

National Information Services Agency

**DIRECTORS' REPORT AND AUDITED FINANCIAL
STATEMENTS FOR THE YEAR ENDED
December 31, 2010**

ACM and Associates,
Certified Chartered Accountants

**NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010**

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NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

OFFICERS' REPORT

The Officers have pleasure to present their Report together with the audited financial statements for the period ended 31 December 2010.

1. SETTING UP

The Organization was enacted by the President and the National Assembly under the National Information Services Agency Act 2010 (Act 4 of 2010).

2. PRINCIPAL ACTIVITIES AND TRADING

The Organisation's main object is to establish and operate facilities for the collection and distribution of information which include compiling, printing, producing and distributing the Seychelles Nation Newspaper.

3. OFFICERS' RESPONSIBILITIES

The Officers are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Organisation and to enable them to ensure that the financial statements comply with the requirements of the Act. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Officers are of the opinion that they have met their responsibilities during the period ended 31 December 2010.

4. RESULTS FOR THE PERIOD

The Income Statement is shown on page 7 which is presented in Seychelles Rupee (SCR). The profit for the year ended December 31, 2010 was SCR 2,841,764.

**NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010**

OFFICERS' REPORT (CONTINUED)

5. OFFICERS IN THE ORGANISATION

The Officers of the Organisation during the period ended 31 December 2010:-

Position	Names
Chairman	Mr. Rene Morel <i>R Morel</i>
Vice Chairman	Mr. Sebastien Pillay <i>S Pillay</i>
Chief Executive Officer	Miss Merline Volcere <i>M Volcere</i>
Member	Miss Myrna Bonnelame <i>M Bonnelame</i>
Member	Mr. Damien Thesee <i>D Thesee</i>
Member	Deacon Louis Agathine <i>L Agathine</i>

6. AUDITORS

The auditors, Messrs ACM & Associates, have indicated their willingness to continue in office and their re-appointment will be approved in the next Annual General Meeting.

Name	Position	Signature
Mr. Rene Morel	Chairman	<i>R Morel</i>
Miss Merline Volcere	Chief Executive Officer	<i>M Volcere</i>

Dated: 18/01/12

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

INDEPENDENT AUDITOR'S REPORT
TO THE OFFICERS OF
NATIONAL INFORMATION SERVICES AGENCY

Report on the financial statements

We have audited the accompanying financial statements of **National Information Services Agency** which comprise the Statement of Financial Position for the year ended 31 December 2010, the Income Statement and the Statement of Cash Flows for the year ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the generally accepted accounting standards applicable in Seychelles and with the requirements of the National Information Services Agency Act, 2010. 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010**

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

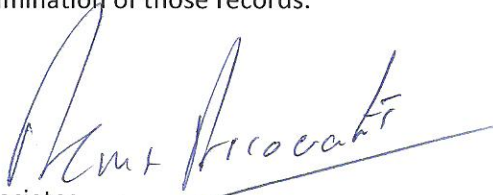
Report on the financial statements (Continued)

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Agency as of 31 December 2010, and of its financial performance for the year then ended in accordance with the generally accepted accounting standards applicable in Seychelles.

Report on other legal and regulatory requirements

- We have no relationship with or interests in the Agency other than in our capacities as auditors and dealings with the Agency in the ordinary course of business.
- We have obtained all the information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Agency as far as it appears from our examination of those records.



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Date:

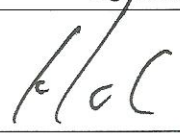

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**NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010**

STATEMENT OF FINANCIAL POSITION – DECEMBER 31, 2010

	<u>Notes</u>	<u>2010</u>
		<u>SCR</u>
NON-CURRENT ASSETS		
Property, plant and equipment	5	<u>825,794</u>
CURRENT ASSETS		
Inventory	6	96,247
Trade Receivables		144,034
Bank		<u>2,627,441</u>
		<u>2,867,722</u>
TOTAL ASSETS		<u><u>3,693,516</u></u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS		
Grant	7	438,943
Profit for the year		<u>2,841,764</u>
		<u>3,280,707</u>
CURRENT LIABILITIES		
Accounts Payables	8	412,809
		<u>412,809</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,693,516</u></u>

These financial statements have been approved for issue by the Board of Officers on 12/01/12.

Name	Position	Signature
Mr. Rene Morel	Chairman	
Miss Merline Volcere	Chief Executive Officer	

**NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010**

INCOME STATEMENT – DECEMBER 31, 2010

	<u>Notes</u>	<u>2010</u>
		SCR
Income	9	12,812,758
Cost of goods sold	10	<u>4,361,777</u>
Gross Profit		8,450,982
Administrative and general expenses	11	<u>5,609,218</u>
Profit for the period		<u>2,841,764</u>

**NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010**

STATEMENT OF CASH FLOW – DECEMBER 31, 2010

	<u>2010</u>
	SCR
OPERATING ACTIVITIES	
Operating profit	2,841,764
<i>Adjustments</i>	
Depreciation	60,936
<i>Changes in working capital:-</i>	
Trade receivables	(144,034)
Inventory	(96,247)
Other payables	412,809
Net cash flow from operations	<u><u>3,075,229</u></u>
INVESTING ACTIVITIES	
Purchase of fixed assets	(447,787)
Net cash flow from investing activities	<u><u>(447,787)</u></u>
FINANCING ACTIVITIES	
Net cash flow from financing activities	<u><u>-</u></u>
Net movement in cash and cash equivalents	2,627,441
Cash and cash equivalents as at January 1,	-
Cash and cash equivalents at December 31,	<u><u>2,627,441</u></u>
Represented by:	
Cash in hand and at bank	<u><u>2,627,441</u></u>

NATIONAL INFORMATION SERVICES AGENCY

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Organization was enacted by the President and the National Assembly under the National Information Services Agency Act 2010 (Act 4 of 2010).

