



SEYCHELLES PORTS AUTHORITY

Financial Statements

Year ended 31st December 2024

SEYCHELLES PORTS AUTHORITY

TABLE OF CONTENTS - 31 DECEMBER 2024

CONTENTS	PAGES
Corporate Information	1
Directors' Report	2 - 3
Independent Auditor's Report	4
Statement of Financial Position	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 32

CORPORATE INFORMATION

- DIRECTORS** : Mr. Brian Loveday (Chairperson)
Mrs. Audrey Francis (Vice-Chairperson)
Mr. Sony Payet (Chief Executive Officer)
Dr. Jan Robinson
Ms. Florence Marengo
Cpt. Philip Hoareau
Mr. Mervin Lesperance
- Appointed effective April 1, 2025*
Ms. Sophie Belle
Mr. Carl Rose
Mr. Ray Hoareau
- SECRETARY** : Dr. Egbert Moustache
- REGISTERED OFFICE** : P.O. Box 47, Victoria,
Mahe, Republic of Seychelles
- PRINCIPAL PLACE OF BUSINESS** : Commercial Port, Victoria,
Mahe, Republic of Seychelles
- AUDITORS** : Auditor General
P.O. Box 49, Unity House
Victoria, Mahe
Seychelles
- BANKERS** : Seychelles International Mercantile Banking Corporation Limited
ASBA (Bank) Seychelles Limited
Seychelles Commercial Bank (SCB) Limited
Bank of Baroda Seychelles

DIRECTORS' REPORT - 31 DECEMBER 2024

The Board of Directors has pleasure in submitting its annual report together with the audited financial statements of the Authority for the year ended 31 December 2024.

THE AUTHORITY

The **Seychelles Port Authority** was established as a statutory body under the Seychelles Ports Authority Act, 2004, which came into force effective October 2004. The Authority was vested with the assets and liabilities of the former Port and Marine Services Division worth SCR 31.8 million at nil consideration.

PRINCIPAL ACTIVITIES

The principal activities of the Authority are to regulate, control and administer all matters relating to the safety and security of the Port and its facilities. The Authority is required to promote the development of port infrastructure, maintain installations, encourage the use of reliable and sufficient equipment in the provision of port services. The Authority is also required to participate in matters pertaining to collect all harbour dues, rental fees and other moneys payable to the Authority under the Act and any other laws as fully described under Section 6 of the Act and applicable Regulations.

RESULTS

	<u>2024</u>
	SCR
Profit for the year	120,008,483
Retained earnings brought forward	551,716,295
Retained earnings carried forward	<u>671,724,778</u>

PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY

Property, equipment and investment property of the Authority and the movements therein are detailed in notes 6 and 7 to these financial statements.

The Directors are of the opinion that the carrying amounts of property, equipment and investment property at the financial reporting date approximate their fair value and does not require adjustment for impairment.

DIRECTORS & DIRECTOR INTEREST

The Directors of the Authority from the date of the last annual report to date are as follows:

Brian Loveday (Chairperson)	Philip Hoareau
Florence Marengo	Mervin Lesperance
Sony Payet (Chief Executive Officer)	Sophie Belle (Appointed effective April 1, 2025)
Audrey Francis (Vice-Chairperson)	Carl Rose (Appointed effective April 1, 2025)
Jan Robinson	Ray Hoareau (Appointed effective April 1, 2025)

None of the Directors held any interest in the Corporation nor entered into contracts in which they or other officers of the Authority had interests which materially affected the business of the Authority.

EVENTS AFTER THE REPORTING DATE

The Directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

DIRECTORS' REPORT - 31 DECEMBER 2024

GOING CONCERN

The Management believes that the Authority is in a sound financial position and has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of the Authority is responsible for the overall management of the affairs of the Authority including the operation of the Authority and making investment decisions. The Chief Executive Officer of the Authority is as defined under Section 7 of the Seychelles Ports Authority Act, 2004 and is responsible for the implementation of the decisions of the Board and for the management of the day to day business of the Authority and subject to the directions of the Board, may delegate any function of the Chief Executive Officer to any employee of the Authority.

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards) and requirements of the Seychelles Ports Authority Act, 2004 and the Public Enterprises Act, 2023. 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 that fall within the accounting policies adopted by the Authority; and making accounting estimates that are reasonable in the circumstances. The Directors 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 Directors consider that they have met their aforesaid responsibilities.

AUDITORS

The Auditor General of Seychelles is mandated to carry out the audit of the Authority as per Article 158 of the Constitution as specified under section 16(3) of the Seychelles Port Authority Act 2004. The Auditor General has contracted Sey Auditors & Associates to perform the audit function for the year under review and to report their findings to the Auditor General.

BOARD APPROVAL



Brian Loveday
Chairperson

Florence Marengo
Director

Ray Hoareau
Director



Audrey Francis
Vice-Chairperson



Philip Hoareau
Director



Mervin Lesperance
Director



Sony Payet
Chief Executive Officer



Sophie Belle
Director



Jan Robinson
Director



Carl Rose
Director

Dated: **MAY 30 2025**
Victoria, Seychelles



Office of the Auditor General

3rd Floor, Block C, Unity House

Victoria, Republic of Seychelles

Telephone: 248-4672500 Email: auditgen@oag.sc

Website: www.oag.sc Facebook: OAG Seychelles

Please address all correspondence to the Auditor General

4

OPINION OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE SEYCHELLES PORTS AUTHORITY FOR THE YEAR ENDED 31 DECEMBER 2024

Opinion

The accompanying financial statements set out on pages 5 to 32 which comprise the statement of financial position as at 31 December 2024, 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 on my behalf by Sey Auditors & Associates, appointed under Section 19 of the Auditor General Act, 2010. As per the agreement with the auditors, they have reported to me the results of their audit and on the basis of their report, 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,

- (a) proper accounting records have been kept by the Authority as far as it appears from examination of those records; and
- (b) the financial statements on pages 5 to 32 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 Seychelles Ports Authority Act, 2004.

