



OFFICE OF THE AUDITOR GENERAL

P.O. Box 49 - Victoria,
Mahe, Republic of Seychelles
Telephone: (248) 4672500 Fax: (248) 4610365
E-mail: auditgen@oag.sc Website: www.oag.sc

Please address all correspondence to the Auditor General

OPINION OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE SEYCHELLES INTERNATIONAL BUSINESS AUTHORITY FOR THE YEAR ENDED 31 DECEMBER 2011

Scope

I have audited the financial statements of the Seychelles International Business Authority for the year ended 31 December 2011, as set out on pages 1-8, prepared under the historical cost convention.

The Board is responsible for keeping proper books of accounts, preparation of the financial statements and the information they contain. In accordance with Section 11 of the Seychelles International Business Authority Act, 1994, it is my responsibility to form an independent opinion, based on my audit, on those statements and to report to the Board.

The audit was conducted in accordance with the International Organisation of the Supreme Audit Institutions (INTOSAI) auditing standards. The audit procedures included examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements as well as an assessment of accounting policies and significant estimates.

The audit was planned and conducted so as to obtain all information and explanations considered necessary to provide me with sufficient evidence to give a reasonable assurance that the financial statements are free of material misstatement; whether caused by fraud or other irregularity or error. The overall adequacy of the presentation of information in the financial statements was also evaluated in forming my opinion.

The audit opinion has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements fairly present the financial position of the Authority as at 31 December 2011 and the results of its operations and cash flows for the year then ended.

Marc Benstrong
Auditor General

03 December 2013
Victoria

Seychelles International Business Authority

Balance Sheet

As at 31st December 2011

		2011		2010
	Notes	SR	SR	SR
Assets				
Fixed Assets				
Freehold Property	2		8,737,550	8,737,550
Buildings and Others	2		<u>30,541,827</u>	<u>39,279,377</u>
Current Assets				
Cash on Hand		41,796		169,152
Cash at Bank	3	106,332,904		54,977,928
Accounts Receivable	4	6,438,624		5,886,805
Staff Loans		<u>3,800,730</u>	<u>116,614,054</u>	<u>2,898,421</u>
				<u>63,932,306</u>
Less:				
Current Liabilities				
Accounts Payable	5	9,773,539		8,305,078
Dividends Payable to GOS	6	<u>19,254,341</u>		-
			<u>29,027,880</u>	<u>8,305,078</u>
Net Current Assets			<u>87,586,174</u>	<u>55,627,228</u>
Total Assets			<u>126,865,551</u>	<u>94,728,974</u>
Represented By				
GOS Capital Fund	7		10,248,757	11,102,820
Retained Earnings/(Loss)	8		<u>106,036,346</u>	<u>116,285,103</u>
Government Contributed Assets	9		<u>8,715,700</u>	<u>73,840,873</u>
			<u>125,000,803</u>	<u>8,715,700</u>
Gratuity & Compensation Reserve	10		<u>1,864,748</u>	<u>93,659,393</u>
			<u>126,865,551</u>	<u>1,069,581</u>
				<u>94,728,974</u>

Deere
Managing Director

Date: 29/11/2013

Accompanying Notes 1 - 19 form part of these accounts

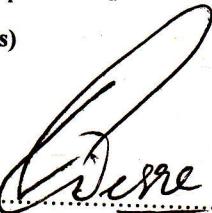
BD
Finance Manager

Date: 29/11/2013

Seychelles International Business Authority

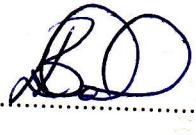
Income and Expenditure Statement
For the Year Ended 31st December 2011

		2011		2010
		(SR)	(SR)	(SR)
Income				
Corporate and SITZ Fees	12	92,787,150		77,818,549
Rental Income	13	6,374,782		5,774,978
Other Income		245,238		241,894
Profit on sale of assets		102,000		13,300
Amortisation of Capital Grant		854,063		854,063
Exchange Gain		11,714,421		2,698,727
		112,077,654		87,401,511
Operating Expenses				
Personal Emoluments	14	12,851,335		9,128,568
Office Running Costs	15	9,756,519		12,285,353
Marketing and Promotion	16	8,043,798		5,184,923
Finance Charges	17	59,724		56,513
Consultancy	18	1,163,187		1,703,019
Depreciation		3,174,279		2,546,107
Provision For Doubtful Debts		(166,661)	34,882,181	2,913,054
Profit/(Loss)			34,882,181	33,817,538
Dividends Proposed/Paid			77,195,473	53,583,974
Net Profit/ (Loss)			(45,000,000)	(26,603,931)
			32,195,473	26,980,043

