PROPERTY MANAGEMENT CORPORATION

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2015

PROPERTY MANAGEMENT CORPORATION

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CORPORATE INFORMATION

DIRECTORS	:	Yves Choppy Jules Baker Ronny Palmyre Marie-Celine Vidot Marcus Simeon Elizabeth Charles Linda William-Melanie
SECRETARY	:	Imelda Anette Aglae
REGISTERED OFFICE	:	Victoria, Mahé, Seychelles
PRINCIPAL PLACE OF BUSINESS	:	Mahé Seychelles
AUDITORS	:	BDO Associates Chartered Accountants Seychelles
BANKERS		Habib Bank Limited Bank of Baroda The Mauritius Commercial Bank (Seychelles) Limited Seychelles Commercial Bank Limited Barclays Bank (Seychelles) Ltd

The Directors have pleasure in submitting their report together with the audited financial statements of the Corporation for the year ended December 31, 2015.

PRINCIPAL ACTIVITIES

The Corporation was created under the Property Management Corporation (PMC) Act, 2004 and is engaged in the sale, lease or rental of flats and houses. The operations and activities of PMC was previously integrated within those of HFC but the two entities were separated effective September 1, 2013.

RESULTS

	SR
Loss for the year	(6,388,496)
Retained earnings brought forward	4,194,775
Revenue deficit carried forward	**(2,193,721)**

EQUIPMENT AND INVESTMENT PROPERTIES

Additions to equipment of SR 1.1m during the year comprised furniture & equipment and Vehicle. Additions to investment properties were SR 4.9m and disposals amounted to SR 2.4m during the year under review.

The Directors are of the opinion that fair values of equipment and investment properties of the Corporation at December 31, 2015 do not differ materially from their carrying amounts at the end of the reporting year.

DIRECTORS AND DIRECTORS' INTEREST

The Directors of the Corporation from the date of the split to the date of this report are:

	2014 & 2015 Number of shares
Yves Choppy	Nil
Jules Baker (appointed 3 March 2016)	Nil
Ronny Palmyre	Nil
Marie-Celine Vidot	Nil
Wallace Cosgrow (Resigned 2 February 2015)	Nil
Marcus Simeon (Appointed 8 April 2015)	Nil
Elizabeth Charles	Nil
Linda William-Melanie	Nil
Timothe Sinon (Resigned 1 March 2016)	Nil

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the overall management of the affairs of the Corporation including the operations of the Corporation and making investment decisions.

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Standards in Seychelles and in compliance with the Property Management Corporation Act, 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. The Directors have the general responsibility of safeguarding the assets, both owned by the Corporation and those that are held in trust and used by the Corporation.

The Directors consider they have met their aforesaid responsibilities.

AUDITORS

The Auditor General of Seychelles has been mandated to audit the financial statements of the Corporation pursuant to Section 21 of Part IV - Financial Provisions of the Property Management Corporation Act, 2004.

BOARD APPROVAL

Yves Choppy
Director

Jules Baker
Director

Ronny Palmyre
Director

Marie-Celine Vidot
Director

Marcus Simeon
Director

Elizabeth Charles (Agathine)
Director

Linda William-Melanie
Director

Dated: 16 JUN 2016
Victoria, Seychelles

OFFICE OF THE AUDITOR GENERAL

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Mahe, Republic of Seychelles
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Please address all correspondence to the Auditor General

REPORT OF THE AUDITOR GENERAL TO THE BOARD OF THE PROPERTY MANAGEMENT CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2015

Pursuant to the powers conferred on me by Section 21 of the Property Management Corporation Act, 2004, I have caused BDO Associates (Chartered Accountants) to audit on my behalf the financial statements of the Authority for the period ended 31 December 2015 as set out on pages 4 to 18.

The Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Standards in Seychelles and in compliance with the requirements of the Property Management Corporation 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 policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on those financial statements based on the audit. The audit was conducted in accordance with International Organisation of the Supreme Audit Institutions (INTOSAI) Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

3(a)

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

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

Basis of Qualified Opinion

Provision of Credit Impairment

The Corporation's accounting system cannot provide an ageing of rent receivable from tenants. In the absence of an aged analysis of rental due or other documents giving such details, we were unable to perform adequate audit procedures in respect of those receivables and could not ascertain the adequacy of provision for credit impairment.

