



OFFICE OF THE AUDITOR GENERAL

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OPINION OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE SEYCHELLES INTERNATIONAL BUSINESS AUTHORITY FOR THE YEAR ENDED 31 DECEMBER 2012

Scope

I have audited the financial statements of the Seychelles International Business Authority for the year ended 31 December 2012, as set out on pages 1-9, 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 it 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 2012 and the results of its operations and cash flows for the year then ended.

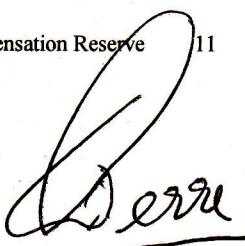
Marc Benstrong
Auditor General

03 December 2013
Victoria

Seychelles International Business Authority

Balance Sheet
As at 31st December 2012

		2012		2011	
	Notes	(SR)	(SR)	(SR)	(SR)
Assets					
Fixed Assets					
Freehold Property	2	8,737,550		8,737,550	
Buildings and Others	2	29,047,850		30,541,827	
Work in Progress	3	<u>989,525</u>	<u>38,774,925</u>	-	<u>39,279,377</u>
Current Assets					
Cash on Hand		-		41,796	
Cash at Bank	4	107,385,427		106,332,904	
Accounts Receivable	5	4,216,756		6,438,624	
Staff Loans		<u>4,991,714</u>	<u>116,593,897</u>	<u>3,800,730</u>	<u>116,614,054</u>
Less:					
Current Liabilities					
Accounts Payable	6	13,238,975		9,773,539	
Dividends Payable to GOS	7	<u>-</u>		<u>19,254,341</u>	
		<u>13,238,975</u>			<u>29,027,880</u>
Net Current Assets			<u>103,354,922</u>		<u>87,586,174</u>
Total Assets			<u>142,129,847</u>		<u>126,865,551</u>
Represented By					
GOS Capital Fund	8	9,394,694		10,248,757	
Retained Earnings/(Loss)	9	<u>121,804,652</u>	<u>131,199,346</u>	<u>106,036,346</u>	<u>116,285,103</u>
Government Contributed Assets	10		<u>8,715,700</u>		<u>8,715,700</u>
			<u>139,915,046</u>		<u>125,000,803</u>
Gratuity & Compensation Reserve	11		<u>2,214,801</u>		<u>1,864,748</u>
			<u>142,129,847</u>		<u>126,865,551</u>


Managing Director

Date: 29/11/2013


Finance Manager

Date: 29/11/2013

Accompanying Notes 1 - 20 form part of these accounts

Seychelles International Business Authority

Income and Expenditure Statement

For the Period Ended 31st December 2012

		2012	2011
		(SR)	(SR)
Income			
Corporate and SITZ Fees	13	105,622,915	92,787,150
Rental Income	14	7,932,820	6,374,782
Other Income		359,043	245,238
Profit of sale of assets		-	102,000
Amortisation of Capital Grant		854,063	854,063
Exchange Gain			11,714,421
		<u>114,768,841</u>	<u>112,077,654</u>
Operating Expenses			
Personal Emoluments	15	15,836,712	12,851,335
Office Running Costs	16	10,571,568	9,756,519
Marketing and Promotion	17	6,218,915	8,043,798
Finance Charges	18	88,058	59,724
Consultancy	19	1,828,100	1,163,187
Depreciation		3,432,256	3,174,279
Provision for Doubtful Debt		(245,562)	(166,661)
Exchange Loss		5,524,808	<u>43,254,855</u>
Profit/(Loss)		<u>71,513,986</u>	<u>77,195,473</u>
Dividends Proposed/Paid		<u>(55,745,680)</u>	<u>(45,000,000)</u>
Net Profit/ (Loss)		<u>15,768,306</u>	<u>32,195,473</u>

