

# SEYCHELLES CIVIL AVIATION AUTHORITY

**Audited  
Financial  
Statement  
2019**

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**Seychelles Civil Aviation Authority**  
**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2019**



The Board of Directors present their report together with the Auditor's Report and the Audited Financial Statements of the Seychelles Civil Aviation Authority (hereafter called the "Authority") for the year ended 31<sup>st</sup> December 2019.

***Principal Activities of the Authority***

The principal activities of the Authority are the provision of Aviation Regulatory and Safety Oversight, the provision of Air Navigation Services, the provision of Aviation Security Services and Management and provision of Operational Services at Seychelles International and Praslin Airports. It also facilitates business development opportunities.

***Results for the Year***

	<b>31<sup>st</sup> December 2019</b>	<b>31<sup>st</sup> December 2018</b>
	<b>SCR</b>	<b>SCR</b>
<b><i>Operating Income</i></b>	<b>503,897,753</b>	<b>478,843,269</b>
<b><i>Operating Expenses</i></b>	<b>(355,789,299)</b>	<b>(314,535,167)</b>
<b><i>Profit before taxation</i></b>	<b>148,108,454</b>	<b>164,308,102</b>
<b><i>Taxation</i></b>	<b>(44,382,536)</b>	<b>(49,242,431)</b>
<b><i>Dividend</i></b>	<b>(115,000,000)</b>	<b>(43,200,000)</b>
<b><i>Retained Profit (Loss) at end of Period</i></b>	<b>(11,274,082)</b>	<b>71,865,671</b>

***Fixed Assets***

Additions to property and equipment totalling **SCR57.2 million** for the year under review comprise mainly Domestic, Arrival and Departure Terminal, landside and airside asphaltting and major airport equipment (**2018: SCR134.27 million**)

The Directors are of the opinion that the market or saleable value of the fixed assets at 31<sup>st</sup> December 2019 does not differ substantially from the carrying amounts at which they are included in the Statement of Financial Position at that date.

***Retained Earnings***

	<b>31<sup>st</sup> December 2019</b>	<b>31<sup>st</sup> December 2018</b>
	<b>SCR</b>	<b>SCR</b>
Balance brought forward as at 1st Jan	512,597,007	440,731,336
Profit during the year	103,725,918	115,065,671
Less: Dividend (Note 17)	(115,000,000)	(43,200,000)
<b><i>Retained earnings for the year</i></b>	<b>501,322,925</b>	<b>512,597,007</b>

### *Dividend*

The Directors recommend the payment of dividend of **SCR75 million** and an additional SCR40 million totalling to **SCR115 million. (2018: SCR43.2 million).**

### *Directors*

Details of the current members of the Board of directors are shown in Note 6. The Directors are appointed every two years in accordance with the Public Enterprise Monitoring Commission Act, 2013.

None of the Directors held interest in the share of the Authority during the financial year.

### *Statement of Board of Director's Responsibilities*

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in Seychelles and for such internal control as management determines is necessary to enable the preparation of financial statements that gives a true and fair view of the financial affairs of the Authority and are free from material misstatement, whether due to fraud or error.

In discharging this responsibility, the Board is further responsible to ensure the integrity of financial information; provides financial oversight and monitors financial planning and financial reports, including adoption and supervision of the annual budget; the Directors are to exercise their business judgement to act in what they reasonably believe to be the best interests of the entity in the administration of the entity's assets, and where applicable, its investments.

The Board of Directors discusses issues confronting the Authority related to financial and operational risks and exposures associated with the entity's business strategy, policy matters, service/product innovation and sales road map (where applicable), are mindful of litigation and regulatory exposures, and other current matters that may present material risk to the entity's financial performance, operations, infrastructure, plans, prospects or reputation, and acquisitions, as well as any issues of concern to the Board.

It is the duty of the Board of Directors to oversee management's performance to ensure that the entity operates in an effective, efficient and ethical manner in order to produce value for its clients and shareholders, in so doing, sees to the establishment of appropriate internal procedures and controls.

