



## Office of the Auditor General

3rd Floor, Block C, Unity House

Victoria, Republic of Seychelles

Telephone: 248-4672500 Email: [auditgen@oag.sc](mailto:auditgen@oag.sc)

Website: [www.oag.sc](http://www.oag.sc) Facebook: OAG Seychelles

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Please address all correspondence to the Auditor General

Our ref: FSA/AI

Date: 3 June 2025

Mr Randolph Samson  
Chief Executive Officer  
Financial Services Authority  
Boie de Rose

### Audit of the Financial Services Authority

Please find enclosed four sets statement of accounts for the year 2024 duly certified by the Auditor General expressing an opinion. It is to be noted that this is being done as per the relevant legal provisions requiring the Financial Services Authority to prepare annual statement of accounts and the Auditor General to audit them and certify.

Please note that as the addressee of this letter, it is your responsibility to circulate this letter and the attached accounts to any Authority or person, including the board, interested in the matter.

Thanking you for your kind understanding and co-operation.

  
Lindy Sedgwick (Mrs)  
For Auditor General

Enc.



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### **OPINION OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE FINANCIAL SERVICES AUTHORITY**

#### **Opinion**

The accompanying financial statements of the Financial Services Authority (Authority), set out on pages 4 to 27, which comprise the statement of financial position, profit or loss and other comprehensive income, changes in equity, cash flows and the notes to financial statements including a summary of significant accounting policies for the year as at 31 December 2024 have been audited as required by Section 13 (4) of the Financial Services Authority Act, 2013.

Accordingly, in my opinion:

1. proper accounting records have been kept by the Authority as far as appears from my examination of those records relating to material transactions;
2. the financial statements on pages 4 to 27 give a true and fair view of the financial position of the Authority as at 31 December 2024 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 Financial Services Authority Act, 2013.

#### **Basis for Opinion**

The audit was conducted in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor General's Responsibilities for the audit of the Financial Statements section of my report.

I am independent of the Authority in accordance with INTOSAI Code of Ethics applicable to its members, together with other ethical requirements that are relevant to the audit of the financial statements in Seychelles. I am satisfied that all information and explanations which, to the best of my knowledge and belief, where necessary for the purpose of audit have been obtained. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

**Emphasis of Matter**

1. The Authority suspended and later revoked the business licence of Falcon Insurance General insurance resulting in the payment of the costs of audit, administrators' fees and other professional fees amounting to SR13,467,198 as at 31.12.2024 (2022, 2023 and 2024). A further sum of SR3.0m, disclosed under contingent liability, is expected to be incurred in relation to the same process. The Authority has expressed uncertainty with regard to full recovery of all costs incurred through the liquidation/winding up process under the insolvency laws of Seychelles.
2. A difference of SR7.5m was noted between the asset register (motor vehicles, plant and equipment, furniture and fixtures and other assets) of SR29m and the Fixed assets schedule in the Financial Statement of SR36.5m. Consequently, the Property plant and equipment may be overstated in the Financial Statements; and
3. The two projects relating to software development, which commenced in 2019, remained to be made functional at the end of 2024 despite the full payment of contract sums totaling SR13,431,897 by the end of 2023.

My opinion is not qualified in respect of the above matters.

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

The management is responsible for the preparation of financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Financial Services Authority Act, 2013 and the Public Enterprises Act, 2023, and for such internal control as the Board determines, is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is 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 Board either intends to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

**Responsibilities of the Auditor General 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 Financial Services Authority Act, 2013.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.



Audited Financial Statements as at 31<sup>st</sup> December, 2024

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CORPORATE INFORMATION

BOARD MEMBERS	: Mr. Patrick Payet  Mr. Rãndolf Samson Mrs. Seylina Joymon Mr. Muhammad Saley Mr. Robert Stravens Mr. Richard Rampal Mrs. Samanta Esparon Ms. Anne Rosette Mrs. Audrey Pothin Ms. Kahaki Jere Mr. Christopher Laurence	Chairman  CEO - Member  Member Member (January-August 2024) Member Member Member Member Member Member - (03rd March 2025)
SECRETARY	: Ms. Taryn Auguste Ms. Emmaline Camille	Secretary Secretary (From November 2024)
REGISTERED OFFICE	: Bois de Rose Avenue Roche Caïman Victoria, Mahé Seychelles	
PRINCIPAL PLACE OF BUSINESS	: Bois de Rose Avenue Roche Caïman Victoria, Mahé Seychelles	
AUDITORS	: Auditor General P O Box 49, Unity House Victoria, Mahé Seychelles	

**MEMBERS' REPORT**

The Directors are pleased to submit their report together with the audited financial statements of the Authority for the year ended December 31, 2024.

**PRINCIPAL ACTIVITY**

The Seychelles Financial Services Authority (FSA) is the Regulator for non-bank financial services in the Seychelles. Established under the Financial Services Authority Act, 2013, the Authority is responsible for the licensing, supervision and development of the non-bank financial services industry of the Seychelles, which includes the insurance and the gambling sector. The Authority is also responsible for the registration of International Business Companies, Foundations, Limited Partnerships and International Trusts in the Seychelles.

**VISION**

The vision of the FSA is to safeguard the interest of the Seychelles non-bank financial services sector, through the establishment of a sound and ethical regulatory environment.