Basis for Opinion

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

Responsibilities of management and those charged with governance for the financial statements

The management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Seychelles Ports Authority Act, 2004 and Public Enterprises Act, 2023 and for such internal control as members 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 management 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 management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Responsibilities of the Auditor General

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 a report including my opinion in accordance with the Seychelles Ports Authority Act. 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 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 that risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the 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;

4 (b)

- 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 controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of the management and board's use of going concern basis of accounting and, based on the audit evidence obtained, concludes 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 my report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify the opinion. My conclusions are based on audit evidence obtained to the date of my auditor's report. However, future unforeseeable events or conditions may cause the Authority to cease to continue as a going concern;
- evaluates 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;
- obtains 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;
- communicate with directors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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



Gamini Herath
Auditor General

31 May 2025
Victoria, Seychelles

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	Restated		
		December 31, 2024 SCR	December 31, 2023 SCR	January 1, 2023 SCR
ASSETS				
Non-current assets				
Property and equipment	6	411,404,746	311,576,314	283,656,904
Investment properties	7	30,774,666	32,535,792	16,070,950
Intangible assets	8	377,673	143,708	246,228
Deferred tax asset	15	-	-	4,340,425
		<u>442,557,085</u>	<u>344,255,814</u>	<u>304,314,507</u>
Current assets				
Inventories	9	3,477,062	4,387,256	2,985,199
Investment in financial asset at amortised cost	10	206,270,959	30,726,601	25,042,633
Trade and other receivables	11	42,450,352	49,603,323	39,800,712
Tax receivable	17(a)	-	5,975,790	-
Cash and cash equivalents	12	116,407,325	228,286,655	196,199,131
		<u>368,605,698</u>	<u>318,979,625</u>	<u>264,027,675</u>
Total assets		<u><u>811,162,783</u></u>	<u><u>663,235,439</u></u>	<u><u>568,342,182</u></u>
EQUITY AND LIABILITIES				
Equity and reserves				
Assigned capital	13	31,823,421	31,823,421	31,823,421
Retained earnings		671,724,778	551,716,295	495,525,080
		<u>703,548,199</u>	<u>583,539,716</u>	<u>527,348,501</u>
LIABILITIES				
Non-current liabilities				
Borrowings	14	67,961,578	41,239,518	7,470,000
Deferred tax liability	15	693,615	11,044,916	-
Other long term employee benefits	16(a)	8,829,830	8,516,467	8,959,811
		<u>77,485,023</u>	<u>60,800,901</u>	<u>16,429,811</u>
Current liabilities				
Borrowings	14	3,098,584	3,098,584	-
Other long term employee benefits	16(a)	1,808,520	1,799,349	1,311,692
Tax liability	17(a)	7,363,153	-	12,955,704
Trade and other payables	18	17,859,304	13,996,889	10,296,474
		<u>30,129,561</u>	<u>18,894,822</u>	<u>24,563,870</u>
Total liabilities		<u><u>107,614,584</u></u>	<u><u>79,695,723</u></u>	<u><u>40,993,681</u></u>
Total equity and liabilities		<u><u>811,162,783</u></u>	<u><u>663,235,439</u></u>	<u><u>568,342,182</u></u>

Signed in accordance with authorisation from the Board on MAY 30 2025



Brian Loveday
Chairperson



Sony Payet
Chief Executive Officer

The notes on pages 9 to 32 form an integral part of these financial statements.

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

	Note	2024 SCR	Restated 2023 SCR
Revenue contracts for port services	19	255,514,422	180,155,845
Rental income	7(a)	39,024,614	36,361,253
Other income	20	24,035,119	2,346,976
Gross income		318,574,155	218,864,074
Cost of services		(20,537,916)	(21,816,966)
Employee costs	21	(98,681,248)	(84,228,272)
Premises costs	22	(5,627,211)	(3,872,905)
Operating overheads	23	(14,494,520)	(16,088,315)
Reversal of allowance for credit loss	11(c)	3,189,890	2,435,089
Foreign exchange movement		(8,069,681)	13,077,460
Depreciation of property and equipment	6	(28,115,305)	(23,296,715)
Depreciation of investment properties	7	(2,059,550)	(1,561,572)
Amortisation of intangible assets	8	(97,726)	(102,520)
Profit before finance cost		144,080,888	83,409,358
Finance cost - Borrowings		(3,351,813)	(623,035)
Profit before tax		140,729,075	82,786,323
Taxation charge	17(b)	(20,720,592)	(30,903,206)
Profit for the year and other comprehensive income		120,008,483	51,883,117

The notes on pages 9 to 32 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED 31 DECEMBER 2024

	Note	Capital reserve SCR	Assigned capital SCR	Retained earnings SCR	Total SCR
At 1 January 2024		-	31,823,421	551,716,295	583,539,716
Total Comprehensive Income for the year		-	-	120,008,483	120,008,483
At 31 December 2024		-	31,823,421	671,724,778	703,548,199
At January 1 2023 (As previously reported)		7,485,616	-	519,862,885	527,348,501
- Prior year reclassification					
Capital reserve now presented as Assigned Capital	13(b)	(7,485,616)	7,485,616	-	-
Depreciation reclassified to Assigned Capital	13(b)	-	24,337,805	(24,337,805)	-
At January 1, 2023 (As restated)		-	31,823,421	495,525,080	527,348,501
Total Comprehensive Income for the year (As Restated)		-	-	51,883,117	51,883,117
- As previously reported		(823,421)	-	52,706,538	51,883,117
- Reclassification of depreciation		823,421	-	(823,421)	-
- Prior year adjustment		-	-	4,308,098	4,308,098
At 31 December 2023 (As restated)		-	31,823,421	551,716,295	583,539,716

The notes on pages 9 to 32 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS - YEAR ENDED 31 DECEMBER 2024