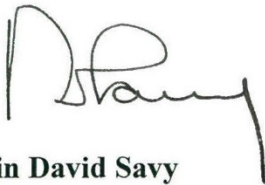
They are responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors consider that they have met their responsibilities as set out in the Public Enterprise Monitoring Commission Act, 2013 and the Seychelles Civil Aviation Authority Act 2005.

### *Auditors*

The Office of the Auditor General is the statutory Auditor of the Authority, in accordance with Section 12(3) of the Seychelles Civil Aviation Act, 2005.

**Approved**



**Captain David Savy**



**Anne Lafortune**



**Nadine Potter**



**Vincent Amelie**



**Cindy Vidot**

**Date: 31/03/2020**  
**Victoria, Seychelles**



**REPORT OF THE AUDITOR GENERAL ON  
THE ACCOUNTS OF SEYCHELLES CIVIL AVIATION AUTHORITY**

**Scope**

I have audited the financial statements of the Seychelles Civil Aviation Authority for the year ended 31 December 2019, as set out on pages 6 – 17, prepared in accordance with generally accepted accounting practice in Seychelles, which comprise (a) statement of financial position; (b) income statement; (c) statement of cash flows; and (d) notes to the financial statements.

**Responsibility of the Board of Directors of the Authority for the Financial Statements**

The Board of Directors of the Authority is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in Seychelles and in compliance with the requirements of the Seychelles Civil Aviation Authority Act, 2005 and the Public Enterprise Monitoring Act, 2009 and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Responsibility of the Auditor General**

My responsibility is to express an opinion on these financial statements based on the audit. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit opinion.

**Seychelles Civil Aviation Authority**  
**AUDITORS REPORT**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2019**



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**Audit Opinion**

In my opinion:

- the financial statements on pages 6 – 17 give a true and fair view of the financial position of the Authority as at 31 December 2019 and the results of its financial operations and cash flows for the year then ended;
- proper accounting records have been kept by the Authority as far as it appears from my examination of those records; and
- I have obtained the information necessary for the purpose of the audit and am satisfied with the information received.

Gamini Herath  
**AUDITOR GENERAL**

07 April 2020  
Victoria, Seychelles





**Seychelles Civil Aviation Authority**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31<sup>st</sup> DECEMBER 2019**



		2019	2018
	Notes	SCR	SCR
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	8	430,376,568	415,830,147
Capital Work in Progress	9	8,170,694	14,550,774
Long Term Deposit		<u>25,000,000</u>	<u>25,000,000</u>
		<b>463,547,262</b>	<b>455,380,921</b>
<b>Current Assets</b>			
Trade Debtors	10	112,623,396	99,969,979
Inventory		-	85,065
Other Debtors & Prepayments	11	3,381,100	4,056,980
Staff Loans	12	9,692,185	9,129,229
Provisional Tax	13	2,412,177	4,589,564
Cash and Bank Balances	14	<u>174,151,890</u>	<u>171,459,903</u>
		<b>302,260,747</b>	<b>289,290,720</b>
<b>Less:</b>			
<b>Current Liabilities</b>			
Trade Creditors		19,559,146	29,537,652
Other Creditors & Accruals	15	49,369,392	8,744,859
Provision for Terminal Benefits		10,648,583	9,804,039
Loan Due within a year		<u>-</u>	<u>(919,879)</u>
		<b>79,577,121</b>	<b>47,166,671</b>
<b>Net Current Assets</b>		<u><b>222,683,626</b></u>	<u><b>242,124,049</b></u>
<b>Total Assets</b>		<u><b>686,230,888</b></u>	<u><b>697,504,970</b></u>
<b>Long Term Liabilities</b>			
<b>Represented By</b>			
Government Capital Reserve		184,907,963	184,907,963
Retained Earnings	16	501,322,925	512,597,007
		<u><b>686,230,888</b></u>	<u><b>697,504,970</b></u>

The notes set out on pages 9-17 form an integral part of these Financial Statements.