Audit Opinion

In my opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements on pages 4 to 18 fairly present the financial position of the Property Management Corporation as at 31 December 2015 and the results of its operations and cash flows for the year then ended in accordance with Generally Accepted Accounting Standards in Seychelles and comply with the provisions of the Property Management Corporation Act, 2004.

Marc Benstrong
AUDITOR GENERAL

21 June 2016
Victoria

BALANCE SHEET AS AT DECEMBER 31, 2015

	Notes	2015	2014
		SR	SR
ASSETS			
Non-current assets			
Property and equipment	5	1,764,217	1,284,368
Investment properties	6	182,733,406	187,561,780
Finance lease receivables	7	553,365,603	539,350,045
		737,863,226	728,196,193
Current assets			
Inventory	8	15,723,960	-
Trade and other receivables	9	19,191,141	13,981,687
Cash and bank balances		19,496,179	17,655,757
		54,411,280	31,637,444
TOTAL ASSETS		792,274,506	759,833,637
EQUITY AND LIABILITIES			
Equity			
Capital reserve	10	791,154,764	754,488,568
(Revenue deficit)/Retained earnings		(2,193,721)	4,194,775
		788,961,043	758,683,343
LIABILITIES			
Non-current liability			
Retirement benefit obligations	11	385,201	543,441
Current liability			
Trade and other payables	12	2,928,262	606,853
Total liabilities		3,313,463	1,150,294
Total equity and liabilities		792,274,506	759,833,637

These financial statements have been approved for issue by the Board of Directors on 16 JUN 2016

Yves Choppy
Director

Jules Baker
Director

Ronny Palmyre
Director

Marie-Celine Vidot
Director

Marcus Simeon
Director

Elizabeth Charles
Director (Agathine)

Linda William-Melanie
Director

The notes on pages 8 to 18 form an integral part of these financial statements
Auditors' Report on pages 3 and 3(a)

INCOME STATEMENT - YEAR ENDED DECEMBER 31, 2015

	Notes	2015	2014
		SR	SR
Revenue	13	53,965,561	47,235,566
Operating expenses	14(a)	(56,435,540)	(41,154,756)
Gross (loss)/profit		(2,469,979)	6,080,810
Administrative expenses	14(a)	(8,491,586)	(7,187,343)
Other income	15	4,573,069	1,884,850
(Loss)/Profit for the year		**(6,388,496)**	**778,317**

The notes on pages 8 to 18 form an integral part of these financial statements
Auditors' Report on pages 3 and 3(a)

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED DECEMBER 31, 2015

	Note	Capital reserve	Retained earnings	Total
		SR	SR	SR
At January 1, 2015		754,488,568	4,194,775	758,683,343
Loss for the year		-	(6,388,496)	(6,388,496)
Movements during the year	10	36,666,196	-	36,666,196
At December 31, 2015		791,154,764	(2,193,721)	788,961,043
At January 1, 2014		695,759,650	3,416,458	699,176,108
Profit for the year		-	778,317	778,317
Movements during the year	10	58,728,918	-	58,728,918
At December 31, 2014		754,488,568	4,194,775	758,683,343

The notes on pages 8 to 18 form an integral part of these financial statements
Auditors' Report on pages 3 and 3(a)

CASH FLOW STATEMENT - YEAR ENDED DECEMBER 31, 2015

	Notes	2015	2014
		SR	SR
Cash flows from operating activities			
(Loss)/Profit for the year		(6,388,496)	778,317
Adjustments for:			
Depreciation of property and equipment	5	641,900	465,638
Amortisation of investment properties	6	9,737,820	9,333,956
Interest charge on finance lease	7	(15,818,111)	(13,892,568)
Movement in provision for credit impairment	14	(1,267,660)	(1,992,082)
Movement in capital reserve	10	36,666,196	58,728,918
Movement in retirement benefit obligations	11	(158,240)	430,012
Profit on disposal of assets	15	(2,740,545)	-
		20,672,864	53,852,191
Changes in working capital items:			
Inventory	8	(15,723,960)	-
Trade and other receivables	9	(3,927,764)	960,411
Trade and other payables	12	2,321,409	(2,250,781)
Net cash inflow from operating activities		3,342,549	52,561,821
Cash flows from investing activities			
Additions to property and equipment	5	(1,146,172)	(722,645)
Additions to investment properties	6	(4,909,446)	(12,816,962)
Proceeds from disposal of properties and equipment		2,764,968	2,558,000
Net cash used in investing activities		(3,290,650)	(10,981,607)
Cash flows from financing activities			
Additions to finance lease	8	(40,102,842)	(61,238,348)
Net repayment of finance leases	8	41,891,365	30,592,196
Net cash used in financing activities		1,788,523	(30,646,152)
Net increase in cash and cash equivalents		1,840,422	10,934,062
Movements in cash and cash equivalents			
At January 1		17,655,757	6,721,695
Increase		1,840,422	10,934,062
At December 31,		19,496,179	17,655,757

