique medicinal plants and value-added products derived from the distinctive coco de mer nuts.

For the fiscal year 2024, we anticipate higher expenditures as we undertake the relocation of our office to facilitate our growth as an organization. A primary objective this year is to enhance our workforce by attracting skilled professionals in critical areas, enabling the Seychelles Parks and Gardens Authority to work more effectively towards achieving our strategic goals.

### 6.16.2.2 Projected Cash Flow Statement of Seychelles Parks and Gardens Authority

SCR ('000)

	Provisional			Forecast		
	2022	2023	2024	2025	2026	2027
<b>Opening Balance</b>	<b>7,793</b>	<b>18,305</b>	<b>15,256</b>		<b>14,583</b>	<b>15,856</b>
<b>Cashflow from operating Activities</b>						
Receivables	41,515	43,358	40,117	45,562	47,656	48,243
Payables	(12,140)	(11,464)	(15,414)	(16,350)	(16,149)	(16,672)
Salaries	(29,151)	(32,436)	(29,007)	(29,207)	(29,201)	(29,201)
Exchange gain or loss	6	66	30	32	35	37
<b>Net Cashflows from Operating Activities</b>	<b>230</b>	<b>(477)</b>	<b>(4,274)</b>		<b>37</b>	<b>2,342</b>
<b>Cashflow from Investing Activities</b>						
Purchase of fixed assets	(1,860)	(2,175)	(1,528)	(3,203)	(2,882)	(1,500)
Minor Projects	-	(877)	(205)	(500)	(800)	(650)
<b>Net Cashflows from Investing activities</b>	<b>(1,860)</b>	<b>(3,052)</b>	<b>(1,733)</b>		<b>(3,703)</b>	<b>(3,682)</b>
<b>Net Cashflow from activities</b>	<b>(1,630)</b>	<b>(3,529)</b>	<b>(2,541)</b>		<b>(3,666)</b>	<b>(1,341)</b>
<b>Net Increase (Decrease in cash)</b>	<b>10,513</b>	<b>(3,050)</b>	<b>(673)</b>		<b>1,274</b>	<b>740</b>
<b>Cash at the beginning of the year</b>	<b>7,793</b>	<b>18,305</b>	<b>15,256</b>		<b>14,583</b>	<b>15,856</b>
<b>Cash at the end of the year</b>	<b>18,305</b>	<b>15,256</b>	<b>14,583</b>		<b>15,856</b>	<b>16,596</b>
						<b>17,569</b>

The Authority has seen a significant improvement in cash flow over the past two years, largely due to our strategic efforts to build reserves and ensure financial stability before pursuing major investments. However, we project a decline in cash flow for 2024, as several substantial investments have been initiated or completed during this timeframe. Key projects include the completion of the Anse Major ticket office, major renovations to the Grand Anse office, resurfacing of the Perseverance marine operations base, renovations of the Doctor's House on Curieuse Island, and the establishment of a greenhouse at Barbarons.

In addition to these initiatives aimed at enhancing visitor experiences, we have further investments planned for various parks and gardens. These include the development of a Thai Pavilion and the construction of a pen for the introduction of ducks and geese to the gardens. Consequently, we anticipate a gradual increase in cash flow over the next three years.

6.16.2.3 *Projected Capital Investment Plan of the Seychelles Parks and Gardens Authority*

**SCR (000)**

Project Name	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		Anticipated Risks
							2020	2021	2022	2023	2024	2025	2026
<b><i>Major Capital Investments</i></b>													
Tortoise Nursery	Details Not Provided		300,000.00	Project A/C	2026	2026							
Vehicles													
Souvenir Boutique (Botanical Garden)			1,000,000.	SPGA A/C	2026	2026							
Reception and Commercial Facility - Curieuse			3,000,0000	Project A/C	2025/2026	2026							
Trails & Associated Developments (Ticket Booth & Solar Panels)			600,000	SPGA A/	2026	2026							
New Boats and Engines			1,425,000.00	UNDP GEF/ R2R	2025	2025							
Minor Renovations of Doctor's House - Curieuse			100,000	SPGA/AC	2027								
<i>Replacements and upkeep of Assets (PPE)</i>													
							<b>Details Not provided</b>						
<b>Total</b>							-	-	-	-	-	-	-

		2023	2022
<b>Grants</b>			
	Coastal Ecosystem Adapt		
	SEYCAAT Blue Grant	468,200.00	-
	ETF Greenhouse Material	-	
	PAREO Madagascar	-	
	H Savy Trail Grant	-	100,000.00
	Environmental Trust Fund	-	
	Ridge TO Reef	615,684.02	1,017,703.96
	Pareo Project -Reunion	-	90,808.49
	PA Finance	-	
	Curieuse Infrastructure	-	
	Other small grants	87,113.00	147,020.00
	Veuve Reserve	-	10,000.00
	Strategic Adaptive Mgt-SAM	-	
	Darwin Initiative Project	-	
	Earthwatch expedition	-	
	Coral reef restoration Project	1,068,995.74	1,148,953.19
	Curieuse 40th Anniversary	-	
	Hunt Deltel	-	
<b>TOTAL GRANTS</b>		<b>2,239,992.76</b>	<b>2,514,485.64</b>

In addition to revenue generated from regular operations, the Seychelles Parks and Gardens Authority receives grants from various donors to support the implementation of diverse projects. These grants are designated for specific purposes, and expenditures are strictly limited in accordance with the approved budget plan. Projects may extend over a period of two to six years, with the payment modality primarily consisting of quarterly cash advances.

### 6.16.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

#### 6.16.3.1 Tax Implications by the Operations of Seychelles Postal Services

SCR (000)

Type of Tax	Provisional				Forecast		Anticipated Risks
	2022	2023	2024	2025	2026	2027	
Business Tax							
PIT	1,404,389.26	1,690,237.47	1,656,000.00	1,656,000.00	1,656,000.00	1,740,000.00	
VAT							
Etc..							
<b>Total</b>	<b>1,404,389.26</b>	<b>1,690,237.47</b>	<b>1,656,000.00</b>	<b>1,656,000.00</b>	<b>1,656,000.00</b>	<b>1,740,000.00</b>	

To date, tax implications have not been realized. SPGA has engaged with the Seychelles Revenue Commission (SRC) to clarify our obligations, as many of our revenue streams fall under the National Parks and Nature Conservancy Act of 1969, which has been amended at various intervals.

#### 6.16.3.2 Debt Payments Forecasts by the Seychelles Parks and Gardens Authority

\*SPGA doesn't anticipate any debt within the medium-term

#### 6.16.3.3 Anticipated Subventions and Grants by the Seychelles Parks and Gardens Authority

SCR ('000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount	Total Receipts of Subventions and Grants							
				(Forex)	Actual Figures			Provisional		Forecast	
					2020	2021	2022	2023	2024	2025	2026
Subventions	Government			-	-	-	-	-	-	-	-
	IMF			-	-	-	-	-	-	-	-
	ADB			-	-	-	-	-	-	-	-
	EU, etc			-	-	-	-	-	-	-	-
Grants	UNDP GEF Projects							1,931			
	Adaptation Fund Project		7,507	1,862	1,201	1,125	743	849	1,335		828
	Ridge to Reef Project		4,097	201	770	1,012	554	501	607	Project ends	
	SEYCAAT-Centralized Multirotational bio-holistic Database		1,998	-	-	-	468	765	765		-
	SEYCAAT-Enhancing knowledge of beach dynamics		473	-	-	-	-	-	473		-
	Erasmus		415	-	-	-	-	-	445		-

	Bio-Bridge		281	-	-	-	-	-	326	-
	CEPF (Critical Ecosystem Partnership Fund)		26, 500	-	-	-	-	7	19	-
	RECOS - Building Resilience of Coastal Ecosystem		577	-	-	-	-	-	-	631
	Absa Bank		-	-	-	-	-	200	-	-
	Seychelles Breweries Ltd		-	-	-	-	-	298	-	-
	CEPF (Critical Ecosystem Partnership Fund)		-	-	-	-	-	-	400	-
<b>TOTAL</b>			<b>15,374</b>	<b>2,062</b>	<b>1,971</b>	<b>2,137</b>	<b>1,766</b>	<b>4,551</b>	<b>4,371</b>	<b>1,459</b>

Grants are crucial for the Seychelles Parks and Gardens Authority as they provide essential funding for conservation and maintenance efforts. These funds support biodiversity preservation, habitat restoration, and the management of natural resources. Grants enable the authority to implement various environmental programs, enhance public awareness, and promote sustainable tourism. Additionally, they help in securing the infrastructure needed for parks and gardens, ensuring that these vital ecosystems are protected and enjoyed by both locals and tourists. Overall, grants play a significant role in facilitating the authority's mission to conserve Seychelles' unique natural heritage.

#### 6.16.3.4 Assumptions used for the Financial Projections of Seychelles Parks and Gardens Authority

The Seychelles Parks and Gardens Authority (SPGA), created through a merger of the then Seychelles National Parks Authority and the National Botanical Garden Foundation in 2022 oversees the management of the Marine and Terrestrial National Parks and Gardens of Seychelles, which are well-visited by a large number of visitors.