The Financial Statements were authorised for issue on 31 /03/2020

**Chief Executive Officer**  
**Mr. Garry Albert**  
**Date: 31/03/2020**

**Financial Controller**  
**Mr. Sandy Mothee**  
**31/03/2020**



**Seychelles Civil Aviation Authority**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2019**



	Notes	2019	2018
		SCR	SCR
<b>Income</b>			
Aeronautical Revenue	4(a)	447,359,577	428,992,213
Non-Aeronautical Revenue	4(b)	47,899,465	45,266,578
Other Operating Income	4(c)	6,101,022	4,979,738
Exchange Gain/(Loss)		(985,558)	(395,260)
Profit on Disposal		3,426,897	-
Prior Revenue		96,349	
<b>Net Income</b>		<b>503,897,753</b>	<b>478,843,269</b>
<b>Operating Expenses</b>			
Staff Costs	5	197,309,181	175,865,976
Repairs and Maintenance		28,694,865	29,476,794
Other Operating Expenses	7	86,578,003	73,969,102
Bad & Doubtful Debts		12,289	(37,467)
Finance Costs		232,130	119,577
Prior Adjustments		330,145	(42,566)
Depreciation	8	42,632,686	35,183,751
		<b>355,789,299</b>	<b>314,535,167</b>
<b>Profit before Tax</b>		<b>148,108,454</b>	<b>164,308,102</b>
Business Tax	13	(44,382,536)	(49,242,431)
<b>Net Profit After Tax</b>		<b>103,725,918</b>	<b>115,065,671</b>
Dividend	17	(115,000,000)	(43,200,000)
<b>Retained Profit for the year</b>		<b>(11,274,082)</b>	<b>71,865,671</b>

The notes set out on pages 9-17 form an integral part of these Financial Statements.

**Seychelles Civil Aviation Authority**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2019**



	2019		2018
	SCR		SCR
<b>Cash Flows from Operating Activities</b>			
Profit Before Tax	148,108,454		164,308,102
Depreciation Expenses	42,632,686		35,183,751
Interest Receivable/Payable	(1,155,326)		(975,662)
Loss/(Profit) on Disposal	(3,426,897)		-
Bad & Doubtful Debts	12,289		(37,467)
Exchange Losses/(Gains) on Year End Transactions	<u>174,755</u>	<b>186,345,961</b>	<u>842,612</u>
Provisional Tax Paid		<b>(42,205,150)</b>	<b>(72,281,288)</b>
<b>Movements in Working Capital</b>			
(Increase) /Decrease in Accounts Receivable (including Staff Loans)	(11,499,124)		(117,483)
Increase/(Decrease) in Accounts Payable	30,646,027		11,652,227
Increase/(Decrease) in Terminal Benefits	<u>844,544</u>	<b>19,991,447</b>	<u>(2,347,807)</u>
			<b>9,186,937</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Assets & WIP	(50,826,720)		(58,497,425)
Sale of Assets	3,454,591	<b>(47,372,129)</b>	<u>-</u>
			<b>(58,497,425)</b>
<b>Cash Flows from Financing Activities</b>			
Loan Receipt	8,397,773		7,718,928
Loan Repayment	(7,465,916)		(20,417,206)
Dividend Paid	<u>(115,000,000)</u>	<b>(114,068,143)</b>	<u>(43,200,000)</u>
			<b>(55,898,278)</b>
Net Increase/(Decrease) in Cash		2,691,986	21,831,283
Cash as at 1 <sup>st</sup> January 2019		<u>171,459,903</u>	<u>149,628,621</u>
<b>Cash as at 31<sup>st</sup> December 2019</b>		<b><u>174,151,889</u></b>	<b><u>171,459,903</u></b>

The notes set out on pages 9 -17 form an integral part of these Financial Statements.

## **1 CORPORATE INFORMATION**

The Seychelles Civil Aviation Authority (the Authority) was set up under the Seychelles Civil Aviation Authority Act, 2005 which came into force in April 2005. The Authority was vested with the assets and liabilities of the former Directorate of Civil Aviation for which a financial consideration was not paid. The net value of assets over the liabilities was credited to a Capital Reserve account.

The Authority is domiciled in Seychelles and its registered office is at Seychelles International Airport, Anse des Genets, Mahé.

The activities of the Authority are regulatory, with respect to regulation of civil aviation activities and safety oversight, as well as service provider in the provision of air navigation services and management of Seychelles International and Praslin Airports.