The notes on pages 8 to 18 form an integral part of these financial statements
Auditors' Report on pages 3 and 3(a)

1. GENERAL INFORMATION

Property Management Corporation is a corporate body incorporated under the Property Management Corporation Act, 2004 with perpetual succession and a common seal and is domiciled in Seychelles. Its objectives are to ensure the equitable provision of living accommodation to the people of Seychelles by sale, lease or rental of flats and houses in accordance with the policy of the Government; to manage and maintain buildings and other property on behalf of the Government; and to ensure the provision of utility services for the rental of flats and houses.

The Corporation is wholly owned by the Government of Seychelles and the principal place of business is located at Oceangate House, Victoria, 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

(a) Basis of preparation

The financial statements of Property Management Corporation comply with the Property Management Corporation Act, 2004 and have been prepared in accordance with Generally Accepted Accounting Standards in Seychelles. The financial statements are prepared under the historical cost convention, except that:

(i) Finance Lease receivables from lessees under the House Purchase Scheme are stated at their fair values and comprise costs of houses including discounts and capitalised interest.

(ii) Investment properties are stated at their costs/deemed costs.

(b) Property and equipment

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

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably.

Properties in the course of construction are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalised. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

Furniture, equipment and vehicles	3 - 5 years

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) 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.

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

(c) Investment properties

Investment properties comprising flats and houses rented out are amortised over 25 years. These are stated at their costs or deemed costs.

Costs associated with developing or maintaining investment properties are recognised as an expense in the income statement.

(d) Financial instruments

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

(i) Trade and other receivables

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

A provision for impairment of trade receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the income statement.

The carrying amount of trade and other receivables approximate their fair value.

(ii) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at banks and bank overdrafts. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (Cont'd)

(iii) 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 approximate their amortised cost.

(iv) Offsetting financial instruments

when the Corporation has a legal enforceable right to set off the recognised amounts and the Corporation intends either to settle on a net basis, or to realise the asset and liability simultaneously.

(vii) Derecognition

The Corporation 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 Corporation derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

(e) Inventory

Inventory comprises of land and buildings under development. Inventory is initially recognised at cost or deemed cost, and subsequently at the lower of cost and net realisable value. Cost comprises all deemed costs, costs of construction, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(f) Finance lease receivables

Receivables for finance leases from lessees under the House Purchase Scheme are stated at the values agreed with the lessees for cost of the house including capitalised interest, if any. This is a House Purchase Scheme offered to the lessees. Risks and rewards are vested and the ownership passed to the lessees upon repayment of full amount due to the Corporation.

Payments made by the lessees under finance leases are treated as repayment over the period of the lease and are recognised in the Income Statement.

Interest on the House Purchase Scheme varies according to the social housing scheme of the Government which determines the instalment based on the income and repaying capacity of the

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Capital reserve

The stated capital originates from the contra credit entries to net assets transferred from HFC transferred to the Corporation at nil consideration in 2013. Subsequent movements represent further additions to properties transferred from the Government of Seychelles also at nil consideration. It also includes revaluations by Directors of assets previously transferred. Releases from capital reserve to the income statement are in respect of finance lease receivables and the amount being equal to the principal repayment by the lessees.

(h) Retirement benefit obligations

The Corporation provides for a payment of gratuity to permanent employees. The amount provisioned every year is based on the number of years the employee has worked after the last payment date. The liability recognised in the balance sheet 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.

(i) Impairment of non financial assets

The carrying amount of the non financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. 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 its 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).

(j) Revenue recognition

Revenue comprises proceeds from rental of flats, sale of property and other related income. Rental of flats is accounted on accrual basis whereas sale of property and other related income are accounted on a cash basis.

(k) Provisions

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

(l) Tax

Based on Section 23 of the Property Management Corporation Act, 2004 the Corporation is not be liable to any tax in respect of its income and profits.

3. FINANCIAL RISK MANAGEMENT

The Corporation's activities expose it to the following financial risks: credit risk, fair value or cash flow interest rate risk and liquidity risk. The Corporation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effect on it's financial performance.