	Note	2024 SCR	2023 SCR
Cash flows from operating activities			
Profit before taxation		140,729,075	82,786,323
<i>Adjustments for:</i>			
Depreciation of property and equipment	6	28,115,305	23,296,715
Depreciation of investment property	7	2,059,550	1,561,572
Amortisation charge	8	97,726	102,520
Reversal of expected credit loss	11c(i)	(3,189,890)	(2,435,089)
Retirement benefit obligation charge	16(a)	7,413,467	6,710,080
Profit on disposal	20	(19,237,321)	
Prior year adjustment		-	4,308,098
Interest accrued	10	(2,071,287)	(989,020)
Unrealized forex losses/(gains)		2,413,623	(12,228,566)
Operating cash inflow before working capital changes		156,330,248	103,112,633
<i>Changes in working capital:</i>			
- Decrease/(Increase) in inventories		910,194	(1,402,058)
- Decrease/(Increase) in trade and other receivables		10,342,861	(7,616,031)
- Increase/(Decrease) in trade and other payables		3,862,415	3,700,415
Net cash generated from operations		171,445,718	97,794,959
Tax paid	17(a)	(17,733,163)	(34,452,796)
Gratuity and compensation paid	16(a)	(7,090,933)	(6,665,767)
Net cash inflow from operating activities		146,621,622	56,676,396
Cash flows from investing activities			
Purchase of property and equipment	6	(132,031,289)	(51,216,125)
Proceeds from disposal of property and equipment	6	23,026,449	-
Purchase of investment property	7	-	(18,026,414)
Purchase of intangible assets	8	(331,691)	-
Purchase of investment in financial assets	10	(229,535,439)	(25,774,168)
Proceeds from redemption of investment in financial asset	10	50,997,968	20,090,200
Net cash outflow from investing activities		(287,874,002)	(74,926,507)
Cash flows from financing activity			
Interest received		-	989,020
Borrowings received	14(c)	38,540,582	38,162,762
Borrowings repayment	14(c)	(9,167,532)	(1,891,610)
Net cash inflow from financing activities		29,373,050	37,260,172
(Decrease)/Increase in cash and cash equivalents		(111,879,330)	19,010,061
At 1 January,		228,286,655	196,199,134
(Decrease)/Increase		(111,879,330)	19,010,061
Currency translation differences		-	13,077,460
At 31 December,		116,407,325	228,286,655

The notes on pages 9 to 32 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

Seychelles Ports Authority is a statutory body under the Seychelles Ports Authority Act, 2004 effective October 2004. The Authority was vested with the assets and liabilities of the former Port and Marine Services Division at nil consideration. The Authority is domiciled in the Republic of Seychelles with its office located at "New Port", Victoria, Mahe, Seychelles.

Its main activities are as detailed on page 2 of this report.

These financial statements have been approved by the Board of Directors and shall be submitted to the Minister of Finance and the responsible Minister, through the Public Enterprise Monitoring Commission (PEMC).

2. Basis of preparation

The financial statements of **SEYCHELLES PORTS AUTHORITY** have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards) and requirements of the Seychelles Ports Authority Act, 2004 and the Public Enterprises Act, 2023.

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. The financial statements are presented in Seychelles Rupees (SCR). Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

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 5.

3. SUMMARY OF MATERIAL 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.

3.1 New and amendments to IFRS Accounting Standards that are effective for the current year

The following amendments to IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after January 1, 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

None of the amendments listed above had an impact on the Authority's financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**3.2 New standards, interpretations and amendments in issue but not yet effective**

At the date of authorisation of these financial statements, the Authority has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

(a) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users:

- Entities are required to classify all income and expenses into five categories in the Statement of Profit or Loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to Authority information in the financial statements.
- In addition, all entities are required to use the operating profit subtotal as the starting point for the Statement of Cash Flows when presenting operating cash flows under the indirect method.

The Authority is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Authority's Statement of Profit or Loss, the Statement of Cash Flows and the additional disclosures required for MPMs. The Authority is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

(b) Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

Disclosures to reflect the effects of contract referencing nature-dependent electricity more faithfully on an entity's financial statements.

The amendment is not expected to have a material impact on the Authority's financial statements.

(c) IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

The amendments are not expected to have an impact on the Authority financial statements.

(d) Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.

The amendments are not expected to have a material impact on the Authority financial statements.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**3.2 New standards, interpretations and amendments in issue but not yet effective (Cont'd)****(e) Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)**

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments are not expected to have a material impact on the Authority financial statements.

3.3 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amounts or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the entity and the costs can be measured reliably. All other repairs and maintenance costs are charged to Statement of Profit or Loss during the period in which they are incurred.

Annual depreciation is charged proportionately over the remaining useful life of an asset where its carrying amount is higher than its residual value. If the carrying amount is lower than the residual value, no depreciation is charged.

Subject to the above, property and equipment is depreciated on a straight line basis over the remaining useful lives as follows:

	Years
Improvement to buildings	20
Jetty construction	25
Tugs, boats, buoys and launches	15
Pontoons	20
Machinery, equipment and tools	5
Furniture, fittings & office equipment	4
Motor vehicles	5
Other assets	4

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Property and equipment (Cont'd)

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from use or disposal.

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

3.4 Investment properties

Properties held to earn rentals or for capital appreciation or both and not occupied by the Authority are initially measured at cost or deemed costs including transaction costs. Costs associated with maintaining investment properties are recognised as an expense in the Statement of Profit or Loss. Subsequent to initial measurement, investment properties are carried at historical cost less accumulated depreciation and impairment.

Investment properties are depreciated on straight line basis over a period of 20 years. 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.

Gains and losses on disposals of investment properties are determined by comparing the proceeds with their carrying amount and are included in the Statement of Profit or Loss.

3.5 Intangible asset

Computer software

Where computer software is not an integral part of a related item of property and equipment, the software is capitalised as an intangible asset. Intangible assets are initially measured at cost and subsequently carried at historical cost less accumulated depreciation and impairment.

All intangible assets acquired with an indefinite useful life are tested for impairment in each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment.

Capitalised computer software, licences and development costs are amortised over their estimated useful economic lives of 5 years and are reassessed on an annual basis.

3.6 Inventories

Inventories comprising of technical spares and consumable items, are stated at the lower of cost (determined on a moving average basis) and net realisable value. Net realisable value is the estimated selling price in ordinary course of business and applicable variable selling expenses. Provisions are made for obsolete stocks based on Management's appraisal.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**3.7 Financial instruments****(a) Financial assets**

The Authority classifies and measures its financial assets as at amortised cost. These comprises investment in financial asset at amortised cost, trade and other receivables and cash and cash equivalents, financial assets in the Statement of Financial Position.

The classification of financial assets at initial recognition depends on their contractual terms and the business model for managing the instruments. All the Authority's financial asset are held within a business model with the objective to hold financial assets in order to collect contractual cash flows and their contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Trade receivables are amounts due from customers for services performed in the ordinary course of business and rental receivable. They are generally due for settlement within 30 days and are therefore classified as current. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Investments are financial assets are fixed deposit with fixed and determinable payments and maturities and after initial measurement, they are subsequently measured at amortised cost less allowance for impairment.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, for the purpose of the Statement of Cash Flow, it include amounts due from banks with an original maturity of less than three months.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the Statement of Profit or Loss.

(b) Financial liabilities

The Authority classifies its financial liabilities as borrowings and trade and other payables.

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit or Loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Authority has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (Cont'd)

(c) Write-off policy

The Authority writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Authority's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit or Loss.