## **2 BASIS OF PREPARATION**

The financial statements of the Authority have been prepared under the historical cost convention, modified to include the revaluation of certain property, plant and equipment.

The financial statements of the Authority have been prepared in accordance with generally accepted accounting practice in Seychelles. The financial statement values are presented in Seychelles Rupee (SCR) unless otherwise indicated.

## **3 SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of the financial statements are set out below:

### **(a) Property, Plant and Equipment**

Apart from land which has been purchased by the Authority, the value of land transferred to the Authority at SCR1 occupied by the Authority is not included in the Financial Statements. A number of sites occupied on Mahé including the land upon which the existing Seychelles International Airport is situated are held by the Authority on a 99-year lease at a nominal rent of SCR 1. The transfer of other land ownership on Mahé and Praslin to the Authority is still under discussion with the Government.

Buildings and infrastructure are stated at revalued amount less accumulated depreciation; however, the last revaluation was conducted in 2014 by a professional valuer. These have been recognised on the grounds that the Authority has unrestricted right to the enjoyment of the future economic benefits arising from these assets.

Plant and equipment, motor vehicles and others are stated at cost less accumulated depreciation.

The cost of an asset comprises its purchase price and any attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions and improvement are capitalised and expenditure for maintenance and repairs are charged to the income statement.

Depreciation on property, plant and equipment is calculated on a straight-line basis to write-off cost, less estimated residual value, of each asset evenly over their expected useful lives. Depreciation is recognised in profit or loss. Land is not depreciated.

The annual rates of depreciation are as follows:

• Buildings and Infrastructure	4%
• Plant & Machinery	10%
• Furniture, Fittings and Office Equipment	20%
• Motor vehicles	20%
• Computers – Hardware and Software	25%
• Others	25%

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset is included in the income statement in the year the asset is derecognised.

#### **(b) Foreign Currency**

Transactions in currencies other than SCR are converted at the rate of exchange ruling on the transaction date. At the balance sheet date, foreign currency monetary assets and liabilities are translated at the rate ruling at that date. Exchange differences arising, both realised and unrealised are taken to the income statement. The rate of exchange as at reporting date are as follows;

USD- SCR 14.0726

EUR- SCR15.7343

GBP- SCR 18.6753

#### **(c) Taxation**

Business tax is provided on profits at the rates ruling at the balance sheet date and is paid provisionally by the Authority.

#### **(d) Cash and Bank Balances**

Cash and bank balances comprise cash at bank, in hand and short-term deposits with a maturity period of one year or less in the Statement of Financial Position.

For the purpose of the cash flow, cash and cash equivalent consist of the cash and bank balances as defined above.

#### **(e) Provisions**

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provision for bad or doubtful debts for the year under review has been applied at 1% on amounts due over 90 days. The charge is based on the probability of recovery which is highly likely to be recovered as the amounts are mainly due from International Air Transport Association.

**(f) Going Concern**

The management has assessed the Authority 's ability to continue as a going concern and is satisfied that the Authority has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Authority's ability to continue as going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

	<b>2019 SCR</b>	<b>2018 SCR</b>
<b>4 INCOME</b>		
<b>(a) Aeronautical Revenue</b>		
Landing fees (International/Domestic)	32,178,509	32,482,902
Licences and Registration	967,000	650,732
Passenger Service Fees (International /Domestic)	281,697,187	267,793,851
Air Navigation Charges	138,468,525	133,993,190
IATA Charges	<u>(5,951,644)</u>	<u>(5,928,462)</u>
	<b><u>447,359,577</u></b>	<b><u>428,992,213</u></b>
<b>(b) Non Aeronautical Revenue</b>		
Other Airport Charges	4,011,085	3,217,883
Concession Fees	26,509,702	25,217,897
Fuel Throughput Charges	3,975,538	4,119,033
Rent Airport Buildings	<u>13,403,140</u>	<u>12,711,765</u>
	<b><u>47,899,465</u></b>	<b><u>45,266,578</u></b>
<b>(c) Other Income</b>		
Interest Received	4,815,171	4,234,700
Miscellaneous	<u>1,285,851</u>	<u>745,038</u>
	<b><u>6,101,022</u></b>	<b><u>4,979,738</u></b>

