



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 2013

Scope

I have audited the financial statements of the Seychelles International Business Authority for the year ended 31 December 2013, 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 Standards of Supreme Audit Institutions (ISSAI) 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 2013 and the results of its operations and cash flows for the year then ended.

Marc Benstrong
Auditor General

06 June 2014
Victoria

Seychelles International Business Authority

Balance Sheet

As at 31st December 2013

	Notes	(SR)	2013 (SR)	(SR)	(SR)	2012 (SR)	(SR)
Assets							
Fixed Assets							
Freehold Property	2		8,737,550			8,737,550	
Buildings and Others	2		26,238,972			29,047,850	
Work in Progress	3		<u>1,947,895</u>	<u>36,924,417</u>		<u>989,525</u>	<u>38,774,925</u>
Current Assets							
Cash on Hand		1,013,775			-		
Cash at Bank	4	35,569,380			107,385,427		
Accounts Receivable	5	<u>6,278,024</u>			<u>9,208,470</u>		
			<u>42,861,179</u>			<u>116,593,897</u>	
Less:							
Current Liabilities							
Accounts Payable	6	<u>14,455,594</u>			<u>13,238,975</u>		
			<u>14,455,594</u>			<u>13,238,975</u>	
Net Current Assets				<u>28,405,585</u>			<u>103,354,922</u>
Total Assets				<u><u>65,330,002</u></u>			<u><u>142,129,847</u></u>
Represented By							
GOS Capital Fund	8		8,540,631			9,394,694	
Retained Earnings	9		<u>45,189,702</u>	<u>53,730,333</u>		<u>121,804,652</u>	<u>131,199,346</u>
Government Contributed Assets	10			<u>8,715,700</u>			<u>8,715,700</u>
				<u>62,446,033</u>			<u>139,915,046</u>
Gratuity & Compensation Reserve	11			<u>2,883,969</u>			<u>2,214,801</u>
				<u><u>65,330,002</u></u>			<u><u>142,129,847</u></u>



Managing Director

Date: 03/06/2014



Finance Manager

Date: 03/06/2014

Accompanying Notes 1 - 21 form part of these accounts

Seychelles International Business Authority

Income and Expenditure Statement


For the Period Ending 31st Decemeber 2013

		2013		2012	
Income		(SR)	(SR)	(SR)	(SR)
Corporate and SITZ Fees	13	106,076,386		105,622,915	
Rental Income	14	7,159,755		7,932,820	
Other Income		587,147		359,043	
Amortisation of Capital Grant		854,063		854,063	
		<u>114,677,351</u>		<u>114,768,841</u>	
Operating Expenses					
Personal Emoluments	15	17,562,316		15,836,712	
Office Running Costs	16	7,800,161		10,571,568	
Marketing and Promotion	17	2,637,164		6,218,915	
Finance Charges	18	53,895		88,058	
Consultancy	19	1,238,015		1,828,100	
Depreciation		3,363,867		3,432,256	
Provision for Doubtful Debt written back		(226,859)		(245,562)	
Loss on Disposal of Assets		18,342		-	
Exchange Loss		7,903,353		5,524,808	
		<u>40,350,254</u>		<u>43,254,855</u>	
Surplus for the year		<u>74,327,097</u>		<u>71,513,986</u>	



Managing Director

Date: 03/06/2014



Finance Manager

Date: 03/06/2014

Accompanying Notes 1 - 21 form part of these accounts



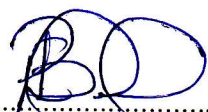
Statement of Cash Flows
For The Period Ending 31st Decemeber 2013