A description of the significant risk factors is given on the following page together with the risk management policies applicable.

(a) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Corporation is mainly exposed to credit risk from lessees. It is the Corporation's policy to assess the credit risk of new customers before entering into contracts inorder to determine what the customer can afford to repay.

Credit risk also arises from cash and cash equivalents and deposits with banks. To manage this risk, the Corporation only places funds with financially sound banks.

(b) Fair value and cash flow interest rate risk

The Corporation does not have any interest-bearing borrowings. The Corporation is exposed to interest rate risk on finance leases. Although the interest rate on the finance lease contracts is fixed, it can change based on changes in government policy which have a potential of affecting existing contracts.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of inflows from borrowers. Management monitors rolling forecasts of the Corporation's liquidity reserve on the basis of expected cash flow.

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.

Critical accounting estimates and assumptions

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

(a) Provision for credit impairment

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 their best estimates and experience.

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

(b) Valuation of investment properties

The Corporation is carrying forward in its books investment properties which was counted and valued. These values have been recognised as being deemed costs of the investment properties.

(c) Inventory

At the end of the reporting period, the Corporation engaged a valuer to determine the stage of completion and value of the inventory of buildings under construction which were initially transferred from the Ministry of Land Use and Habitat.

5. PROPERTY AND EQUIPMENT

	Land	Furniture & Equipment	Vehicles	Total
	SR	SR	SR	SR
COST				
At January 1, 2014	-	1,609,681	398,188	2,007,869
Additions	60,000	394,645	268,000	722,645
At December 31, 2014	60,000	2,004,326	666,188	2,730,514
Additions	-	537,400	608,772	1,146,172
Disposals	-	(35,860)	-	(35,860)
At December 31, 2015	60,000	2,505,866	1,274,960	3,840,826
DEPRECIATION				
At January 1, 2014	-	648,719	331,789	980,508
Charge for the year	-	369,464	96,174	465,638
At December 31, 2014	-	1,018,183	427,963	1,446,146
Charge for the year	-	473,515	168,385	641,900
Disposal adjustment	-	(11,437)	-	(11,437)
At December 31, 2015	-	1,480,261	596,348	2,076,609
NET BOOK VALUES				
At December 31, 2015	60,000	1,025,605	678,612	1,764,217
At December 31, 2014	60,000	986,143	238,225	1,284,368

6. INVESTMENT PROPERTIES

	2015	2014
COSTS / DEEMED COSTS	SR	SR
At January 1,	241,332,953	230,511,724
Additions	4,909,446	12,816,962
Disposals	(2,400,000)	(1,995,733)
At December 31,	243,842,399	241,332,953
AMORTISATION		
At January 1,	53,771,173	43,874,950
Charge for the year	9,737,820	9,333,956
Disposal adjustment	(2,400,000)	562,267
At December 31,	61,108,993	53,771,173
NET BOOK VALUE		
At December 31,	182,733,406	187,561,780

7. FINANCE LEASE RECEIVABLES

	2015	2014
	SR	SR
At January 1,	539,889,935	495,351,215
Leases granted during the year	40,102,842	61,238,348
Repayments received during the year	(41,891,365)	(30,592,196)
Interest charged	15,818,111	13,892,568
	553,919,523	539,889,935
Provision for credit impairment (note 14)	(553,920)	(539,890)
At December 31,	553,365,603	539,350,045

(a) The carrying amounts of finance lease receivables approximate their fair value.

8. INVENTORY

	2015	2014
	SR	SR
Houses under construction (note (a))	15,723,960	-

(a) The houses under construction were received in such state from the Ministry of Land Use and Habitat during the year. A contractor has been engaged to complete the construction of the houses on behalf of the corporation. These houses will be transferred to the customers on completion.

9. TRADE AND OTHER RECEIVABLES

	2015	2014
	SR	SR
Rent receivable	5,289,796	6,636,746
Advances to staff	1,157,932	876,452
Deposit receivable	68,270	76,647
Expenses rechargeable	3,277,784	2,608,856
Other debtors	7,826,873	6,556,548
Advance payment to contractor	2,251,428	-
Prepayment on software acquisition	407,100	-
Receivable from Self-financing Construction Scheme customers	403,830	-
	20,683,013	16,755,249
Provision for credit impairment (see note (a))	(1,491,872)	(2,773,562)
Total trade and other receivables	19,191,141	13,981,687

(a) Movement in provision for credit impairment

	2015	2014
	SR	SR
At January 1	2,773,562	5,305,534
Reversal for the year (note 14)	(1,281,690)	(2,531,972)
At December 31,	1,491,872	2,773,562

(b) The carrying amounts of trade and other receivables approximate their fair value.

