

SEYCHELLES PORTS AUTHORITY

Financial Statements

Year ended 31st December 2023

SEYCHELLES PORTS AUTHORITY

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SEYCHELLES PORTS AUTHORITY

CORPORATE INFORMATION

DIRECTORS	:	Mr. Brian Loveday Mr. Sony Payet Dr. Jan Robinson Ms. Florence Marengo Cpt. Philip Hoareau Mrs. Audrey Francis Mr. Mervin Lesperance	Ag. Chairman CEO / Member Member Member Member Member
SECRETARY	:	Mr. David Bianchi	
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	
MAIN BANKER	:	Seychelles	

The Board of Directors has pleasure in submitting its annual report together with the audited financial statements for the year ended 31 December 2023.

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 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 search and rescue and 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>2023</u>
	SCR
Profit for the year	52,706,538
Prior Year Adjustment	4,308,098
Retained earnings brought forward	<u>519,862,885</u>
Retained earnings carried forward	<u>576,877,521</u>

DIVIDENDS

No dividends have been declared during the year under review (2022: Nil).

PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY

Additions to property and equipment during the year amounted to SCR 51,216,125 (2022: SCR 40,047,728) Major classes are disclosed under note 5(a). Net book value of Assets is SCR 311,576,313 as of 31st December 2023 (2022: SCR 283,656,904)

The Directors are of the opinion that the carrying amounts of property and equipment of the Authority at 31 December 2023 do not differ materially from their fair value at the end of the reporting period and no impairment is required.

DIRECTORS

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

Mr. Brian Loveday	Ag. Chairman
Mr. Sony Payet	CEO / Member
Dr. Jan Robinson	Member
Ms. Florence Marengo	Member
Cpt. Philip Hoareau	Member
Mr. Mervin Lesperance	Member
Mrs. Audrey Francis	Member

SEYCHELLES PORTS AUTHORITY

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 (IFRS) and in compliance with Seychelles Ports Authority Act 2004 and the Public Enterprise Monitoring Commission 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 that fall within the accounting policies adopted by the Authority; and making accounting estimates that are reasonable in

The Directors consider that they have met their aforesaid responsibilities.

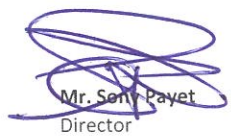
AUDITORS

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.

BOARD APPROVAL



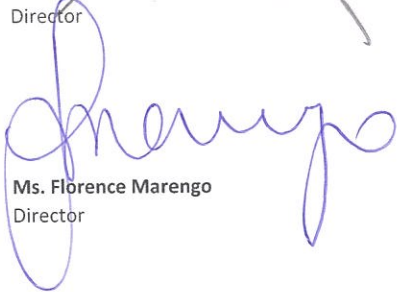
Mr. Brian Loveday - Ag. Chairman
Director



Mr. Sony Payet
Director



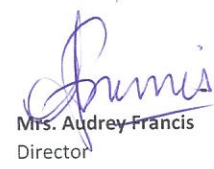
Dr. Jan Robinson
Director



Ms. Florence Marengo
Director



Cpt. Philip Hoareau
Director



Mrs. Audrey Francis
Director



Mr. Mervin Lesperance
Director

Date: 28th June 2024
Victoria, Mahe, Seychelles



Office of the Auditor General

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Please address all correspondence to the Auditor General

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OPINION OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE SEYCHELLES PORTS AUTHORITY FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

The accompanying financial statements set out on pages 5 to 32 which comprise the statement of financial position as at 31 December 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, have been audited by me in terms of Section 16 (3) of Seychelles Ports Authority Act, 2004.

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 2023 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 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;

- 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

05 July 2024
Victoria, Seychelles

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Notes	2023 SCR	2022 SCR
ASSETS			
Non-current assets			
Property and equipment	5	311,576,314	283,656,904
Investment property	6	32,535,792	16,070,950
Intangible assets	7	143,708	246,228
Deferred Tax Assets	14	-	4,340,425
		344,255,814	304,314,507
Current assets			
Inventories	8	4,387,256	2,985,199
Investment in financial asset at amortised cost	9	30,726,601	25,042,633
Trade and other receivables	10	49,603,323	39,800,712
Cash and cash equivalents	11	228,286,655	196,199,131
		313,003,835	264,027,675
Total assets		657,259,649	568,342,182
EQUITY AND LIABILITIES			
Equity and reserves			
Capital reserve	12	6,662,195	7,485,616
Retained earnings		576,877,521	519,862,885
		583,539,716	527,348,501
LIABILITIES			
Non-current liabilities			
Borrowings	13	41,239,518	7,470,000
Retirement benefit obligations	15(a)	8,516,467	8,959,811
Deffered Tax Liability		11,044,916	-
		60,800,901	16,429,811
Current liabilities			
Borrowings - Payable within one year	13	3,098,584	-
Retirement benefit obligations	15(a)	1,799,349	1,311,692
Tax liability	16(a)	(5,975,790)	12,955,704
Trade and other payables	17	13,996,889	10,296,474
		12,919,032	24,563,870
Total liabilities		73,719,933	40,993,681
Total equity and liabilities		657,259,649	568,342,182