(d) Offsetting financial instruments

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 intends either to settle on a net basis, or to realise the asset and liability simultaneously.

(e) Derecognition of financial instruments

The Authority derecognises a financial asset where the contractual rights to cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Authority derecognises financial liabilities when, and only when, the Authority's obligations are discharged, cancelled or they expire.

3.8 Taxation

The tax expense for the year comprises of current and deferred tax. Tax is recognised in Statement of Profit or Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity.

The current tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.9 Employee benefit obligations

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), 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.

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.

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.

Other long term employee benefits

Other long term employee benefit relates to length of service provision calculated in accordance with Public Service order 175(i) of the 2011 version upon end of contract basis (2-5 years) and yearly gratuity calculated in accordance with Management Contract of 5% of annual basic pay of Senior Officers employed on a contract basis as well as long service gratuities falling due in the next 12months.

3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.11 Foreign currencies

Functional and presentation currency

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.11 Foreign currencies (Cont'd)

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. Such monetary assets and liabilities are translated into presentation currency using the exchange rates ruling on the date of the Statement of Financial Position.

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.

3.12 Revenue recognition

Revenue is recognised when control of promised goods or services is transferred to a customer at an amount that reflects the consideration the Authority expects to receive in exchange for those goods or services. The Authority accounts for contracts with customers when it has approval and commitment from both parties, each party's rights have been identified, payment terms are defined, the contract has commercial substance and collection of the consideration is probable.

Revenue is recognised net of value-added tax, discount and excludes any amounts collected on behalf of third parties. The transaction price for access to port infrastructure and port services is based on published tariffs determined by Harbour (Port and Harbour Dues) Regulations, 2023.

(a) Access to port infrastructure services

The Authority generates revenue from the provision of access to port infrastructure, including waterside and landside services; provision of port services which includes pilotage, berthing and craft assistance among others. For revenue recognition purposes, an agreement for the provisions of access to port infrastructure services and port services exists when an order is received from a customer and is accepted by the Authority.

Revenue in respect of access to port infrastructure is recognised over-time at the applicable tariff based on time spent by the vessel within the port. Revenue in respect of port services is recognised over-time at the applicable tariff based on the actual activity performed to date on the vessel.

(b) Port terminals

Port terminals generates revenue from the handling and storage of cargo at various port terminals. For revenue recognition purposes, an agreement for the handling and storage of cargo exists when an order is received from a customer and is accepted by the Authority.

Revenue is recognised over time based on actual volumes handled (loading/unloading of vessels) and actual storage time provided to the customer. Performance based variable consideration arising from the handling of cargo is constrained due to the fact that the achievement of targets is affected by a number of factors outside the control of the Authority, especially the weather. The revenue is only recognised when the work on the vessel is complete and the agreed targets have been met.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.12 Revenue recognition (Cont'd)

(c) Pipelines

Pipelines generates revenue from transportation of petroleum products and cement through the Authority's pipeline network, handling and storage. For revenue recognition purposes, the acceptance of an order placed by the customer constitutes an agreement concluded by the Authority's and the customer in respect of services to be rendered.

Revenue from transportation of petroleum products and cement is recognised over time and is measured based on the volumes delivered to the customer. This method provides a faithful depiction of the Authority's transfer of services to the customer as the performance obligation is satisfied on delivery of product to the customer. Revenue from handling and storage is recognised over time as the Authority renders services to the customer.

(d) Other revenues

Surcharges and other revenues are recognised on an accrual basis based on the substance of the transactions.

(e) Lease income

The Authority generate revenue from the leasing of certain investment property and properties. Lease income is recognised on a straight- line basis over the lease term in accordance with the substance of the relevant agreements.

(f) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Authority reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

3.13 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 recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment, and adjusted for any remeasurement of lease liabilities. Land on lease was transferred to the Authority from Ports and Marine Services Division upon its inception in 2004 at negligible value. Therefore its right of use has been considered immaterial.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)**3.14 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).

3.15 Provisions

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

3.16 Assigned capital

The assigned capital originates from the contra credit entries to net assets transferred from Port and Marine Services Division transferred to the Authority at nil consideration in 2004. Past releases to the Statement of Profit or Loss have been reversed during the year. Refer to note 13.

4. FINANCIAL RISK MANAGEMENT

The Authority's activities expose it to a variety of financial risks: currency 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 the Authority's financial performance. A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Currency risk

The Authority is exposed to currency risk arising from revenue, acquisition of supplies, borrowings, cash and bank balances and capital projects that are denominated in currencies other than its functional currency. The currencies in which these transactions are primarily denominated are Euro ("EUR") and United States Dollar ("USD"). Foreign currency risk is not hedged.

If the above mentioned currencies had weakened/strengthened at year end by ± 5 basis points with all other variables remaining constant, the impact on the results for the year would have been mainly as a result of foreign exchange movement as depicted in the table hereunder.

	Euro		US Dollar	
	2024	2023	2024	2023
	SCR	SCR	SCR	SCR
Cash and cash equivalent	24,198	110,496	18,051	7,511
Trade and other receivables	3,053	5,166	358	1,256
Borrowings	33,981	20,620	-	-

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

4. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk

Credit risk is potential of financial loss to the Authority, if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Authority's credit risk is primarily attributable to its trade receivables.

The table below shows trade receivable the credit concentration of the Authority at the end of the reporting period:

	2024	2023
	SCR	SCR
Top 8 customers	33,953,180	42,567,618
Others (diversified risk)	7,704,109	9,111,292
	<u>41,657,289</u>	<u>51,678,910</u>

In order to minimise credit risk, the Authority has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Authority reviews the recoverable amount of each trade debt and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the Directors of the Authority consider that the Authority's credit risk is to be moderate.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions and only independently reputed financial institutions are accepted.

