

# Seychelles Civil Aviation Authority

## Audited Financial Statement 2022

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## GENERAL INFORMATION



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<b>DIRECTORS</b>	:	<b>Appointed Effective February 2021</b> Marlon Orr Sherin Francis Kelly Naidoo Yannick Roucou Magalie Essack
		<b>Appointed effective July, 2022</b> Noella Vinda Pedro Pierre
		<b>Resigned</b> Garry Jupiter - <i>April 2022</i> May-Paul Marengo - <i>June 2022</i>
<b>SECRETARY</b>	:	Ms. Audrey Nanon Seychelles Pension Fund Victoria, Mahé Seychelles
<b>REGISTERED OFFICE</b>	:	P.O. Box 181, Seychelles International Airport Pointe Larue, Mahé, Seychelles
<b>PRINCIPAL PLACE OF BUSINESS</b>	:	Seychelles International Airport Pointe Larue, Mahé, Seychelles
<b>AUDITORS</b>	:	Office of the Auditor General 3rd Floor, Block C, Unity House Victoria, Seychelles
<b>BANKERS</b>	:	Seychelles International Mercantile Banking Corporation Limited The Mauritius Commercial Bank (Seychelles) Limited Absa Bank Seychelles Limited Seychelles Commercial Bank Bank of Baroda Seychelles

## DIRECTORS' REPORT



The Board of Directors present their report together with the Auditor's Report and the Audited Financial Statements of the Seychelles Civil Aviation Authority (SCAA) (hereafter called the "Authority") for the year ended December 31, 2022.

## PRINCIPAL ACTIVITIES

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. There has been no significant change in the nature of these activities during the year under review.

## RESULTS FOR THE YEAR

	<u>2022</u>	<u>2021</u>
	SCR	SCR
Profit/(Loss) for the year	102,254,262	(42,192,728)
Retained earnings brought forward	413,928,124	456,120,852
<b>Accumulated profit available for distribution</b>	<b><u>516,182,386</u></b>	<b><u>413,928,124</u></b>
Dividends paid	(15,000,000)	-
<b>Retained earnings carried forward</b>	<b><u><u>501,182,386</u></u></b>	<b><u><u>413,928,124</u></u></b>

## DIVIDENDS

Dividends of SCR 15,000,000 has been declared and paid during the year under review (2021: Nil).

## FIXED ASSETS

The Fixed Assets of the Authority and the movements therein are detailed in Notes 5 and 6 to the financial statements.

The Directors are of the opinion that the carrying amount of fixed assets at the reporting date approximate their fair value.

## DIRECTORS AND DIRECTORS' INTERESTS

The Directors are appointed every three years in accordance with the Public Enterprise Monitoring Commission Act, 2013.

The Directors of the Authority since the date of the last report and the date of this report are:

**Appointed Effective February 2021**

Marlon Orr (Chairman)  
Sherin Francis  
Magalie Essack  
Kelly Naidoo  
Yannick Roucou

**Resigned April and June 2022 Respectively**

Garry Jupiter  
May-Paul Marengo

**Appointed Effective July, 2022**

Noella Vinda  
Pedro Pierre

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

### BOARD APPROVAL



**Marlon Orr**  
Director & Chairman

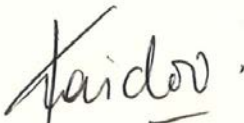


**Garry Albert**  
Chief Executive Officer

**Sherin Francis**  
Director




**Magalie Essack**  
Director



**Kelly Naidoo**  
Director



**Yannick Roucou**  
Director



**Noella Vinda**  
Director



**Pedro Pierre**  
Director

Dated: **May 29, 2023**

Victoria, Seychelles



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## OPINION OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE SEYCHELLES CIVIL AVIATION AUTHORITY FOR THE YEAR ENDED 31 DECEMBER 2022

### Opinion

The accompanying financial statements set out on pages 5 to 35, which comprise of the statement of financial position as at 31<sup>st</sup> December 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, have been audited by me. I am satisfied that all information and explanations which, to the best of my knowledge and belief, where necessary for the purpose of the audit have been obtained.

Accordingly, in my opinion,

- (c) proper accounting records have been kept by the Authority as far as it appears from examination of those records; and
- (d) the financial statements on pages 5 to 35 give a true and fair view of the financial position of the Authority as at 31<sup>st</sup> December 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the provisions of the Civil Aviation Act, 2005, as amended and the Public Enterprise Monitoring Commission Act, 2013.

### Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institution (ISSAIs). My responsibilities under those standards are further described in the '*Auditor General's responsibilities for the audit of financial statements*' section of my report. I am independent of the Authority in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), together with other ethical requirements that are relevant to the audit of financial statements in Seychelles. I believe the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.



### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were most significant in the audit of the consolidated financial statements of the current period. These matters were addressed as below in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, as we do not provide a separate opinion on these matters.

(i) IAS 16 – Property, Plant and Equipment

The Authority implemented a Fixed Assets Register and has only included items that were purchased from 2015 onwards as they are considered to have a useful life. The exercise is ongoing to ensure that all assets are captured and that the Fixed Assets Register is complete.

In the absence of a credible Fixed Assets Register, and the past transactions in line with the existing capitalisation policy the balance of the assets under Property, Plant and Equipment and their accumulated depreciation thereof, may be misstated.

Steps taken to address the key audit matter:

Despite the above capitalisation policy, the key audit matter was addressed by using the fixed assets and depreciation schedule provided by the Authority, which dates back to 2012 and updated annually, to confirm additions, disposals, and the movements in capital work-in-progress and depreciation charged for the year. New capitalisation policy is in process to be completed.

(ii) IAS 2 - Inventory

The Authority was previously expensing all transactions relating to inventory and only also started accounting for inventory to satisfy IAS 2 in 2021. However, the inventory is still expensed during the year and a reversal is done at year end through a journal voucher and transferred to inventory based on the cost of the items remaining in the store at the reporting date.

Steps taken to address the key audit matter:

The above key audit matter was addressed by the Authority by ensuring that from June 2023 onwards, all the transactions related to inventory are recorded as inventory instead of expensing during the year in the accounting software.

## Auditors REPORT

**Office of the Auditor General**3<sup>rd</sup> Floor, Block C, Unity House  
Victoria, Republic of Seychelles

Telephone: 248-4672500

Website: [www.oag.sc](http://www.oag.sc)Email: [auditgen@oag.sc](mailto:auditgen@oag.sc)

Facebook: OAG Seychelles

**Responsibilities of the Management and those charged with Governance**

The Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Civil Aviation Act, 2005, and Public Enterprise Monitoring Commission Act, 2013 and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Government either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

**Auditor General's responsibilities for the audit of financial statements**

The audit objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and issue an auditor's report in accordance the Civil Aviation Act, 2005. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omission or misrepresentation, or the override of internal control;
- obtain an understanding of the internal control relevant to the audit 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;



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- conclude on the appropriateness of the Board of Directors' use of going concern basis of accounting and, based on the audit evidence obtained, conclude whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on audit evidence obtained to the date of my report. However, future unforeseeable events or conditions may cause the Authority to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Authority to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the audit. I remain responsible for the audit opinion; and
- communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that he identifies during the audit.