Signed in accordance with authorisation from the Board on



Mr. Brian Loveday
Ag. Chairman



Mr. Scott Payet
Chief Executive Officer

Date: 28th June 2024
Victoria, Mahe, Seychelles

*

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

SEYCHELLES PORTS AUTHORITY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 SCR	2022 SCR
INCOME			
Port related services		179,399,345	168,702,736
Hire of boats		756,500	1,001,500
Rental income		36,361,253	35,024,574
Other income		2,346,976	530,706
Gross income		218,864,074	205,259,516
Cost of services		(21,816,966)	(19,368,195)
Net Income		197,047,108	185,891,321
EXPENSE			
Employee costs	18	(84,228,272)	(73,470,500)
Premises costs	19	(3,872,905)	(2,753,476)
Operating overheads	20 (a)	(16,711,350)	(9,966,882)
Expected Credit Loss	10(d)	2,435,089	463,477
Foreign exchange (losses)		13,077,460	-13,372,523
Depreciation of property and equipment	5(c)	(22,473,294)	(21,665,294)
Depreciation of investment property	6	(1,561,572)	(1,149,783)
Amortisation	7	(102,520)	(114,836)
Profit/(Loss) before tax		83,609,744	63,861,504
Taxation charge	16(b)	(30,903,206)	(19,072,615)
Profit/(Loss) for the year and other comprehensive income		52,706,538	44,788,889


 Mr. Brian Loveday
 Ag. Chairman


 Mr. Sony Pavet
 Chief Executive Officer

Date: 28th June 2024
 Victoria, Mahe, Seychelles

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

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED 31 DECEMBER 2023

	Notes	Capital reserve SCR	Retained earnings SCR	Total SCR
At 1 January 2023		7,485,616	519,862,885	527,348,501
Prior Year Adjustments	8(b)		4,308,098	4,308,098
Total Comprehensive Income for the year		-	52,706,538	52,706,538
Release to Statement of Profit or Loss	5(c)	(823,421)		(823,421)
At 31 December 2023		6,662,195	576,877,521	583,539,716
Balance at 1 January 2022		8,410,804	475,073,996	483,484,800
- Prior year adjustment			-	-
Total Comprehensive Income for the year		-	44,788,889	44,788,889
Release to Statement of Profit or Loss	5(c)	(925,188)		(925,188)
At 31 December 2022		7,485,616	519,862,885	527,348,501

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

STATEMENT OF CASH FLOWS - YEAR ENDED 31 DECEMBER 2023

	Notes	2023 SCR	2022 SCR
Cash flows from operating activities			
Profit before taxation		83,609,744	63,861,504
<i>Adjustments for:</i>			
Depreciation of property and equipment	5(c)	22,473,294	21,665,294
Depreciation of investment property	6	1,561,572	1,149,783
Amortisation	7	102,520	114,836
Expected Credit Loss	10(d)	(2,435,089)	(463,477)
Retirement benefit obligation charge	15(a)	6,710,080	7,262,828
Provision for accumulated Leave		-	19,793
Bad Debts written off	10(d)	-	-
Prior Year Adjustment		4,308,098	
Interest accrued		(989,020)	(218,000)
Unrealized Forex (Gains)/(Losses)		(12,228,567)	11,913,240
		103,112,632	105,305,801
<i>Changes in working capital:</i>			
- (Increase)/Decrease in inventories		(1,402,057)	363,227
- Decrease/(Increase) in Trade and Other Receivables		(7,616,031)	(7,973,491)
- Increase/(Decrease) in trade and other payables		3,700,415	1,863,287
		97,794,960	99,558,824
Tax paid	16(a)	(34,452,796)	(9,555,886)
Gratuity and compensation paid	15	(6,665,767)	(6,346,004)
Net cash inflow/(outflow) from operating activities		56,676,396	83,656,934
Cash flows from investing activities			
Purchase of property and equipment	5(a)	(51,216,125)	(40,047,728)
Purchase of investment property	6	(18,026,414)	-
Purchase of intangible assets	7	-	-
Purchase of investment in financial assets	9	(25,774,168)	(25,042,633)
Proceeds from redemption of investment in financial asset	9	20,090,200	
Net cash inflow/(outflow) from investing activities		(74,926,507)	(65,090,361)
Cash flows from financing activity			
Interest Received		989,020	218,000
Borrowings received	13	38,162,762	-
Borrowings Repayment		(1,891,610)	
Net Cashflow from financing activities		37,260,172	218,000
Increase/(Decrease) in cash and cash equivalents		19,010,061	18,784,573
1 January,		196,199,134	190,099,101
Increase/(Decrease)		19,010,061	18,784,573
Currency translation differences		13,077,460	(12,684,540)
31 December,	11	228,286,655	196,199,134
Cash and cash equivalents		228,286,655	196,199,134

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

1. GENERAL INFORMATION

Seychelles Ports Authority was established as 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. Its main activities are as detailed on page 2 of this report.

The office of the Authority is located at "New Port", Victoria, Mahe, Seychelles.

2. SIGNIFICANT 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 of the Authority have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the Seychelles Ports Authority Act, 2004 and the Public Enterprise Monitoring Commission Act, 2013. These financial statements have been prepared under the historical cost convention as modified by the application of fair value measurements required or allowed by relevant accounting standards. Where necessary, comparative figures have been amended to conform with 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 4.

(b) New Standards and Interpretation not yet adopted**Standards, amendments to published standards and interpretations effective in the reporting period****Definition of a business - Amendments to IFRS 3**

The amendment aims to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendments have no impact on the Authority's financial statements.

Interest Rate Benchmark Reform - Amendments to IFRSS 9, IAS 39 and IFRS 7

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR). The amendments have no impact on the Authority's financial statements.

Definition of Material - Amendments to IAS 1 and IAS 8

The amendments aim to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information or both.

An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. *The amendments have no significant impact on the Authority's financial statements.*

The Conceptual Framework for Financial Reporting (the Conceptual Framework)

The Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards. The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. *The revised Conceptual Framework has no significant impact on the Authority's financial statements.*

Covid-19-related Rent Concessions- Amendment to IFRS 16

The amendment aims to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not apply to lessors. *The amendment has no impact on the Authority's financial statements.*

(b)(ii) **Annual Improvement to IFRS 2018-2020 Cycle**

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9 Financial Instruments

Fees in the '10 per cent' test for derecognition. The proposed amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. Applying the proposed amendment, an entity would include only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16, Leases

Lease incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

IAS 41, Agriculture

Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

The amendment has no impact on the Authority's financial statements.