Designation Type/IUCN Category	Official Name	Total Area (ha)
Special Reserve	Veuve Special Reserve	7.88
National Park Cat. II	Morne Seychellois National Park	3129.47
	Praslin National Park	325.37
Protected Area IUCN Cat II	Ille Cocos Marine National Park	85.55
Marine National Park Cat II	Curieuse Marine National Park	1340.74
	Baie Ternay Marine National Park	87.09
	Port Launay Marine National Park	163.29

	Ste. Anne Marine National Park	965.41
<b>Designated Gardens</b>	National Biodiversity Centre	Under Review at MLH (64.0, Pro.)
	National Botanical Garden	Under Review at MLH, (6.0 Pro.)
	Statehouse Garden	3.0
<b>Total ha of SPGA managed sites:</b>		<b>3,048.33</b>

***Visitor Arrivals***



The Seychelles Parks and Gardens Authority operates 12 payment stations, utilizing a digital cash collection system. Among these, the Botanical Garden and Curieuse Island are the most frequented and revenue-generating sites.

The Botanical Garden, recognized as a national monument, employs a distinct marketing strategy that highlights its serene environment, offering a tranquil escape near the bustling city of Victoria. Curieuse Island is renowned for its population of giant Aldabra tortoises that roam freely throughout the area.

In contrast, the least visited stations are the Veuve Reserve on La Digue Island and the Biodiversity Centre at Barbarons. The Authority is continually exploring innovative marketing strategies to attract more visitors to these lesser-known sites.



**SPGA has implemented several strategic initiatives aimed at enhancing revenue efficiency and minimizing leakages:**

- Establishment of two dedicated units within the finance department: Revenue and Expenditure, to ensure a focused approach.**
- Conducting timely spot checks to ensure compliance and optimize revenue generation.**
- Continuously exploring new revenue streams to ensure sustainability through diverse financing mechanisms, including projects and public-private partnerships (PPP).**
- Reducing expenses by implementing comprehensive and detailed procurement planning for each department and unit.**

#### **6.16.4 KPIs, Risk Management Strategy and Reporting Obligations**

##### *6.16.4.1 Key Performance Indicators of the Seychelles Parks and Gardens Authority*

Title of Key Performance Indicators	Description	Achievements of KPIs						
		2022	2023	2024	2025	2026	2027	2028
<b>Targeted Revenue Lines</b>				<b>40,116,909.00</b>	<b>45,557,052.95</b>	<b>45,349,371.32</b>	<b>45,872,175.92</b>	
<b>New Business Developments</b>	Souvenir Boutique							
	Opening of New Payable Trails						Morne Blanc Nature Trail	
	Cafeteria						<b>Curieuse Island Cafeteria</b>	
<b>Number of tourists visiting Seychelles</b>		<b>182,849</b>	<b>332,068</b>	<b>400,000</b>	<b>420,000</b>	<b>441,000</b>	<b>463,050</b>	
<b>Tourists visiting our Parks</b>		<b>21604</b>	<b>48,877</b>	<b>152,814</b>	<b>169,232</b>	<b>188,179</b>	<b>197,588</b>	<b>207,468</b>
<b>Staff Capacity Building</b>	Marine Operations-			1 staff certified	2 staffs certified	3 staffs certified	2 staffs certified	

	WIOCOMPAS Certification						
	Certification from TGMI		1 staff	2 staffs	1 staff		
	Adaptation Fund Capacity Building ( Coral Genomics and GIS)				2 Staff - - SCR107,264.78		
	RAMSAR Wetlands International Week				3 staff		

#### 6.16.4.2 Risks and Resilience Plan of the Seychelles Parks and Gardens Authority

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	<b>Lack of human resources to implement the Strategic Plan</b>	<b>Allocate funds and resources to effectively train staff</b>
	<b>Change in government/management might affect the implementation of the Strategic Plan</b>	<b>Set up a robust internal structure for smooth functioning and continuity</b>
Financial Risks	<b>External shocks, (e.g. global health pandemic, wars, low tourism arrivals, etc) might deplete and the company might sustain for 6 months</b>	<b>Build up the reserve &amp; Invest in a long-term deposit</b>
	<b>95% of revenue depends on tourism</b>	<b>Explore alternative sustainable financial mechanisms such as a Trust Fund</b>
	<b>Credit Facility for applying for loans</b>	<b>Explore soft loan application</b>
Operational Risks	<b>Inflation</b>	
	<b>Rigid entry fees(SPGA's fees are regulated under the law)</b>	<b>Diversification and introduction of new commercial activities</b>
Compliance and Regulatory Risks	<b>Introduction of new Government policies and laws that might impose pressure on cash flow</b>	<b>Adaptation to new policies and laws (explore new opportunities)</b>
Environmental and Social Risks	<b>Climate Change</b>	<b>Adaptation and mitigation measures</b>

Additional Insights on Risk, Mitigation, and Adaptation:

**Risk Management:** A comprehensive risk management framework is crucial for identifying potential risks before they materialize. Regular assessments can help prioritize risks based on their potential impact and likelihood.

**Mitigation Strategies:** Beyond just addressing immediate financial and operational concerns, long-term sustainability requires fostering partnerships with stakeholders, including local communities, to create a shared responsibility in managing resources.

**Adaptation Techniques:** Resilience plans should include adaptive management practices that allow the authority to respond flexibly to environmental changes. This includes incorporating climate forecasts into strategic planning and utilizing innovative technologies to monitor and mitigate risks related to climate change.

In summary, the Seychelles Parks and Gardens Authority must adopt a multi-faceted approach to risk management that includes proactive training, financial diversification, operational flexibility, regulatory compliance, and environmental adaptation to ensure sustainable operations and resilience in the face of various risks.

#### *6.16.4.3 List of External Reporting's by the Seychelles Parks and Gardens Authority*

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
<b>Quarterly Financial Statements</b>	<b>PEMC</b>		<b>QUARTERLY</b>
<b>Financial statements</b>	<b>Board of Directors</b>	<b>Details of all the Financial Implications of the Entity</b>	<b>MONTHLY</b>
<b>Quarterly Report</b>	<b>SPGA Chairperson and Minister's Office</b>	<b>All SPGA Activities Detailed</b>	<b>QUARTERLY</b>
<b>Annual Report</b>	<b>PEMC, Board Chairperson, Minister's Office and Public</b>	<b>All SPGA Activities</b>	<b>ANNUALLY</b>
<b>Periodic scientific report</b>	<b>Board Chairperson and Minister's Office</b>	<b>Research and Monitoring Activities</b>	<b>PERIODIC</b>

## **6.16.5 Stakeholder Engagement**

### *6.16.5.1 Statement by CEO*

The SPGA Strategic Plan 2022-2026 serves as the pivotal guiding document for our organization, charting the course for our initiatives and objectives over the next five years. Through diligent implementation, the Authority is committed to leveraging its State Owned Enterprise (SOE) status to maximize its potential and adopt best practices in the stewardship of protected areas. We acknowledge our critical role and expertise in conserving the Parks and Gardens of Seychelles, and our strategic aims are firmly aligned with our articulated mandates, supported by our vision and mission statements, and reinforced by the core values that define our organization.

At the foundation of our conservation objectives are four core priority strategies: (1) Targeted & Strategic Conservation, (2) Resourcefulness, (3) Financial Autonomy, and (4) Financial Soundness. These strategies are designed to elevate the Authority to new heights of operational excellence. We are resolute in our commitment to achieving our goals, translating them into significant accomplishments that reflect our dedication to sustainable management and protection of Seychelles' protected areas and designated gardens.

We believe that our continued efforts enhance the experiences of both visitors and locals alike, fostering a deep appreciation for the natural beauty of our environment. With an unwavering commitment to sustainability across all dimensions of our operations, the Authority is on a mission to strengthen its position within the business and conservation sectors. We are dedicated to maintaining our competitive edge and delivering exceptional value to all stakeholders, ensuring that our contributions resonate far beyond our immediate goals and benefit the wider community.

*Mr. Allen Cedras  
Chief Executive Officer*

#### *6.16.5.2 Foreword by Chairperson*

The Seychelles Parks and Gardens Authority (SPGA) remains steadfast in its commitment to regulatory obligations and corporate responsibility in fulfilling its mandates. Based on a thorough analysis of the current financial statements and overall position, I am optimistic that the organization is well-positioned for medium- and long-term financial sustainability. Continued strategic planning and prudent budgeting are essential for SPGA to maintain its operational effectiveness.

I am confident that the vision and mission of SPGA will be evident through our actions and initiatives in the coming years, as we strive to establish ourselves as a reputable leader in conservation. In response to the uncertainty surrounding visitor arrivals, SPGA has diligently adhered to its Business and Strategic Plans. Our focus has been on adapting to the evolving business landscape while prioritizing the stakeholders, employees, visitors, and the integrity of our sites.

As we move ahead, we're set to embark on exciting new journeys. These journeys will require targeted investments in key areas, the establishment of strategic partnerships, and an unwavering commitment to excellence. By leveraging our existing strengths, we aim to diversify our offerings and create new revenue streams, thereby enhancing our influence and making a lasting impact on the environment we serve.