**Report on other Regulatory Requirement**

In satisfying both the Civil Aviation Act, 2005, and the Public Enterprise Monitoring Commission Act, 2013, I have no relationship with or interests in the Authority other than in my capacity as the Auditor General and dealing in the ordinary course of business.

**Gamini Herath**  
Auditor General

**15 June 2023**  
Victoria, Seychelles




	Notes	2022 SCR	2021 SCR
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	5	323,107,135	326,155,091
Investment Property	6	49,134,691	52,682,599
Capital Work in Progress	7	92,218,886	44,303,484
Deferred Tax Asset	8(b)	-	25,091,931
		<b>464,460,712</b>	<b>448,233,105</b>
<b>Current Assets</b>			
Inventories	9	7,661,636	6,359,252
Trade and Other Receivables	10	113,184,465	86,880,750
Current Tax Receivables	11(a)	6,311,060	5,593,859
Cash and Bank Balances	12	223,672,320	149,453,734
		<b>350,829,481</b>	<b>248,287,595</b>
<b>Total Assets</b>		<b>815,290,193</b>	<b>696,520,700</b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Capital Reserve	13	184,907,963	184,907,963
Retained Earnings		501,182,386	413,928,124
		<b>686,090,349</b>	<b>598,836,087</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Borrowings	14	33,992,398	17,301,530
Gratuity and Compensation	15(a)	3,377,496	4,702,638
Deferred Tax Liabilities	8(b)	1,343,970	-
		<b>38,713,864</b>	<b>22,004,168</b>
<b>Current Liabilities</b>			
Borrowings	14	13,143,903	13,274,949
Gratuity and Compensation	15(a)	10,546,597	11,864,285
Accrued Leave	15(b)	11,193,843	10,066,121
Trades & Other Payables	16	55,601,639	40,475,090
		<b>90,485,982</b>	<b>75,680,445</b>
<b>Total Equity &amp; Liabilities</b>		<b>815,290,193</b>	<b>696,520,700</b>

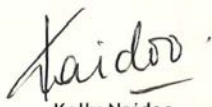
The financial statements have been approved for issue by the Board of Directors on:

May 29, 2023

  
Marlon Orr  
Director & Chairman

  
Pedro Pierre  
Director

  
Garry Albert  
Chief Executive Officer

  
Kelly Naidoo  
Director

  
Sherin Francis  
Director

  
Yannick Roucou  
Director

  
Magalie Essack  
Director

  
Noella Vinda  
Director

The notes on pages 9 to 35 form an integral part of these financial statements  
Auditor General's report on pages 4 to 4(b)

SEYCHELLES CIVIL AVIATION AUTHORITY  
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED DECEMBER 31, 2022

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	Notes	2022 SCR	2021 SCR
Aeronautical Revenue	17	425,188,239	256,424,777
Non-Aeronautical Revenue	17	48,214,152	35,659,247
Other Income	18	845,617	1,258,825
Less IATA charges		(5,107,334)	(2,521,098)
<b>Operating Income</b>		<b>469,140,675</b>	<b>290,821,751</b>
Employment Benefits Costs	19	(215,557,390)	(195,335,503)
Other Operating Overheads	20	(78,209,561)	(62,208,574)
Exchange Movements	21	(3,213,407)	(33,945,721)
<b>Earnings Before Depreciation, Interest, ECL &amp; Tax</b>		<b>172,160,317</b>	<b>(668,047)</b>
Depreciation Charges	5 & 6	(38,043,744)	(40,629,952)
Expected Credit Loss (ECL)	10(b)(iii)	2,466,954	(3,918,466)
Finance Income	22	2,469,843	3,852,974
Finance Costs	14(a)	(2,739,658)	(1,477,581)
<b>Profit/(Loss) Before Taxation</b>		<b>136,313,712</b>	<b>(42,841,072)</b>
Taxation	11(b)	(34,059,450)	648,344
<b>Profit/(Loss) for the Year and Total Comprehensive Income/(Expense)</b>		<b>102,254,262</b>	<b>(42,192,728)</b>

The notes on pages 9 to 35 form an integral part of these financial statements

Auditor General's report on pages 4 to 4(b)

SEYCHELLES CIVIL AVIATION AUTHORITY  
 STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED DECEMBER 31, 2022



	Capital Reserve	Retained Earning	Total
	SCR	SCR	SCR
At January 1, 2022	184,907,963	413,928,124	598,836,087
Total comprehensive income for the year	-	102,254,262	102,254,262
Dividend paid	-	(15,000,000)	(15,000,000)
<b>At December 31, 2022</b>	<b>184,907,963</b>	<b>501,182,386</b>	<b>686,090,349</b>
At January 1, 2021	184,907,963	456,120,852	641,028,815
Total comprehensive expense for the year	-	(42,192,728)	(42,192,728)
<b>At December 31, 2021</b>	<b>184,907,963</b>	<b>413,928,124</b>	<b>598,836,087</b>

The notes on pages 9 to 35 form an integral part of these financial statements  
 Auditor General's report on pages 4 to 4(b)



	Notes	2022 SCR	2021 SCR
<b>Cash Flows from Operating Activities</b>			
Profit/(Loss) Before Taxation		136,313,712	(42,841,072)
<i>Adjustments</i>			
Depreciation Property and Equipment	5 & 6	38,043,744	40,629,952
Profit from Disposal Property and Equipment	18	(388,218)	(170,583)
Provision for Expected Credit Losses	10(b)(iii)	(2,466,954)	3,918,466
Leave Accrued	19	1,127,722	328,700
Gratuity and Compensation Charged	15(a)	9,221,455	13,795,177
Interest Receivable/Payable	22	(2,469,843)	-
Unrealised Exchange difference on Cash and Bank Balances		4,653,209	29,101,100
		<u>184,034,828</u>	<u>44,761,740</u>
<i>Movements in Working Capital</i>			
(Increase)/Decrease in Inventories		(1,302,384)	(656)
(Increase) /Decrease in Trade & Other Receivable		(24,084,734)	(26,700,205)
Increase/(Decrease) in Trade & Other Payable		15,126,549	1,573,220
<b>Net Cash Generated from Operation</b>		<u>173,774,259</u>	<u>19,634,099</u>
Net Tax Received/(Paid)	11(a)	(8,340,750)	13,381,909
Gratuity and Compensation Paid	15(a)	(11,864,285)	(12,626,866)
<b>Net Cash Outflow from Operating Activities</b>		<u>153,569,223</u>	<u>20,389,142</u>
<b>Cash Flows from Investing Activities</b>			
Addition to Property & Equipment	5	(12,108,193)	(4,018,593)
Addition to Work In Progress	7	(67,299,982)	(36,570,822)
Proceed from Disposal		433,113	755,342
Interest Received		2,717,816	-
Addition to Fixed Deposit		(2,652,428)	(4,317,243)
		<u>(78,909,674)</u>	<u>(44,151,316)</u>
<b>Cash Flows from Financing Activities</b>			
Loan Receipts/Repayment	14	18,809,647	33,349,176
Exchange Movement on Borrowings	14	(2,249,825)	(2,772,696)
Dividend Paid	24	(15,000,000)	-
		<u>1,559,823</u>	<u>30,576,480</u>
<b>Net Increase/Decrease in Cash &amp; Equivalent</b>		<u>76,219,371</u>	<u>6,814,306</u>
<b>Movement in Cash and Cash equivalents</b>			
January 1,		76,210,466	98,497,260
Increase		76,219,371	6,814,306
Exchange difference on Cash and Bank Balances	21	(4,653,209)	(29,101,100)
<b>Cash as at December 31,</b>	<b>12</b>	<u><u>147,776,628</u></u>	<u><u>76,210,466</u></u>

The notes on pages 9 to 35 form an integral part of these financial statements  
Auditor General's report on pages 4 to 4(b)



## 1. GENERAL 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 at nil consideration.

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. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

### 2.1 Basis of preparation

The financial statements of the Authority have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and in compliance with the requirements of the Public Enterprise Monitoring Commission Act, 2013.