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Managing Director

Date: 29/11/2013

Accompanying Notes 1 - 19 form part of these accounts


Finance Manager

Date: 29/11/2013

Statement of Cash Flows
For The Year Ended 31st December 2011

	2011	2010
	SR	SR
Cash Flows from Operating Activities		
Operating Profit/(Loss)	77,195,473	53,583,974
Depreciation Expenses	3,174,279	2,546,107
Amortisation of Capital Grant	(854,063)	(854,063)
Profit on sale of assets	(102,000)	(13,300)
(Increase) /Decrease in Accounts Receivable (including staff loans)	(1,454,127)	2,093,492
Increase/(Decrease) in Accounts Payable	1,468,462	374,159
Increase /(Decrease) in Gratuity and Compensation Reserve	795,168	(36,156)
Work - In Progress Written Off	-	274,287
Net Cash Provided/(Used) by Operating Activities	80,223,191	57,968,500
Cash Flows from Investing Activities		
Purchase of Assets	(2,767,232)	(2,695,445)
Addition to Buildings	(584,680)	(4,356,913)
SITZ work In Progress	-	(163,202)
Sale of Vehicle	<u>102,000</u>	<u>86,100</u>
Net Cash Used by Investing Activities	(3,249,912)	(7,129,460)
Cash Flows from Financing Activities		
Cash Surplus transferred to GOS as dividends	(25,745,659)	(30,000,031)
Net Cash Provided/(Used) by Financing Activities	<u>(25,745,659)</u>	<u>(30,000,031)</u>
Net Increase/(Decrease) in Cash	51,227,620	20,839,009
Cash as at 01st January 2011	<u>55,147,080</u>	<u>34,308,071</u>
Cash as at 31st December 2011	<u>106,374,700</u>	<u>55,147,080</u>

Pierre
 Managing Director

Date: 29/11/2013

BD
 Finance Manager

Date: 29/11/2013

Seychelles International Business Authority

Fixed Assets and Depreciation Schedule - 2011

Fixed Assets	Cost				Depreciation			Net book Value	
	01.01.11	Additions	Disposal	31.12.2011	01.01.11	For the Year	On Disposal	31.12.2011	
Warehouses	36,083,586	584,680	-	36,668,266	11,566,640	1,450,758	-	13,017,398	23,650,869
Office Block	2,550,000	-	-	2,550,000	1,224,000	102,000	-	1,326,000	1,224,000
Utility Block	660,462	-	-	660,462	317,016	26,418	-	343,434	317,028
Fencing	637,788	-	-	637,788	599,717	7,279	-	606,996	30,792
Plant and Machinery	373,309	-	-	373,309	350,650	3,620	-	354,270	19,039
Office Equipment	3,273,779	703,843	-	3,977,622	1,839,017	383,714	-	2,222,731	1,754,892
Computers	2,259,647	28,664	-	2,288,311	1,420,703	338,739	-	1,759,441	528,870
Software	517,317	-	-	517,317	422,625	50,331	-	472,957	44,360
Furniture and Fittings	2,729,161	1,262,257	-	3,991,418	1,829,995	470,866	-	2,300,862	1,690,556
Vehicles	1,624,611	763,517	(241,141)	2,146,987	935,909	289,419	(241,141)	984,187	1,162,799
Other Assets	729,720	8,951	-	738,670	568,912	51,136	-	620,048	118,622
Total	51,439,380	3,351,912	(241,141)	54,550,150	21,075,184	3,174,279	(241,141)	24,008,325	30,541,827

Seychelles International Business Authority

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2011

1. Accounting Policies

Seychelles International Business Authority was established as a Statutory Body under the Seychelles International Business Authority Act 1994 (Act 27 of 1994). Unless mentioned otherwise below, the Seychelles International Business Authority has been following the historical cost method of accounting.

2. Fixed Assets

2.1 Freehold Property

No depreciation has been charged on the value of the freehold property.

2.2 Other fixed Assets and Depreciation

The assets have been stated at cost less depreciation. The movement in fixed assets and depreciation are given in the SCHEDULE (P4/8) attached. Assets are depreciated on a straight-line basis with reference to the expected useful life of the assets concerned.

Depreciation is computed from the month after receipt of goods using the following principal annual rates. No depreciation is provided for in the month of disposal.

Building	4%
Office Structures / Improvement	10%
Plant and Machinery	10%
Fencing	10%
Office Equipment / Appliances	20%
Computers	25%
Furniture / Fixtures	20%
Vehicles	20%
Software	25%
Other Assets	25%

2.3 Investment Property

Investment property has been included in the accounts at cost and apportioned on the basis of the total floor area leased out in proportion to the total floor area of all SIBA buildings. As at 31.12.2011, the net book value of Investment property is at SR19,174,318 which represents approximately 80% of the total net book value of cost of buildings.

3. Cash at Bank

	2011 (SR)	2010 (SR)
Seychelles Rupee Account Balance	367,764	2,515,444
US Dollar Account Balance	105,052,545	51,327,460
Euro Account Balance	912,595	1,135,024
Total	<u>106,332,904</u>	<u>54,977,928</u>

4. Accounts Receivable

	2011 (SR)	2010 (SR)
Advance to Supplier	217,454	207,161
IBC & SITZ Fees Receivable	5,717,973	3,837,046
Other Receivables	1,217,288	4,755,652
Provision for Doubtful Debts	(714,091)	(2,913,054)
Total	<u>6,438,624</u>	<u>5,886,805</u>

5. Accounts Payable

These represent liabilities incurred during the course of the year for purchases, services and other obligations which are payable within a year.