(c) **Standards, Amendments to published Standards and Interpretations issued but not yet effective**

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2020 or later periods, but which the Authority has not early adopted.

The Authority has evaluated the standards and interpretations that were in issue but not yet effective for the year ended 31 December 2023 and has listed those below that are applicable to the Authority's operations and may have a possible impact on the financial statements.

- **Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)**
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.
- **Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)**
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
General and administrative costs do not relate directly to a contract are excluded unless they are explicitly chargeable to the counterparty under the contract.
- **Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)**
The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
- **Definition of Accounting Estimates (Amendments to IAS 8)**
The amendments aim to help entities distinguish between accounting policies and accounting estimates.
The Authority is currently assessing the potential impact on the Financial statements resulting from the adoption of these amendments.

(c) **Property and equipment**

Property and equipment is initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. 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. Subsequent to initial measurement, equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

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.

(c) **Property and equipment (cont'd)**

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
Tugs, buoys and launches	15
Pontoons	20
Boats and outboard engines	15
Machinery, equipment and tools	5
Office equipment	4
Furniture and fittings	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.

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.

(d) **Investment property**

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.

SEYCHELLES PORTS AUTHORITY

(e) 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.

All intangible assets acquired with an indefinite useful life are recorded under the cost model less impairment losses. The useful life is 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.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value.

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.

(g) Financial instruments

Recognition and measurement

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.

Financial assets and financial liabilities of the Authority are initially measured at fair value and subsequently at amortised cost.

(g)(i) Financial assets

A financial asset is measured at amortised cost only if both of the following conditions are met:

It is held within a business model whose objective is to hold assets in order to collect contractual and the contractual terms that gives rise to contractual cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Authority determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Authority monitors financial assets measured at amortised cost prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Authority's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year under review.

The Authority's main financial assets are: Investments in financial assets at amortised cost, trade and other receivables and cash and cash equivalents.

Investment in financial asset at amortised cost

Investments are financial assets with fixed and determinable payments and fixed maturities and after initial measurement, they are subsequently measured at amortised cost less allowance for impairment. The Authority's main business purpose is to collect cash flows, which are usually payments of principal and interest, hence they fall within the 'at amortised cost' category under IFRS 9.

Trade and other receivables

The Authority's main business purpose with respect to trade and other receivables is to collect the cash flows associated therewith. These cash flows are usually only the repayment of the principal amount (amount of goods or services sold on credit). Therefore, most trade and other receivables will fall within the 'at amortised cost' category of IFRS 9.

Cash and cash equivalent

Cash and cash equivalents meet the business model of hold-to-collect and the SPPI test.

Amortised cost and effective interest method

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

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

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Authority to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Therefore, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Authority recognises a loss allowance for expected credit losses on investments in financial instruments that are measured at amortised cost, i.e., investment in financial assets at amortised cost, trade and other receivables and cash and cash equivalents. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Authority always recognise lifetime ECL for its financial assets which are estimated using a provision matrix based on the Authority's historical credit loss experience, adjusted for factors that are specific to the general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. The Authority recognises an impairment loss in the Statement of Profit or Loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Definition of default

The Authority considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

When there is a breach of financial covenants by the debtor; or
Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Authority, in full (without taking into account any collateral held by the Authority); and
Irrespective of the above analysis, the Authority considers that default has occurred when a financial asset is more than 90 days past due unless the Authority has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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 has entered into bankruptcy proceedings, 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.

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The Authority's financial assets include:

(a) Financial asset at amortised cost

This include financial assets where the objective is to hold the asset in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transactions costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest method, less provision for impairment.

(b) 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.

(c) Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Derecognition of a financial asset

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.

(g)(ii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method which has remained unchanged since previous period. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The main financial liabilities of the Authority comprise borrowings and trade and other payables.

(a) Borrowings

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 non-current liabilities unless the Authority has an unconditional right to settlement of the liability for less than twelve months after the date of the reporting period.

(b) Trade and other payables

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

The carrying amount of trade and other payables approximates its amortised costs.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

(g)(iii) 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 the Authority intends either to settle on a net basis, or to realise the asset and liability simultaneously.

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(i) **Deferred Tax**

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 by the end of the reporting period 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.

(j) **Employee Benefit obligations**

a) **Defined Contribution Plans**

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and the Authority have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Income Statement in the periods during which services are rendered by employees.

b) **Defined Benefit Plans**

A defined benefit plan is a post employment benefit other than a defined contribution plan. The Company provides for a payment of gratuity to permanent employees. Gratuities are paid every five years (except in the case of early retirement), 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 to be 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 Directors have based themselves on the method as prescribed by the Seychelles Employment Act and they have estimated that the amount of liability provided will not be materially different had it been computed by an external Actuary.

c) **Short Term Employee Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Authority has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(k) **Borrowing costs**

Borrowing costs are capitalised, net of interest received on cash drawn down yet to be expensed when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

(l) **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.

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.

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Foreign exchange gains and losses that relate to financial instruments and cash and cash equivalents are presented in the Statement of Profit or Loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in the Statement of Profit or Loss within 'other (losses)/gains – net'.

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.