We recognize the significance of responsible business practices and are committed to fostering a culture of collaboration, transparency, and accountability. Together as an Authority, we will navigate the challenges ahead and continue to make meaningful contributions to conservation and community engagement.

*Mr. Lucas d'Offay  
Board of Directors Chairperson*

#### *6.16.5.3 Statement by the Responsible Minister*

As a Ministry, we have diligently formulated and implemented a range of policies, strategies, and action plans aimed at the conservation and sustainable use of our natural resources across all agencies under our aegis. I am confident that my Ministry, along with its affiliated institutions such as the Seychelles Parks and Gardens Authority (SPGA), is committed to ensuring that all developments and projects adhere strictly to conservation principles. Our approach emphasizes strategic financial sustainability, ensuring that the Authority aligns seamlessly with national priorities and international sustainable development strategies through visionary planning and robust management controls.

I firmly believe that the SPGA will prioritize the enhancement of its current services, striving to improve the overall experience for all clients. We must reinforce the financial soundness of the SPGA by adopting a holistic and strategic approach to its management, which will serve as a cornerstone for its ongoing success and reputation.

Our focus will remain on the efficient and effective management of the protected areas entrusted to the Authority. The strategic priorities we set forth are intricately linked to the vision and mission of the SPGA. Through the SPGA Strategic Plan, we provide a comprehensive framework for operational planning and implementation. This framework will be supported by robust monitoring, evaluation, and learning plans that include clear, actionable items and key performance indicators.

Moreover, the development and adoption of the Medium-Term Financial Strategy (MTFS) presents a significant opportunity for the SPGA to refine its strategies and reorient its services. This renewed focus will enhance the Authority's ability to deliver improved and strategic services while fulfilling its conservation and management mandate. Together, we will ensure that our initiatives not only protect our invaluable natural resources but also promote sustainable development for future generations.

*(Mr.)Flavien Joubert*

*Minister of Agriculture, Climate Change and Environment*

## 6.17 Seychelles Postal Services (SPS)



### 6.17.1 Strategic Overview

#### 6.17.1.1 Mandate

As a member of the Universal Postal Unions, SPS is mandated to develop its business in line with that of the UPU postal strategy which involves, digitalization, streamlining of customs process to facilitate ecommerce, improved services for the customer and sustainability of the post by diversifying its business to encompass digital trends such as crypto stamps, digital marketing and e-services to include e-government.

#### 6.17.1.2 Vision

Our vision is to be amongst the leading operators in the provision of postal services and products in the region.

#### 6.17.1.3 Mission

- **Meeting the Needs of the Citizens and Promoting Economic Growth** Ensure that the postal sector meets the basic needs of citizens, fostering economic growth and digital citizenship.
- **Providing Accessible and Customer-Centric Postal Services** Offer customers a reliable, and customer-centric postal system that caters to their e-government, communications and e-commerce needs.
- **Prioritizing Safety, Security, Reliability, and Speed** Place utmost priority on mail safety, border security, reliability, and speed in the processing of mail items.
- **Enhancing Seychelles' Competitiveness** Increase the efficiency and effectiveness of the postal system and operations to enhance Seychelles' competitiveness, meeting the diverse needs of both local and global customers by creating an international mail transit hub.
- **Responsible and Strategic Infrastructure Investment:** Invest in operations infrastructure responsibly, considering safety, border control, economic, and strategic factors to minimize negative impacts.

#### ***6.17.1.4 Strategic Priorities for 2024-2026***

- Digitalization (connectivity of systems, interactive website, online services).
- Employee capacity building in use of technology, Microsoft systems, customer service training.
- Re-evaluate job descriptions and bring in line with modern postal requirements
- Create own scheme of service to align with modern postal requirements.
- Mail Security – Being accredited by the UPU
- E-Commerce growth - enabler of outbound and inbound ecommerce.
- National Addressing System – supporting the development of the project.
- E-services – book collection, deliveries, pay online, upload documents, postage calculators, bill payment etc.
- Crypto stamps - digital stamps with a paper twin, collectors' items.
- Courier service consolidation - government project to consolidate services.
- New IMPC - national warehouse to increase ecommerce volume, operate as a mail transit hub.
- Door to door delivery - improve delivery service, offer customers a seamless service

#### ***6.17.1.5 Key Challenges***

- Operating space
- Technology
- Employee capacity
- WIFI
- Pace of stakeholders
- Consumer awareness
- Business agility.

## 6.17.2 Outlook of Financial Strategy

### 6.17.2.1 Projected Financial Position of Seychelles Postal Services

Description	SCR ('000)						
	2021	2022	2023	2024	2025	2026	2027
<b>ASSETS</b>							
NON-CURRENT ASSETS							
PROPERTY AND EQUIPMENT	7,800	7,194	6,559	7,343	8,598	8,598	8,598
INTANGIBLE ASSET	34	132	177	578	600	135	135
RIGHT OF USE ASSETS							
DEFERRED TAX	1,156	1,036	1,030	1,200	2,200	2,200	2,200
<b>TOTAL NON CURRENT ASSET</b>	<b>8,990</b>	<b>8,362</b>	<b>7,766</b>	<b>9,121</b>	<b>11,398</b>	<b>10,933</b>	<b>10,933</b>
<b>CURRENT ASSETS</b>							
INVENTORIES	<u>5,838</u>	<u>5,650</u>	<u>5,339</u>	<u>5,388</u>	<u>5,649</u>	<u>5,649</u>	<u>5,649</u>
TRADE AND OTHER RECEIVABLES	<u>6,297</u>	<u>4,925</u>	<u>5,313</u>	<u>4,900</u>	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>
CASH AND CASH EQUIVALENTS	<u>19,010</u>	<u>20,612</u>	<u>20,061</u>	<u>18,248</u>	<u>11,003</u>	<u>15,379</u>	<u>26,439</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>31,145</u></b>	<b><u>31,187</u></b>	<b><u>30,713</u></b>	<b><u>28,536</u></b>	<b><u>23,152</u></b>	<b><u>27,528</u></b>	<b><u>38,588</u></b>
<b>TOTAL ASSETS</b>	<b>40,135</b>	<b>39,548</b>	<b>38,479</b>	<b>37,657</b>	<b>34,550</b>	<b>38,461</b>	<b>49,521</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
SHARE CAPITAL	100	100	100	100	100	100	100
CAPITAL AND OTHER RESERVES	28,599	28,599	28,599	28,599	28,599	28,599	28,599
RETAINED EARNINGS	2,491	866	516	58	251	2,162	13,222
<b>TOTAL EQUITY</b>	<b>31,189</b>	<b>29,565</b>	<b>29,215</b>	<b>28,757</b>	<b>28,950</b>	<b>30,861</b>	<b>41,921</b>
<b>NON-CURRENT LIABILITIES</b>							
<b>LEASE LIABILITY</b>							
EMPLOYEE BENEFIT OBLIGATIONS	2,629	2,585	2,500	2,500	1,200	1,200	1,200
<b>TOTAL NON CURRENT LIABILITY</b>	<b>2,629</b>	<b>2,585</b>	<b>2,500</b>	<b>2,500</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>
<b>CURRENT LIABILITIES</b>							
<b>LEASE LIABILITIES</b>							
TRADE AND OTHER PAYABLES	6,316	7,399	6,764	6,400	4,400	6,400	6,400
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,316</b>	<b>7,399</b>	<b>6,764</b>	<b>6,400</b>	<b>4,400</b>	<b>6,400</b>	<b>6,400</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>40,135</b>	<b>39,548</b>	<b>38,479</b>	<b>37,657</b>	<b>34,550</b>	<b>38,461</b>	<b>49,521</b>

6.17.2.2 *Projected Statement of Comprehensive Income of Seychelles Postal Services*

SCR ('000)