(c) Liquidity risk

This refers to possibility of default by the Authority to meet its obligations because of unavailability of funds to meet both operational and capital requirements. In order to ensure adequacy of its funding, cash flow forecasts are prepared regularly and actions taken accordingly. The table below analyses the Authority's financial exposure at the date of the Statement of Financial Position:

	< 1 year	1-5 years	Above 5 years	Total
	SCR	SCR	SCR	SCR
At 31 December 2024				
Gross borrowings	3,098,584	27,292,188	40,669,390	71,060,162
Other long term employee benefits	1,808,520	8,829,830	-	10,638,350
Trade and other payables	17,859,304	-	-	17,859,304
	<u>22,766,408</u>	<u>36,122,018</u>	<u>40,669,390</u>	<u>99,557,816</u>
At 31 December 2023				
Gross borrowings	3,098,584	22,116,255	19,123,263	44,338,102
Other long term employee benefits	1,799,349	8,516,467	-	10,315,816
Trade and other payables	13,996,889	-	-	13,996,889
	<u>18,894,822</u>	<u>30,632,722</u>	<u>19,123,263</u>	<u>68,650,807</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

4. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Interest rate risk

Interest rate risk is defined as the risk that movements in interest rates adversely affect the value of the Authority. The exposure to floating interest rates on financial liabilities is SCR 71,060,162 (2023: SCR 44,338,102) for the Authority. No floating rate liabilities were swapped to fixed rates.

Sensitivity analysis

If interest rates had been 10 basis points higher/lower and all other variables were held constant as at year- end, the Authority's results would have been increased/decreased as follows:

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Impact on results	<u>+/-71,060</u>	<u>+/-44,338</u>

(e) Capital risk management

The Authority is a Public Commercial Entity fully owned by the Government of Seychelles and its main objectives when managing capital remain.

(f) Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Authority for similar financial instruments.

5. 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.

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 as follow:

(a) Calculation of Allowance for Credit Loss (ECL)

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

When measuring ECL the Authority uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Management is of the opinion that historic economic factors are not significantly different to recoverability period which is within a year.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**(a) Calculation of Allowance for Credit Loss (Cont'd)**

All bank balances have been assessed to have low credit risk at the reporting dates as they are held with reputable banking institutions. Directors have estimated impairment to be immaterial.

(b) Useful lives and residual values

Property, plant 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.

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.

Determining the carrying amounts of property, plant & equipment requires the estimation of the useful lives and residual values of these assets which carry a degree of uncertainty. The Directors therefore make estimates based on historical information relating to the Authority, relevant industry in which it operates 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) Impairment of other non-financial assets

At the end of each reporting period, Management reviews and assesses the carrying amounts of other assets and where relevant writes them down to their recoverable amounts based on best estimates.

(d) Leasehold land

Leasehold lands have been transferred to the Authority by the Government of Seychelles at a negligible value. Improvements to buildings made by the Authority subsequent to the take-over are stated at cost incurred for such improvements. Depreciation is provided on such cost over their estimated useful lives. Should the leasehold land together with buildings thereon be revalued, substantial adjustment may result to the carrying value of those assets.

(e) 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.

(f) Going concern

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

6. PROPERTY AND EQUIPMENT

	Freehold Property	Jetty Construction	Improvement to buildings	Tugs, boats, buoys & launches	Machinery, equipment and tools	Furniture, fittings & equipment	Motor vehicles	Other assets	Work-in- progress	Total
	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
COST / DEEMED COST										
At 1 January 2023	4,200,100	121,256,315	8,278,411	221,827,888	8,010,827	9,782,794	11,051,806	7,472,882	49,315,046	441,196,069
Additions	-	-	110,703	-	466,465	948,863	350,000	788,932	66,577,577	69,242,540
Transfer to / (from)	-	24,624,105	500,699	46,494,744	-	-	-	35,000	(89,680,963)	(18,026,415)
Write off	-	-	-	-	(2,350)	(43,713)	-	(2,123)	-	(48,186)
At 31 December 2023	4,200,100	145,880,420	8,889,813	268,322,632	8,474,942	10,687,944	11,401,806	8,294,691	26,211,660	492,364,008
Additions	-	-	5,500,000	52,214	793,230	1,198,769	1,549,660	906,541	122,030,875	132,031,289
Transfer to / (from)	-	-	-	86,219,662	-	-	-	-	(86,518,086)	(298,424)
Disposal	-	-	-	(17,222,763)	(38,046)	(70,538)	(1,910,014)	(330,823)	-	(19,572,184)
At 31 December 2024	4,200,100	145,880,420	14,389,813	337,371,745	9,230,126	11,816,175	11,041,452	8,870,409	61,724,449	604,524,689
ACCUMULATED DEPRECIATION										
At 1 January 2023	-	23,967,772	4,762,858	98,656,113	5,421,031	8,064,153	10,395,672	6,271,566	-	157,539,165
Charge for the year	-	4,932,333	1,086,326	14,194,656	929,082	1,113,994	322,699	717,625	-	23,296,715
Write off adjustment	-	-	-	-	(2,350)	(43,713)	-	(2,123)	-	(48,186)
At 31 December 2023	-	28,900,105	5,849,184	112,850,769	6,347,763	9,134,434	10,718,371	6,987,068	-	180,787,694
Charge for the year	-	5,835,217	1,317,069	17,993,971	993,325	844,277	411,165	720,281	-	28,115,305
Disposal adjustment	-	-	-	(13,452,921)	(38,046)	(64,871)	(1,910,014)	(317,204)	-	(15,783,056)
At 31 December 2024	-	34,735,322	7,166,253	117,391,819	7,303,042	9,913,840	9,219,522	7,390,145	-	193,119,943
NET BOOK VALUE										
At 31 December 2024	4,200,100	111,145,098	7,223,560	219,979,926	1,927,084	1,902,335	1,821,930	1,480,264	61,724,449	411,404,746
At 31 December 2023	4,200,100	116,980,315	3,040,629	155,471,863	2,127,179	1,553,510	683,435	1,307,623	26,211,660	311,576,314

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

6. PROPERTY AND EQUIPMENT (CONT'D)

- (a) Borrowing costs capitalised and included in work-in-progress amounted to **SCR 3,251,821** (2023: SCR 813,346). The borrowing costs charged were the actual costs incurred on the project funding during the year. The rate used to determine the amount of borrowing costs is **5.4%** per annum (2023: 4.8%).
- (b) The bank borrowings on note 14(b) is secured by Tug Ste Anne with a carrying amount of **SCR 74,170,904** (2023: SCR 80,913,713).
- (c) The Directors have estimated that costs of property and equipment approximate their fair values and there is no need for any impairment at 31 December 2024 (2023: nil).

7. INVESTMENT PROPERTIES

	<u>2024</u>	<u>2023</u>
	SCR	SCR
COST		
At 1 January,	41,022,073	22,995,659
Additions	298,424	18,026,414
At 31 December,	<u>41,320,497</u>	<u>41,022,073</u>
ACCUMULATED DEPRECIATION		
At 1 January,	8,486,281	6,924,709
Charge for the year	2,059,550	1,561,572
At 31 December,	<u>10,545,831</u>	<u>8,486,281</u>
NET BOOK VALUE	<u>30,774,666</u>	<u>32,535,792</u>

- (a) Rental income from investment properties amounted to **SCR 39m** (2023: SCR 36.3m) and has been shown as separate line on the face of the Statement of Profit or Loss.
- (b) The Authority does not maintain records which are directly linked to rental income & repairs, maintenance or enhancements related to investment properties.