Managing Director

Date: 29/11/2013

Accompanying Notes 1 - 20 form part of these accounts

Finance Manager

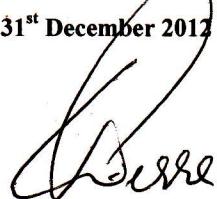
Date: 29/11/2013

Statement of Cash Flows
For The Month Ended 31st December 2012

	2012	2011
	(SR)	(SR)
Cash Flows from Operating Activities		
Operating Profit/(Loss)	71,513,986	77,195,473
Depreciation Expenses	3,432,256	3,174,279
Amortisation of Capital Grant	(854,063)	(854,063)
Profit on sale of assets	-	(102,000)
(Increase) /Decrease in Accounts Receivable (including staff loans)	1,030,886	(1,454,128)
Increase/(Decrease) in Accounts Payable	3,465,436	1,468,462
Increase /(Decrease) in Gratuity and Compensation Reserve	<u>350,052</u>	<u>795,168</u>
Net Cash Provided/(Used) by Operating Activities	78,938,554	80,223,191
Cash Flows from Investing Activities		
Purchase of Assets	(1,938,279)	(2,767,232)
Addition to Buildings	-	(584,680)
SITZ work In Progress	(989,526)	-
Sale of Vehicle	-	<u>102,000</u>
Net Cash Used by Investing Activities	(2,927,805)	(3,249,912)
Cash Flows from Financing Activities		
Cash Surplus transferred to GOS as dividends	(75,000,022)	(25,745,659)
Net Cash Provided/(Used) by Financing Activities	(75,000,022)	(25,745,659)
Net Increase/(Decrease) in Cash	1,010,727	51,227,620
Cash as at 01st January 2012	<u>106,374,700</u>	<u>55,147,080</u>
Cash as at 31st December 2012	<u>107,385,427</u>	<u>106,374,700</u>

Managing Director

Date: 29/11/2013



Finance Manager

Date: 29/11/2013



Seychelles International Business Authority

Fixed Assets and Depreciation Schedule - 2012

Fixed Assets	Cost				Depreciation			Net book Value
	01.01.12	Additions	Disposal	31.12.2012	01.01.12	For the Year	On Disposal	
Warehouses	36,668,266			36,668,266	13,017,398	1,466,731	14,484,129	22,184,137
Office Block	2,550,000			2,550,000	1,326,000	102,000	1,428,000	1,122,000
Utility Block	660,462			660,462	343,434	26,418	369,852	290,610
Fencing	637,788			637,788	606,996	6,965	613,961	23,827
Plant and Machinery	373,309			373,309	354,270	3,620	357,890	15,419
Office Equipment	3,977,622			4,242,840	2,222,731	479,077	2,701,808	1,541,032
Computers	2,288,311			2,416,293	1,759,441	264,672	2,024,113	392,180
Software	517,317			517,317	472,957	41,909	514,865	2,452
Furniture and Fittings	3,991,418			4,331,134	2,300,862	545,359	2,846,221	1,484,913
Vehicles	2,146,987			3,286,987	984,187	435,532	1,419,719	1,867,268
Other Assets	738,670			804,034	620,048	59,973	680,021	124,013
Total	54,550,150	1,938,279	-	56,488,430	24,008,324	3,432,256	-	27,440,580
								29,047,850

Seychelles International Business Authority

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2012

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 31.12.2012, the net book value of Investment property is at SR17, 979,798 which represents approximately 80% of the total net book value of cost of buildings.

3. Work in Progress

Work in Progress comprises the following:

- Consultancy Fee/ Structural Engineer Fees relating to the construction of new warehouses. Total paid as at 31.12.2012 – SR989,525.

4. Cash at Bank

	2012	2011
	(SR)	(SR)
Seychelles Rupee Account Balance	2,995,508	367,764
US Dollar Account Balance	103,907,050	105,052,545
Euro Account Balance	<u>482,869</u>	<u>912,595</u>
Total	<u>107,385,427</u>	<u>106,332,904</u>

5. Accounts Receivable

Advance to Supplier	116,874	217,454
IBC & SITZ Fees Receivable	3,481,199	5,717,973
Other Receivables	1,087,212	1,217,288
Provision for Doubtful Debts	(468,529)	(714,091)
Total	<u>4,216,756</u>	<u>6,438,624</u>

6. 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	7,477,919	4,667,330
ITZ Rent Deposit	1,276,719	1,306,265
Corporate Tax	678,430	742,469
Provision For Audit Fee	140,000	70,000
Others	<u>3,665,907</u>	<u>2,987,475</u>
Total	<u>13,238,975</u>	<u>9,773,539</u>

7. Dividends Paid to Government of Seychelles

In accordance with Section 9. (4) of the Seychelles International Business Authority Act, 1994, SIBA had made a payment of **SR75,000,022** as dividend to the Government of Seychelles, out of which a total **SR55,745,680** pertains to the year 2012 and the remaining balance was accrued payment for the year 2011 paid in 2012.