**MISSION**

- To uphold the good repute of the Seychelles through good governance and sound regulatory systems.
- To promote capacity building, innovation and efficiency of services within the non-bank financial services sector.
- Ensuring compliance with international regulatory norms and best practices.

**CURRENT YEAR EVENT**

The Authority adopted International Financial Reporting Standards (IFRS) for the first time in 2016. Therefore, the year 2024 is the ninth financial year that the Financial Services Authority is presenting its financial statements under International Financial Reporting Standards (IFRS).

The new FSA board was appointed effective January, 2024. The Chairman and 6 other board members (including the CEO) were reappointed to the board and two new members were appointed. The Vice Chair person was appointed with the selection of the new board and resigned in August 2024.

**RESULTS**

	<del>2024</del> <del>204</del> <hr/> SR'000
Profit for the year	392,895
Retained earnings brought forward	314,626
Profit available for distribution	707,521
Transfer to Government of Seychelles (GOS)	(76,195)
<b>Retained earnings carried forward</b>	<b><u>631,326</u></b>

**MEMBERS AND MEMBERS' INTEREST**

None of the members has any direct or indirect interest in the Authority.

MEMBERS' REPORT (CONT'D)

STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

The Board Members are responsible for the overall management of the affairs of the Authority including the operations of the Authority and making investment decisions.

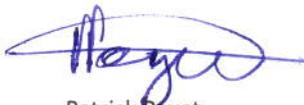
The Board Members is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in compliance with Financial Services Authority Act, 2013. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. The Members have the general responsibility of safeguarding the assets, both owned by the Authority and those that are held in trust and used by the Authority.

The Board Members consider that they have met their aforesaid responsibilities.

AUDITORS

The Authority is audited by the Auditor General.

BOARD MEMBERS APPROVAL



Patrick Payet  
Chairman



Randolf Samson  
Member & CEO



Anne Rosette  
Member



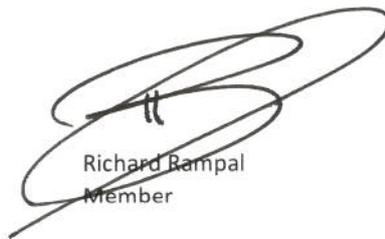
Robert Stravens  
Member



Seylina Joymon  
Member



Samanta Esparon  
Member



Richard Bampal  
Member



Audrey Pothin  
Member

Kahaki Jere  
Member

Christopher Laurence  
Member

Dated: 23/05/2025

Mahé, Republic of Seychelles

## STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2024

	Notes	December 31, 2024	December 31, 2023
		SR	SR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	231,536,096	50,910,326
Investment property	6	498,504,841	180,584,700
Long term receivables	7(f)	12,651,935	12,541,163
		<u>742,692,871</u>	<u>244,036,189</u>
<b>Current assets</b>			
Trade and other receivables	7	14,522,734	14,588,620
Cash and cash equivalents	8	142,770,260	159,520,020
Restricted cash as security for credit card		300,000	300,000
		<u>157,592,994</u>	<u>174,408,640</u>
<b>Total assets</b>		<u><u>900,285,866</u></u>	<u><u>418,444,829</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Stated capital	9	8,715,700	8,715,700
Revaluation Reserve		194,680,674	13,542,479
Retained earnings		631,326,388	314,625,633
		<u>834,722,762</u>	<u>336,883,812</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Retirement benefit obligations	11	23,751,527	21,571,895
		<u>23,751,527</u>	<u>21,571,895</u>
<b>Current liabilities</b>			
Other payables	12	41,811,577	59,989,122
		<u>41,811,577</u>	<u>59,989,122</u>
<b>Total liabilities</b>		<u><u>65,563,104</u></u>	<u><u>81,561,017</u></u>
<b>Total equity and liabilities</b>		<u><u>900,285,866</u></u>	<u><u>418,444,829</u></u>

These financial statements have been approved for issue by the Board Members on: 30/05/2025

30/05/2025 09:09:27



Patrick Payet  
Chairman



Randolph Samson  
Member & CEO

Anne Rosette  
Member

Robert Stravens  
Member



Seylina Joymon  
Member

Samanta Esparon  
Member

Richard Rampal  
Member

Audrey Pothin  
Member

Kahaki Jere  
Member

Christopher Laurence  
Member

The notes on pages 8 to 27 form an integral part of these financial statements.  
Auditors' report on page 3.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED DECEMBER 31, 2024

	Notes	2024	2023
		SR	SR
Revenue	2(l)/13	183,177,708	187,661,108
Staff costs	14	(75,274,408)	(73,105,962)
Administrative expenses	15	(34,395,981)	(39,035,554)
Educational dissemination	16	(1,159,235)	(751,350)
Other operating costs	17	(2,643,401)	(1,762,600)
Finance income - Interest on staff loans/investment		2,154,772	3,361,549
Marketing Grant to SIB		(5,422,484)	(4,714,550)
Other income	18	45,767	106,878
Foreign exchange (losses)/gains		8,693,744	(2,640,173)
Other comprehensive income - Surplus on Revaluation of Investment property	6	317,718,856	-
<b>Profit and total comprehensive income for the year</b>		<b>392,895,338</b>	<b>69,119,346</b>

The notes on pages 8 to 27 form an integral part of these financial statements.  
Auditors' report on page 3.