These financial statements have been prepared under the historical cost convention as modified by the application of fair value measurements required or allowed by relevant accounting standards. Where necessary, comparative figures have been amended to conform with changes in presentation in the current

The Financial Statements are presented in Seychelles Rupees (SCR), which is also the Authority's functional currency.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise judgement in the process of applying the Authority's accounting policies. The areas involving higher degree of judgement and complexity or areas where assumptions are significant to the financial statements are disclosed in note 3.

### 2.2 New and amended standards and interpretations

#### (a) *New standards and amendments effective for annual periods beginning January 1, 2022*

The following amendments to various International Financial Reporting Standards (IFRS) are mandatorily effective for reporting periods beginning on or after January 1, 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

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## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 New and amended standards and interpretations (Cont'd)

#### (a) *New standards and amendments effective for annual periods beginning January 1, 2022 (Cont'd)*

##### i) *Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)*

IAS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Authority has committed pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to IAS 37.68A clarify that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract - e.g., direct labour and material; and
- An allocation of other costs that relate directly to fulfilling the contract: e.g., allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

This resulted in accounting policy change for performing an onerous contract assessment. Previously, the Authority included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy includes both incremental costs and an allocation of other costs incurred to fulfil the agreement.

*The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Authority analysed contracts existing on January 1, 2022, and determined that none of them would be identified as onerous applying the revised accounting policy - i.e. there was no impact on opening equity balance as at January 1, 2022 as a result of the change.*

##### ii) *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)*

The amendment to IAS 16 prohibits an entity deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced whilst the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced during the testing phase of a manufacturing facility after construction but before commencement of commercial production). The proceeds from selling such samples, together with the costs of producing them, are now recognised in Statement of Profit or Loss.

*These amendments had no impact on the year-end financial statements of the Authority as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.*

##### iii) *Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9 & IAS 41)*

- IFRS 1: Subsidiary as a First-time Adopter (FTA);
- IFRS 9: Fees in the '10 per cent' Test for Derecognition of Financial liabilities; and
- IAS 41: Taxation in Fair Value Measurements.

None of the amendments had an impact on the financial statements of the Authority as it was neither a first-time adopter, nor had modifications to the Authority's financial instruments during the period nor had assets under IAS 41 as at the reporting date.



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## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 New and amended standards and interpretations (Cont'd)

(a) *New standards and amendments effective for annual periods beginning January 1, 2022 (Cont'd)*

iv) *References to Conceptual Framework (Amendments to IFRS 3)*

In May 2020, the IASB issued amendments to IFRS 3, which updated a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

*These amendments had no impact on the financial statements of the Authority as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.*

(b) *New standards and amendments not yet effective at the reporting date*

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Authority has decided not to adopt early.

(i) *The following amendments are effective for the period beginning January 1, 2023:*

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- IFRS 17 Insurance Contracts (effective January 1, 2023) - In June 2020, the IASB issued amendments to IFRS 17, including a deferral of its effective date to January 1, 2023.

(ii) *The following amendments are effective for the period beginning January 1, 2024:*

- IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-current); and
- IAS 1 Presentation of Financial Statements (Amendment - Non-current Liabilities with Covenants).

The Authority is currently assessing the impact of these new accounting standards and amendments and does not expect any other standards issued by the IASB but not yet effective, to have a material impact on its financial statements.





## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Summary of significant accounting policies

#### (a) Property, plant and equipment and Investment Property

Property, plant and equipment except for buildings and infrastructure purchased before December 31, 2014 are stated at cost less accumulated depreciation and any impairment in value. The cost of an asset comprises its purchase price and any attributable costs of bringing the asset to working condition for its intended use.

Buildings and infrastructure purchased before December 31, 2014 are stated at revalued amount less accumulated depreciation which is their deemed cost. 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow and the cost can be reliably measured. Repairs and maintenance are charged to the Statement of Profit or Loss during the period in which they are incurred.

Depreciation is calculated on the straight line method to write off the cost of the assets over their estimated useful lives as follows:

	Rate
Buildings and infrastructure	4%
Plant and machinery	10%
Furniture, fittings and office equipment	20%
Motor vehicles	20%
Computer equipment	25%
Others	25%

Capital work in progress and land is not depreciated. Capital work in progress has been classified as a separate financial statement area. This is reclassified to PPE or Investment Property on completion when Management finalises its ultimate purpose.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. (Refer to note 2.3(e)).

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. Gains and losses on disposal of equipment are determined by comparing proceeds with the carrying amount and are included in the Statement of Profit or Loss.



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## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Summary of significant accounting policies (Cont'd)

#### (a) Property, plant and equipment and Investment Property (Cont'd)

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 and are on Parcel S133, S312, S5766, S5767, S5768, S5769, and S5770. The transfer of other land ownership on Mahé and Praslin to the Authority is still under discussion with the Government.

#### (b) Inventories

Inventories comprising of terminal and airside spares, repairs and maintenance, human resources and general items, are stated at the lower of cost and net realisable value. In general cost is determined on a first in first out basis. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses. Provisions are made for obsolete stocks based on Management's appraisal.

#### (c) Financial instruments

##### (i) Recognition and measurement

Financial assets and liabilities are recognised on the SCAA's Statement of Financial Position when the Authority has become a party to the contractual provisions of the instrument.

##### *Financial assets*

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. Financial assets include trade & other receivables, cash and cash equivalent and long term deposits.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Authority commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Subsequent measurement of financial assets depends on the Authority's business model for managing the asset and the cash flow characteristics of the asset. The Authority's financial assets are classified as financial assets at amortised cost, including accounts receivable, deposits, and cash and cash equivalents. They are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method.

Interest income, foreign exchange gains and losses if any and impairment are recognised in Statement of Profit or Loss. Any gain on derecognition is recognised in the Statement of Profit or Loss.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Summary of significant accounting policies (Cont'd)

#### (c) Financial instruments (Cont'd)

##### (i) Recognition and measurement (Cont'd)

###### *Financial liabilities*

The Authority classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable cost incurred.

Financial liabilities at amortised cost including trade and other payables and borrowings are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in the Statement of Profit or Loss.

##### (ii) Amortised cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period.

##### (iii) Expected credit loss on financial assets (ECL)

The Authority recognises loss allowances for ECL on financial assets measured at amortised cost including trade receivable and cash and cash equivalents. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Authority is exposed to credit risk.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Authority in accordance with the contract and all the cash flows that the Authority expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Authority measures loss allowances for trade receivable using simplified approach and has calculated ECLs based on lifetime ECLs. The Authority has established a provision matrix that is based on the Authority's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Summary of significant accounting policies (Cont'd)

#### (c) Financial instruments (Cont'd)

##### (iv) Expected credit loss on financial assets (ECL) (Cont'd)

For other financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

The Directors have considered that ECL on cash and cash equivalents is negligible and therefore no provision made.