8. 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 31.12.2012, a sum of **SR854,063** has been provided as amortisation of grant.

9. Retained Earnings

The movement in Retained Earnings is shown below:	2012 (SR)	2011 (SR)
Retained earnings as at 1.1.2012	106,036,346	73,840,873
Profit for the year	71,513,986	77,195,473
Dividends	(55,745,680)	(45,000,000)
Net (Loss)/Profit for the Year	<u>15,768,306</u>	<u>32,195,473</u>
Retained earnings as at 31.12.2012	<u>121,804,652</u>	<u>106,036,346</u>

10. Government Contributed Assets

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

11. 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 31.12.2012 in this respect amounted to **SCR.2,214,801**.

12. 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 **SR12.8858 to 1 US. Dollar** and **SR17.1730 to 1 Euro**, as at end of 31st December 2012.

13. Income

Revenue from IBC Registration and Allied Services consists of the following:	2012 (SR)	2011 (SR)
IBC Registration Fees	22,112,134	20,116,980
IBC Annual Licence Fees	59, 224,912	48,211,109
Other Licence Fees	4,279,077	4,737,832
Funds and Securities Fees	625, 962	403,728
Other Services Fees	<u>19,380,830</u>	<u>19,317,501</u>
Total	<u>105,622,915</u>	<u>92,787,150</u>

14. Rental Income

	2012 (SR)	2011 (SR)
Rental Income from Investment Property	6,833,620	5,848,992
Outdoor Space rental	<u>1,099,200</u>	<u>525, 790</u>
Total	<u>7,932,820</u>	<u>6,374,782</u>

15. Personnel Emoluments

Payroll expenses	11, 989, 282	9,860, 689
Employer Pension contribution	187, 702	99,782
Honorarium-Board Members	391,981	252,000
- SITZ Employment Council	68, 214	55,002
Income & Non-Monetary Benefits tax	1,943,879	1,585,293
Gratuity Payment/compensation	<u>1,255,654</u>	<u>998, 569</u>
Total	<u>15, 836,712</u>	<u>12,851,335</u>

16. Office Running Costs

Administration Costs	3,303,562	2,037,256
Communication Costs	1,438,866	1,320,389
Transport & Travelling Costs	911,619	809,624
Maintenance & Repairs	1, 252,031	1,224,134
Training	2,365,814	2,870, 108
General Expenses	<u>1,299,676</u>	<u>1,495,008</u>
Total	<u>10, 571,568</u>	<u>9,756,519</u>

17. Marketing and Promotion Costs

Promotional Materials	-	47,442
Educational Promotion	3,532,908	2,913,925
Advertisement	2,029, 387	3,855,955
DTA Negotiation Costs	<u>656,620</u>	<u>1,226, 476</u>
Total	<u>6,218,915</u>	<u>8,043,798</u>

18. Finance Charges

Bank Charges	88, 058	59,724
Total	<u>88, 058</u>	<u>59,724</u>

19. Consultancy and Professional Costs

The consultancy cost comprises the following:

Local Legal Fee	279, 250	181,750
Audit Fee	70,000	70,000
Professional Fees	918,119	870,975
Others	<u>560,731</u>	<u>40,462</u>
Total	<u>1, 828,100</u>	<u>1,163,187</u>

20. Members' Honorarium

- The Members of the Board were paid honorarium fees amounting to a gross total of **SR391,981**, in accordance with Section 9(2) of the Seychelles International Business Authority Act, 1994.
- One of the member of the board of directors who was the SIBA Chairman for the period 01st January to 13th March 2012, and who is also a contracted consultant was paid a gross sum of **SR43,200** as honorarium and a gross total of **SR918,119** as consultancy fee, for the year 2012.
- The Managing Director's was paid a gross salary of **SR488,626** per annum. In addition, the gross sum of **SR43,200** was paid as Board Member's honorarium to the Managing Director.