8. INTANGIBLE ASSETS

	<u>2024</u>	<u>2023</u>
	SCR	SCR
COST		
At 1 January,	881,611	881,611
Additions	331,691	-
At 31 December,	<u>1,213,302</u>	<u>881,611</u>
AMORTISATION CHARGE		
At 1 January,	737,903	635,383
Charge for the year	97,726	102,520
At 31 December,	<u>835,629</u>	<u>737,903</u>
NET BOOK VALUE	<u>377,673</u>	<u>143,708</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

9. INVENTORIES

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Building, hardware and plumbing material	1,391,422	787,368
Spare parts	586,614	517,083
Consumables	1,203,564	997,342
Fuel and lubricants	63,432	2,071,057
Minor assets	232,030	14,406
	<u>3,477,062</u>	<u>4,387,256</u>

- (a) The cost of inventories recognised as an expense and included in cost of services and overheads amounted to SCR 20.5m (2023: SCR 19m).

10. INVESTMENT IN FINANCIAL ASSET AT AMORTISED COSTS

	<u>2024</u>	<u>2023</u>
	SCR	SCR
At 1 January,	30,726,601	25,042,633
Addition during the year	229,535,439	25,774,168
Redemption during the year	(50,997,968)	(21,079,220)
Interest accrued	2,071,287	989,020
Exchange movement	(5,064,400)	-
At 31 December,	<u>206,270,959</u>	<u>30,726,601</u>

- (a) The investment in financial asset at amortised costs was in respect of fixed deposits with interest ranging from 2.85% to 4.20% (2023: 1.65% to 2.75%) which matured in 2025. The Directors concluded that the risk of default of financial institution is remote therefore no expected credit losses provision is required.
- (b) The Authority concluded that fixed deposit with original maturity of 3 months will be rolled forward and has been excluded in arriving at cash and cash equivalent for cashflow purposes.

11. TRADE AND OTHER RECEIVABLES

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Trade receivables (notes 11(a) & 11(b))	41,657,289	51,678,910
less: Provision for impairment (notes 11(c))	(10,394,370)	(15,393,293)
Net trade receivable	<u>31,262,919</u>	<u>36,285,617</u>
Prepayments	4,480,975	7,532,320
Staff loans (note 11(d))	3,827,156	-
VAT receivable	2,103,168	-
Other receivables	776,134	5,785,386
	<u>42,450,352</u>	<u>49,603,323</u>

- (a) Credit sales have mostly negotiated credit terms of 30 days and have all been classified as current. The carrying value less impairment provision of trade and other receivables is assumed to approximate their fair values due to the short-term nature. Also the Authority does not hold any collateral as security.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

11. TRADE AND OTHER RECEIVABLES

(b) Currency analysis is as follows:

	2024	2023
	SCR	SCR
Seychelles Rupee	35,628,133	36,758,961
Euro	6,105,938	10,332,982
US Dollar	716,281	2,511,380
	<u>42,450,352</u>	<u>49,603,323</u>

(c) Allowance for credit impairment

(i) The ECL movement during the year is as follows.

	2024	2023
	SCR	SCR
At 1 January,	15,393,293	17,828,382
Reversal of allowance for the year	(3,189,890)	(2,435,089)
Bad debts written off	(1,809,033)	-
At 31 December,	<u>10,394,370</u>	<u>15,393,293</u>

(ii) Provisional matrix for trade receivable

At 31 December 2024

	<30 days	31-60 days	61-90 days	91-365 days	> 365 days	Total
Gross carrying	32,076,806	1,004,539	273,980	2,464,163	5,837,801	41,657,289
Loss rate (%)	8.83%	15.26%	27.60%	60.68%	100.00%	
Total ECL	<u>2,832,404</u>	<u>153,293</u>	<u>75,618</u>	<u>1,495,254</u>	<u>5,837,801</u>	<u>10,394,370</u>

At 31 December 2023

	<30 days	31-60 days	61-90 days	91-365 days	> 365 days	Total
Gross carrying	35,839,097	1,941,010	1,349,123	3,141,527	9,408,153	51,678,910
Loss rate (%)	9.60%	16.53%	30.46%	57.66%	100.00%	
Total ECL	<u>3,442,054</u>	<u>320,868</u>	<u>410,927</u>	<u>1,811,291</u>	<u>9,408,153</u>	<u>15,393,293</u>

(iii) Sensitivity analysis

If the ECL rates on trade receivables above 365 days past due had been 5 basis points higher / (lower) as of 31 December, the loss allowance would have been SCR 2,919 +/- (2023: SCR 4,704).

(d) Short term staff loans are offset against their monthly salaries and risk of default has been estimated by the Directors as nil. Other receivables were recovered in full in the past and risk of default has also been estimated by the Directors as nil.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

12. CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Cash at bank available on demand	116,397,065	228,282,114
Cash on hand	10,260	4,541
	<u><u>116,407,325</u></u>	<u><u>228,286,655</u></u>

13. ASSIGNED CAPITAL

(a) Creation of Assigned Capital

Assets and liabilities of the former Port and Marine Division of the Government of Seychelles were transferred to the Authority at nil consideration upon the establishment of the Authority as a Statutory body in 2004. Upon accounting for the net assets transferred, a value was recognised for these assets with the contra entry booked as a capital reserve.

From 2004, depreciation charge of the aforesaid assets transferred was netted off from Capital Reserve tantamounting to release of depreciation from Capital Reserve to Retained Earnings. Effective 2024, the Directors and Management of the Authority reviewed this accounting treatment and concluded that assets taken over should be in fact Assigned Capital and depreciation charges previously released to Retained Earnings should be released, thus, restating Assigned Capital to full original amount. There was also no impact on business tax, just a reclassification of the government grant effective 2004.

This resulted in a change to Retained Earnings balance as of January 1, 2023 by SCR 24,337,805, however, there was no impact on Equity balance after the reclassification.