(m) Leases

Lease liabilities are usually measured at the present value (PV) of the contractual payments due to the lessor over the lease term, with the discount rate determined by the rate inherent in the lease unless this is not readily determinable, in which case, the Authority's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Right-of-use assets are initially measured at the amount of the lease liability reduced for any lease incentives received and increased for: lease payments made at or before commencement of the lease, indirect costs incurred and the amount of any provision recognised where the Authority is contractually required to dismantle, remove or restore the leased asset.

Land on lease was transferred to the Authority from Ports and Marine Services Division upon its inception in 2004 at negligible value. The Directors made use of the exemption clause under IFRS 16 in respect of leases for which the underlying asset is of low value and elected not to apply the requirements of that standard.

(n) Current Tax

Current tax is the expected amount of business tax payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the end of the reporting period.

(o) 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).

(p) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Authority expects to be entitled in exchange for those goods or services.

Revenue of the Authority comprises the following:

Port Services income

Port services and related income are recognised based on the offer and use of the Port's facilities net of discounts.

Rental Income

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

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.

Other revenues

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

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(g) **Capital reserve**

The stated 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. Releases from capital reserve to the Statement of Profit or Loss are in respect of the depreciation of assets transferred.

(r) **Provisions**

Provisions are recognised when the Authority has a present obligation (legal or constructive) 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. 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's activities are exposed to currency risk with respect mainly to US Dollars and Euros. The Authority requires foreign exchange for developing its infrastructure and acquisition of property and equipment which are met through the surplus from foreign currency income and the support of Government of Seychelles. Foreign currency risk is not hedged.

If the above mentioned currencies had weakened/strengthened at year end against the above currencies 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 gains/(losses) as depicted in the table hereunder.

	Euro		US Dollar	
	2023	2022	2023	2022
	SCR	SCR	SCR	SCR
Cash and cash equivalent	110,496	95,267	7,511	6,582
Trade and other receivables	5,166	5,111	1,256	731
Borrowings	20,620	3,735		
Trade and other payables	-	-	-	-

(b) **Credit risk**

The Authority's credit risk is primarily attributable to its trade receivables.

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

	2023	2022
	SCR	SCR
6-12 major counterparties	57,453,588	39,160,668
Others (diversified risk)	(5,774,678)	6,769,974
	51,678,910	45,930,642

In order to minimise credit risk, the Authority has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, 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 significantly reduced. Trade receivables consist of a large number of customers although heavily concentrated amongst 6-8 debtors.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating consistent to Seychelles' rating are accepted.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 10.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating consistent to Seychelles' rating are accepted.

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(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 into relevant maturity groupings based on the remaining period at the date of the reporting period to the contractual maturity date.

	Less than 1 year	Between 1 & 5 years	Above 5 years	Total
	SCR	SCR	SCR	SCR
At 31 December 2023				
Borrowings	3,098,584	22,116,255	16,024,679	41,239,518
Retirement benefit obligations	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>16,024,679</u>	<u>65,552,223</u>
At 31 December 2022				
Borrowings	-	-	7,470,000	7,470,000
Retirement benefit obligations	1,311,692	8,959,811	-	10,271,503
Trade and other payables	10,296,474	-	-	10,296,474
	<u>11,608,166</u>	<u>8,959,811</u>	<u>7,470,000</u>	<u>28,037,977</u>

(d) **Interest rate risk**

Interest rate risk is defined as the risk that movements in interest rates adversely affect the value of the Authority. Interest rate risk is considered low as the cash inflows generated by the Authority are sufficient to meet its obligations while staff loans attract a fixed interest rate.

Since 31 December 2019 the Authority's operating cash flows became exposed to interest rate risk as it borrows at variable rates. However, interest paid to date was SCR 682,832.65.

(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:

- to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk;
- to ensure sufficient liquidity to support its financial obligations and execute the operational and strategic plans to continue to provide benefits shareholders and stakeholders to remain financially self-sufficient.

(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.

4. 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) *Business model assessment*

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Authority determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Authority monitors financial assets measured at amortised cost prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Authority's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(b) *Calculation of Loss allowance*

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. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

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.

(c) *Useful lives and residual values*

Property and equipment are depreciated over their useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

(d) *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.

(e) *Fair value estimation*

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

The Authority uses a variety of methods and makes assumptions that are based on market conditions existing at the end of the reporting period.

The Authority uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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(f) **Functional currency**

The Board of Directors have determined the Seychelles Rupee (SCR) to be the functional currency of the Authority.

(g) **Dividends**

Payment of dividends to the Government of Seychelles is as per directives under Section 11 (3) of the Seychelles Ports Authority Act, 2004. The Authority does not have any discretionary powers to recommend the amount of dividends to be paid.

(h) **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.

(i) **Capital reserve**

Upon establishment of the Authority as a statutory body in the year 2004, the Authority was vested with the assets and liabilities of the former Port and Marine Division at nil consideration. The net assets over liabilities was recognised in the books of the Authority as capital reserve under "Other Comprehensive Income" with the assumption that it would not be repayable in future to the Government of Seychelles.

Depreciation charge on those assets vested are offset by a corresponding release from capital reserve on an annual basis so that impact on the Statement of Profit or Loss is nil.

(j) **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.