IBC & SITZ Fees paid in advance:

Advance from Customers	4,667,330	4,209,187
ITZ Rent Deposit	1,306,265	825,317
Corporate Tax	742,469	1,152,907
Provision for Audit Fee	70,000	-
Others	<u>2,987,475</u>	<u>2,117,667</u>
Total	<u>9,773,539</u>	<u>8,305,078</u>

6. Dividends Paid to Government of Seychelles

In accordance with Section 9 (4) of the Seychelles International Business Authority Act, 1994, the Board approved for payment of **SR45,000,000** as dividend to the Government of Seychelles, out of which **SR25,745,659** was disbursed during 2011 and the remaining payable in the following year.

7. Capital Fund

Capital Funds received from Government was treated as capital grant and transferred to income over the expected useful life of the asset to which they relate. As at 31.12.2011, a sum of **SR854,063** was provided as amortisation of grant.

8. Retained Earnings

The movement in Retained Earnings is shown below:

Retained earnings as at 1.1.2011	73,840,873	46,860,830
Profit for the year	77,195,473	53,583,974
Dividend	<u>(45,000,000)</u>	<u>(26,603,931)</u>
Net (Loss)/Profit for the Year	32,195,473	26,980,043
Retained earnings as at 31.12.2011	<u>106,036,346</u>	<u>73,840,873</u>

9. Government Contributed Assets

This represents the value of the land transferred to the Seychelles International Business Authority by the Government of Seychelles.

10. Gratuity and Compensation

Gratuity and Compensation for past years service has been calculated in accordance with Ministry of Administration & Manpower, Circular 9A of 1993 and 15 % of gross salary in the case of PSC and internal contract employees. The provision as at 31.12.2011 in this respect amounted to **SCR.1, 864,748.**

11. Foreign Currency Transactions

The foreign currency payments/expenditure are accounted for at the rates of exchange prevalent on the date of the transactions. Receipts are recognised in the accounts at the CBS mid rates prevalent at the end of each previous month. End of period balances are recognised in the accounts at the CBS mid-rate of **R13.6366 to 1 US. Dollar** and **R17.7769 to 1 Euro**, as at end of 31st December 2011.

12. Income

Revenue from IBC Registration and Allied Services consists of the following:	2011 (SR)	2010 (SR)
IBC Registration Fees	20,116,980	17,658,970
IBC Annual Licence Fees	48,211,109	39,944,440
Other Licence Fees	4,737,832	4,923,350
Funds and Securities Fees	403,728	108,907
Other Services Fees	19,317,501	15,182,882
Total	92,787,150	77,818,549

13. Rental Income

Rental Income from Investment Property	5,848,992	5,221,603
Outdoor Space rental	525,790	553,375
Total	6,374,782	5,774,978

14. Personnel Emoluments

Payroll expenses	9,860,689	6,948,405
Employer Pension contribution	99,782	28,050
Honorarium-Board Members	252,000	252,873
- SITZ Employment Council	55,002	72,529
Employer Social Security Contribution	-	631,851
Income & Non-Monetary Benefits tax	1,585,293	651,492
Gratuity Payment/compensation	998,569	543,368
Total	12,851,335	9,128,568

15. Office Running Costs

Administration Costs	2,037,256	3,802,568
Communication Costs	1,320,389	1,312,560
Transport & Travelling Costs	809,624	815,002
Maintenance & Repairs	1,224,134	2,091,646
Staff Training	2,870,108	2,769,926
General Expenses	1,495,008	1,493,651
Total	9,756,519	12,285,353

16. Marketing and Promotion Costs

	2011 (SR)	2010 (SR)
Promotional Materials	47,442	31,006
Educational Promotion	2,913,925	3,075,577
Advertisement	3,855,955	1,646,522
DTA Negotiation Costs	<u>1,226,476</u>	<u>431,818</u>
Total	<u>8,043,798</u>	<u>5,184,923</u>

17. Finance Charges

Bank Charges	59,724	56,513
Total	<u>59,724</u>	<u>56,513</u>

18. Consultancy and Professional Costs

The consultancy cost comprises the following:

Local Legal Fee	181,750	112,315
Audit Fee	70,000	-
Professional Fees	870,975	746,292
Others	<u>40,462</u>	<u>844,412</u>
Total	<u>1,163,187</u>	<u>1,703,019</u>

19. Members' Honorarium

The Members of the Board were paid honorarium amounting to a total of ***SR252, 000*** during the year in accordance with Section 9(2) of the Seychelles International Business Authority Act, 1994.

The SIBA Chairman who is also a contracted consultant was paid a gross sum of ***SR43,200*** as honorarium and a gross total of ***SR841,689*** as consultancy fee, for the year 2011.

The Managing Director was paid a gross salary of ***SR456,108 per annum***. In addition, the gross sum of ***SR43,200*** was paid as Board Member's honorarium to the Managing Director.