Description	Actual Figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>REVENUE</b>	<b>15,250</b>	<b>17,037</b>	<b>19,258</b>	<b>22,403</b>	<b>25,199</b>	<b>40,274</b>	<b>47,146</b>
<b>DIRECT OPERATING EXPENSES</b>	<b>(5,390)</b>	<b>(4,463)</b>	<b>(5,018)</b>	<b>(3,289)</b>	<b>(5,727)</b>	<b>(5,727)</b>	<b>(5,727)</b>
<b>GROSS PROFIT</b>	<b>9,860</b>	<b>12,574</b>	<b>14,239</b>	<b>19,114</b>	<b>19,472</b>	<b>34,546</b>	<b>41,419</b>
<b>OTHER INCOME</b>		<b>8,432</b>	<b>6,000</b>	<b>4,000</b>			
<b>EMPLOYEE EXPENSES</b>	<b>(2,474)</b>	<b>(16,731)</b>	<b>(18,619)</b>	<b>(19,287)</b>	<b>(20,547)</b>	<b>(21,119)</b>	<b>(21,119)</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSE</b>	<b>(3,751)</b>	<b>(4,185)</b>	<b>(4,351)</b>	<b>(6,652)</b>	<b>(6,761)</b>	<b>(9,510)</b>	<b>(9,698)</b>
<b>DEPRECIATION OF PROPERTY AND EQUIPMENT</b>	<b>(1,214)</b>	<b>(1,022)</b>	<b>(1,056)</b>	<b>(1,007)</b>	<b>(1,159)</b>	<b>(1,159)</b>	<b>(1,159)</b>
<b>AMORTISATION OF INTANGIBLE ASSET</b>	<b>(7)</b>	<b>(10)</b>	<b>(34)</b>				
<b>AMORTISATION OF RIGHT OF USE ASSET</b>	<b>(724)</b>						
<b>EXPECTED CREDIT LOSSES</b>	<b>(734)</b>	<b>302</b>	<b>-</b>				
<b>FINANCE INCOME</b>	<b>123</b>	<b>9</b>	<b>10</b>	<b>120</b>	<b>351</b>	<b>351</b>	<b>351</b>
<b>FINANCE COSTS</b>	<b>(135)</b>						
<b>EXCHANGE (LOSS)/GAIN</b>	<b>(1,704)</b>	<b>(873)</b>	<b>(158)</b>				
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	<b>(760)</b>	<b>(1,505)</b>	<b>(3,969)</b>	<b>(3,713)</b>	<b>(8,644)</b>	<b>3,110</b>	<b>9,795</b>
<b>TAXATION CREDIT</b>	<b>464</b>	<b>(120)</b>	<b>-</b>			<b>(10,000)</b>	<b>(10,000)</b>
<b>(LOSS) / PROFIT AND OTHER COMPREHENSIVE (EXPENSE) / INCOME FOR THE YEAR</b>	<b>(296)</b>	<b>(1,624)</b>	<b>(3,969)</b>	<b>(3,713)</b>	<b>(8,644)</b>	<b>(6,890)</b>	<b>(205)</b>

6.17.2.3 Projected Cash flow Statement of Seychelles Postal Services

SCR ('000)

Description	Actual Figures			Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
(LOSS)/ PROFIT FOR THE YEAR	(760)	(1,505)	(3,969)	(3,713)	(8,644)	3,110	9,795
<b>ADJUSTMENTS FOR:</b>							
DEPRECIATION OF PROPERTY AND EQUIPMENT	1,214	1,022	1,056	1,007	1,080	1,200	1,200
PROFIT ON DISPOSAL OF ASSETS		(81)					
AMORTISATION CHARGE OF INTANGIBLE ASSET	7	10	34				
AMORTISATION OF RIGHT-OF-USE ASSETS	724						
DERECOGNITION OF RIGHT -OF-USE ASSETS AND LEASE LIABILITY	74						
EXPECTED CREDIT LOSSES	734	(302)	-				
LENGTH OF SERVICE CHARGE	1,494	635	1,103				
FOREIGN EXCHANGE MOVEMENT	1,256	855	448				
	4,743	635	(1,328)	(2,706)	(7,564)	4,310	10,995
<b>ADD: CHANGING IN WORKING CAPITAL</b>	3,715	2,892	2,232	1,828	1,839	1,585	1,585
INCREASE /DECREASE IN INVENTORIES	(41)	188	311	253	(261)	(515)	(515)
DECREASE/(INCREASE)IN TRADE AND OTHER RECEIVABLES	5,995	1,675	1,286	1,250	1,800	1,800	1,800
DECREASE IN TRADE AND OTHER PAYABLES	(2,238)	1,029	635	325	300	300	300
<b>NET CASH GENERATED FROM OPERATIONS</b>	8,459	3,527	904	(878)	(5,725)	5,895	12,580
EMPLOYEE BENEFIT OBLIGATIONS	(105)	(680)	(688)	(685)	(1,620)	(1,620)	(1,620)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	8,353	2,847	217	(1,563)	(7,345)	4,275	10,960
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>							
PURCHASE OF PROPERTY AND EQUIPMENT	(421)	(416)	(241)	(250)	100	100	100
PURCHASE OF INTAGIBLE ASSET		(54)	(79)				
PROCEEDS FROM SALE OF ASSETS		81					
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	(421)	(389)	(320)	(250)	100	100	100
<b>FINANCING ACTIVITY</b>							
REPAYMENT OF LEASE LIABILITIES AND NET CASH OUTFLOW FROM FINANCING ACTIVITY	(716)						
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	7,216	2,457	(103)	(1,813)	(7,245)	4,375	11,060
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	13,050	19,010	20,612	20,061	18,248	11,003	15,379
<b>AT JANUARY 1,</b>							
<b>INCREASE</b>	7,216	2,457	(103)	(1,813)	(7,245)	4,375	11,060
<b>FOREIGN EXCHANGE MOVEMENT</b>	(1,256)	(855)	(448)				
<b>AT DECEMBER 31,</b>	19,010	20,612	20,061	18,248	11,003	15,379	26,439

#### 6.17.2.4 Projected Capital Investment Plan of Seychelles Postal Services

Project Name	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			Anticipated Risks
							2020	2021	2022	2023	2024	2025	2026		
<b>Major Capital Investments</b>															
<b>Purchase of 2 electric vans</b>	Fleet extension for Door to door	Better delivery service	USD \$50K	UPU QSF Fund	2024	2025									
<b>POS/DPS</b>	Update technology	System Integration/Automation of counter	USD \$30K	Japan Fund?	2025	2025									
<b>National Warehouse</b>	<b>New airside IMPC</b>	<b>Space to increase inbound &amp; ecommerce and operate as a hub + door to door deliveries.</b>	<b>SCR8M</b>	<b>Govt of Seychelles loan, over 9 years at 37k per month</b>	<b>2024?</b>	<b>2025</b>									
<b>Replacements and upkeep of Assets (PPE)</b>															
<b>New server</b>		SCR80K	SPS	2024											
<b>New website</b>		SCR210K	SPS	2024											
<b>Total</b>										-	-	-	-	-	

Please note:

- Fleet extension is funded by the UPU, and the shortfall will be covered by SPS. This is estimated at \$5k.
- Updated technologies are the UPU DPS system, which has been negotiated down from \$77k for the license to \$11k but we still await the other cost, full estimate is \$30k and we have re-applied for Japan Fund to cover. We were not successful with initial application.
- New IMPC is a project that is still in development phase as the location of the asset keeps changing and is dependent on stakeholder and government decisions. Assumption is based on a 375 sqm facility for post only, but there is discussion to include couriers too.
- Website is currently under construction to launch in 2025.

### 6.17.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

#### 6.17.3.1 Tax Implications by the Operations of Seychelles Postal Services

Type of Tax	Actual Figures				Provisional		Forecast		SCR (000)	Anticipated Risks
	2021	2022	2023	2024	2025	2026	2027			
<b>Business Tax</b>	3									
<b>PIT</b>	557	467	645	692	738	745	745			
<b>VAT</b>	(48)	42	42	45	45	45	45			
<b>Etc..</b>										
<b>Total</b>	<b>512</b>	<b>509</b>	<b>687</b>	<b>737</b>	<b>783</b>	<b>790</b>	<b>790</b>			

#### 6.17.3.2 Anticipated Dividend Declarations by Seychelles Postal Services

\*SPS does not anticipate in declaring any dividends within the medium term

#### 6.17.3.3 Debt Payments Forecasts by Seychelles Postal Services

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	
<b>Loan 01 From GoS Bank</b>	Borrowings	<b>WAREHOUSE</b>	8,000,000.00							888	888
	Interest for the Year			-	-	-	-	-	-	-	-
	Repayment of Capital			-	-	-	-	-	-	-	-
	Balance carried forward			-	-	-	-	-	-	-	-
<b>Loan 02 From Bank</b>	Borrowings			-	-	-	-	-	-	-	-
	Interest for the Year			-	-	-	-	-	-	-	-
	Repayment of Capital			-	-	-	-	-	-	-	-
	Balance carried forward			-	-	-	-	-	-	-	-
<b>Debt for Other PEs</b>	Borrowings			-	-	-	-	-	-	-	-
	Interest for the Year			-	-	-	-	-	-	-	-
	Repayment of Capital			-	-	-	-	-	-	-	-
	Balance carried forward			-	-	-	-	-	-	-	-
<b>TOTAL</b>										<b>888</b>	<b>888</b>

#### 6.17.3.4 Anticipated Subventions and Grants by Seychelles Postal Services

SCR ('000)

Nature of Funding	Funding Agency	Purpose	Total Agreed Amount (Forex)	Total Receipts of Subventions and Grants							
				Actual Figures			Provisional		Forecast		
				2021	2022	2023	2024	2025	2026	2027	
Subventions	Government	Subsidy		15,000	8,000	6,000	4,000	4,000	-	-	
	IMF			-	-	-	-	-	-	-	
	ADB			-	-	-	-	-	-	-	
	EU, etc.			-	-	-	-	-	-	-	
<b>TOTAL</b>				15,000	8,000	6,000	4,000	4,000			
Grants	Government			-	-	-	-	-	-	-	
	IMF			-	-	-	-	-	-	-	
	ADB			-	-	-	-	-	-	-	
	EU, etc.			-	-	-	-	-	-	-	