(k) **Going Concern**

The Board members consider that it remains appropriate for the Authority to continue to adopt the going concern basis in preparing these financial statements. The Board members are satisfied that the Authority has the resources to continue in business for the foreseeable future. Furthermore, the Board members are not aware of any material uncertainties that may cast significant doubt upon the Authority's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

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5. PROPERTY AND EQUIPMENT

(a) Asset movement schedule

2023

	2023											Total	
	Freehold Property	Jetty Construction	Improvement to buildings	Tugs, buoys & launches	Pontoons	Boats & outboard engine	Machinery, equipment and tools	Office equipment	Furniture and fittings	Motor vehicles	Other assets		Work-in-progress
	SCR	SCR	SCR	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	221,061,378	639,150	127,360	8,010,827	7,190,493	2,592,301	11,051,806	7,472,882	49,315,046	441,196,069
- As previously reported													
- Prior Year Adjustment													
- Prior period error													
- As restated	4,200,100	121,256,315	8,278,411	221,061,378	639,150	127,360	8,010,827	7,190,493	2,592,301	11,051,806	7,472,882	49,315,046	441,196,069
Additions			110,703				466,465	675,969	272,894	350,000	788,932	66,577,577	69,242,540
Transfer		24,624,105	500,699	46,494,744							35,000	-89,680,963	-18,026,415
Disposal							-2,350	-16,675	-27,038		-2,123		-48,186
At 31 December 2023	4,200,100	145,880,420	8,889,813	267,556,122	639,150	127,360	8,474,982	7,849,787	2,838,157	11,401,806	8,294,691	26,211,660	492,364,008
ACCUMULATED DEPRECIATION													
At 1 January 2023		23,967,772	4,762,858	98,018,532	561,203	76,378	5,421,031	5,781,501	2,282,652	10,395,672	6,271,566		157,539,165
- As previously reported													
- Prior period error													
- As restated		23,967,772	4,762,858	98,018,532	561,203	76,378	5,421,031	5,781,501	2,282,652	10,395,672	6,271,566		157,539,165
Charge for the year		4,932,333	1,086,326	14,158,327	31,957	4,372	929,082	912,178	201,816	322,699	717,625		23,296,715
Disposal adjustment/Prior Period Error							-2,350	-16,675	-27,038		-2,123		-48,186
At 31 December 2023		28,900,105	5,849,184	112,176,859	593,160	80,750	6,347,763	6,677,004	2,457,430	10,718,371	6,987,068		180,787,694
NET BOOK VALUE													
At 31 December 2023	4,200,100	116,980,315	3,040,629	155,379,263	45,990	46,610	2,127,179	1,172,783	380,727	683,435	1,307,623	26,211,660	311,576,314

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5. PROPERTY AND EQUIPMENT (CONT'D)

(b) Asset movement schedule

2022

	2022											Total	
	Freehold Property	Jetty Construction	Improvement to buildings	Tugs, buoys & launches	Pontoons	Boats & outboard engine	Machinery, equipment and tools	Office equipment	Furniture and fittings	Motor vehicles	Other assets		Work-in-progress
	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
COST / DEEMED COST													
At 1 January 2022	4,200,100	121,256,315	8,154,500	218,439,378	639,150	127,360	7,502,437	6,763,575	2,436,815	10,351,229	7,166,362	14,249,787	401,287,008
- As previously reported													
- Prior Year Adjustment													
- Prior period error													
- As restated	4,200,100	121,256,315	8,154,500	218,439,378	639,150	127,360	7,502,437	6,763,575	2,436,815	10,351,229	7,166,362	14,249,787	401,287,008
Additions							559,712	427,913	174,121	700,577	374,235	37,811,170	40,047,728
Transfer			123,911	2,622,000									
Disposal				0			-51,322	-995	-18,635		-67,715		-138,667
At 31 December 2022	4,200,100	121,256,315	8,278,411	221,061,378	639,150	127,360	8,010,827	7,190,493	2,592,301	11,051,806	7,872,882	49,315,046	441,196,069
ACCUMULATED DEPRECIATION													
At 1 January 2022		19,117,520	3,681,650	84,278,224	529,245	72,006	4,646,823	4,950,465	2,061,792	10,199,643	5,528,430		135,065,798
- As previously reported													
- Prior period error													
- As restated		19,117,520	3,681,650	84,278,224	529,245	72,006	4,646,823	4,950,465	2,061,792	10,199,643	5,528,430		135,065,798
Charge for the year		4,850,252	1,081,208	13,740,308	31,958	4,372	822,114	832,031	239,333	196,029	792,876		22,590,482
Disposal adjustment/Prior Period Error							-47,506	-995	-18,473		-49,740		-117,115
At 31 December 2022	23,967,772	4,762,858	98,018,532	561,203	76,378	5,421,031	5,781,501	2,282,652	10,395,672	6,271,566	49,315,046	283,656,904	
NET BOOK VALUE	4,200,100	97,288,543	3,515,553	123,042,846	77,947	50,982	2,589,796	1,408,992	309,649	656,134	1,201,316	49,315,046	283,656,904
At 31 December 2022													

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5. PROPERTY AND EQUIPMENT (CONT'D)

(b) The Directors have estimated that costs of property and equipment approximate their fair value and there is no need for any impairment at 31 December 2023, (2022: nil)

	2023	2022
	SCR	SCR
(c) Depreciation		
Depreciation (note 5(a))	23,296,715	22,590,482
Release from capital reserve (note 12)	-823,421	-925,188
	22,473,294	21,665,294

(d) Depreciation released from capital reserve is in respect of assets transferred from Port and Marine Services Division to the Authority at nil consideration in 2004.

6. INVESTMENT PROPERTY

	2023	2022
	SCR	SCR
COST		
At 1 January,	22,995,659	22,995,659
Additions	18,026,414	-
At 31 December,	41,022,073	22,995,659
ACCUMULATED DEPRECIATION		
At 1 January,	6,924,709	5,774,926
Charge for the year	1,561,572	1,149,783
At 31 December,	8,486,281	6,924,709
NET BOOK VALUE	32,535,792	16,070,950

7. INTANGIBLE ASSETS

	2023	2022
	SCR	SCR
Computer Software		
COST		
At 1 January,	881,611	881,611
Additions	-	-
At 31 December,	881,611	881,611
AMORTISATION		
At 1 January,	635,383	520,547
Charge for the year	102,520	114,836
At 31 December,	737,903	635,383
NET BOOK VALUE	143,708	246,228

8. INVENTORIES

	2023	2022
	SCR	SCR
Building, hardware and plumbing material	787,368	639,131
Spare parts	517,083	1,029,159
Consumables	997,342	1,138,861
Fuel and lubricants	2,071,057	170,513
Minor assets	14,406	7,535
	4,387,256	2,985,199

(a) The cost of inventories recognised as an expense and included in cost of sales and overheads amounted to **SCR 19m** (2022: SCR 14m).