FINANCIAL SERVICES AUTHORITY

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2024

	Note	Stated capital	Capital grant	Revaluation reserve	Retained earnings	Total
		SR	SR	SR	SR	SR
At January 1, 2024		8,715,700	-	13,542,479	314,625,633	336,883,812
Total comprehensive income for the year		-	-	-	392,895,338	392,895,338
Transfer to the GOS		-	-	-	(76,194,583)	(76,194,583)
Revaluation of Property		-	-	181,138,195	-	181,138,195
<b>At December 31, 2024</b>		<b>8,715,700</b>	<b>-</b>	<b>194,680,674</b>	<b>631,326,388</b>	<b>834,722,762</b>

	Note	Stated capital	Capital grant	Revaluation reserve	Retained earnings	Total
		SR	SR	SR	SR	SR
At January 1, 2023		8,715,700	854,064	16,081,372	307,052,816	332,703,952
Total comprehensive income for the year		-	-	-	69,119,346	69,119,346
Amortisation of grant	10	-	(854,064)	-	-	(854,064)
Transfer to the GOS		-	-	-	(61,546,528)	(61,546,528)
Revaluation of Property		-	-	(2,538,894)	-	(2,538,894)
<b>At December 31, 2023</b>		<b>8,715,700</b>	<b>-</b>	<b>13,542,479</b>	<b>314,625,633</b>	<b>336,883,812</b>

The notes on pages 8 to 27 form an integral part of these financial statements.  
Auditors' report on page 3.

## FINANCIAL SERVICES AUTHORITY

## STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2024

	Notes	2024 SR	2023 SR
<b>Cash generated from operations</b>			
Profit for the year		392,895,338	69,119,346
<i>Adjustments for</i>			
Depreciation on property, plant and equipment	5	2,639,259	2,614,083
Amortisation of capital grant	17	-	(854,064)
Loss on disposal of asset		4,142	2,581
Gain on revaluation of Investment Property	6	(317,718,856)	(517)
Retirement benefit obligations charge	11	6,946,716	9,982,070
Impairment of trade receivables		(7,047)	(164,188)
Interest receivable		(2,154,772)	(3,361,549)
		<u>82,604,780</u>	<u>77,337,763</u>
<i>Changes in working capital</i>			
- Increase in trade and other receivables		(37,840)	(5,774,268)
- (Decrease)/Increase in trade and other payables		<u>2,470,559</u>	<u>5,071,749</u>
Cash generated from operations		85,037,499	76,635,239
Retirement obligations paid	11	(4,767,084)	(5,255,927)
Interest received		2,154,772	3,361,549
<b>Net cash inflow from operating activities</b>		<u>82,425,187</u>	<u>74,740,861</u>
<b>Cash flows from investing activities</b>			
Investment in Treasury bills			
Purchase of property, plant and equipment	5	(2,130,976)	(7,112,112)
Payment - investment Properties		(201,286)	
<b>Net cash outflow from investing activities</b>		<u>(2,332,262)</u>	<u>(7,112,112)</u>
<b>Cash flows from financing activities</b>			
Restricted Cash			(300,000)
Amount transferred to the Government of Seychelles		(96,842,685)	(60,898,427)
<b>Net cash outflow from financing activities</b>		<u>(96,842,685)</u>	<u>(61,198,427)</u>
<b>Net increase in cash and cash equivalents</b>		<u>(16,749,760)</u>	<u>6,430,321</u>
<b>Movement in cash and cash equivalents</b>			
At January 1,		159,520,020	153,089,698
Increase		(16,749,760)	6,430,321
<b>At December 31,</b>	8	<u>142,770,260</u>	<u>159,520,020</u>

The notes on pages 8 to 27 form an integral part of these financial statements.  
Auditors' report on page 3.

**1. GENERAL INFORMATION**

The principal activities of the Financial Services Authority are detailed on page 2. Its registered office and principal place of activity is at Bois de Rose Avenue, Roche Caiman, Victoria, Mahe, Republic of Seychelles.

These financial statements will be submitted for consideration and approval at the forthcoming meeting of Board of Directors of the Authority.

**2. PRINCIPAL ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with Financial Service Authority Act, 2013.

The Authority has adopted International Financial Reporting Standards for the first time for the year ended December 31, 2016 while previously the financial statements were prepared under Generally Accepted Accounting Practice (GAAP).

The financial statements are prepared under the historical cost convention, except that:

- (ii) relevant financial assets are stated at their fair values; and
- (iii) borrowings and relevant financial liabilities are stated at their amortised costs.

**Standards, Amendments to published Standards and Interpretations effective in the reporting period**

A number of amendments to IFRS Accounting Standards became effective on 1 January 2024, including amendments to the classification requirements for loans. Additionally, several new IFRS Accounting Standards and amendments to existing standards have been issued, including IFRS 18 (a new presentation standard, which replaces IAS 1) and IFRS 19, an optional standard which permits certain entities to reduce the disclosures they are required to provide in financial statements.

**Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)**

The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Noncurrent Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period. As a result of the COVID-19 pandemic, the Board deferred the effective date of the amendments by one year to annual reporting periods beginning on or after 1 January 2024.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2024

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**(a) Basis of preparation (Cont'd)****Non-current Liabilities with Covenants (Amendment to IAS 1)**

Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

**Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)**

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments). These Amendments arose as a result of a submission received by the IFRS Interpretations Committee (the Committee) about the presentation requirements for liabilities and associated cash flows arising out of supply chain financing arrangements and related disclosures. In December 2020, the Committee published an Agenda Decision Supply Chain Financing Arrangements—Reverse Factoring that addressed this submission based on the requirements in IFRS Accounting Standards existing at that time. During this process, the feedback from stakeholders indicated limitations of the then existing requirements to address important information needs of users to understand the effects of supplier finance arrangements on an entity's financial statements and to compare one entity with another. In response to this feedback, the IASB undertook a narrow-scope standard setting, leading to the Amendments. The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements.

**Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)**

The IFRS Interpretations Committee issued an agenda decision in June 2020 – Sale and leaseback with Variable Payments. This matter was referred to the IASB for standard setting for some aspects. The IASB issued the final amendments in September 2022. The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

**At the reporting date of these financial statements, the following were in issue but not yet effective:**

IAS 21 - Lack of Exchangeability

IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments

IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Where relevant, the Authority is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2024

**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(b) Property, plant and equipment**

Property, plant and equipment are reported using the Fair Value model.

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.

A revaluation of the FSA infrastructure was undertaken in January, 2025 with the report being issued in April 2025 by a professional independent assessor. In 2020, the Financial Services Authority (FSA), for the first time FSA elected to use the fair value model to account for owner occupied building. The asset is carried at the revalued amount, being its fair value at the date of revaluation. The increase in value of owner occupied building has been credited to equity and is shown in the statement of accounts under "Revaluation Reserve".

Depreciation is calculated on the straight line method with reference to the expected useful life of the assets concerned. Depreciation is computed from the month after receipt of goods/assets using the following principal annual rates:

	%
Buildings	4
Gate and fencing	10
Motor vehicles	20
Plant & equipment	25
Furniture and fittings	20
Other assets	25

No depreciation has been charged on the value of the freehold property.

Assets are currently being depreciated up to a NIL balance. No depreciation is provided for in the month of disposal.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2024

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**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(c) Investment property**

Investment property, held to earn rentals or for capital appreciation or both and not occupied by the Authority are measured and accounted for at fair value.

FSA has adopted the IFRS 13, the Fair value model, for the valuation of its investment property, which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in income statement for the period in which they arise. As per IAS 40, the gain on the revaluation of investment property has been recognised in the P&L, Other Comprehensive Income (OCI). Transfers to or from investment property can be made only when there has been a change in the use of the property. The revaluation exercise is undertaken on a yearly basis and therefore the next exercise will be in December, 2025.

**(d) Intangible assets - Computer software**

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives of 4 years.

Costs associated with developing or maintaining computer software are recognised as an expense as incurred and are included in the statement of profit and loss.

**(e) Financial instruments**

Financial assets and liabilities are recognised on the Authority's statement of financial position when the Authority has become a party to the contractual provisions of the instrument. The Authority's accounting policies in respect of the main financial instruments are set out below.

**(i) Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the statement of profit or loss.

**(ii) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less.

**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(e) Financial instruments (Cont'd)****(iii) Other payables**

Other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

**(iv) Share capital**

Ordinary shares are classified as equity.

**(f) Impairment of 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).

**(g) Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position 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.

**(h) Capital Grants**

Grants related to assets from the Government of Seychelles for acquisition of property and equipment received in form of donations is treated as deferred income by crediting capital grant, classified under equity in the statement of financial position.

Depreciation calculated on such assets was released from grants and credited to depreciation charge in the statement of profit or loss. The Grants was fully amortised in 2023.

**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(i) Retirement benefit obligations**

The Authority provides for payments of compensation to permanent employees for continuous service. The amount provisioned every year is based on the number of years the employee has worked after the last payment date. This type of employee benefits has the characteristics of a defined benefit plan. The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined obligation at the reporting date less fair value of plan assets together with adjustments for unrecognised actuarial gains and losses and past service costs.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

The Authority does not carry out any actuarial valuation since the Authority's management have based themselves on the method as prescribed under the Seychelles Employment Act, 15% of gross salary in the case of FSA contracts of employees and they have estimated that the amount of liability provided will not be materially different had it been computed by an external Actuary.

**(j) Provisions**

Provisions are recognised when the Authority has a present or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

**(k) Foreign currencies***Functional and presentation currency*

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

*Transactions 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 rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2024

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**2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)****(l) Revenue recognition**

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue is recognised according to the following criteria:

**(i) Services revenue**

Revenue from services are recognised in the year in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of total services to be provided.

**(ii) Rental income**

Rental income is recognised on an accrual basis with the substance of the relevant rental agreements with the tenants.

**(iii) Interest income**

Interest income is recognised on an accrual basis with the substance of the relevant loan agreements with the staff.

**(m) Business tax**

The Authority is exempt from tax as per paragraph 1 of the Second Schedule to Business Tax Act, 2009.

**3. FINANCIAL RISK MANAGEMENT****3.1 Financial Risk Factors**

The Authority's activities expose it to a variety of financial risks: market risk (including currency risk and fair value interest risk), credit risk and liquidity risk.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect of its financial performance.