#### 6.17.3.5 Contingencies of Seychelles Postal Services.

\*SPS does not anticipate any contingent liabilities within the medium term

#### 6.17.3.6 Assumptions used for the Financial Projections of Seychelles Postal Services.

The financial project assumption in this document are based on the following:

- Revenue growth:
  - key revenue driver will be the IMPC which will provide more space to increase volume and provide a mail/ecommerce transit service to other countries, and be part of the UPU PPZ project.
  - Other revenue drivers are: ecommerce website to sell local good to international market and offer local customer other international brands.
  - The launch of a crypto stamp which is currently being developed and designed.
- Expenditure:
  - There will be increases in salaries, as we align to be more competitive, we need to invest in a higher calibre of employee which will cost more. As we will also be adding extra tasks on our workforce, we need to compensate them accordingly, financially and with training.
  - We will have additional headcount to manage IMPC tasks, such as supervisors, IT and security and
- Economic conditions
  - Ecommerce is reliant on customer spending in international markets and stable foreign exchange rate to encourage online shopping for both inbound and outbound goods.
- Tax rates
  - The high customs de minimise rule is favourable to inbound ecommerce.
- Operations
  - Cost of operation will increase with installation of technologies, which have annual licenses to pay and data centres to maintain databanks and associated cybersecurity.
- Inventory
  - There is possibility that our inventory will increase when we start selling online, although we prefer to work with our vendors on consignment, rather than purchase the stock.

## 6.17.4 KPIs, Risk Management Strategy and Reporting Obligations

### 6.17.4.1 Key Performance Indicators of the Seychelles Postal Services.

Title of Key Performance Indicators	Description	Achievements of KPIs						
		Actual Figures			Provisional	Forecast		
		2020	2021	2022	2023	2024	2025	2026
Delivery Performance	Meet targets set by UPU/suppliers			D+10	D+10	D+10	D+7	D+7
Volume Increase	Ecommerce			157k items	300k items	300k item	350k items	650k items
Consolidated Technologies	POS, DPS							
Revenue regeneration	As per budgets							
Volume Increase	Transit Mail							1M items
Operations Efficiency	SOPs validated by the UPU and certified					Security Validation and SOP certified.		
Capacity building	Training for all employees in systems, customer service.					Will be completed		

- Re delivery performance - D means “day of arrival” for tracked items. So, 10 days after arrival.
- Volume increase is the amount of ecommerce we receive and send. Revenue is based on that and on type of mail service used.
- Consolidate technologies - part of UPU KPI to have the latest system, but there is a cost implication which the Post has to bear.
- Transit mail is mail we process that goes via SPS warehouse to another country.
- Operations efficiency - SOP in place, accredited mail flow process physically and digitally, mail security accreditation, these are all UPU KPI for Africa Region.

6.17.4.2 Risks and Resilience Plan of the Seychelles Postal Services.

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	<b>Economic downturn, late construction of warehouse, FSA delay for crypto stamps issue.</b>	<b>Diversify business into other areas/products</b>
Financial Risks	<b>Global economic downturn, less online shopping, no tourists for postcards</b>	<b>Diversify business into other areas/products</b>
Operational Risks	<b>System failure, employee capacity, delayed deliveries</b>	<b>Move to cloud technology backed by the UPU, training of employees,</b>
Compliance and Regulatory Risks	<b>Mail security, end to end tracking for supplier and customer.</b>	<b>Complete UPU security certification, work with customs closely for monitoring, ensure supplier end to end tracking is timely.</b>
Environmental and Social Risks	<b>Packaging used for ecommerce</b>	<b>Work with suppliers to reduce packaging and use recyclable materials</b>
PESTEL	<b>Trade regulations, change in customs allowances, change in employee contracts for shift work, exchange rate, inflation, consumer spending, upgrading and adopting new technology, supply chain disruptions due to natural disaster in supplier territories, data protection laws, KYC/AML</b>	<b>Keep abreast of regulations such as ICS2 for EU, EAD/STOP ACT for USA. With customs/WCO to ensure ecommerce is seamless process for customer to avoid loss of business. Engage employees early about changes, re-structure where needed to accommodate new HC but no increase. Monitor global ecommerce trends/inflation/consumer spending. Invest in adaptable technology with API functionality that can evolve and not remain static. Comply with KYC/AML and data protection laws.</b>

6.17.4.3 List of External Reporting's by the Seychelles Postal Services

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
<b>Compliance Report – covers all international obligations for operations</b>	UPU/USPS	EAD – Electronic Advanced Data/CARDIT Exchange/Tracking events/EMS reporting/Customer queries	Monthly
<b>Performance Report</b>	Ecommerce partner/UPU	MailAmericas/Singapore Post	Weekly
<b>FP&amp;A Reports</b>	Board	Financial reporting/debtors list	Monthly
<b>Quarterly Finance Reports</b>	PEMC	Financial Reporting	Quarterly
<b>Mail Volume Report/Customer Queries based on Customer Service charter.</b>	Board/Regulator	Mail Volume by category	Monthly
<b>CEO Report</b>	Board	Personnel, projects etc.	Monthly
<b>Security Certification</b>	UPU	Security compliance & enhancements to improve mail safety	Monthly
<b>ORE (Operation Readiness for E-Commerce)</b>	UPU	Monitoring by the UPU against their set KPI for African Region	Monthly
<b>AFS</b>	Shareholder	Annual Financial Statement	Yearly
<b>Annual Report</b>	Shareholder	Annual Report	Yearly

## 6.17.5 Stakeholder Engagement

### 6.17.5.1 Statement by CEO

Committed to transforming Seychelles Postal Services to ensure it stays relevant, and reinvents itself as a key logistic player in the region, enabling local and international ecommerce by adopting digitalization and streamlining processes to offer customers a seamless service. I believe that the post's long-standing history and network as the original logistics provider is an asset that can be built on and developed to enhance economic development.

Seychelles Post Office is one of the most iconic buildings in Victoria and also possibly one of the oldest businesses in Seychelles. Existing since the 1800s it has kept our islands in communication with the rest of the world. SPS is still a key business and offers a vital service to the country. However, with the developments in communications technology and private courier services, the post office has somewhat been left behind. One of our key priorities is to digitalize SPS to make our processes easier and faster and to serve our customers more efficiently, automating behind-the-scenes processes, using technology supplied by the Universal Postal Union (UPU) and developing our own add-on systems. Adding a point of sale (POS) system for our retail service at the counter and in our shop. Building a new website that will be the gateway to our services and give our customers more information on what we do and offer. That is information on pricing for postage, online customs declaration forms, online payment for shipments, mail redirection service, virtual mailboxes, online payment for post boxes and an e-commerce site allowing direct access to brands using the post office for shipment and also inviting local businesses to use our platform for their selling and shipping needs.

With all these exciting ideas, we need to develop our teams to meet these challenges and put in place new ways of working. Changing mindset on how we approach work is also key to these changes.

We are also reviving philately and will be going digital with some of our old stamps to attract NFT stamp collectors. NFT stamps are digital stamps or artwork collected online and kept in digital portfolios.

We are looking to further develop our courier service to tie in with Express Mail Service (EMS), as well as explore digital addressing, as we have so many issues with delivering letters. We have started delivering EMS door to door and soon for parcels and small packets too, and in future even collect items to be posted.

SPS also has a social mandate which is the Universal Service obligation which it needs to adhere to despite it being a loss-making concept which is currently being challenged by all postal operators globally. Since the pandemic many postal operators have found the market challenging due to the intense competition in ecommerce and only now is the post shifting its attention to being run as a business, as governments try to recover funds provided as subsidies.

As a member of the UPU and the Designated Postal Operator of Seychelles, SPS' development strategy aligns with that of the UPU for global postal development.

*Ms. Mariella Buisson  
Chief executive Officer*

### 6.17.5.2 Foreword by Chairperson

Previously a Government Department and a division of the Ministry of Finance for many years, the Seychelles Postal Services (SPS) was incorporated in 2010 as a Ltd liability company under the Companies Act 1971 with the Government of Seychelles as the sole shareholder, after a new Postal Act was enacted. The evolution of a modern customer service-orientated public enterprise from over 200 years of a budget-dependent civil service department of central government was - and remains – the biggest challenge. Not least, a change of public and corporate mindset which considers that access to postal services and communication with the rest of the world to be a basic human right to be provided by a national government regardless of the cost, further compounded by a ‘civil service’ mentality displayed by staff who having been in a service monopoly for so long, fail to comprehend the challenges of providing a service to a customer. The greatest challenge of all, remains to catch up with a world that has moved on, where electronic media has replaced the written word and the internet has replaced mail bags.

Our aim has been to get aboard the band wagon, rewrite the business model, facilitate e-commerce, diversify our business and invest in technology and retrain our staff, to keep up with customer expectation. Investment in technology is specific and necessary, and expensive. In a recent UPU report, Seychelles scored low on the postal development index. Compared with more advanced postal operators elsewhere, there is much catching up to do.