(b) Movement in Assigned Capital

	<u>SCR</u>
Balance at January 1, 2023 (As previously reported)	-
- Capital reserve now presented as Assigned Capital (note 13(a))	7,485,616
- Reclassification of depreciation (note 13(a))	24,337,805
At January 1, 2023 (As Restated)	<u><u>31,823,421</u></u>

14. BORROWINGS

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Agence Française de Développement (AFD) (note14(a))	7,540,000	8,066,950
Seychelles International Banking Corporation Ltd (note 14(b))	63,520,162	36,271,152
	<u><u>71,060,162</u></u>	<u><u>44,338,102</u></u>
Payable within one year	3,098,584	3,098,584
Payable after one year	67,961,578	41,239,518
	<u><u>71,060,162</u></u>	<u><u>44,338,102</u></u>

(a) The amount above is the first drawdown of EUR 500,000.00 from the AFD loan which is part of the European Investment Bank (EIB) and Agence Française de Développement (AFD) support for upgrading and expansion of the Seychelles' Commercial Port in Mahe.

14. BORROWINGS (CONT'D)

- (a) As per the initial agreements reached, EIB is expected to fund EUR 12.5 million loan together with a EUR 5 million European Union (EU) grant whilst AFD provide a loan of EUR 16.5 million for the project. However, in view of the re-estimation due to escalated costs; the agreement is being reviewed to increase by another Euro 28 million and the Grant by Euro 10 million with a tenor increased upto 25 years.

A floating global interest rate of 3.738% as at 31st December 2024 is currently payable. The rate either is arrived at the aggregate of reference rate + margin or (ii) the Minimum Interest Rate when applicable. The loan repayment is subject to a moratorium period of 5 years whereby only interest is payable biannually and thereafter the loan shall be repaid from May 2025. The interest rates are also being renegotiated pending restructuring of the above

The above loans are secured by a guarantee from the Government of Seychelles for an amount of Euro 12.5 million and Euro 16.5 million in favour of a credit facility to Seychelles Port Authority with EIB and AFD respectively. If restructuring proposals are firmly agreed upon for additional funding of Euro 28 million, EIB would require another guarantee from the Government of Seychelles.

- (b) The facility of Euro 4.86 million was obtained from Seychelles International Banking Corporation Ltd (Nouvobanq) for the purpose of funding the fleet of tug boat and pilot boats replenishment and amount outstanding represent the first and second tranche of Euro 2.3 million drawn from the facility to fund the balance payment of Tugboat "Mamelles" A floating interest rate of EURIBOR + 3% is payable on the above facility over a period of 10 years from the date of disbursement.

The loan is secured by a mortgage guarantee of the Tugboat St.Anne for Euro 4.86 million. (Refer to note 6(a))

- (c) The movement in borrowing is as follows

	AFD		Nouvobanq		Total	
	2024	2023	2024	2023	2024	2023
	SCR	SCR	SCR	SCR	SCR	SCR
At 1 January,	8,066,950	7,470,000	36,271,152	-	44,338,102	7,470,000
Amounts drawn down during the year	-	-	38,540,582	35,818,278	38,540,582	35,818,278
Repayment	-	-	(9,167,532)	(1,891,610)	(9,167,532)	(1,891,610)
Exchange rate adjustment at year end	(526,950)	596,950	(2,124,040)	2,344,484	(2,650,990)	2,941,434
At 31 December,	7,540,000	8,066,950	63,520,162	36,271,152	71,060,162	44,338,102

- (d) The currency, maturity and exposure of the Authority's borrowings to interest rate changes are shown on note 4(a),(c) and (d).

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

15. DEFERRED TAXES

Deferred taxes are calculated on all temporary differences under the liability method at 25% (2023: 25%) for the Authority at 31 December 2024.

- (a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets and liabilities when the deferred taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the Statement of Financial Position:

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Deferred tax assets (note 15(c)(i))	6,411,475	7,613,129
Deferred tax liabilities (note 15(c)(ii))	<u>(7,105,090)</u>	<u>(18,658,045)</u>
	<u>(693,615)</u>	<u>(11,044,916)</u>

- (b) The movement on the deferred tax account is as follows:

	<u>2024</u>	<u>2023</u>
	SCR	SCR
At 1 January,	(11,044,916)	(4,340,425)
(Charge)/Credit for the year (notes 17(b))	<u>10,351,514</u>	<u>(6,704,491)</u>
At 31 December	<u>(693,615)</u>	<u>(11,044,916)</u>

- (c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

- (i) *Deferred tax assets*

	Provision for credit losses	Provision for leave	Other term benefit obligation	Total
	SCR	SCR	SCR	SCR
At 1 January 2023	5,348,515	776,461	3,081,451	9,206,427
(Charge)/Credit for the year	<u>(1,500,192)</u>	<u>(106,400)</u>	<u>13,294</u>	<u>(1,593,298)</u>
At 31 December 2023	3,848,323	670,061	3,094,745	7,613,129
(Charge)/Credit for the year	<u>(1,249,730)</u>	<u>(48,471)</u>	<u>96,760</u>	<u>(1,201,441)</u>
At 31 December 2024	<u>2,598,593</u>	<u>621,590</u>	<u>3,191,505</u>	<u>6,411,475</u>

- (ii) *Deferred tax liabilities*

	<u>2024</u>	<u>2023</u>
	SCR	SCR
At 1 January,	18,658,045	4,866,002
(Credit)/Charge for the year	<u>(11,552,955)</u>	<u>13,792,043</u>
At 31 December,	<u>7,105,090</u>	<u>18,658,045</u>

16. OTHER LONG TERM EMPLOYEE BENEFITS

This includes Compensation of length of service provisions calculated in accordance with the Public Service order 175(i) of the 2011 version upon end of contract basis (2-5 years) and yearly gratuity calculated in accordance with Management Contract of 5% of annual basic pay of Senior Officers employed on a contract basis as well as long service gratuities falling due in the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

16. OTHER LONG TERM EMPLOYEE BENEFITS (CONT'D)

(a) The movement and analysis are follows:

	<u>2024</u>	<u>2023</u>
	SCR	SCR
At 1 January,	10,315,816	10,271,503
Charge for the year (note 21)	7,413,467	6,710,080
Payments made during the year	(7,090,933)	(6,665,767)
At 31 December,	<u>10,638,350</u>	<u>10,315,816</u>
Disclosed as:		
Non-current	8,829,830	8,516,467
Current	1,808,520	1,799,349
	<u>10,638,350</u>	<u>10,315,816</u>

