



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 TWO MONTHS PERIOD ENDED 28 FEBRUARY 2014

Scope

I have audited the financial statements of the Seychelles International Business Authority for the two months period ended 28 February 2014, 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 28 February 2014 and the results of its operations and cash flows for the two months then ended.

Marc Benstrong
Auditor General

29 May 2015
Victoria

Seychelles International Business Authority

Balance Sheet
As at 28th February 2014

		2014		2013	
	Note	(SR)	(SR)	(SR)	(SR)
Assets					
Fixed Assets					
Freehold Property	2		8,737,550		8,737,550
Buildings and Others	2		9,117,294		9,453,694
Investment Property	2		16,586,191		16,785,278
Work in Progress	3		<u>2,302,366</u>	<u>36,743,401</u>	<u>1,947,895</u> <u>36,924,417</u>
Current Assets					
Cash on Hand		1,072,980		1,013,775	
Cash at Bank	4	51,098,355		35,569,380	
Accounts Receivable	5	<u>6,032,067</u>	<u>58,203,402</u>	<u>6,278,024</u>	<u>42,861,179</u>
Less:					
Current Liabilities					
Accounts Payable	6	<u>10,069,048</u>		<u>14,455,594</u>	
		<u>10,069,048</u>		<u>14,455,594</u>	
Net Current Assets			<u>48,134,354</u>		<u>28,405,585</u>
Total Assets			<u>84,877,755</u>		<u>65,330,002</u>
Represented By					
GOS Capital Fund	7		8,398,287		8,540,631
Retained Earnings/(Loss)	8	<u>64,642,528</u>	<u>73,040,815</u>	<u>45,189,702</u>	<u>53,730,333</u>
Government Contributed Assets	9		<u>8,715,700</u>		<u>8,715,700</u>
			<u>81,756,515</u>		<u>62,446,033</u>
Gratuity & Compensation Reserve	10		3,121,240		2,883,969
			<u>84,877,755</u>		<u>65,330,002</u>


Chief Executive Officer

Date: 20/5/15


Finance Manager

Date: 20/5/2015

Accompanying Notes 1 - 18 form part of these accounts

Seychelles International Business Authority

Income and Expenditure Statement

For the Period Ending 28th February 2014

		2014	2013
		(SR)	(SR)
Income			
Corporate and SITZ Fees	12	23,078,174	106,076,386
Rental Income	13	1,776,773	7,159,755
Other Income		51,890	587,147
Amortisation of Capital Grant		142,344	854,063
		25,049,181	114,677,351
Operating Expenses			
Personal Emoluments	14	2,875,047	17,562,316
Office running Costs	15	1,514,217	7,800,161
Marketing and Promotion	16	655,196	2,637,164
Finance Charges	17	3,472	53,895
Consultancy	18	172,826	1,238,015
Depreciation		555,339	3,363,867
Provision for Doubtful Debt		(11,400)	(226,859)
Loss on Disposal of Assets		-	18,342
Exchange Loss/(Gain)		(168,342)	7,903,353
		5,596,355	40,350,254
Surplus for the Period		19,452,826	74,327,097



Chief Executive Officer

Date: 20/05/15



Finance Manager

Date: 20/05/2015

Accompanying Notes 1 - 18 form part of these accounts

Seychelles International Business Authority

Statement of Cash Flows

For The Period Ending 28th February 2014

	2014	2013
	(SR)	(SR)
Cash Flows from Operating Activities		
Operating Profit/(Loss)	19,452,826	74,327,097
Depreciation Expenses	555,339	3,363,867
Amortisation of Capital Grant	(142,344)	(854,063)
Loss on Disposal of Assets	-	18,342
(Increase) /Decrease in Accounts Receivable (including staff loans)	245,957	2,930,447
Increase/(Decrease) in Accounts Payable	(4,386,546)	1,216,619
Increase /(Decrease) in Gratuity and Compensation Reserve	<u>237,272</u>	<u>669,168</u>
Net Cash Provided/(Used) by Operating Activities	15,962,504	81,671,477
Cash Flows from Investing Activities		
Purchase of Assets	(19,850)	(573,331)
SITZ work In Progress	<u>(354,474)</u>	<u>(958,371)</u>
Net Cash Used by Investing Activities	(374,324)	(1,531,702)
Cash Flows from Financing Activities		
Cash Surplus transferred to GOS as dividends	-	(150,942,047)
Net Cash Provided/(Used) by Financing Activities	-	(150,942,047)
Net Increase/(Decrease) in Cash	15,588,180	(70,802,272)
Cash as at 01st January 2014	36,583,155	107,385,427
Cash as at 28th February 2014	<u>52,171,335</u>	<u>36,583,155</u>