#### International Scene

The postal sector has been undergoing a paradigm shift over the last 30 years, from a highly regulated paternalistic relic of the industrial era to an efficient and cost-effective facilitator of exchanges of goods and services in an era of global Internet connectivity, driven by exacting demands from customers. The modern postal customer does not subscribe to the postal system; rather, he *demands* good service, and fully expects it to be supplied at an optimal cost. In this new era, opportunities abound and many remain untapped. Besides adapting to the rapidly changing environment, postal policy makers and operators have also driven these changes, first by separating posts from telecommunications, and then – particularly in industrialized countries – by refocusing on a narrower range of activities and increasing productivity, before diversifying into new (or not so new) activities. Technology substitution, as well as to a lesser extent liberalization and globalization, has dramatically increased competitive pressure.

#### Domestic Scene

Notwithstanding incorporation as a Ltd company, SPS has remained a member of the Universal Postal Union (UPU) since October 1977. Membership of UPU, requires that we continue to provide a universal postal service, such as acceptance, processing, conveyance and delivery of postal items e.g., parcels, small packets and letter post classified as priority and non-priority and EMS, all of which has changed little over the years.

As is the case globally with many postal service providers, SPS has been having some challenges in this new digital era, as postal services face declining mail volumes and low margins in the highly competitive e-commerce business and the challenges of balancing over- and under-capacity in the postal network while ensuring constant service quality and customer proximity at a sustainable cost.

In spite of this, thousands of items are still being processed daily and an increase in e-commerce volumes is clearly apparent and the post has an opportunity to re-invent itself to provide its customers with a better service and contribute to economic growth and prosperity.

*Mr. Norman Weber  
Chairperson SPS*

#### *6.17.5.3 Statement by the Responsible Minister*

As the Seychelles Postal Services (SPS) adapts to a rapidly evolving global landscape, its transformation into a modern, competitive logistics provider is essential for driving economic growth and supporting e-commerce in Seychelles. Since its founding, SPS has played a vital role in connecting our islands to the rest of the world. However, with advancements in communications technology and a rise in private courier services, the post office must now re-strategize on its role to remain relevant, reliable, and responsive to customer demands.

SPS's mandate as a member of the Universal Postal Union guides it to pursue digital transformation, streamline customs processes, and implement services that promote efficiency and enhance the customer experience. Under its leadership, SPS has set ambitious goals for the 2025-2027 period. Key initiatives include creating an interactive, user-friendly website, launching digital addressing solutions, and providing new digital services such as e-government and e-commerce platforms. These advancements will enable SPS to offer a seamless customer experience, connecting Seychellois with local and international markets, while also generating opportunities for local businesses to expand their reach.

In addition, SPS is committed to upgrading its infrastructure with investments in a modernized national warehouse, door-to-door delivery, and a state-of-the-art courier system, enhancing the efficiency and sustainability of its operations. These developments will reduce wastage, optimize processes, and ultimately allow SPS to pass on cost savings to the public, making postal services more accessible and affordable. By building on its legacy and infrastructure, SPS is positioning itself as a critical facilitator of trade and commerce, which is essential in today's economy.

Challenges remain, from managing over- and under-capacity to navigating a competitive e-commerce market and responding to the rising expectations of digital-age customers. SPS is addressing these issues by fostering a shift in mindset within its workforce and through investments in staff training and development. Embracing a culture of innovation, reliability, and customer-centricity will be essential for SPS to thrive in a highly competitive environment.

As Minister responsible for SPS, I am encouraged by the company's progress and ambitious vision. By modernizing its operations and expanding its services, Seychelles Postal Services will not only enhance its operational capacity but also contribute significantly to our economic growth and the well-being of Seychellois citizens. The government remains committed to supporting SPS in this journey, ensuring that our postal service is equipped to meet the demands of a dynamic global landscape and to drive sustainable economic prosperity for Seychelles.

*Mr. Naadir Hassan  
Minister for Finance, National Planning, and Trade*

## 6.18 National Information Services Agency (NISA)

### 6.18.1 Strategic Overview

#### 6.18.1.1 Mandate

The National Information Services Agency (NISA) was enacted under the National Information Services Agency Act 4 of 2010.

Our main function is as follows:

- i) To compile, produce, publish and print the national newspaper, *Seychelles NATION*.
- ii) To provide pre-press services
- iii) To provide printing services,
- iv) As well as to engage in any lawful income generating activity to support our core function.

#### 6.18.1.2 Vision

To be the leading local news and information provider across all media platforms with a global reach.

#### 6.18.1.3 Mission

Our mission is to educate, entertain and disseminate factual information in a timely and objective manner through the publication of the *Seychelles NATION* newspaper and other appropriate technological medium, to help people shape their decisions.

#### 6.18.1.4 Strategic Priorities for 2025-2027

##### **Financials**

- 1) Increase sales and revenue
- 2) Increase profitability
- 3) Increase return on investment / Return on capital employed
- 4) Reduce operational cost

##### **Customer**

- 1) Improve internal Turn-around-time (TAT)
- 2) Diversification of sales & products offerings by segments
- 3) Improve digital offerings and portfolios
- 4) Improve on customer relationships

##### **Brand**

- 1) Retain customer values
- 2) Increase social media presence
- 3) Conduct surveys to improve awareness of our clients' needs

##### **Compliance**

- 1) Improve on reporting to PEMC
- 2) Compliance to all regulations
- 3) Defining and embedding a Business Continuity Plan
- 4) Maintain complaints register to improve on our services
- 5) Compliance with all internal policies and procedures

#### *6.18.1.5 Key Challenges*

##### Property

The Agency is currently facing challenges relating to both of its properties.

The Victoria property was acquired / Handed over to another Ministry. Inspection by the other party has already been done.

The second property at Bois De Rose, is being leased from a political party.

##### Newspaper

Trends related to readership of physical newspaper versus technological medium is a key challenge within our industry. Although the impact is not immediate, the management remains mindful and cautious with the change of mindset.

Cost of material vs revenue cost (Advertising revenue)

With the ever increase of raw materials and other cost to serve, finding the right balance to increase revenue is a challenge as digital advertising is cannibalizing revenue streams of newspaper earnings

## 6.18.2 Outlook of Financial Strategy

### 6.18.2.1 Projected Financial Position of National Information Services Agency

DESCRIPTION	SCR ('000)						
	Actual Figures		Provisional		Forecast		
	2021	2022	2023	2024	2025	2026	2027
	SCR	SCR	SCR	SCR	SCR	SCR	SCR
Property, plant and equipment	15,478	14,559	13,731	13,057	12,600	12,345	10,437
Intangible assets	9	-	13	3	-	-	-
Right of use asset	4,863	4,651	4,440	6,100	5,795	5,490	5,185
Deferred tax asset	-	-	-	-	-	-	-
Non-current assets	<b>20,350</b>	<b>19,210</b>	<b>18,184</b>	<b>19,160</b>	<b>18,395</b>	<b>17,835</b>	<b>15,622</b>
Inventories	3,874	2,805	3,942	3,942	3,942	3,942	3,942
Trade and other receivables	3,285	2,211	2,440	2,440	2,440	2,440	2,440
Current tax asset	14	-	-	-	-	-	-
Cash and cash equivalents	4,761	5,156	3,304	3,500	4,665	6,776	8,497
<b>Current assets</b>	<b>11,934</b>	<b>11,172</b>	<b>9,686</b>	<b>9,882</b>	<b>11,047</b>	<b>13,158</b>	<b>14,879</b>
<b>TOTAL ASSETS</b>	<b>32,284</b>	<b>30,382</b>	<b>27,871</b>	<b>29,042</b>	<b>29,442</b>	<b>30,993</b>	<b>30,501</b>
Retained earnings	14,552	15,385	16,298	16,561	17,650	18,786	19,683
<b>Equity</b>	<b>14,552</b>	<b>15,385</b>	<b>16,298</b>	<b>16,561</b>	<b>17,650</b>	<b>18,786</b>	<b>19,683</b>
Borrowings	4,221	708	-	-	-	-	-
Provision for employee benefit	1,487	1,558	1,861	2,005	2,258	2,388	2,504
Lease liability	4,963	4,887	4,804	6,286	6,156	6,015	5,862
Deferred tax	2,845	2,609	2,404	1,998	1,694	1,120	896
<b>Non-current liabilities</b>	<b>13,516</b>	<b>9,762</b>	<b>9,069</b>	<b>10,289</b>	<b>10,108</b>	<b>9,523</b>	<b>9,262</b>
Trade and other payables	950	1,387	1,214	1,807	1,226	2,173	1,095
Borrowings	3,236	3,516	706	-	-	-	-
Current tax liability	-	144	320	45	118	171	121
Deferred income	30	187	265	340	340	340	340
<b>Current liabilities</b>	<b>4,216</b>	<b>5,235</b>	<b>2,505</b>	<b>2,192</b>	<b>1,684</b>	<b>2,684</b>	<b>1,556</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,284</b>	<b>30,382</b>	<b>27,871</b>	<b>29,042</b>	<b>29,442</b>	<b>30,993</b>	<b>30,501</b>

6.18.2.2 *Projected Statement of Comprehensive Income of National Information Services Agency*