	<b>2019 SCR</b>	<b>2018 SCR</b>
<b>5 STAFF COSTS</b>		
Payroll Expenses	147,206,773	127,343,146
Pension Contribution	4,567,592	3,255,539
Income Taxes	14,696,711	14,597,532
Compensation & Gratuity	18,796,904	20,697,035
Other Staff Benefits	11,561,201	9,637,359
Directors & Secretary's Fees (see Note 6)	<u>480,000</u>	<u>335,365</u>
	<b><u>197,309,181</u></b>	<b><u>175,865,976</u></b>

Compensation and Gratuity is paid to employees upon completion of a 2-year contract in line with the Employment Act and SCAA Contract of Service. Compensation and Gratuity are provided for in the accounts yearly and expensed under Staff costs.

## **6 DIRECTORS FEES & EXECUTIVE EMOLUMENTS**

### **Directors**

D. Savy (appointed September '11)	96,000	74,090
M. Murray (appointed September '11)	-	7,058
A. Lafortune (appointed Feb'14)	72,000	48,019
A. Nourice (appointed Nov'15 – Resigned Oct'19)	60,000	48,019
V. Amelie (appointed May'17)	72,000	48,019
N. Potter (appointed May'17)	72,000	48,019
C. Vidot (appointed Feb'18)	72,000	40,961
Secretary fees	<u>36,000</u>	<u>21,180</u>
	<b><u>480,000</u></b>	<b><u>335,365</u></b>

<b>Senior Executive Emoluments</b>	<b>6,120,679</b>	<b>5,822,538</b>
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## **7 OTHER OPERATING EXPENSES**

Administration Costs	38,272,972	35,693,851
Communication Costs	9,374,446	8,294,500
Transportation Costs	7,304,475	4,036,098
Staff Training	14,901,123	15,905,798
Other General Expenses	<u>16,724,987</u>	<u>10,038,855</u>
	<b><u>86,578,003</u></b>	<b><u>73,969,102</u></b>

After charging:

Audit Fees	100,000	100,000
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**Seychelles Civil Aviation Authority**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2019**  
**8 PROPERTY, PLANT AND EQUIPMENT**



	Land	Building & Infrastructure	Plant & Machinery	Furniture, Fittings & Office Equipment	Motor Vehicles	Computer – Hardware & Software	Other Assets	Total
	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
<b>Costs</b>								
<b>As at 1 January 2018</b>	<b>1,558,050</b>	<b>393,776,467</b>	<b>79,722,427</b>	<b>21,261,686</b>	<b>57,840,327</b>	<b>72,608,001</b>	<b>26,802,845</b>	<b>653,569,803</b>
Additions during the year	2,507,900	101,669,252	10,437,757	913,100	2,694,693	8,776,886	7,271,490	134,271,078
Disposals during the year								
<b>As at 31 December 2018</b>	<b>4,065,950</b>	<b>495,445,719</b>	<b>90,160,184</b>	<b>22,174,786</b>	<b>60,535,020</b>	<b>81,384,887</b>	<b>34,074,335</b>	<b>787,840,881</b>
Additions during the year	2,708,850	23,084,560	17,273,363	3,479,397	3,587,680	6,218,393	854,557	57,206,800
Disposals during the year			(120,000)	(25,076)	(6,445,300)	0	(4,261,961)	(10,852,337)
<b>As at 31 December 2019</b>	<b>6,774,800</b>	<b>518,530,279</b>	<b>107,313,547</b>	<b>25,629,107</b>	<b>57,677,400</b>	<b>87,603,280</b>	<b>30,666,931</b>	<b>834,195,344</b>
<b>Accumulated Depreciation</b>								
<b>As at 1 January 2018</b>		<b>138,688,288</b>	<b>49,308,261</b>	<b>16,063,298</b>	<b>39,143,562</b>	<b>67,967,722</b>	<b>25,655,852</b>	<b>336,826,983</b>
Depreciation for the year		15,894,742	6,737,993	1,599,363	7,081,310	2,620,648	1,249,695	35,183,751
Disposals Depreciation								
<b>As at 31 December 2018</b>		<b>154,583,030</b>	<b>56,046,254</b>	<b>17,662,661</b>	<b>46,224,872</b>	<b>70,588,370</b>	<b>26,905,547</b>	<b>372,010,734</b>
Depreciation for the year		19,960,679	7,619,685	1,785,577	7,041,439	3,979,851	2,245,455	42,632,686
Disposals Depreciation			(120,000)	(25,076)	(6,445,300)	0	(4,234,267)	(10,824,643)
<b>As at 31 December 2019</b>		<b>174,543,709</b>	<b>63,545,939</b>	<b>19,423,162</b>	<b>46,821,011</b>	<b>74,568,221</b>	<b>24,916,735</b>	<b>403,818,777</b>
<b>Net Book Value</b>								
<b>As at 31 December 2018</b>	<b>4,065,950</b>	<b>340,862,689</b>	<b>34,113,930</b>	<b>4,512,125</b>	<b>14,310,148</b>	<b>10,796,517</b>	<b>7,168,788</b>	<b>415,830,147</b>
<b>As at 31 December 2019</b>	<b>6,774,800</b>	<b>343,986,570</b>	<b>43,767,608</b>	<b>6,205,945</b>	<b>10,856,389</b>	<b>13,035,059</b>	<b>5,750,196</b>	<b>430,376,567</b>