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

**(a) Market risk****(i) Currency risk**

The Authority is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollars. Foreign exchange risk arises from commercial transactions and assets denominated in currencies other than the functional currency.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2024

## 3. FINANCIAL RISK MANAGEMENT (CONT'D)

## 3.1 Financial Risk Factors (Cont'd)

## (a) Market risk (Cont'd)

## (i) Currency risk (Cont'd)

At December 31, 2024, if the Seychelles Rupee had weakened/strengthened by 5% against US Dollar with all variables held constant, the impact on results for the year would have been SR4m (2023: SR 5.87m) higher/lower, mainly as a result of foreign exchange losses/gains on translation of foreign currency monetary assets and liabilities as depicted in the table below:

	2024	2023
	SR	SR
Bank balances	99,097,464	133,613,487
Trade & other receivables	5,793,831	7,927,452
Other payables	(24,849,517)	(24,296,708)
	<u>80,041,778</u>	<u>117,244,231</u>

Management has proper policies in place to ensure that foreign exchange risk is minimised.

## (b) Credit risk

The Authority's credit risk is primarily attributable to its trade receivables. The Authority does not have a significant concentration of credit risk, with exposure spread over a large number of customers. In addition, the Authority has policies in place to ensure that sales of services are made to customers with an appropriate credit history.

The table below shows the concentration of trade receivables by number of counterparties at the end of the reporting period.

	2024	2023
	%	%
5 major counterparties	64	63
Others (diversified risks)	36	37
	<u>100</u>	<u>100</u>

## (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities. Furthermore, management monitors rolling forecasts of the Authority's liquidity reserve on the basis of expected cash flows.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2024

## 3. FINANCIAL RISK MANAGEMENT (CONT'D)

## 3.1 Financial Risk Factors (Cont'd)

## (c) Liquidity risk (Cont'd)

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 SR'000	Between 1 and 2 years SR'000	Between 2 and 5 years SR'000	Over 5 years SR'000	Total SR'000
<b>At December 31, 2024</b>					
Bank Borrowings					
Other payables	<b>41,812</b>				<b>41,812</b>
<b>At December 31, 2023</b>					
Bank Borrowings					
Other payables	<b>59,989</b>				<b>59,989</b>

## 3.2 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 shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Authority sets the amount of capital in proportion to risk. 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 may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Authority monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt less cash and cash equivalents. Adjusted capital comprises all components of equity.

During 2023, the Authority's strategy, which was unchanged from 2022, was to maintain the debt-to-adjusted capital ratio at a reasonable level in order to secure access to finance at a reasonable cost. The debt-to-adjusted capital ratio was as follows:

	2024 SR'000	2023 SR'000
Total debt	41,812	59,989
Less: Cash and cash equivalents	(142,770)	(159,520)
<b>Net debt</b>	<b>(100,959)</b>	<b>(99,531)</b>
Gearing ratio	-	-

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgments 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.

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**(a) Functional currency**

The choice of the functional currency of the Authority has been based on factors such as the primary economic environment in which the entity operates, the currency that mainly influences sales prices for goods and services, cost of providing goods and services and labour costs. The functional currency has been assumed by the Members to be the Seychelles Rupee.

**(b) Retirement benefit obligations**

The cost of defined benefit pension plans has been determined using the method as per the Seychelles Employment Act and the Directors have estimated that the amount of liability provided will not be materially different had it been computed by an external Actuary.

**(c) Useful lives and residual values**

Determining the carrying amounts of property and equipment requires the estimation of the useful lives and residual values of these assets which carry a degree of uncertainty. The Members have used historical information relating to the Authority and the relevant industry in which it operates in order to best determine the useful lives and residual values of property and equipment.

**(d) Depreciation policies**

Property and equipment 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.

**(e) Impairment of other assets**

Property and equipment 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.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2024

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

## (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 actively managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Authority's views of possible near-term market changes that cannot be predicted with any certainty.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2024

## 5. PROPERTY, PLANT AND EQUIPMENT

(a) DECEMBER 31, 2024

	Land & Buildings	Gates & fences	Motor vehicles	Plant & equipment	Furniture & fixtures	Other assets	Work-in progress	Total
	SR	SR	SR	SR	SR	SR	SR	SR
<b>COST</b>								
At January 1, 2024	29,158,430	637,788	3,255,468	16,194,748	7,089,372	6,783,128	14,638,408	77,757,342
Additions	-	-	-	1,572,585	203,721	511,456	-	2,287,763
Disposal	180,795,945	342,250	-	-	-	(14,200)	(156,786)	(14,200)
Transfers/Adjustments	-	-	-	-	-	-	-	-
At DECEMBER 31, 2024	209,954,375	980,038	3,255,468	17,767,333	7,293,094	7,280,384	14,481,622	261,012,313
<b>ACCUMULATED DEPRECIATION</b>								
At January 1, 2024	-	637,788	3,219,913	12,958,871	5,761,067	4,269,378	-	26,847,017
Charge for the year	-	-	35,554	1,119,429	429,125	1,055,150	-	2,639,259
Disposal	-	-	-	-	-	(10,058)	-	(10,058)
At DECEMBER 31, 2024	-	637,788	3,255,468	14,078,301	6,190,192	5,314,470	-	29,476,218
<b>NET BOOK VALUE</b>								
At DECEMBER 31, 2024	209,954,375	342,250	-	3,689,033	1,102,902	1,965,914	14,481,622	231,536,096