	2013		2012	
	(SR)	(SR)	(SR)	(SR)
Cash Flows from Operating Activities				
Operating Profit/(Loss)	74,327,097		71,513,986	
Depreciation Expenses	3,363,867		3,432,256	
Amortisation of Capital Grant	(854,063)		(854,063)	
Loss on Disposal of Assets	18,342			
(Increase) /Decrease in Accounts Receivable (including staff loans)	2,930,447		1,030,886	
Increase/(Decrease) in Accounts Payable	1,216,619		3,465,436	
Increase /(Decrease) in Gratuity and Compensation Reserve	669,168		350,052	
Net Cash Provided/(Used) by Operating Activities		81,671,477		78,938,554
Cash Flows from Investing Activities				
Purchase of Assets	(573,331)		(1,938,279)	
SITZ work In Progress	(958,371)		(989,526)	
Net Cash Used by Investing Activities		(1,531,702)		(2,927,805)
Cash Flows from Financing Activities				
Cash Surplus transferred to GOS as dividends		(150,942,047)		(75,000,022)
Net Cash Provided/(Used) by Financing Activities		(150,942,047)		(75,000,022)
Net Increase/(Decrease) in Cash		(70,802,272)		1,010,727
Cash as at 01st January 2013		107,385,427		106,374,700
Cash as at 31st December 2013		36,583,155		107,385,427



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Managing Director

Date: 03/06/2014



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Finance Manager

Date: 03/06/2014

Seychelles International Business Authority

Fixed Assets and Depreciation Schedule - 2013

Fixed Assets	Cost			Depreciation			Net book Value		
	01.01.2013	Additions	Disposal	31.12.2013	01.01.2013	For the Year		On Disposal	31.12.2013
Warehouses	36,668,266			36,668,266	14,484,130	1,466,731		15,950,861	20,717,405
Office Block	2,550,000			2,550,000	1,428,000	102,000		1,530,000	1,020,000
Utility Block	660,462			660,462	369,852	26,418		396,270	264,192
Fencing	637,788			637,788	613,961	6,650		620,611	17,177
Plant and Machinery	373,309			373,309	357,890	2,419		360,309	13,000
Office Equipment	4,242,840	14,950	(237,377)	4,020,413	2,701,808	500,794	(237,377)	2,965,225	1,055,188
Computers	2,416,293	144,369	(539,268)	2,021,395	2,024,113	224,214	(536,861)	1,711,466	309,928
Software	517,317			517,317	514,865	2,452		517,317	0
Furniture and Fittings	4,331,134	123,693	(92,329)	4,362,498	2,846,221	483,023	(76,472)	3,252,772	1,109,726
Vehicles	3,286,987		(533,488)	2,753,499	1,419,719	465,649	(533,488)	1,351,880	1,401,619
Other Assets	804,034	290,319	(1,900)	1,092,453	680,021	83,516	(1,821)	761,716	330,737
Total	56,488,430	573,331	(1,404,362)	55,657,399	27,440,580	3,363,867	(1,386,019)	29,418,427	26,238,972

Seychelles International Business Authority

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2013

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 31.12.2013, the net book value of Investment property is at **SR16,785,278** 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 31.12.2013 – SR1,504,675
- Planning Fee and others. Total paid as at 31.12.2013 – SR443,220

4. Cash at Bank

	2013 (SR)	2012 (SR)
Seychelles Rupee Account Balance	3,232,228	2,995,508
US Dollar Account Balance	31,920,882	103,907,050
Euro Account Balance	416,270	482,869
Total	<u>35,569,380</u>	<u>107,385,427</u>

5. Accounts Receivable

Advance to Supplier	109,077	116,874
IBC & SITZ Fees Receivable	1,696,426	3,481,199
Staff loans	4,102,998	4,991,714
Other Receivables	611,193	1,087,212
Provision for Doubtful Debts	<u>(241,670)</u>	<u>(468,529)</u>
Total	<u>6,278,024</u>	<u>9,208,470</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	8,610,174	7,477,919
ITZ Rent Deposit	1,211,000	1,276,719
Corporate Tax	764,410	678,430
Provision For Audit Fee	75,000	140,000
Others	<u>3,795,010</u>	<u>3,665,907</u>
Total	<u>14,455,594</u>	<u>13,238,975</u>

7. Dividends Paid to Government of Seychelles

In accordance with Section 9. (4) of the Seychelles International Business Authority Act, 1994, SIBA made a payment of **SR150,942,047** as dividend to the Government of Seychelles, for the year .