	<b>2019 SCR</b>	<b>2018 SCR</b>
<b>9 CAPITAL WORK IN PROGRESS</b>		
Work in Progress brought forward	14,550,774	90,324,427
Expenditure incurred during the year	31,777,247	27,515,661
Transferred to Fixed Assets	(38,157,327)	(103,217,314)
Transferred to Expenditure	-	(72,000)
	<b><u>8,170,694</u></b>	<b><u>14,550,774</u></b>
<b>10 TRADE DEBTORS</b>		
Trade Debtors	112,712,962	99,860,524
Debtors' Exchange Rate Revaluation	(28,355)	158,378
Bad Debts Provisions	<u>61,211</u>	<u>(48,923)</u>
	<b><u>112,623,396</u></b>	<b><u>99,969,979</u></b>
<b>11 OTHER DEBTORS AND PREPAYMENTS</b>		
Prepayment	1,444,048	1,256,882
Treasury Account	-	793,819
Interest Receivables	1,155,326	975,662
VAT Liability	303,333	691,212
Other Debtors	<u>478,393</u>	<u>339,405</u>
	<b><u>3,381,100</u></b>	<b><u>4,056,980</u></b>
<b>12 STAFF LOANS</b>		
Vehicle Loans	9,149,092	8,830,740
General Purpose Loans	9,446	18,677
Other Loans	<u>533,647</u>	<u>279,812</u>
	<b><u>9,692,185</u></b>	<b><u>9,129,229</u></b>
<b>13 TAXATION</b>		
Tax Liability/Credit brought forward	(4,589,564)	18,449,293
Payment of Business Tax	<u>4,589,564</u>	<u>(18,449,293)</u>
<b>Tax Credit carried forward</b>	-	-
<i>Charge for current year:</i>		
Provision for business tax based on profit for the period	44,382,536	49,242,431
Provisional Tax Paid	(43,545,753)	(53,311,300)
Provisional Late Lodgement Paid	-	(520,695)
Provision for withholding Tax	<u>(3,248,960)</u>	<u>-</u>
	<b><u>(2,412,177)</u></b>	<b><u>(4,589,564)</u></b>

	<b>2019 SCR</b>	<b>2018 SCR</b>
<b>14 CASH AND BANK BALANCES</b>		
Cash on hand	2,370,529	186,833
Seychelles Rupee A/c Balance	50,298,393	20,578,092
Euro A/c Balance	1,294,795	1,063,256
US\$ Dollar A/c Balance	54,142,922	90,902,515
Short-Term Security Deposit	<u>66,045,251</u>	<u>58,729,207</u>
	<b><u>174,151,890</u></b>	<b><u>171,459,903</u></b>