(a) In early 2017, Parcel Number: V17891 was cancelled and sub-divided into two parcels (V19847 and V19848) where parcel V19847 (with a total area of 2557 m<sup>2</sup>) was transferred to the Government for onward leasing to PUC at transfer price of SCR1. The sub-division of the land commenced in 2016 and was finalised on 24.02.2017. No adjustment was effected for the reduction in cost in the accounts. The Revaluation of Land was undertaken and reflected in the Financial Statement for the year 2024.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2023

## 5. PROPERTY, PLANT AND EQUIPMENT

## (a) DECEMBER 31, 2023

	Land &	Gates	Motor	Plant &	Furniture	Other	Work-in	Total
	Buildings	& fences	vehicles	equipment	& fixtures	assets	progress	
	SR	SR	SR	SR	SR	SR	SR	SR
<b>COST</b>								
At January 1, 2023	28,244,330	637,788	3,255,468	15,567,235	6,218,316	5,805,375	13,468,005	73,196,516
Additions	3,452,994			639,905.43	871,057	977,753	1,170,404	7,112,112
Disposal				(12,390.00)				(12,390)
Revaluation	(2,538,894)							(2,538,894)
<b>At DECEMBER 31, 2023</b>	<b>29,158,430</b>	<b>637,788</b>	<b>3,255,468</b>	<b>16,194,750</b>	<b>7,089,372</b>	<b>6,783,128</b>	<b>14,638,408</b>	<b>77,757,344</b>
<b>ACCUMULATED DEPRECIATION</b>								
At January 1, 2023	-	637,788	3,134,832	11,814,527	5,403,575	3,252,023	-	24,242,744
Charge for the year	-		85,082	1,154,154	357,492	1,017,355		2,614,083
Disposal				(9,809)				(9,809)
Revaluation								
<b>At DECEMBER 31, 2023</b>	<b>-</b>	<b>637,788</b>	<b>3,219,914</b>	<b>12,958,872</b>	<b>5,761,067</b>	<b>4,269,378</b>	<b>-</b>	<b>26,847,018</b>
<b>NET BOOK VALUE</b>								
<b>At DECEMBER 31, 2023</b>	<b>29,158,430</b>	<b>-</b>	<b>35,554</b>	<b>3,235,878</b>	<b>1,328,305</b>	<b>2,513,750</b>	<b>14,638,408</b>	<b>50,910,326</b>

(a) In early 2017, Parcel Number: V17891 was cancelled and sub-divided into two parcels (V19847 and V19848) where parcel V19847 (with a total area of 2557 m<sup>2</sup>) was transferred to the Government for onward leasing to PUC at a transfer price of 5CR1. The sub-division of the land commenced in 2016 and was finalised on 24.02.2017. No adjustment was effected for the reduction in cost in the accounts.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JANUARY 31, 2024

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(e) Work in-progress comprised construction of new warehouses:

	2024	2023
	SR	SR
Consultancy/ structural engineer fees	1,026,225	1,026,225
IT Work In Progress	13,431,897	13,431,897
Improvement to infrastructure	23,500	180,286
	<u>14,481,622</u>	<u>14,638,408</u>

## 6. INVESTMENT PROPERTY

	2024	2023
	SR	SR
<b>Cost</b>		
At January 1,	180,584,700	180,584,700
Additions	201,284	-
Revaluation Surplus	317,718,856	-
<b>At December 31,</b>	<u>498,504,840</u>	<u>180,584,700</u>
<b>Accumulated depreciation</b>		
At January 1,	-	-
Charge for the year	-	-
<b>At December 31,</b>	<u>-</u>	<u>-</u>
<b>Net Book Value</b>	<u>498,504,840</u>	<u>180,584,700</u>

(a) A revaluation of the FSA infrastructure was finalise in April 2025 by a professional independent assessor. Investment properties have been revalued as follows:

	2024	2023
	Value in Current State (SR)	Value in Current State (SR)
Ware house A on Parcel Number V17888	44,748,450	23,992,200
Ware house B on Parcel Number V17889	74,580,750	33,322,500
Ware house C on Parcel Number V17890	74,580,750	26,100,000
Ware house K on Parcel Number V17885	152,297,445	48,735,000
Ware house J on Parcel Number V17893	152,297,445	48,435,000
	<u>498,504,840</u>	<u>180,584,700</u>

(b) The Financial Services Authority is currently occupying units A1, A2 and A3 for a total area of 840m2 within the Warehouse A.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2024

7. TRADE AND OTHER RECEIVABLES	2024	2023
	SR	SR
Trade receivables	6,004,240	6,032,364
Prepayments	1,102,402	1,244,286
Loans and receivables (note (f))	17,320,816	16,487,961
Accrued interest on fixed deposit		1,853,971
Other receivables	2,747,211	1,518,247
	<u>27,174,669</u>	<u>27,136,829</u>
Provision for credit impairment (note (c) and (d))	-	(7,047)
	<u>27,174,669</u>	<u>27,129,783</u>

Disclosed as follows:

	2024	2023
	SR	SR
Within one year	14,522,734	14,588,620
After more than one year (note (f))	12,651,935	12,541,163
	<u>27,174,669</u>	<u>27,129,783</u>

(a) The carrying amount of trade and other receivables approximate their fair values.