Description	Actual				Provisional		Forecast	
	2021	2022	2023	2024	2025	2026	2027	
<b>Revenue</b>	20,875	23,393	23,828	24,506	25,560	25,773	26,348	
<b>Operating costs</b>	19,150	21,748	22,183	23,679	23,732	23,903	24,823	
<b>Operating Profit</b>	<b>1,725</b>	<b>1,645</b>	<b>1,645</b>	<b>827</b>	<b>1,828</b>	<b>1,870</b>	<b>1,525</b>	
<b>Finance Income</b>	50	41	33	27	25	35	45	
<b>Finance Costs</b>	1,140	930	638	544	534	523	511	
	<b>-1,089</b>	<b>-888</b>	<b>-605</b>	<b>-517</b>	<b>-509</b>	<b>-488</b>	<b>-466</b>	
<b>Profit for the year before taxation</b>	<b>636</b>	<b>756</b>	<b>1,040</b>	<b>310</b>	<b>1,319</b>	<b>1,382</b>	<b>1,059</b>	
<b>Taxation</b>	5,455	77	128	47	230	246	162	
<b>Profit for the year after taxation</b>	<b>-4,819</b>	<b>679</b>	<b>912</b>	<b>263</b>	<b>1,089</b>	<b>1,136</b>	<b>897</b>	

### 6.18.2.3 Projected Cash Flow Statement of National Information Services Agency

SCR ('000)

Description	Actual		Provisional			Forecast	
	2021	2022	2023	2024	2025	2026	2027
<b>OPERATING ACTIVITIES</b>							
Profit before taxation	636	756	1040	310	1319	1382	1059
<i>Adjustments</i>							
Depreciation on property, plant and equipment	1,309	1,211	1,211	1,320	1,320	1,320	1,320
Amortization of intangible assets	9	9	5	-	-	-	-
Amortization of Right of Use Asset	211	211	211	305	305	305	305
Provision for employee benefit							
Gain due to decrease / Increase in consideration of rental property	-213	-	-	-525	-	-	-
Interest Payable	1,140	930	638	552	534	523	511
	<b>3,092</b>	<b>3,117</b>	<b>3,105</b>	<b>1,962</b>	<b>3,478</b>	<b>3,530</b>	<b>3,195</b>
<b>Movements in working Capital</b>							
(Increase)/Decrease in trade and other receivables	-545	1,074	-229	0	0	0	0
(Increase)/Decrease in inventories	1,588	69	-137	0	0	0	0
Increase/(Decrease) in accounts payable	-20	437	-173	593	-581	-348	-280
Increase/(Decrease) in deferred income	-346	157	78	75	0	0	0
Provision for employee benefit	-107	71	302	144	253	130	116
	<b>570</b>	<b>1808</b>	<b>-159</b>	<b>812</b>	<b>-328</b>	<b>-218</b>	<b>-164</b>
Tax refund / (Paid)	0	0	-158	-334	-140	-137	-246
Interest on borrowing	-1,140	-930	-638	-552	-534	-523	-511
	<b>-1,140</b>	<b>-930</b>	<b>-796</b>	<b>-886</b>	<b>-674</b>	<b>-660</b>	<b>-757</b>
<b>Net cash flow from operating activities</b>	<b>2,522</b>	<b>3,995</b>	<b>2,150</b>	<b>1,888</b>	<b>2,476</b>	<b>2,652</b>	<b>2,274</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>							
Purchase of tangible assets	-316	-291	-383	-863	-1,181	-400	-400
Purchase of intangible assets	0	0	-18	0	0	0	0
<b>Net cash flow from investing activities</b>	<b>-316</b>	<b>-291</b>	<b>-401</b>	<b>-863</b>	<b>-1181</b>	<b>-400</b>	<b>-400</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>							
Repayment of loan	-1,465	-3,233	-3,519	-708	0	0	0
Repayment of Lease Liability	-111	-76	-83	-120	-130	-141	-153
<b>Net cash flow from financing activities</b>	<b>-1,576</b>	<b>-3,309</b>	<b>-3,602</b>	<b>-828</b>	<b>-130</b>	<b>-141</b>	<b>-153</b>
<b>Net movement in cash and cash equivalents</b>	<b>630</b>	<b>395</b>	<b>-1,853</b>	<b>197</b>	<b>1,165</b>	<b>2,111</b>	<b>1,721</b>
Cash and Cash equivalent as at January 01	4,131	4,761	5,156	3,303	3,500	4,665	6,776
<b>Cash and Cash equivalent as at December 31</b>	<b>4,761</b>	<b>5,156</b>	<b>3,303</b>	<b>3,500</b>	<b>4,665</b>	<b>6,776</b>	<b>8,497</b>

#### 6.18.2.4 Projected Capital Investment Plan of National Information Services Agency

SCR ('000)

Project Name	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		Anticipated Risks
							2021	2022	2023	2024	2025	2026	2027	
<b>Major Capital Investments</b>														
							-	-	-	-	-	-	-	
							-	-	-	-	-	-	-	Details Not Provided
							-	-	-	-	-	-	-	
							-	-	-	-	-	-	-	
<b>Replacements and upkeep of Assets (PPE)</b>														
Motor vehicle							-	-	-	-	625	-	-	
Computers/ Printers / Chairs / etc	To replace faulty ones	<b>Details Not Provided</b>					316	291	401	863	356	200	200	Details Not Provided
Finishing equipment							-	-	-	-	200	200	200	
<b>Total</b>							<b>316</b>	<b>291</b>	<b>401</b>	<b>863</b>	<b>1,181</b>	<b>400</b>	<b>400</b>	

### 6.18.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

#### 6.18.3.1 Tax Implications by the Operations of National Information Services Agency

Type of Tax	Actual Figures			Provisional		Forecast		SCR ('000) Anticipated Risks
	2021	2022	2023	2024	2025	2026	2027	
<b>Business Tax</b>	0	158	334	45	118	185	136	
<b>PIT</b>	747	815	976	1,119	1,305	1,381	1,457	
<b>VAT</b>	2,331	2,762	3,252	3,440	3,589	3,866	3,952	
<b>Total</b>	<b>3,078</b>	<b>3,735</b>	<b>4,562</b>	<b>4,604</b>	<b>5,012</b>	<b>5,432</b>	<b>5,545</b>	Details Not Provided

#### 6.18.3.2 Anticipated Dividend Declarations By National Information Services Agency

NISA does not anticipate declaring any dividend

#### 6.18.3.3 Debt Payments Forecasts By National Information Services Agency

SCR ('000)

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	Total Borrowings and Debt Servicing							
				Actual Figures			Provisional		Forecast		
				2021	2022	2023	2024	2025	2026	2027	
Loan 01 From Nouvobanq Bank	Borrowings	Financing of printing machine + Renovation of property	20,000								
	Interest for the Year			405	508	222	8	0	0	0	
	Repayment of Capital			-1,465	-3,233	-3,516	-706	0	0	0	
	Balance carried forward			7,457	4,224	-706	0	-	0	0	

#### 6.18.3.4 Anticipated Subventions and Grants By National Information Services Agency

NISA does not anticipate in receiving any subventions or grants

#### 6.18.3.5 Contingencies of National Information Services Agency

NISA does not anticipate any contingent liabilities

#### 6.18.3.6 Assumptions used for the Financial Projections of National Information Services Agency

- 1) The approved strategic plan 2024 – 2028 of the Agency has guided the finalization of the medium term financial strategy.
- 2) Assumption is made that all revenue will be collected during the year they are incurred.
- 3) Assumption is made that all expenses will be paid during the year they are incurred.
- 4) Assumption is made that all inventory will be used during the year they are purchased

## 6.18.4 KPIs, Risk Management Strategy and Reporting Obligations

### 6.18.4.1 Key Performance Indicators of the National Information Services Agency

Title of Key Performance Indicators	Description	Achievements of KPIs						
		Actual Figures			Provisional	Forecast		
		2021	2022	2023	2024	2025	2026	2027
<b>Return on investment / Capital employed</b>	Profit generated from investment made / Total assets – current liabilities	2%	3%	4%	1%	5%	5%	4%
<b>Net Profit margin</b>	Profit generated after all cost from the sales value	3%	3%	4%	1%	5%	5%	4%
<b>Increase in revenue</b>	Operational revenue		12%	2%	3%	4%	1%	2%
<b>Production cost</b>	% change in production cost year on year		20%	0%	-1%	-13%	8%	0%
<b>Staff turnover</b>	Number of staff leaving	18%	22%	22%	Less than 10	Less than 10	Less than 10	Less than 10
<b>Customer complaint</b>	Number of complaints received per year	0	0	0	0	0	0	0
<b>Staff training rate ( Long term)</b>	Number of staff entering the training program per year	2	2	2	3	3	3	4
<b>Increase in online presence</b>	% increase in online presence					100%	100%	100%
<b>Customer lifetime value</b>	Improvement in brand					100%	100%	100%
<b>Process automation</b>	Implementation of digitalization of processes					100%	100%	100%
<b>Risk register</b>					25%	100%	100%	100%
<b>Policy register</b>	At least 5 policies per year				5	5	5	5