## **15 OTHER CREDITORS**

Owing to Government- Dividend	40,000,000	-
Owing to Government- Passenger Service Fee	4,640,000	4,586,000
Advance and Deposits from customers	2,752,536	2,746,536
Accruals	<u>1,976,856</u>	<u>1,412,323</u>
<b>Total</b>	<b><u>49,369,392</u></b>	<b><u>8,744,859</u></b>

## **16 RETAINED EARNINGS**

Deficit/Surplus for the year	(11,274,082)	71,865,671
Retained earnings brought forward	512,597,007	440,731,336
<b>Retained earnings carried forward</b>	<b><u>501,322,925</u></b>	<b><u>512,597,007</u></b>

## **17 DIVIDEND**

Dividend to Government is made in accordance with directions given by the Minister under Section 11 (3) of the Seychelles Civil Aviation Authority Act, 2005. Dividend paid to Government in 2019 amounted to SCR75 million paid on a monthly basis. An additional sum of SCR40 million was approved making a total sum of SCR115 million paid to Government.

## **18 CONTINGENT LIABILITY**

- (a) In July 2016, a legal claim was lodged by a Duty-Free retail shop claiming damages of SR1.06 million to its merchandise while construction work was ongoing to adjacent premises. As at 31<sup>st</sup> December 2019, a judgement was yet to be pronounced however the claim is estimated to be SCR300,000.
- (b) The Seychelles Revenue Commission (SRC) is claiming withholding tax of SR3.5 million for the period 2012 to 2017 relating to technical services for airport/ airside related activities. SCAA has lodged an objection, the outcome of which is yet to be determined. SRC has already withheld a sum of SR3.2 million (Note 13) against 2018 Business Tax refund.

## **19 FINANCIAL RISK MANAGEMENT**

### **(a) Currency risk**

Some of the Authority's assets and liabilities are denominated in foreign currencies. There is a resultant exposure to foreign exchange fluctuations which may affect the Authority's assets and liabilities in a material manner.

The Authority's financial assets and liabilities are denominated as follows:

	<b>Asset SCR</b>	<b>Liabilities SCR</b>
US Dollar	132,671,304	140,334
Euro	4,737,720	-
Pound Sterling	64,991	-
Seychelles Rupees	<u>164,786,732</u>	<u>79,436,787</u>
<b>Total</b>	<b><u>302,260,747</u></b>	<b><u>79,577,121</u></b>

### **(b) Liquidity Risk**

SCAA practices prudent liquidity risk management by maintaining adequate funds to meet its funding needs.

### **(c) Credit Risk**

SCAA seeks to invest cash assets safely and profitably. SCAA also seeks to control credit risk by setting limit and ensuring that credit facility is made to customer with appropriate credit history and monitoring customers financial standing through credit review. SCAA considers the risk of material loss in the event of non-performance to be minimal.

## **20 NOUVOBANQ LOAN**

	<b>2019 SCR</b>	<b>2018 SCR</b>
<b>Balance as at 1st January</b>	<b>(919,879)</b>	<b>11,631,151</b>
Amounts drawn down	8,397,774	7,718,928
Repayments	(7,465,916)	(20,417,206)
Exchange rate adjustment at year end	<u>(11,979)</u>	<u>147,248</u>
<b>Balance as at 31st December</b>	<b><u>-</u></b>	<b><u>(919,879)</u></b>

US\$6.5 million loan to fund the construction of the Domestic Terminal and purchase of essential airport equipment was taken from Nouvobanq. The loan is being serviced by the Seychelles Civil Aviation and has been fully repaid as at 31.12.2019. Only the sum of USD5m was drawn and the sum of US\$1.1 million still remained to be withdrawn as at 31.12.2019.

## **21. Events after reporting date**

In view of the Covid19 outbreak which started in mid-December 2019 in China which has been declared as a pandemic on 12.03.2020 affected the world globally. With the restrictions across borders and great reduction in flights and uncertainty as to how long this will last, this will have significant and direct impact on SCAA's forecasted revenues and expenditure in 2020 which at this point is not quantifiable.