(b) The cost of fuel used in tugboats were accounted on cash basis in the income statement which is consumed over a period more than 6 months at each of the instant fuel was replenished in contrary to the accrual principal. This anomaly was corrected to accrual basis on recognition of inventory of fuel on tugboats on sounding basis as of 30th September, 2023 and continued to carry out such exercise at the end of every month thereafter. The adjustment on inventory for prior years were treated as a prior year adjustment in terms of IAS-8 Prior Period Adjustment correct accordingly and the effect is recorded in this financial statement with restatement of comparative figures presented under modified restrictive method where the adjustment was limited to the previous year figures presented in this financial statement . The effect of adjustment relating to prior years is SCR 4,308,098

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9. INVESTMENT IN FINANCIAL ASSET AT AMORTISED COSTS

(a) The movement in financial assets is summarised as follows:

	2023	2022
	SCR	SCR
At 1 January,	25,042,633	-
Addition during the year	25,774,168	25,042,633
Redemption during the year	(20,090,200)	
Interest Accrued	989,020	42,633
Interest Received	(989,020)	(42,633)
At 31 December,	<u>30,726,601</u>	<u>25,042,633</u>

(b) The investment in financial asset at amortised costs was in respect of Fixed Deposits with interest ranging from 1.65% to 2.75%.

Terms of short-term deposit are detailed below:

	Amount(SCR)	Maturity	Interest rate
Seychelles Commercial Bank - Fixed Deposits	5,000,000	January 28, 2024	2.15%
Nouvobanque - Fixed Deposits	10,000,000	January 24, 2024	2.60%
Nouvobanque - Fixed Deposits	10,195,159	September 09, 2024	2.75%
Nouvobanque - Fixed Deposits	5,150,675	March 09, 2024	1.65%
	<u>30,345,834</u>		

(c) The Directors have assumed that no provision for expected credit losses is expected since the risk of default of Fixed Deposit issued by the Nouvobanque is negligible.

10. TRADE AND OTHER RECEIVABLES

	2023	2022
	SCR	SCR
Trade receivables	51,678,910	45,930,642
less: provision for impairment (notes 10(b)(iii) & 10(d))	(15,393,293)	-17,828,382
	<u>36,285,617</u>	<u>28,102,260</u>
Prepayments	7,532,320	7,623,410
Staff loans (note 10(e))	-	-
Other receivables	5,785,386	4,075,042
	<u>49,603,323</u>	<u>39,800,712</u>
Disclosed as follows:		
Non-current receivables	3,425,478	3,425,478
Current receivables	46,177,845	36,375,234
Total	<u>49,603,323</u>	<u>39,800,712</u>

(a) The carrying value of trade and other receivables measured at amortised cost approximates fair value and are denominated in the following currencies:

	2023	2022
	SCR	SCR
Seychelles Rupee	36,758,961	28,116,281
Euro	10,332,982	10,221,540
US Dollar	2,511,380	1,462,891
	<u>49,603,323</u>	<u>39,800,712</u>

(b) Credit Loss Allowances

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

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. The Authority writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. The average credit period on trade receivables is 30 days. No interest is charged on outstanding trade receivables.

The following table details the risk profile of Trade receivables based on the Authority's provision matrix. The customers of the Authority have been classified into only one group based on similar credit risk, characteristics and as detailed below:

SEYCHELLES PORTS AUTHORITY

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(ii) At 31 December 2022

	Trade Receivables-days past due				Total
	< 30 days	31-60 days	61-90 days	91-365 days > 365 days	
Estimated gross carrying amount at default (SCR)	26,901,898	3,313,534	-405,677	6,546,845	45,931,874
Expected credit loss rate (%)	12.60%	20.60%	41.62%	66.44%	100.00%
Lifetime expected credit losses (SCR)	3,389,639	682,588	(168,843)	4,349,724	17,828,382

(iii) At 31 December 2023

	Trade Receivables-days past due				Total
	< 30 days	31-60 days	61-90 days	91-365 days > 365 days	
Estimated gross carrying amount at default (SCR)	35,839,097.16	1,941,010	1,349,123	3,141,527	51,678,910
Expected credit loss rate (%)	9.60%	16.53%	30.46%	57.66%	100.00%
Lifetime expected credit losses (SCR)	3,442,054	320,868	410,927	1,811,291	15,393,293

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(c) Sensitivity analysis

If the ECL rates on trade receivables above 365 days past due had been 5 basis points higher / (lower) as of December 2023, the loss allowance would have been **SCR 4,704** higher/(lower) (2022: SCR 4,787).

(d) Movement in allowance for credit loss

The following table shows the movement in lifetime ECL that has been recognised for Trade receivables in accordance with the simplified approach set out in IFRS 9.

	<u>2023</u>	<u>2022</u>
	SCR	SCR
Balance at 1 January	17,828,382	18,291,859
Charge during the year	-2,435,089	-463,477
Bad debts written off	-	-
Balance at 31 December	<u>15,393,293</u>	<u>17,828,382</u>

e) Short term staff loans are offset against their monthly salaries and risk of default has been estimated by the Directors as nil. Prepayments and other receivables were recovered in full subsequent to year end and risk of default has also been estimated by the Directors as nil.