##### (v) Derecognition

The Authority derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

##### (vi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position date when the Authority has a legal enforceable right to set off the recognised amounts and the Authority intends either to settle on a net basis, or to realise the asset and liability simultaneously.

#### (d) Cash and cash equivalents

Cash and cash equivalents include cash in hand and short term deposits held with banks. Cash equivalents are short term, highly liquid investment that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, against which the bank overdrafts are deducted.

#### (e) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

#### (f) Capital Reserve

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.



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## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Summary of significant accounting policies (Cont'd)

#### (g) Employee Benefits

##### (i) *Short-term employee benefits*

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid annual leave and sick leave, bonuses, and non-monetary benefits such as staff insurance), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

##### (ii) *Defined contribution plans*

A defined contribution plan is a pension plan under which the Authority pays a fixed contribution into a separate entity. The Authority has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employees service in the current and prior periods.

The Authority and Seychellois employees contribute to the Seychelles Pension Fund (SPF). This is a pension scheme which was promulgated under the Seychelles Pension Fund Act, 2005.

##### (iii) *Retirement benefits*

Compensation and Gratuity is paid to employees upon completion of a 2-year contract in line with the Employment Act 1995 and SCAA Contract of Service. Compensation and Gratuity are provided for in the accounts yearly and expensed under Staff costs.

The Authority accrues this liability on a current basis and carries it to a provision account for payments to be made as and when they occur.

#### (h) *Taxation*

##### (i) *Current tax*

Tax in the Statement of Profit or Loss relates to current year's tax which is the expected amount of tax payable in respect of taxable profit for the year and is measured using the tax rates that have been enacted at the end of the reporting period.



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## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Summary of significant accounting policies (Cont'd)

#### (h) *Taxation (Cont'd)*

##### (ii) *Deferred tax*

Deferred tax is provided for using the liability method on all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from tax losses, unrealised exchange movements, provision for credit losses, payroll provisions and accelerated tax depreciation.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled. The tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date are used to determine deferred tax.

Current and deferred taxes are recognised as income or expenses in the Statement of Profit or Loss. Deferred tax assets are recognised to the extent that it is possible that future taxable profit will be available against which the temporary differences can be utilised.

##### (i) *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.

##### (j) *Foreign currencies*

##### (i) *Functional and presentation currency*

Items included in the financial statements are measured in Seychelles Rupees, the currency of the primary economic environment in which the Authority operates (functional currency). The financial statements are presented in Seychelles Rupees, which is the Authority's functional and presentation currency.

##### (ii) *Transaction and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of transaction.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Summary of significant accounting policies (Cont'd)

#### (k) Revenue recognition

The Authority earn revenue from aeronautical and non-aeronautical goods and services:

##### Aeronautical revenue

Aeronautical revenue relates to the following services and is recognised in accordance with IFRS 15 and it is governed by the Statutory Instruments:

- |     |                                         |                                                                                                                                                      |
|-----|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| i   | <i>Landing fees</i>                     | - <i>Using regulated tariffs for aircraft landings based on maximum take-off weight for each landing by an airline.</i>                              |
| ii  | <i>Aircraft parking</i>                 | - <i>On regulated tariffs for each aircraft parked by an airline for more than six hours, based on length and wingspan of aircraft per 24 hours.</i> |
| iii | <i>Passenger service charges</i>        | - <i>Using regulated tariffs for each departing passenger at an airport of departure.</i>                                                            |
| iv  | <i>Air Navigation Fees</i>              | - <i>Using regulated tariff based on distance flown in the FIR and maximum take-off weight of aircraft.</i>                                          |
| v   | <i>Safety &amp; security regulation</i> | - <i>Tariff based on different type of safety and security oversight services provided to Aircraft and Service Providers.</i>                        |

The Authority accounts for contracts with customers for each revenue stream when all five steps for revenue recognition in accordance with IFRS 15 have been addressed. These steps have been outlined as follows:

- (a) The contract has been approved by the parties to the contract - the contracts are implied based on aviation business practices;
- (b) Each party's rights in relation to the goods or services to be transferred can be identified - the Authority has the right to restrict access to the facilities it provides to customers should they not pay as stipulated by agreed terms for the services it provides;
- (c) The payment terms for the goods or services to be transferred can be identified (see below);
- (d) The contract has commercial substance - the contracts affect the Authority's cash flows and risk as transactions are entered into to earn a profit; and
- (e) It is probable that the consideration to which the entity is entitled to in exchange for the goods or services will be collected - the Authority considers the customer's ability and intention to pay the amount of consideration based on prior business dealings with the customer.

The Authority satisfies its performance obligations in relation to its revenue streams at a point in time, as follows:

- i Landing fees - upon landing of an aircraft at the Authority's airports.
- ii Passenger service fees - upon departure by a passenger from the Authority's airports.
- iii Air navigation fees - after the aircraft has passed in the Seychelles Flight Information Region (FIR).
- iv Safety and security - upon the delivery of Airworthiness certificate to aircraft and licences validation for aviation personnel.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Summary of significant accounting policies (Cont'd)

#### (k) Revenue recognition (Cont'd)

Revenue is due within 30 days of satisfaction of a performance obligation. There are no warranties, returns and any related obligations in relation to the Authority's revenue streams. Revenue is measured at the transaction price allocated to that performance obligation.

#### Non-aeronautical revenue

Non-aeronautical revenue relates to lease income and other revenue. Revenue from leasing activities is recognised in accordance with IFRS 16 on a straight line basis over the lease term. Other revenue is recognised in accordance with IFRS 15 as detailed below:

Retail Concession - Based on the higher of a minimum guaranteed rental and/or a percentage of turnover.

Parking - Based on time-based tariffs.

Rental and Lease - Based on medium and long-term rental & lease agreements with tenants.

Other - Recognised based on type of permit as well as the access that the permit grants or services provided such as fuel throughput and Aircraft security services.

#### (l) Leases

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Authority applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Authority had a lease for a period of less than one year and the Directors applied the exemption per IFRS 16 not to recognise right-of-use assets and liabilities for leases with low value or having a lease period of less than 1 year.

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 3.1 Critical accounting estimates and assumptions

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, in the financial statements, there were no estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Authority within the next financial year.





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### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### (a) Impairment of Financial Assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Authority uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Authority's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Authority's historical credit loss experience and forecast economic conditions may therefore not be representative of the actual default in the future.

Bank balances have been assessed to have low credit risk at each reporting date as they are held with reputable banking institutions. Directors have estimated impairment to be immaterial.

#### (b) Depreciation Policies

Property, Plant and Equipment and investment property (notes 5 & 6) are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Authority would currently obtain from the disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The Directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the asset at the end of their expected useful lives.

#### (c) Split between Property, plant and equipment and Investment property

The Directors split portions of buildings for rental from those for own based on floor space being rented. Thus building for own use is approximated estimated at 70% of the area while 30% of the remaining for rental.

#### (d) Impairment of Fixed Assets

Property, Plant and Equipment and Investment Property (notes 5 & 6) are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value.

Cash flows which are utilised in these assessments are extracted from the yearly budget.