Chief Executive Officer

Date: 20/02/15

Finance Manager

Date: 20/02/2015

Seychelles International Business Authority

Fixed Assets and Depreciation Schedule - 01st January to 28th February 2014

Fixed Assets	Cost			Depreciation			Net book Value
	01.01.2014	Additions	Disposal	28.02.2014	01.01.2014	For the Year	
Warehouses	36,668,266	-	-	36,668,266	15,950,861	244,455	-
Office Block	2,550,000	-	-	2,550,000	1,530,000	17,000	-
Utility Block	660,462	-	-	660,462	396,270	4,403	-
Fencing	637,788	-	-	637,788	620,611	1,108	-
Plant and Machinery	373,309	-	-	373,309	360,309	403	-
Office Equipment	4,020,413	-	-	4,020,413	2,965,225	83,590	-
Computers	2,021,395	-	-	2,021,396	1,711,466	38,630	-
Software	517,317	-	-	517,317	517,317	0	-
Furniture and Fittings	4,362,498	19,850	-	4,382,348	3,252,772	77,683	-
Vehicles	2,753,499	-	-	2,753,499	1,351,880	71,684	-
Other Assets	1,092,453	-	-	1,092,453	761,716	16,382	-
Total	55,657,399	19,850	-	55,677,251	29,418,427	555,339	-
						29,973,766	25,703,485

Seychelles International Business Authority

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 28th FEBRUARY 2014

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 less depreciation. The total floor area of Utility Buildings and Warehouses has been apportioned on the basis of the leased portion in relation to floor area occupied by SIBA. As at 28.02.2014, the net book value of Investment property is at **SR16,586,191** 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 28.02.2014 – SR1,859,146
- Planning Fee and others. Total paid as at 28.02.2014 – SR443,220

4. Cash at Bank

	2014 (SR)	2013 (SR)
Seychelles Rupee Account Balance	10,915,407	3,232,228
US Dollar Account Balance	39,746,300	31,920,882
Euro Account Balance	<u>436,648</u>	<u>416,270</u>
Total	<u>51,098,355</u>	<u>35,569,380</u>

5. Accounts Receivable

Advance to Supplier	158,297	109,077
IBC & SITZ Fees Receivable	2,015,107	1,696,426
Staff loans	3,859,861	4,102,998
Other Receivables	229,072	611,193
Provision for Doubtful Debts	<u>(230,270)</u>	<u>(241,670)</u>
Total	<u>6,032,067</u>	<u>6,278,024</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	6,097,002	8,610,174
ITZ Rent Deposit	1,221,440	1,211,000
Corporate Tax	737,083	764,410
Provision For Audit Fee	90,000	75,000
Others	<u>1,923,523</u>	<u>3,795,010</u>
Total	<u>10,069,048</u>	<u>14,455,594</u>

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 28.02.2014, the sum of **SR142,344** has been provided as amortisation of grant.

8. Retained Earnings

The movement in Retained Earnings is shown below:

Retained earnings as at 1.1.2014	45,189,702	121,804,652
Surplus for the year	19,452,826	74,327,097
Dividends paid	-	<u>(150,942,047)</u>
Retained earnings as at 28.02.2014	<u>64,642,528</u>	<u>45,189,702</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 28.02.2014, in this respect amounted to **SR.3,121,240**.

11. Foreign Currency Transactions

The foreign currency receipts and payments/expenditure are accounted for at the market mid rates as published by the CBS at the end of each previous month. End of period balances are recognised in the accounts at the CBS mid-rate of **SR12.1331 to 1 US. Dollar** and **SR16.6507 to 1 Euro**, as at end of 28th February 2014.

12. Income

Revenue from IBC Registration and Allied Services consists of the following:	Jan- Feb 2014	2013 (SR)
	(SR)	
IBC Registration Fees	4,238,955	25,005,701
IBC Annual Licence Fees	11,461,464	56,883,929
Other Licence Fees	3,717,907	5,521,188
Funds and Securities Fees	105,458	680,275
Insurance Fees	138,157	614,054
Other Services	3,416,233	17,371,239
Total	23,078,174	106,076,386

13. Rental Income

Rental Income from Investment Property	1,584,998	6,363,766
Outdoor Space rental	191,775	795,989
Total	1,776,773	7,159,755

14. Personnel Emoluments

Payroll expenses	2,143,845	13,301,500
Employer's Pension contribution	49,707	211,087
Honorarium-Board Members	42,000	294,660
- SITZ Employment Council	-	219,000
Income & Non-Monetary Benefits tax	369,698	2,169,233
Gratuity & compensation paid	269,797	1,366,836
Total	2,875,047	17,562,316

100%
100%
100%

15. Office Running Costs

	2014 (SR)	2013 (SR)
Administration Costs	535,768	2,850,132
Communication Costs	215,462	1,291,721
Transport & Travelling Costs	93,264	498,318
Maintenance & Repairs	8,557	484,553
Training	228,400	1,564,216
General Expenses	432,766	1,111,221
Total	<u>1,514,217</u>	<u>7,800,161</u>

16. Educational Dissemination

Information Dissemination	336,855	1,502,330
Advertisement	318,341	974,130
DTA Negotiation Costs	-	160,704
Total	<u>655,196</u>	<u>2,637,164</u>

17. Finance Charges

Bank Charges	3,472	53,895
Total	<u>3,472</u>	<u>53,895</u>

18. Consultancy and Professional Costs

The consultancy cost comprises the following:

Local Legal Fees	16,500	270,348
Audit Fee	15,000	75,000
Professional Fees	141,326	799,212
Others	93,455	
Total	<u>172,826</u>	<u>1,238,015</u>