10. CAPITAL RESERVE

	2015	2014
	SR	SR
At January 1	754,488,568	695,759,650
Finance lease adjustments	(24,473,882)	(9,458,480)
Property transferred from Ministry of Land Use & Habitat	61,140,078	68,187,398
At December 31,	791,154,764	754,488,568

11. RETIREMENT BENEFIT OBLIGATIONS

	2015	2014
	SR	SR
At January 1,	543,441	113,429
Paid during the year	(544,814)	(63,364)
Charge for the year (note 16)	386,574	493,376
At December 31,	385,201	543,441

(a) The Corporation provides for gratuity in line with the requirements for parastatal organisations which is calculated as follows:

- Staff below management level, compensation equals 5% - 10% of total salaries for two years.
- Staff above management level, compensation equals 10% - 15% of total salaries for two years.

12. TRADE AND OTHER PAYABLES

	2015	2014
	SR	SR
Trade payables	2,638,965	63,902
Other creditors and accrued expenses	289,297	542,951
	2,928,262	606,853

(a) Trade and other payables approximate their amortised cost.

13. REVENUE

	2015	2014
	SR	SR
Rental income	51,610,842	45,264,738
Interest income	1,950,889	1,970,828
Revenue from Self-financing construction scheme	403,830	-
	53,965,561	47,235,566

14. EXPENSES BY NATURE

	2015	2014
	SR	SR
Employee benefit expense (note 16)	6,052,922	5,672,692
Depreciation on property and equipment (note 5)	641,900	465,638
Amortisation of investment properties (note 6)	9,737,820	9,333,956
Repairs and maintenance expense	41,600,810	27,532,941
Insurance expense	1,638,376	1,525,617
Legal and professional fees	301,625	326,214
Provisions for credit impairment (notes 7 and 9)	(1,267,660)	(1,992,082)
Rental expense	2,816,634	2,296,604
Other expenses	3,404,699	3,180,519
Total operating and administrative expenses	64,927,126	48,342,099

(a) *Analysed as:*

	2015	2014
	SR	SR
Operating expenses	56,435,540	41,154,756
Administrative expenses	8,491,586	7,187,343
	64,927,126	48,342,099

15. OTHER INCOME

	2015	2014
	SR	SR
Insurance claims received	712,174	1,393,794
Other income	120,350	491,056
Funds received from Ministry of Land and Habitat	1,000,000	-
Profit on disposal of properties	2,740,545	-
	4,573,069	1,884,850

16. EMPLOYEE BENEFIT EXPENSE

	2015	2014
	SR	SR
Salaries and wages	4,582,588	4,181,248
Directors remuneration (note (a))	716,742	595,778
Pension contributions	92,718	85,476
Gratuity provision (note 11)	386,574	493,376
Other staff costs	274,300	316,814
	6,052,922	5,672,692

16. EMPLOYEE BENEFIT EXPENSE (CONT'D)

(a) Directors' remuneration

	2015	2014
	SR	SR
Directors' fees:		
Yves Choppy	36,000	36,000
Timothe Sinon (Resigned 1 March 2016)	24,000	24,000
Ronny Palmyre	24,000	24,000
Marie-Celine Vidot	24,000	24,000
Wallace Cosgrow (Resigned 2 February 2015)	2,000	24,000
Linda William-Melanie	24,000	24,000
Elizabeth Charles	24,000	24,000
Marcus Simeon (Appointed 8 April 2015)	16,000	-
	174,000	180,000
Other emoluments:		
Timothe Sinon (Resigned 1 March 2016)	542,742	415,778
Total emoluments	716,742	595,778

17. CASH AND CASH EQUIVALENTS

	2015	2014
	SR	SR
Cash at bank	19,488,179	17,647,757
Cash in hand	8,000	8,000
	19,496,179	17,655,757

18. CAPITAL COMMITMENTS

Approved and contracted for capital commitments as at December 31, 2015 were SR 21.1m (2014: Nil). Capital expenditure of SR 20,7m which relates to the Self-financing scheme will be financed from payments by the customers, and the rest will be financed from internal resources.

19. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2015 (2014: Nil)