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### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### (e) Functional Currency

The Board of Directors have determined the Seychelles Rupees to be the functional currency of the Authority [Refer to note 2.1.]

#### (f) Limitation of Sensitivity Analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Authority's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Authority's view of possible near-term market changes that cannot be predicted with any certainty.

### 4. FINANCIAL RISKS MANAGEMENT

The Authority's comprehensive risk management process involves identifying, understanding and managing the risks associated with each of the Authority's business units. Risk awareness, control and compliance are embedded in the Authority's day-to-day activities.

The Authority operates within clearly defined guidelines that are approved by the Board and the Authority's policy is not to engage in speculative transactions. The Board recognises the critical importance of having efficient and effective risk management policies and systems in place. To this end, there is clear organisational structure with delegated authorities and responsibilities from the Board to Management.

A description of the significant risks is given below together with the risk management policies applicable.

#### 4.1 Credit Risk

Credit risk is the risk of loss to the Authority as a result of the failure by a customer or counterparty to meet its contractual obligations. The Authority's credit risk arises mainly from trade and other receivables and cash and bank balances.

Though 95% of the Authority's international collections or billings are collected by IATA clearing house, the credit risk concentration on trade and other receivables are being mitigated. Most international revenue is collected within the 60 days except rejected billings which takes more time to reconcile. The credit quality of trade and other receivable that are neither past due nor impaired can be assessed by reference to historical information about each customer. Apart from IATA, credit limits on all customer is 30 days.

The allowance account in respect of trade receivables and other receivable is used to record impairment losses unless the Authority is satisfied that no recovery of the amounts owing is possible. At that point, the amounts considered irrecoverable are written off against the allowance account.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022



#### 4. FINANCIAL RISKS MANAGEMENT (CONT'D)

##### 4.2 Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Authority's exposure to the risk of changes in foreign exchange rates relates primarily to the Authority's operating activities when revenue, expense and borrowings is denominated in a foreign currency. Foreign currency risk is not hedged.

As at December 31, the Authority's exposure to foreign currency risk was as follows, based on the notional amounts:

	2022			2021		
	Notional Amount	Year End Spot Rate	SCR Amount	Notional Amount	Year End Spot Rate	SCR Amount
Trade and other receivables						
In USD	6,372,982	14.07	89,653,834	4,943,606	14.69	72,598,337
In Euro	81,714	15.12	1,235,539	84,269	16.51	1,391,062
Cash and Bank Balances						
In USD	9,320,217	14.07	131,114,954	4,680,752	14.69	68,738,247
In Euro	109,715	15.12	1,658,931	53,542	16.51	883,839
In Pound Sterling	3,480	16.90	58,824	3,480	19.79	68,874
Borrowings						
In USD	3,350,652	14.07	47,136,301	2,082,115	14.69	30,576,479
Trade and Other Payables						
In USD	1,759,240	14.07	24,748,636	2,146,450	14.69	31,521,262

At December 31, if the Seychelles Rupees had weakened/strengthened by 5% against United States Dollar and Euro with all variables held constant, impact on results would have been as follows:

	2022		2021	
	Euro	USD	Euro	USD
	SCR	SCR	SCR	SCR
	+/-	+/-	+/-	+/-
Cash and bank balances	82,947	6,555,748	44,192	3,436,912
Trade and other receivables	61,777	4,482,692	69,553	3,629,917
Borrowings	-	2,356,815	-	1,528,824
Trade and other Payables	-	1,237,432	-	1,576,063
	<b>144,724</b>	<b>14,632,687</b>	<b>113,745</b>	<b>10,171,716</b>

##### 4.3 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It is the Authority's policy to manage interest cost using a mix of fixed and variable rates debts.

As at December 31, 2022, the Authority had borrowing from Nouvobanq at 5.31%, being 5% plus 3 months Secured Overnight Financing Rate (SOFR), whilst interest bearing assets on fixed deposits were between 2.0% to 2.5%. Therefore the impact of interest rate risk was immaterial.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022



#### 4. FINANCIAL RISKS MANAGEMENT (CONT'D)

##### 4.4 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Authority maintaining flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Authority's liquidity reserve on the basis of expected cash flow and do not foresee any major liquidity risk over the short term.

The table below analyses the Authority's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

	Less than 1 year SCR	Between 1 and 3 years SCR	Over 3 years SCR	Total SCR
<b>At December 31, 2022</b>				
Gross borrowings	16,021,086	32,042,172	10,091,663	58,154,921
Gratuity and compensation	10,546,597	3,377,496	-	13,924,093
Trade and other payables	55,601,639	-	-	55,601,639
	<b>82,169,322</b>	<b>35,419,668</b>	<b>10,091,663</b>	<b>127,680,653</b>
<b>At December 31, 2021</b>				
Gross borrowings	15,330,631	33,448,649	5,890,147	54,669,427
Gratuity and compensation	11,864,285	4,702,638	-	16,566,922
Trade and other payables	40,475,090	-	-	40,475,090
	<b>67,670,005</b>	<b>38,151,287</b>	<b>5,890,147</b>	<b>111,711,439</b>

##### 4.5 Capital risk management

The Authority's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for
- to provide an adequate return to Government by pricing products and services commensurately with the level of risk.

The Authority sets the amount of capital in proportion to risk. The Authority is not subject to external imposed capital requirements. It manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Authority in negotiation with Government of Seychelles, may adjust the amount of dividends paid to the Government of Seychelles and increase or reduce debt. Net debt is calculated as total interest-bearing borrowings (including current and non-current borrowings) less cash and bank balances plus short-term investment while equity include capital reserve and retained earnings.

As at December 31, 2022 Gearing was estimated to be Nil as Cash and bank balances exceed total debts. (2021: None).

##### 4.6 Fair value estimation

The nominal value less estimated credit adjustments of financial liabilities and assets are assumed to approximate their fair values.



## 5. PROPERTY, PLANT &amp; 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>								
As at January 1, 2021	6,780,800	448,510,417	111,504,178	26,585,220	57,620,100	88,264,879	31,588,573	770,854,167
<i>Additions</i>	-	243,577	3,020,931	463,075	-	477,175	126,632	4,331,390
<i>Direct Purchase</i>	-	-	2,951,711	463,075	-	477,175	126,632	4,018,593
<i>Transfer from WIP</i>	-	243,577	69,220	-	-	-	-	312,797
<i>Disposals</i>	-	-	-	-	(753,342)	(204,176)	(48,106)	(1,005,624)
As at December 31, 2021	6,780,800	448,753,994	114,525,109	27,048,295	56,866,758	88,537,878	31,667,099	774,179,933
<i>Additions</i>	-	3,289,002	11,315,411	1,041,772	1,083,556	14,519,754	243,279	31,492,774
<i>Direct Purchase</i>	-	1,435,037	4,378,089	1,041,772	487,826	4,522,190	243,279	12,108,193
<i>Transfer from WIP</i>	-	1,853,965	6,937,322	-	595,730	9,997,564	-	19,384,581
<i>Disposals</i>	-	-	(5,473)	(26,594)	-	(419,334)	(1,018,704)	(1,470,105)
As at December 31, 2022	6,780,800	452,042,996	125,835,047	28,063,473	57,950,314	102,638,298	30,891,674	804,202,602

Included in land, buildings and infrastructure is a house on Parcel S5256 purchased on March 28, 2018 for a sum of seven million Seychelles rupees (SCR 7m). As a result of matrimonial dispute, a Court injunction on registration of Transfer has been imposed pending settlement of the matter. Ongoing Civil Suit set for hearing pending attempts for a judgement by consent.