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 31.12.2013, the sum of **SR854,063** has been provided as amortisation of grant.

9. Retained Earnings

The movement in Retained Earnings is shown below:

	2013 (SR)	2012 (SR)
Retained earnings as at 1.1.2013	121,804,652	106,036,346
Surplus for the year	74,327,097	71,513,986
Dividends paid	(150,942,047)	(55,745,680)
Retained earnings as at 31.12.2013	<u>45,189,702</u>	<u>121,804,652</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 31.12.2013, in this respect amounted to **SCR.2,883,969**.

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 **SR12.0261 to 1 US. Dollar** and **SR16.5686 to 1 Euro**, as at end of 31st December 2013.

13. Income

Revenue from IBC Registration and Allied Services consists of the following:	2013 (SR)	2012 (SR)
IBC Registration Fees	25,005,701	22,112,134
IBC Annual Licence Fees	56,883,929	59,224,912
Other Licence Fees	5,521,188	4,279,077
Funds and Securities Fees	680,275	625,962
Insurance Fees	614,054	-
Other Services	<u>17,371,239</u>	<u>19,380,830</u>
Total	<u>106,076,386</u>	<u>105,622,915</u>

14. Rental Income

	2013 (SR)	2012 (SR)
Rental Income from Investment Property	6,363,766	6,833,620
Outdoor Space rental	<u>795,989</u>	<u>1,099,200</u>
Total	<u>7,159,755</u>	<u>7,932,820</u>

15. Personnel Emoluments

Payroll expenses	13,301,500	11,989,282
Employer's Pension contribution	211,087	187,702
Honorarium-Board Members	294,660	391,981
- SITZ Employment Council	219,000	68,214
Income & Non-Monetary Benefits tax	2,169,233	1,943,879
Gratuity & compensation paid	<u>1,366,836</u>	<u>1,255,654</u>
Total	<u>17,562,316</u>	<u>15,836,712</u>

16. Office Running Costs

Administration Costs	2,850,132	3,303,562
Communication Costs	1,291,721	1,438,866
Transport & Travelling Costs	498,318	911,619
Maintenance & Repairs	484,553	1,252,031
Training	1,564,216	2,365,814
General Expenses	<u>1,111,221</u>	<u>1,299,676</u>
Total	<u>7,800,161</u>	<u>10,571,568</u>

17. Marketing and Promotion Costs

Educational Promotion	1,502,330	3,532,908
Advertisement	974,130	2,029,387
DTA Negotiation Costs	<u>160,704</u>	<u>656,620</u>
Total	<u>2,637,164</u>	<u>6,218,915</u>

18. Finance Charges

Bank Charges	<u>53,895</u>	<u>88,058</u>
Total	<u>53,895</u>	<u>88,058</u>

19. Consultancy and Professional Costs

The consultancy cost comprises the following:

Local Legal Fees	270,348	279,250
Audit Fee	75,000	70,000
Professional Fees	799,212	918,119
Others	<u>93,455</u>	<u>560,731</u>
Total	<u>1,238,015</u>	<u>1,828,100</u>

20. Members' Honorarium

- The Members of the Board were paid honorarium fees amounting to a gross total of **SR296,068**, in accordance with Section 9(2) of the Seychelles International Business Authority Act, 1994.
- One of the members of the board, who is also a contracted consultant was paid a gross sum of **SR43,200** as honorarium and a total of **SR792,235** as consultancy fees for the year 2013.
- The Managing Director was paid a gross salary of **SR495,956** per annum. In addition, the gross sum of **SR43,200** was paid as Board Member's honorarium to the Managing Director.

21. Other payments on behalf of board members

The Authority, during the year incurred expenditure for a total sum of **SR413,460** in respect of training expenses on behalf of the Chairman.