17. TAX LIABILITY/ EXPENSE

		Restated
(a) Statement of Financial Position	<u>2024</u>	<u>2023</u>
	SCR	SCR
At 1 January,	(5,975,790)	12,955,703
Charge for the year	28,885,000	24,198,715
Paid during the year	(17,733,163)	(34,452,796)
Under / (Over) provision of prior year tax	2,187,106	(8,677,412)
At 31 December,	<u>7,363,153</u>	<u>(5,975,790)</u>

(b) Statement of Profit or Loss

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Current tax on the profit for the year at applicable rates	28,885,000	24,198,715
Underprovision of prior year tax	2,187,106	-
Deferred tax provision (note 15(b))	(10,351,514)	6,704,491
	<u>20,720,592</u>	<u>30,903,206</u>

(c) Reconciliation between taxable and accounting profits is as follows:

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Profit before tax	<u>140,729,075</u>	<u>82,786,323</u>
Tax calculated at applicable tax rates	35,082,269	20,596,581
Expenses not deductible for tax purposes	1,497,446	3,400,376
Excess of depreciation over capital allowance	(4,313,030)	(2,702,128)
Allowable deduction for tax purposes	(3,381,685)	2,903,886
	<u>28,885,000</u>	<u>24,198,715</u>

(d) The first SCR 1,000,000 of the Company taxable profit is taxable at 15% and excess of SCR 1,000,000 is levied at 25%

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

18. TRADE AND OTHER PAYABLES

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Trade payables	11,041,494	9,213,008
Other payables and accruals	4,391,340	2,439,911
Deposits	2,426,470	2,343,970
	<u>17,859,304</u>	<u>13,996,889</u>

(a) Currency breakdown is as follows:

Seychelles Rupee	16,172,337	12,309,922
US Dollar	1,686,967	1,686,967
	<u>17,859,304</u>	<u>13,996,889</u>

19. REVENUE CONTRACT FOR PORT SERVICES

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Cargo handling fees	48,974,164	47,686,708
Hire of port equipment	1,582,167	756,500
Maritime safety and environment	4,067,085	2,399,064
Passenger fees	23,118,181	3,405,900
Pilotage	22,936,793	15,378,098
Pipeline dues	19,858,961	10,799,201
Port dues	40,645,379	27,368,397
Space for net repairs	12,253,474	7,075,907
Supply of Water	7,917,632	9,150,350
Towage	45,075,386	30,665,530
Transhipment and landing of fish	27,390,777	24,244,615
Miscellaneous	1,694,423	1,225,575
	<u>255,514,422</u>	<u>180,155,845</u>

20. OTHER INCOME

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Profit on disposal	19,237,321	-
Interest receivable	3,121,283	989,020
Sundry	1,676,515	1,357,956
	<u>24,035,119</u>	<u>2,346,976</u>

21. EMPLOYEE COSTS

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Salaries and wages	79,903,619	67,993,574
13th month's salary	3,385,957	2,406,633
Other long term employee benefit (note 16(a))	7,413,467	6,710,080
Other staff costs	7,978,205	7,117,985
	<u>98,681,248</u>	<u>84,228,272</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

22. PREMISES COSTS

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Electricity and water	4,485,379	2,811,828
Repairs and maintenance	965,455	861,081
Insurance	176,377	172,276
Security services	-	27,720
	<u>5,627,211</u>	<u>3,872,905</u>

23. OPERATING OVERHEADS

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Advertising, entertainment and donations	1,899,905	1,862,202
Bank charges	149,680	107,245
Directors' emoluments (notes 23(a) and 26)	787,280	138,240
Communication costs	1,059,069	1,103,146
Local travel and conveyance	691,630	1,057,782
Office equipment maintenance	2,508,282	2,588,117
Other operating overheads	1,364,503	581,183
Overseas travel, subsistence and training	2,147,263	1,755,805
Professional and consultancy fees	1,187,796	4,494,770
Stationery, postage and subscriptions	1,005,442	1,081,591
Vehicle maintenance	1,479,370	1,188,234
Auditor's remuneration	214,300	130,000
	<u>14,494,520</u>	<u>16,088,315</u>

(a) Directors' emoluments

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Nichol Elizabeth	2,880	34,560
Brian Loveday	165,000	34,560
Audrey Rose	123,880	34,560
Florence Marengo	123,880	-
Dr. Jan Robinson	123,880	-
Mervin Lesperance	123,880	-
Cpt. Philip Hoareau	123,880	34,560
	<u>787,280</u>	<u>138,240</u>

24. CAPITAL COMMITMENTS

The Authority's capital commitments that were authorised and contracted at the reporting date amounted to SCR 9.5m (2023: SCR 13.3m) while those authorised and not contracted for amounted to SCR 67.1m (2023: SCR 349.7m)

25. EVENT AFTER REPORTING

The Director is not aware of any material event which occurred after the reporting date and up to the date of this report.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2024

26. RELATED PARTY TRANSACTIONS AND BALANCES

(a) In the normal course of its operations, the Authority enters into transactions with related parties. Related parties includes Government and key management personnel, consisting of members of the Board of Directors. Unless stated, all transactions with related parties take place at arm's length.

(b) As the main port of Seychelles, the following are major transactions received by the Authority.

- Receipt of medical equipment and drugs for the Ministry of Health;
- Receipt of capital goods and equipment of Ministry of Habitat, Infrastructure & Land Transport; and
- Handling of goods and services for other government ministries, departments and agencies.

However, yearly transactions and balances for volumes handled and fees collected is not readily available as it is handled by a third party.

(c) Key Management Personnel

Key management personnel comprises the Chief Executive Officer, the Deputy Chief Executive Officer and Board members. The latter are considered to be part of the key management personnel as they have authority and responsibility for the planning, directing and controlling the activities of the Authority. The aggregate remuneration provided for and paid to key management personnel

	<u>2024</u>	<u>2023</u>
	SCR	SCR
Salaries and allowances	1,945,776	1,951,379
Gratuity and end of contract payments	49,479	87,489
Board members' fees (note 23(b))	787,280	138,240
Pension	109,858	96,912
Others	-	63,196
	<u><u>2,892,393</u></u>	<u><u>2,337,216</u></u>

27. CONTINGENT LIABILITIES

As at 31 December 2024, there were pending Court cases against the Authority for approximately SCR 36,358 for termination of an employee in 2024, and which the hearing at the employment tribunal is expected to be in September 2025. Furthermore, a claim of a burnt container is pending against the Authority for which the liability is yet to be quantified and substantiated.