## 5. PROPERTY, PLANT &amp; EQUIPMENT (CONT'D)

	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>Accumulated Depreciation</b>								
As at January 1, 2021	-	162,817,732	70,105,587	21,581,477	50,278,766	79,394,678	27,185,423	411,363,663
Depreciation for the year	-	17,940,417	6,811,425	1,929,058	3,790,131	4,269,167	2,341,847	37,082,045
Disposals Depreciation	-	-	-	-	(326,448)	(46,310)	(48,106)	(420,864)
As at December 31, 2021	-	180,758,149	76,917,012	23,510,535	53,742,449	83,617,535	29,479,164	448,024,844
Depreciation for the year	-	17,980,631	7,285,831	1,688,687	1,883,042	3,952,843	1,704,802	34,495,836
Disposals Depreciation	-	-	(2,371)	(24,988)	-	(379,147)	(1,018,704)	(1,425,210)
As at December 31, 2022	-	198,738,780	84,200,472	25,174,234	55,625,491	87,191,231	30,165,262	481,095,470
<b>Net Book Value</b>								
As at December 31, 2021	6,780,800	267,995,845	37,608,097	3,537,760	3,124,309	4,920,343	2,187,935	326,155,089
As at December 31, 2022	6,780,800	253,304,216	41,634,575	2,889,239	2,324,823	15,447,067	726,412	323,107,132

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022



## 6. INVESTMENT PROPERTY

COST	2022	2021
	SCR	SCR
At January 1,	88,697,695	88,697,695
Additions	-	-
At December 31,	<u>88,697,695</u>	<u>88,697,695</u>
<b>ACCUMULATED DEPRECIATION</b>		
At January 1,	36,015,096	32,467,188
Charge for the year	3,547,908	3,547,908
At December 31,	<u>39,563,004</u>	<u>36,015,096</u>
<b>NET BOOK VALUE</b>	<u>49,134,691</u>	<u>52,682,599</u>

## 7. CAPITAL WORK IN PROGRESS

	2022	2021
	SCR	SCR
At January 1,	44,303,484	8,045,459
Expenditure incurred during the year	67,299,983	36,570,822
Transfer to property, plant & equipment (note 5)	(19,384,581)	(312,797)
	<u>92,218,886</u>	<u>44,303,484</u>

## 8. DEFERRED TAX

- (a) Deferred taxes are calculated on all temporary differences under the liability method at applicable rates as mentioned in note 11(d).

There is a legally enforceable right to offset deferred tax assets and deferred tax liabilities when the deferred taxes relate to the same fiscal authority for the same entity.

- (b) The following amounts are shown in the Statement of Financial Position:

	2022	2021
	SCR	SCR
Deferred tax assets (note 8(c)(i))	8,165,232	34,605,365
Deferred tax liability (note 8(c)(ii))	(9,509,202)	(9,513,433)
	<u>(1,343,970)</u>	<u>25,091,932</u>

	2022	2021
	SCR	SCR
The movement on the deferred tax account is as follows:		
At January 1,	25,091,932	24,443,587
<i>Credit to Statement of Profit or Loss (note 11(b))</i>	(26,435,902)	648,345
At December 31,	<u>(1,343,970)</u>	<u>25,091,932</u>

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022



## 8. DEFERRED TAX (CONT'D)

(c) Deferred tax is recognised in the Statement of Financial Position with respect to the following:

## (i) Deferred Tax Assets

	Tax Losses	Unrealised Exchange Loss	Provision for Credit Losses	Payroll Provisions	Total
	SCR	SCR	SCR	SCR	SCR
At January 1, 2021	27,946,390	-	1,496,616	7,540,809	36,983,815
restated	(3,032,293)	806,212	730,182	(882,549)	(2,378,450)
Change in temporary	1,950,525	967,454	1,175,540	449,103	4,542,622
Change in tax rate (notes 11(b))	(4,982,818)	(161,242)	(445,358)	(1,331,652)	(6,921,072)
At December 31, 2021	24,914,096	806,212	2,226,797	6,658,260	34,605,365
Credit/(Charge) for the year	(24,914,096)	(530,522)	(616,739)	(378,776)	(26,440,133)
At December 31, 2022	-	275,690	1,610,058	6,279,484	8,165,232

## (ii) Deferred Tax Liability

	Accelerated Tax Depreciation	Unrealised Exchange Gain	Total
	SCR	SCR	SCR
At January 1, 2021	11,542,536	997,692	12,540,228
Charge/(Credit) for the year	(2,029,103)	(997,692)	(3,026,795)
Change in temporary difference at old rate	(126,416)	(997,692)	(1,124,108)
Change in tax rate (notes 11(b) & 11(d))	(1,902,687)	-	(1,902,687)
At December 31, 2021	9,513,433	-	9,513,433
Charge/(Credit) for the year	(4,231)	-	(4,231)
At December 31, 2022	9,509,202	-	9,509,202

## 9. INVENTORIES

	2022	2021
	SCR	SCR
Terminal and Airside Spares	908,144	694,179
Maintenance Spares & Consumables (PME)	4,795,257	3,298,975
Maintenance Spares & Consumables (Bld & Infra)	1,153,746	688,829
Office and & General; Admin Consumables	804,489	1,677,269
	7,661,636	6,359,252



NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022



## 10. TRADE AND OTHER RECEIVABLES

	2022	2021
	SCR	SCR
Gross trade receivables (note 10(a))	115,923,896	91,260,682
Less: Allowance for expected credit loss (notes 10(b) & 10(c))	(6,440,230)	(8,907,184)
	<b>109,483,666</b>	<b>82,353,498</b>
Other receivables	783,827	2,843,910
Prepayments	2,916,972	1,683,342
	<b>113,184,465</b>	<b>86,880,750</b>

(a) The carrying value of trade and other receivables measured at amortised cost approximates its fair value.

## (b) Credit Loss Allowances

The Authority measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Authority writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, i.e., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. The average credit period on trade receivables is 60 days. No interest is charged on outstanding trade receivables.

The following table details the risk profile of trade receivables based on the Authority's provision matrix.

## (i) At December 31, 2022

	Trade receivables-days past due				Total
	< 30 days	31-60 days	61-90 days	> 90 days	
Gross amount (SCR)	93,288,702	5,330,795	3,909,434	13,394,965	115,923,896
Expected loss rate (%)	0.74%	0.85%	5.09%	41.10%	
Lifetime ECL (SCR)	<b>690,336</b>	<b>45,312</b>	<b>198,990</b>	<b>5,505,592</b>	<b>6,440,230</b>

## ii) At December 31, 2021

	Trade receivables-days past due				Total
	< 30 days	31-60 days	61-90 days	> 90 days	
Gross amount (SCR)	79,027,960	2,514,774	1,241,578	8,476,371	91,260,683
Expected loss rate (%)	3.75%	4.59%	25.22%	65.06%	
Lifetime ECL (SCR)	<b>2,963,549</b>	<b>115,428</b>	<b>313,126</b>	<b>5,515,081</b>	<b>8,907,184</b>

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022

## 10. TRADE AND OTHER RECEIVABLES (CONT'D)

iii) *Expected credit loss movement during the year is as follows:*

	<u>2022</u>	<u>2021</u>
	SCR	SCR
At January 1,	8,907,184	4,988,718
Charge for the year	<u>(2,466,954)</u>	<u>3,918,466</u>
At December 31,	<u><u>6,440,230</u></u>	<u><u>8,907,184</u></u>

(c) Sensitivity analysis

If the ECL rates on trade receivables above 90 days past due had been 1% higher/(lower) as of December 2022, the loss allowance would have been +/- SCR 55,056 (2021: +/- SCR 55,155).