#### 6.18.4.2 Risks and Resilience Plan of the National Information Services Agency

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	The business model is not successful	The board of NISA with the Management has worked on a strategic plan, with the focus on diversification. Many scenarios have been discussed in order to ensure the success of the plan.
	The core business of the Agency, the newspaper becomes obsolete ( Especially the physical newspaper)	The Agency is working on a diversification model to counter such eventuality
Financial Risks	Foreign exchange rate risk - Almost all of the inventory and spare parts for the printing machine of NISA is bought overseas. Any changes in foreign exchange rate poses a risk on the ability of the Agency to pay should the increase be substantial.	Monitor risk.  The Agency will have to bear the cost or pass on to customers.
	Interest rate risk – The Agency is currently servicing a loan at the commercial bank. Any upward changes in interest rate will have a negative impact on the Finance of the Agency	The loan balance will clear off in 2024. Any changes will have minimal impact.
Operational Risks	The Agency's Victoria location has been acquired by another government entity.  The Agency is at risk of not having an office to run its operation	Currently the Agency is still trying to find other locations
	Risk in landlords not selling the property at Bois De Rose	
	Printer or related equipment malfunction	As part of our strategy, a Business Continuity Management plan is being developed.
	Breakdown in the supply of printing inventory	Having multiple supplier – Both locally and internationally
	Compliance and Regulatory Risks	Non-compliant to procurement Act, PEMC Act, Licensing Authority, Seychelles Revenue Commission and other regulatory bodies
Environmental and Social Risks	Fire may completely damage the property with all its offices and equipment.	A business continuity plan is being worked on by the Agency
	Potential risk of weather related impact or act of God (eg. Tsunami of 2004)	Along with the Business continuity plan, a digitization plan is also being developed to ensure the business remains in operation through all digital channels, plus using clouds services
PESTEL	Policies of the Government related to media houses  Operational policies - Changes in government policy relating to media and information may have an impact on our operation. The government may decide to privatize all media houses	Monitor Risk. Board will have to regroup to review strategy and determine impact and required action.
	Fiscal policy - The government's decision to reduce its budget expenditure may indirectly affect our operation. Most times the items that are reduced are related to printing and stationary as well as newspapers.	Diversification strategy of the Agency.

*6.18.4.3 External Reporting's by the National Information Services Agency*

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
<b>Annual Report</b>	PEMC Responsible Minister Minister of Finance, trade and National Development National Assembly of Seychelles	Reporting on operational, Environment, social and financial activity of the Agency	Annually
<b>Audited Financial Statements</b>	PEMC Responsible Minister Minister of Finance, trade and National Development National Assembly of Seychelles	Reporting on the audited financial statements prepared by the Agency	Annually
<b>Quarterly Reports</b>	PEMC	Reporting on quarterly unaudited financial performance of the Agency	Quarterly
<b>Statement of Corporate Intent</b>	PEMC , Responsible Minister	Provides reason for creation of NISA	annually
<b>Strategic plan</b>	PEMC , Responsible Minister	Provides 5 year strategy the Agency intends to undertake to achieve its objective	5 years
<b>Business plan</b>	PEMC , Responsible Minister	Provides shorter plan of action for the Agency to achieve its objective	3 years
<b>Procurement Plan</b>	Procurement Oversight Unit	Provides procurement plan of the Agency for a year	Annually

## 6.18.5 Stakeholder Engagement

### 6.18.5.1 Statement by CEO

I am pleased to present the mid-term budget statement, outlining the National Information Services Agency's (NISA) financial performance, strategic priorities, and objectives for the upcoming fiscal period.

This statement serves as a roadmap to guide NISA towards achieving its goals financially and sustainably.

Over the years, NISA has faced different circumstances, but the organisation has always demonstrated resilience and adaptability. It has also remained committed to financial discipline.

NISA's ambitious growth plan is still on the table and thanks to effective planning in budgeting we are ensuring that the organisation meets its financial goals and operates efficiently.

We are mindful that the budget is aligned with the company's strategic goals and long-term vision. At the same time, we determine how the budget can support overall business objectives – market expansion, product development, and operational efficiency.

Following the approval of its new strategy 2024-2029 with a focus on diversification, NISA now has a new, slimmer structure with five distinct departments – Finance; Editorial; People, Culture and Administration; Production; and Business Development which encompasses sales and marketing. All these departments are headed by competent managers although some still need to follow leadership training. Having slimmed down, it is anticipated that NISA will be more efficient to deliver on its core mandates.

We also need to relook at some of our processes and find ways to continue improving accountability. We will also require a more transparent procurement system.

NISA has invested in new machinery to give it the edge over its competitors and help in the diversification of its products as strives to enter new markets and establish a bigger market share within the next four years

To achieve our strategic objectives, we have set the following objectives for the mid-term budget period:

**Financials:** We aim to increase sales and revenue; increase return on investment / return on capital employed; and reduce production cost.

**Customer:** We will improve internal TAT; diversify sales and product offerings by segments; and improve digital offerings and portfolios.

**Compliance:** We will improve on reporting to PEMC; be compliant to all regulations; and also define and embed a Business Continuity Plan.

To conclude, I would like to thank our dedicated team for their hard work and commitment to NISA's success.

I have full confidence in our team's ability to navigate the challenges and opportunities that lie ahead. Together, we will navigate the opportunities and challenges of the mid-term period to achieve our financial targets and continue to drive NISA towards a prosperous future.

Thank you for your dedication, hard work, and commitment to our shared vision. I look forward to the remainder of the fiscal year with optimism and excitement.

Gerard Govinden

CEO



#### 6.18.5.2 Foreword by Chairperson

As we move into the second year of our five-year mandate, I am pleased to present our Mid-term financial strategy 2025-2028. This update provides an overview of our financial performance, outlines our strategic priorities, and sets forth our objectives for the upcoming period. Our commitment remains to ensure transparency and to align our financial planning with the strategic vision of NISA.

##### Financial performance

Over the past year, NISA has achieved notable financial performance. Key highlights include:

**Revenue:** We have experienced an increase in revenue, reflecting strong demand for advertising in the *Seychelles NATION* newspaper and commercial printing specifically stationery products like exercise books, leaflets, and posters. This growth aligns with our expectations and supports our strategic initiatives.

**Profitability:** Our net profit margin has improved, driven by effective cost management and operational efficiencies. This is a testament to our ability to manage expenses while pursuing growth opportunities.

**Cost management:** Despite the increase in production costs, we have successfully maintained operating costs to a satisfactory level through cost-saving measures, such as operational improvements. This has to a certain extent enhanced our overall financial health.

##### Strategic priorities

Our strategic focus remains on key areas that are critical for sustaining growth and enhancing value. These priorities include:

**Innovation and development:** We are committed to advancing our product and service offerings. Investments in research and development are being prioritised to foster innovation and maintain our competitive edge in commercial printing.

**Market expansion:** Expanding our presence in new markets is a core objective. We are exploring opportunities to enter specialised printing and online advertising markets to capture new growth potential and diversify our revenue streams.

**Customer experience:** Enhancing customer satisfaction and loyalty is a priority. We are implementing new strategies and technologies to improve the customer journey and strengthen relationships. We are also fostering good relationships and maintaining a corporate customer retention rate of 80%.

**Sustainability and responsibility:** We continue to advance our sustainability goals. Our commitment to environmental responsibility and corporate ethics remains a cornerstone of our business strategy. For all these to happen, we have streamlined the structure of NISA to a more effective and modern media company set-up.

**Compliance:** We continue to enhance compliance to reinforce governance, increase transparency, and adhere to the requirements of the main shareholder. This is by:

- a. establishing and maintaining a robust governance framework that outlines roles, responsibilities, and processes;
- b. implementing transparency mechanisms such as reporting of financial statements, decision-making processes, and key performance indicators;
- c. providing training for employees and board members on compliance, governance, and ethical standards;
- d. and engaging with stakeholders, especially PEMC, to understand their expectations and requirements.

### **Objectives for the upcoming fiscal period**

For the upcoming fiscal years, we have established the following key objectives:

**Deliver better final performance:** Drive gross revenue by a minimum of 2.75% CAGR (compound annual growth rate) leading to 14% by 2028. This will be driven by the launch of new products.

**Cost efficiency:** Target a further reduction in production costs through continued focus on efficiency and process optimisation. We aim to reduce production cost by 5%.

**Market penetration:** Establish market share in new markets and expand our footprint in existing markets.

**Sustainability targets:** Engagement with the community and portray NISA as an environmentally conscious agency. Also define and embed Business Continuity Management (BCM) Plan into NISA's operation.

### **Conclusion**

In conclusion, our mid-term performance has been quite strong, reflecting our strategic focus and operational discipline. As we move forward, our attention will remain on achieving our financial and strategic objectives, ensuring that we continue to deliver value to our shareholders and stakeholders.

I would like to extend my gratitude to the board, management team, and all employees for their dedication and hard work. Together, we will continue to navigate challenges and seize opportunities to drive the success of NISA.

Thank you for your continued support.

Sincerely,



*Kurtis Lespoir (Mr)  
Chairman of the Board of Directors*

#### *6.18.5.3 Statement by the Responsible Minister*

\*Statement Not Provided