(b) As at December 31, 2024, trade receivables that were past due but not impaired amounted to SR 1,119,194.88 (2023: SR1,248,976). These receivables were aged above 90 days.

(c) As at December 31, 2024 the FSA did not provide for any impaired trade receivables, (2023: SR 7,047). These relate to a number of independent customers who are in unexpectedly difficult economic situations. These receivables are usually aged above 90 days.

(d) The movement in the provision for credit impairment is as follows:

	2024	2023
	SR	SR
At January 1,	7,047	171,235
(Reversal)/ Charge to the statement of profit or loss (note 17)	(7,047)	(164,188)
At December 31,	<u>-</u>	<u>7,047</u>

(e) The carrying amount of the Authority's trade and other receivables are denominated in the following currencies:

	2024	2023
	SR	SR
US Dollar	5,793,831	7,927,452
Seychelles rupee	21,380,838	19,202,330
	<u>27,174,669</u>	<u>27,129,783</u>

(f) Loans and receivables comprise staff loans and are analysed as follows:

	2024	2023
	SR	SR
Within one year	4,668,881	3,946,799
After more than one year	12,651,935	12,541,163
	<u>17,320,816</u>	<u>16,487,961</u>

(g) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Authority does not hold any other collaterals as securities, except for pledges on vehicles as security for Vehicle Loans

(h) The other classes within trade and other receivables do not contain impaired assets and except for pledges in vehicles as security for staff loans, the Authority does not hold any other collateral as security.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2024

8. CASH AND CASH EQUIVALENTS	2024	2023
	SR	SR
Cash at banks	142,770,260	159,520,020
Restricted cash	300,000	300,000
	143,070,260	159,820,020

(a) Restricted cash relates to cash margin held as collateral by Nouvobanq for the VISA corporate card

## 9. STATED CAPITAL

Government contributed assets (notes (a) & 5(b))

(a) This represents the value of land transferred to the Authority by the Government of Seychelles in 1999.

## 10. CAPITAL GRANT

Capital grant was received from the Government of Seychelles for purchase of assets in 1999. Capital grant is amortised over the useful lives of the assets to which they relate. The Capital Grants was fully amortised in 2023.

## 11. STAFF BENEFIT OBLIGATIONS

	2024	2023
	SR	SR
At January 1,	21,571,895	16,845,751
Charge for the year (note 14)	6,946,716	9,982,070
Payments during the year	(4,767,084)	(5,255,927)
At January 31,	23,751,527	21,571,895

(a)

Retirement benefit obligations have been computed based on Directors estimate of the provisions as above, which have been based on the Ministry of Employment benefit computation, and 15% of gross salary in the case of FSA contract employees.

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2024

12. OTHER PAYABLES	2024	2023
	SR	SR
Amount payable to the Government of Seychelles (note 12(a) and 23)	-	20,648,102
Advance payments -fees	13,198,470	13,847,045
Deposits-rent	12,170,906	10,686,621
Accrued Expenses	1,545,706	2,080,275
Other payables	14,896,495	12,727,079
	<u>41,811,577</u>	<u>59,989,122</u>
Disclosed as follows:		
	2024	2023
	SR	SR
Within one year	41,811,577	59,989,122
	<u>41,811,577</u>	<u>59,989,122</u>
(a) The amount payable to the GOS represents the surplus for the year which is transferred on a quarterly basis as per section 12(3) of the Financial Services Authority Act 2013.		
(b) The carrying amount of other payables are denominated in the following currencies:		
	2024	2023
	SR	SR
US Dollar	24,849,517	24,296,708
Seychelles rupee	16,962,060	35,692,413
	<u>41,811,577</u>	<u>59,989,122</u>
<b>13. REVENUE</b>		
	2024	2023
	SR	SR
(a) Corporate and SITZ Fees		
IBC registration fees	6,936,736	7,445,664
IBC annual licence fees	80,636,906	80,734,722
Other licence fees	5,590,412	5,890,367
Funds and securities fees	12,192,047	11,989,930
Insurance fees	1,848,601	1,729,952
Gambling Fees	8,556,000	8,572,750
VASP Fees	450,000	
Other services	17,885,365	22,469,532
	<u>134,096,067</u>	<u>138,832,917</u>
(b) Rental income		
Investment property	48,601,270	48,304,478
Outdoor space	480,371	523,713
	<u>49,081,641</u>	<u>48,828,192</u>
	<u>183,177,708</u>	<u>187,661,108</u>
<b>14. STAFF COST</b>		
	2024	2023
	SR	SR
Salaries & wages	64,040,544	59,936,669
FSA Board fees (note 21)	1,181,753	305,066
Other FSA Board Fees	454,648	377,550
Employer's pension contribution	2,650,747	2,504,607
Gratuity and compensation Charged (note 11)	6,946,716	9,982,070
	<u>75,274,408</u>	<u>73,105,962</u>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2024

## 15. ADMINISTRATIVE EXPENSES

	2024	2023
	SR	SR
Administration costs	4,760,923	5,052,135
Rental Costs	5,972,271	5,972,276
Communication costs	1,991,517	2,061,430
Transport and travelling costs	6,949,295	4,944,827
Maintenance and repairs	1,782,203	1,626,959
Training	4,024,188	3,917,988
Legal fees	555,778	845,053
Audit and Accountancy fees	100,000	100,000
Professional fees	1,267,756	2,648,420
Administrator fees	3,536,346	8,243,404
Bank charges	112,662	105,134
(Reversal)/ charge for provision for credit impairment (note 7(d))	(7,047)	(164,188)
Bad Debts Written Off	173,375	108,778
General expenses	3,176,712	3,573,338
	<u>34,395,981</u>	<u>39,035,554</u>

The administrator fees relates to the suspension of Falcon Insurance company License. The fees are inclusive of Audit, Actuarial, Legal, Consultancy and other Administrative fees.