(d) Trade and other receivables include SCR 10.5m due to related parties. (2021: SCR 7.2m) (note 26 (b)).

## 11. CURRENT TAX ASSET

(a) Statement of Financial Position

	<u>2022</u>	<u>2021</u>
	SCR	SCR
At January 1,	(5,593,858)	(18,975,768)
Charge to Statement of Profit or Loss (note 11(b))	7,623,548	
<i>Net receipts/(payments) during the year</i>	<u>(8,340,750)</u>	<u>13,381,909</u>
At December 31,	<u><u>(6,311,060)</u></u>	<u><u>(5,593,859)</u></u>

(b) Statement of Profit or Loss

Current tax at applicable tax rate (notes 11(a) & (d))	7,623,548	-
Deferred tax credit (note 8(b))	26,435,902	648,345
	<u><u>34,059,450</u></u>	<u><u>(648,345)</u></u>

(c) Reconciliation between tax expense and accounting profit is as follows:

Loss Before Taxation:	136,313,712	(42,841,072)
Tax calculated at applicable tax rates (note 11(d))	33,978,428	(12,852,322)
Expenses not deductible for tax purposes	(1,928,614)	12,711,715
Income exempt for tax purposes	505,361	(1,975,810)
Excess of capital allowances over depreciation	(17,532)	165,892
Unutilised tax losses carried forward	<u>(24,914,095)</u>	<u>1,950,525</u>
	<u><u>7,623,548</u></u>	<u><u>-</u></u>



## 11 CURRENT TAX ASSET (CONT'D)

## (d) Applicable tax rates are as follows:

In exercise of the powers conferred by section 81 of the Business Tax Act 2009, the Minister of Finance, Economic Planning and Trade announced changes to tax rates for all Companies effective January 1, 2022 which resulted in income below SCR 1million being charged at 15% and above SCR 1million charged at 25% (2021: 25% and 30% respectively) .

## 12 Cash &amp; Cash Equivalent

	2022	2021
	SCR	SCR
Cash on Hand	308,496	271,840
Cash at Bank	223,363,824	149,181,893
<b>Total Cash &amp; Bank Balances</b>	<b>223,672,320</b>	<b>149,453,734</b>
Fixed Deposit	(75,895,698)	(73,243,270)
<b>Cash &amp; Cash Equivalent for Cash Flow</b>	<b>147,776,622</b>	<b>76,210,464</b>

## 13. CAPITAL RESERVE

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.

## 14. BORROWINGS

	2022	2021
	SCR	SCR
<b>At January 1,</b>	30,576,479	-
Received during the year	31,468,496	33,349,175
Paid during the year	(12,658,849)	
Exchange Movement	(2,249,825)	(2,772,696)
<b>At December 31,</b>	<b>47,136,301</b>	<b>30,576,479</b>
<i>Analysed as:</i>		
Non-current	33,992,398	17,301,530
Current	13,143,903	13,274,949
	<b>47,136,301</b>	<b>30,576,479</b>

- (a) The Authority obtained a loan of **USD 5 million** from Seychelles International Mercantile Banking Corporation Limited (Nouvobanq). The loan is secured by a first line charge and a floating charge of the Authority's worth to secure USD 5 million.

The loan attracts a fixed interest rate of 5.24% per annum charged on the daily outstanding balances and compounded monthly. The rate has changed in 2022 to 5.315 following a change in banks computation using SOFR rate. Interest charges amount to SR2.7m. The loan repayment is subject to a moratorium period of 9 months and thereafter payable over 57 months. The fair value is not significantly different to their carrying value.

- (b) The exposure of the Authority 's borrowings to foreign exchange risk and maturity profile are shown on notes 4.2 and 4.4 repectively.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022

## 15. Employee Benefits &amp; Leave Provisions

## (a) Gratuity and Compensation

	2022	2021
	SCR	SCR
At January 1,	16,566,923	15,398,611
Charge for the year	9,221,455	13,795,177
Accrued Paid during the year	(11,864,285)	(12,626,866)
<b>At December 31,</b>	<b>13,924,093</b>	<b>16,566,923</b>
<i>Analysed as:</i>		
Non-current	3,377,496	4,702,638
Current	10,546,597	11,864,285
	<b>13,924,093</b>	<b>16,566,923</b>

## (b) Accrued Leave

	2022	2021
	SCR	SCR
At January 1,	10,066,121	9,737,421
Charge for the year (note 19)	1,127,722	328,700
<b>At December 31,</b>	<b>11,193,843</b>	<b>10,066,121</b>

## 16. TRADE AND OTHER PAYABLES

	2022	2021
	SCR	SCR
Trade payables	11,030,210	2,027,872
Levies due to Government (note 27)	32,524,094	33,451,927
Other payables	12,047,335	4,995,291
	<b>55,601,639</b>	<b>40,475,090</b>

## 17. REVENUE

	2022	2021
	SCR	SCR
<b>Aeronautical</b>		
Landing fees	29,897,007	19,729,432
Passenger Service Charges	270,034,396	151,873,514
Air Navigation Charges	124,728,666	84,292,036
Safety Regulation Charges	528,170	529,795
	<b>425,188,239</b>	<b>256,424,777</b>
<b>Non-aeronautical</b>		
Concession & Property Rental	43,411,326	31,909,886
Aviation Security Fees	4,271,096	3,641,162
Others Airport Fees	531,730	108,199
	<b>48,214,152</b>	<b>35,659,247</b>
<b>Total Revenue</b>	<b>473,402,391</b>	<b>292,084,024</b>

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022



## 18. OTHER INCOME

	2022	2021
	SCR	SCR
Administration fees	140,780	132,236
Profit on disposal	388,218	170,583
Others	316,619	956,006
	<u>845,617</u>	<u>1,258,825</u>

## 19. EMPLOYEE BENEFIT COSTS

	2022	2021
	SCR	SCR
Salaries and wages	175,050,398	164,141,203
Employer's Pension Costs	7,483,741	4,829,614
Compensation, Gratuity & Bonus	17,318,497	17,586,909
Leave accrual (note 15 (b))	1,127,722	328,700
Learning and Development	7,407,430	2,317,798
Others Benefits	7,169,602	6,131,280
	<u>215,557,390</u>	<u>195,335,503</u>

## 20. OTHER OPERATING OVERHEADS

	2022	2021
	SCR	SCR
Office & General Administrative Costs	17,573,131	11,972,340
ICT Service Support & Maintenance	6,726,525	4,218,616
Air Navigation Support Services & Maintenance	5,787,690	7,168,396
Safety & Security Regulation Costs	301,128	918,096
Airport Operation Cost	10,153,413	6,226,913
Commercial	6,126,170	1,696,532
Corporate social responsibility Tax	-	175,959
Electrical and Technical Services & Maintenance	31,092,252	29,702,675
Auditor's remuneration	150,000	100,000
Professional Fees	255,000	
Finance charges	44,252	29,047
	<u>78,209,561</u>	<u>62,208,574</u>