(f) 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 collaterals as securities.

11. CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
	SCR	SCR
Cash at bank available on demand	228,282,114	196,189,131
Cash on hand	4,541	10,000
	<u>228,286,655</u>	<u>196,199,131</u>

12. CAPITAL RESERVE

	<u>2023</u>	<u>2022</u>
	SCR	SCR
At 1 January,	7,485,616	8,410,804
Release during the year (notes 5(c))	-823,421	-925,188
At 31 December,	<u>6,662,195</u>	<u>7,485,616</u>

(a) Upon its establishment of the Authority as a statutory body in 2004, the Authority was vested with the assets and liabilities of the former Port and Marine Services Division of the Government of Seychelles for nil consideration. Upon accounting for the net assets, the contra entry was recognised as a Capital Reserve.

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13. BORROWINGS

		2023	2022
		SCR	SCR
Non-current liability			
Agence Française de Développement (AFD)	Note 13 (a)	8,066,950	7,470,000
Seychelles International Banking Corporation Ltd (Nouvobanq)	Note 13 (b)	36,271,152	-
		<u>44,338,102</u>	<u>7,470,000</u>
Payable within one year		3,098,584	
Payable after one year or more		41,239,518	
		<u>44,338,102</u>	-

13 (a)	Agence Française de Développement (AFD)	7,470,000	8,241,300
	Balance as at 1 January	-	-
	Amounts drawn down during the year	-	-
	Repayment (Principal)	596,950	-771,300
	Exchange rate adjustment at year end	8,066,950	7,470,000
	Agence Française de Développement (AFD) (note 13(c))	<u>8,066,950</u>	<u>7,470,000</u>

- (I) 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 expanding Seychelles' commercial port, the Mahe Quay.

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 EUR 16.5 million for the project. However, in view of the escalated costs estimated, this facility is being restructured to increase by another Euro 28 Mn and Grant by Euro 10 Mn with a tenor increased upto 25 years.

A floating interest rate being effective global rate as at 1st December 2020 - 0.523% is currently payable. This is either 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. In terms of restructuring proposals pending interest rates also subject to revision.

- (II) The above loans are secured by a guarantee from the Government of Seychelles for an amount of Euro 12.5m and Euro 16.5m 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 28m, EIB require a guarantee from the Government of Seychelles similar to the existing guarantee that was established for Euro 12.5m.

- (III) The maturity and exposure of the Authority's borrowings to interest rate changes are shown on note 3(a),(c) and (d).

		2023	2022
		SCR	SCR
13 (b)	Seychelles International Banking Corporation Ltd (Nouvobanq)		
	Balance as at 1 January	-	-
	Amounts drawn down during the year	35,818,278	
	Repayment (Principal)	(1,891,610)	
	Exchange rate adjustment at year end	2,344,484	
	Seychelles International Banking Corporation Ltd (Nouvobanq)	<u>36,271,152</u>	-

- (I) The above facility of Euro 4.860m is obtained from Seychelles International Banking Corporation Ltd (Nouvobanq) for the purpose of funding fleet of tug boat and pilot boats replenishment and amount outstanding above represent the first and second tranche of Euro 2.3m 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 15 years from the date of disbursement.

- (d) The above loans are secured by a mortgage guarantee of the Tugboat St. Anne for Euro 4.86m. The maturity and exposure of the Authority's borrowings to interest rate changes are shown on note 3(a),(c) and (d).

SEYCHELLES PORTS AUTHORITY

14. DEFERRED TAXES

Deferred taxes are calculated on all temporary differences under the liability method at 25% (2022: 30%) for the Authority at 31 December 2023.

- (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:

	2023	2022
	SCR	SCR
Deferred tax assets (note 14(c)(i))	7,613,129	9,206,427
Deferred tax liabilities (note 14(c)(ii))	-18,658,045	-4,866,002
	(11,044,916)	4,340,425

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

	2023	2022
	SCR	SCR
At 1 January,	4,340,425	(6,005,727)
(Charge)/Credit for the year (notes 16(b))	(6,704,491)	1,665,302
At 31 December	(11,044,916)	(4,340,425)

- (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			Total
	losses	Provision for leave ment benefit obligation		
	SCR	SCR	SCR	SCR
At 1 January 2022	5,487,558	828,765	2,806,404	9,122,727
Credit/(Charge) for the year	-139,043	-52,304	275,047	83,700
At 31 December 2022	5,348,515	776,461	3,081,451	9,206,427
(Charge)/Credit for the year	-1,500,192	-106,400	13,294	-1,593,298
At 31 December 2023	3,848,323	670,061	3,094,745	7,613,129

- (ii) *Deferred tax liabilities*

	2023	2022
	SCR	SCR
At 1 January,	4,866,002	3,117,000
Credit for the year	13,792,043	1,749,002
At 31 December,	18,658,045	4,866,002

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15. RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligation relates to Compensation of 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 12 months.