## 16. EDUCATIONAL DISSEMINATION

	2024	2023
	SR	SR
Information dissemination	1,051,575	424,479
Advertisement	107,661	326,871
	<u>1,159,235</u>	<u>751,350</u>

## 17. OTHER OPERATING COSTS

	2024	2023
	SR	SR
Depreciation		
- Property, plant and equipment (note 5)	2,639,259	2,614,083
Assets written off (note 5(a))	4,142	2,581
Amortisation of capital grant	-	(854,064)
	<u>2,643,401</u>	<u>1,762,600</u>

## 18. OTHER INCOME

	2024	2023
	SR	SR
Sundry income	45,767	106,878
	<u>45,767</u>	<u>106,878</u>

## NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2024

## 19. COMMITMENTS

## (a) Capital commitments

As at December 31, 2024 the full cost of construction in relation to FSA building is yet to be determine. As for consultancy of the project a total projection of SR8.3million has been provided for .

The Authority is expected to incur approximately to SR10.95 million in the year 2025 for the cost for consultancy and construction of a warehouse and SR4million for conversion of warehouse A16,A17,A18 and A2.

In addition the Authority is expected to incur around SR1.55million for the consultancy and construction of centralised sewage system.

## COMMITMENTS (CONT'D)

## (b) Operating lease commitments - where the Authority is the lessor

The Authority leases land under non-cancellable operating lease agreements and buildings under cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewable rights.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2024	2023
	SR	SR
Not later than one year	277,556	265,091
Later that one year and not later than five years	1,110,225	1,060,365
	<u>1,387,781</u>	<u>1,325,456</u>

The future aggregate minimum lease payments under cancellable operating leases are as follows:

	2024	2023
	SR	SR
Not later than one year	47,873,500	47,923,787
Later that one year and not later than five years	77,208,741	80,208,059
	<u>125,082,240</u>	<u>128,131,846</u>

## 20. CONTINGENT LIABILITIES

The license of FALCON Insurance Co. Ltd. was suspended on October 26th, 2022, under section 96 (1) of the Insurance Act, 2008 ("the Act") by the FSA in response to the findings of the audit work undertaken by a Chartered Accountants with effect 26th September , 2022. The FSA revoked the general insurer licence of FALCON on February 8th, 2024, however, the courts have not pronounced any decision on the dissolution of the Company.

As per the application lodged before the court for the winding up, the FSA has requested that the FSA's costs (as the petitioner) shall be paid out of the assets of the company as an expense of the liquidation.

FSA would be considered as a creditor as part of the liquidation/winding up process with the expectation that it would be able to recover the cost of the administration, bearing in mind the substantial tax liabilities of the company and the hierarchy of creditors as per the insolvency laws in Seychelles.

The potential financial effect for the Authority with relevance to the Falcon case up to the date of finalising the Financial statement amounts to SR,3million

## NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED DECEMBER 31, 2024

RELATED PARTY TRANSACTIONS		2024	2023
21.	Members' emoluments (note 15)		
		SR	SR
	PATRICK ALLAIN PAYET	180,000	49,920
	ROBERT STRAVENS	132,000	33,280
	SAMANTA ESPARON	132,000	33,280
	RICHARD RAMPAL	132,000	33,280
	SEYLINA JOYMON	132,000	33,280
	ANNE ROSETTE	132,000	33,280
	AUDREY POTHIN	114,172	
	KAHAKI JERE	124,903	
	PHILLIP ARMAND MOUSTACHE	7,097	33,280
	WENDY PIERRE	7,097	33,280
	MUHAMMAD DANYAL SALEY	88,484	22,187
		<u>1,181,753</u>	<u>305,066</u>
	Holding Entity		
	- Surplus payable (note 14)	<u>(76,194,583)</u>	<u>(61,546,528)</u>
(a)	Transactions with related parties are made at normal market prices.		
(b)	Outstanding balances payable by management personnel relating to vehicles loans are secured and bear interest. Other outstanding balances at the end of the reporting period are unsecured and interest-free. There has been no guarantees provided or received for any related party payables or receivables. For the year ended December 31, 2024, the Authority had not recorded any impairment of receivables relating to amounts owed by related parties (2023: Nil). This assessment is undertaken at the end of each financial year through examining the financial position of the related party and the market in which the latter operates.		
(c)	Key management personnel	2024	2023
		SR	SR
	Salaries and other benefits	19,310,974	21,807,308
	Accrued Benefits	2,896,646	2,732,434
	Employer Pension costs	965,554	910,773
		<u>23,173,174</u>	<u>25,450,515</u>

The above key management personnel includes the salaries and accrued benefits of the CEO, Directors and Managers of the FSA.