## 21. EXCHANGE MOVEMENTS

	2022	2021
	SCR	SCR
Realised exchange loss/(gain)	(292,736)	4,392,471
Unrealised exchange loss/(gain) Receivables	1,050,277	2,492,276.83
Unrealised exchange loss/(gain) Payables	52,481	732,570
Unrealised exchange loss/(gain) Borrowing	(2,249,825)	(2,772,696)
Unrealised exchange loss/(gain) on bank	4,653,209	29,101,100
	<u>3,213,407</u>	<u>33,945,721</u>

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022



22. FINANCE INCOME

	<u>2022</u>	<u>2021</u>
	SCR	SCR
Interest from fixed deposit	2,404,455	3,642,756
Interest on staff loans	65,388	210,218
	<u>2,469,843</u>	<u>3,852,974</u>

23. PROFIT/(LOSS) FOR THE YEAR

This has been arrived at after charging:

	<u>2022</u>	<u>2021</u>
	SCR	SCR
- Auditor's remuneration	150,000	100,000
- Directors' remuneration (note 26(e))	347,136	345,600

24. DIVIDEND PAID

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. Dividends of SCR 15,000,000 has been declared and paid during the year under review (2021: Nil).

25. COMMITMENTS

Capital Commitments

	<u>2022</u>	<u>2021</u>
	SCR	SCR
Approved and contracted for	37,752,560	83,792,873
Approved and but not contracted for	-	-
	<u>37,752,560</u>	<u>83,792,873</u>

26. RELATED PARTY TRANSACTIONS

(a) Identification of related parties

SCAA is a public entity established under the Seychelles Civil Aviation Authority Act, 2005 of Seychelles and reports to the Minister for Transport, Civil Aviation and Ports & Marine. It therefore has a significant number of related parties including other state-owned entities, government departments and other entities within the sphere of Government. In addition, the Authority has a related party relationship with its Directors and Executive officers (Key Management). Unless specifically disclosed, transactions are concluded on an arm's length basis and the Authority is open to transact with any entity.



## 26. RELATED PARTY TRANSACTIONS (CONT'D)

Key Management Personnel has been defined as the Authority's Board of Directors, CEO and Senior Executive effective for 2022 and 2021. Non-executive Directors are included in the definition of key management personnel as required by IFRS. The definition of Key Management includes close family members of key management personnel and any entity over which key management exercises control or joint control.

## (b) Related Party Transaction and Balances

	Balances		Transactions		
	Loans & Advance	Deposits	Levies Collected	Trade Receivable	Trade Payables
	SCR	SCR	SCR	SCR	SCR
<b>December 31, 2022</b>					
Public Entities	47,136,301	169,698,206		10,473,691	2,859,838
Government organisations and agencies	-	-	(32,524,094)	-	-
<b>December 31, 2021</b>					
Public Entities	(30,576,479)	100,379,523	-	7,244,671	2,680,160
Government organisations and agencies	-	-	(33,451,927)	-	-

## (c) Remuneration to Executive Key Management

The aggregate remuneration provided for and paid to Key Management personnel comprised.

	2022	2021
	SCR	SCR
*Chief Executive Officer	1,080,000	1,493,409
<b>Other Key Management Personnel Staff</b>		
Salary and allowances	6,622,404	6,308,767
End on Contract Payment (EOC)	1,052,722	1,090,532
	<b>8,755,126</b>	<b>8,892,708</b>

\*The increase in CEO's remuneration in 2021 is due to his 3 year End of Contract payment.

No other benefits was paid to Key Management Staff in 2022.

## (d) Loans and advances to key management

Loans to Key Management personnel were approved and disbursed as per the Authority's loan policy. As at December 31, 2022 loans and advances to Key Management amounted to SCR 71,475 (2021: SCR 200,094). There were no new loans issued in 2020 & 2021.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022



## 26. RELATED PARTY TRANSACTIONS (CONT'D)

## (e) Directors' Fees to Non-Executive Directors

	Resignation	Appointment	2022	2021
			SCR	SCR
Marlon Orr		Feb-21	69,120	63,360
Sherin Francis		Feb-21	55,296	42,240
May-Paul Marengo	Jun-22	Feb-21	19,200	42,240
Kelly Chetty		Feb-21	46,080	42,240
Garry Jupiter	Apr-22	Feb-21	26,880	42,240
Yannick Roucou		Feb-21	46,080	42,240
Magalie Essack		Feb-21	46,080	42,240
Noella Vinda		Jul-22	19,200	
Piedro Pierre		Jul-22	19,200	
Suketu Patel	Jan-21	May-20	-	5,760
Anne Lafortune	Jan-21	Feb-14	-	3,840
Vincent Amelie	Jan-21	May-17	-	3,840
Nadine Potter	Jan-21	May-17	-	3,840
Cindy Vidot	Jan-21	May-17	-	3,840
Benjamin Choppy	Jan-21	May-20	-	3,840
Ange Morel	Jan-21	May-20	-	3,840
			<b>347,136</b>	<b>345,600</b>

## 27. Events After The Reporting Period

**Announcement of a Major Restructuring**

Following the Cabinet approval of a bill by Cabinet of Ministers in October 2021, the Management of SCAA and the Board embarked on the preparatory journey for the separation of SCAA into two legal entities. The separation shall entail that SCAA shall remain as the regulatory and oversight body for safety, security and civil aviation operations in our jurisdiction and; the other entity shall become the Airport Authority responsible for air navigation, fire and rescue, security and passenger welfare in the general operations of the airport on a commercial basis. The restructuring shall support to achieve reduction of potential conflicts of interest between the regulatory authority and the service provider. It will also allow the Airport Authority to derive maximum commercial opportunities.

**New Subsidiary company**

Air Seychelles Ltd (a Government of Seychelles State Owned Entity) with sole ownership of specialized Ground Servicing Equipment and exclusive provider of Ground Handling Services at Seychelles International Airport for domestic and foreign airlines. As part of the Air Seychelles Ground handling Ring-fencing to safeguard against the inherent risk and consequence to the continuity of Ground Handling Services at Seychelles International Airport, Government of Seychelles (GoS) provided approval to Seychelles Civil Aviation Authority (SCAA) to participate in the formation of a subsidiary company. As a result a subsidiary company called Seychelles Aviation Handling Company, was created in January 2023, 99% owned by SCAA and 1% owned by GoS.

Below are a few of the main objectives of SAHC :

- (a) To purchase, own or lease specialized Ground Services Equipment to holders of Ground Handling Permit for the purpose of airport ground handling activities;
- (b) To sub-let, assign or otherwise dispose interest in movable and immovable property necessary or convenient for the pursuit of any of the foregoing objects;
- (c) To borrow or raise or secure payment of money in such a manner as the company shall think fit;
- (d) To provide, manage, coordinate ground handling services of every description at Seychelles International Airport and Praslin Airport; for the avoidance of doubt, such services are defined as all airport services necessary for the arrival and departure of an aircraft. which are not part of air traffic services.

The above events and information does not affect any amounts recognised in the 2022 financial statements, and the Authority will continue to operate as a going concern.