(a) The movement is as follows:	2023	2022
	SCR	SCR
At 1 January,	10,271,503	9,354,679
Charge for the year (note 18)	6,710,080	7,262,828
Payments made during the year	-6,665,767	-6,346,004
At 31 December,	10,315,816	10,271,503
Analysed as:		
Non-current	8,516,467	8,959,811
Current	1,799,349	1,311,692
	10,315,816	10,271,503

16. TAX LIABILITY/ EXPENSE

(a) <u>Statement of Financial Position</u>	2023	2022
	SCR	SCR
At 1 January,	12,955,703	5,104,276
Charge for the year	24,198,715	17,614,438
Current tax on the adjusted profit for the year (note 16(b))		-207,125
Under/(Over Provision of Business tax	24,198,715	17,407,313
As restated	-34,452,796	-9,555,886
Paid during the year		
VAT Credit Refund	3,084,277	-
At 31 December,	-5,975,790	12,955,703

(b) <u>Statement of Profit or Loss</u>	2023	2022
	SCR	SCR
Current tax on the profit for the year at applicable rates	24,198,715	17,614,438
- Under/(Over) Provision of Business Tax	-	-207,125
Deferred tax provision (note 14(b))	6,704,491	1,665,302
	30,903,206	19,072,615

(c) Reconciliation between taxable and accounting profits is as follows:	2023	2022
	SCR	SCR
Profit before tax	52,706,538	63,861,604
Tax calculated at applicable tax rates	13,076,634	15,865,376
Expenses not deductible for tax purposes	3,400,376	213,692
Excess of depreciation over capital allowance	-2,702,128	-2,161,653
Allowable Deduction for tax purposes	-3,918,562	3,697,024
	9,856,319	17,614,438

(d) Applicable tax rates for the Authority are as follows:

<u>Taxable Income threshold</u>	2023 & 2022
≤ SCR. 1,000,000	15%
> SCR. 1,000,000	25%

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17. TRADE AND OTHER PAYABLES

	2023	2022
	SCR	SCR
Trade payables	9,213,008	4,496,269
Other payables and accruals	2,439,911	4,075,350
Deposits	2,343,970	1,724,855
	<u>13,996,889</u>	<u>10,296,474</u>

(a) The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

(b) The carrying amounts of the Authority's trade and other payables are denominated in the following currencies:

	2023	2022
	SCR	SCR
Seychelles Rupee	12,309,922	8,609,507
Euro	-	-
US Dollar	1,686,967	1,686,967
	<u>13,996,889</u>	<u>10,296,474</u>

18. EMPLOYEE COSTS

	2023	2022
	SCR	SCR
Salaries and wages	67,993,574	58,708,062
13th Month's Salary	2,406,633	2,320,373
Gratuity and length of service charge (note 15)	6,710,080	7,262,828
Other staff costs	7,117,985	5,179,237
	<u>84,228,272</u>	<u>73,470,500</u>

19. PREMISES COSTS

	2023	2022
	SCR	SCR
Rent	-	-
Electricity and water	2,811,828	2,216,166
Repairs and maintenance	861,081	372,107
Insurance	172,276	165,203
Security Services	27,720	-
	<u>3,872,905</u>	<u>2,753,476</u>

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20.	OPERATING OVERHEADS	2023	2022
(a)		SCR	SCR
	Advertising, entertainment and donations	1,862,202	451,287
	Bank charges	107,245	48,548
	Directors' emoluments (note 20(b))	138,240	138,240
	Communication costs	1,103,146	909,432
	Local travel and conveyance	1,057,782	459,478
	Loss on disposal of assets	-	19,793
	Office equipment maintenance	2,588,117	1,905,445
	Other operating overheads	581,183	1,435,991
	Overseas travel, subsistence and training	1,755,805	910,417
	Professional and consultancy fees	5,117,805	955,090
	Stationery, postage and subscriptions	1,081,591	1,201,018
	Vehicle maintenance	1,188,234	1,277,143
	Auditor's Remuneration	130,000	130,000
	Auditor's Remuneration -Past years	-	125,000
		<u>16,711,350</u>	<u>9,966,882</u>
(b)	Directors' emoluments	2023	2022
		SCR	SCR
	Gilbert Frichot	-	-
	Nichol Elizabeth	34,560	34,560
	Brian Loveday	34,560	34,560
	Audrey Rose	34,560	34,560
	Cpt. Philip Hoareau	34,560	34,560
		<u>138,240</u>	<u>138,240</u>

21. 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 handled 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 comprised:

	2023	2022
	SCR	SCR
Salaries and allowances	1,951,379	1,941,690
Gratuity and end of contract payments	87,489	478,034
Board members' fees (note 20(b))	138,240	138,240
Pension	96,912	72,272
Others	63,196	63,196
	<u>2,337,217</u>	<u>2,693,431</u>

(d) Loan and advances to key management personnel are approved and disbursed as per the Authority's loan policy. As at 31 December 2023 loans and advances to key Management was nil (2022: Nil). There were no loans advanced to Board of Directors.

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22. CAPITAL COMMITMENTS

	2023	2022
	SCR'000	SCR'000
Authorised and contracted for	13,294	15,822
Authorised and not contracted for	349,688	35,809
	<u>362,982</u>	<u>51,631</u>

23. CONTINGENT LIABILITIES

On 31 December 2023, there were pending court cases against the Authority of approximately SCR 100,000.00 for termination of an employee in 2024, of which the hearing at the employment tribunal will be in 2025. Further a claim of a burnt container is pending against the authority and four others and liability on this case if materializes is indeterminable.

24. SIGNIFICANT EVENTS THAT MAY AFFECT FINANCIAL PERFORMANCE

On 23rd November, 2023, Harbour (Port and harbour Dues Regulations) were revised and tariff on services provided by the authority was increased generally by 75% which will be effective from 1st January, 2024 in two phases in 2024 and 2025 at 37.5% each. This may have a significant positive impact on the revenue and profits of the authority in 2024 onwards.

25. POST BALANCE SHEET EVENTS

The authority disposed its existing tugboats "Ascension" and "Rosemary" in January, 2024 as part of the exercise for rejuvenating the existing fleet of tugboats and pilot boats. Total proceeds of the disposal is Euro 1,584,000/-net of brokerage commission and these proceeds will be used for purchasing new tugboats and pilot boats.