The Organisation's main object is to establish and operate facilities for the collection and distribution of information which include compiling, printing, producing and distributing the Seychelles Nation Newspaper.

2. BASIS OF PREPARATION

The financial statements which have been prepared under the historical cost convention are presented in Seychelles Rupees (SCR).

Statement of compliance

The financial statements of **National Information Services Agency** have been prepared in accordance with Generally Accepted Accounting Standards applicable in Seychelles.

3. INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) **Plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Organization adds to the carrying amount of an item of plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Organization. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to operating expenses during the period in which they are incurred.

**NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Trade receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortized 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 Organisation will not be able to collect all amounts due according to the original terms of the receivables.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

d) Provisions

Provisions for restructuring costs and legal claims are recognised when: the Organisation has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

e) Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

f) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Organisation and the revenue can be reliably measured.

**NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

	<u>Fixtures and Fittings</u>	<u>IT and other equipments</u>	<u>Specialized Equipment</u>	<u>Vehicles</u>	<u>Total</u>
	SCR	SCR	SCR	SCR	SCR
<u>Costs</u>					
Balance at January 01, 2010	31,659	4,000	788,276	502,000	1,325,935
Additions	221,872	167,915	58,000	-	447,787
Balance at December 31, 2010	253,532	171,915	846,276	502,000	1,773,722
<u>Depreciation</u>					
Balance at January 01, 2010	8,933	727	409,743	248,900	668,302
Charge for the year	29,793	33,591	115,842	100,400	279,626
Balance at December 31, 2010	38,726	34,318	525,585	349,300	947,928
<u>Net book values:</u>					
At December 12, 2010	214,806	137,597	320,691	152,700	825,794

Total fixed assets include those that the agency inherited from the Government on January 1, 2010 and those purchased during 2010. Several of these assets transferred from the Government are valued NIL as they have been fully depreciated.

6. INVENTORY

	<u>2010</u>
	SCR
Pre-press Materials	96,247
	96,247

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. GRANT

On January 1, 2010 the agency inherited some assets from the Government of Seychelles. A contribution reserve has been created to reflect this contribution made. Yearly amortization of this balance over the life of these assets inherited is made.

	<u>2010</u>
	SCR
Balance at January 1, 2010	657,633
Utilisation	<u>(218,690)</u>
	<u>438,943</u>

8. ACCOUNT PAYABLES

	<u>2010</u>
	SCR
Trade Payable	378,252
Accruals	34,558
	<u>412,809</u>

9. INCOME

	<u>2010</u>
	SCR
Advert Sales	8,039,271
Nation Sale	3,877,635
Photo Sales	126,693
Pre-press	769,159
	<u>12,812,758</u>

**NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. COST OF GOOD SOLD

	<u>2010</u>
	SCR
Delivery cost	156,210
Film output	151,374
Print Cost	4,003,271
Publishing	50,922
	<u>4,361,777</u>

11. ADMINISTRATIVE AND GENERAL EXPENSES

a. ADMINISTRATIVE EXPENSES

	<u>Notes</u>	<u>2010</u>	<u>2010</u>
		SCR	SCR
Audit Fee			34,558
Bank Service Charges			1,892
Depreciation Expenses	i		60,936
Local consultancy fees			31,063
Miscellaneous Expense			257,426
Telephone and Internet			229,921
Wages and Salaries			
Board remuneration		48,240	
Bonus		92,161	
Payee		401,821	
Other Subistence allowances		2,695	
Personal Emoluments		2,798,101	
Salary and pension		100,051	
Staff Housing benefits		42,500	
Staff Training		5,150	
Staff Welfare		30,950	
Total Wages and Salaries			<u>3,521,669</u>
			<u>4,137,465</u>

**NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

i. DEPRECIATION EXPENSE

	<u>2010</u>
	SCR
Depreciation charge for the year	279,626
Unwinding of Grant contribution	<u>(218,690)</u>
	<u>60,936</u>

b. OFFICE RUNNING COSTS

	<u>2010</u>
	SCR
Cleaning	107,790
Clearing Cost	3,244
Information Servies	91,336
Insurance Expense	36,380
Internet Connection	18,836
IT cost	81,145
Landscaping fees	3,016
Licence fees	6,714
Newspaper, magazines & periodical	10,131
Office Rent Expenses	167,000
Office Supplies	11,849
Other consumables expenses	30,501
Postage	57,116
Security Guard expenses	32,400
	<u>657,458</u>

c. REPAIRS AND MAINTENANCE

	<u>2010</u>
	SCR
Motor Vehicle Repairs	20,200
Office Refurbishment	3,375
Other repairs and maintenance	192,744
Refurbishment of Office	96,750
	<u>313,069</u>

**NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

d. TRANSPORTATION COST

	<u>2010</u>
	SCR
Fuel for vehicles	99,620
Other transportation expenses	<u>26,137</u>
	<u><u>125,757</u></u>

e. TRAVELLING COST

	<u>2010</u>
	SCR
Overseas subsistence allowance	20,016
Other travelling expenses	<u>17,055</u>
	<u><u>37,071</u></u>

f. OTHER EXPENSES

	<u>2010</u>
	SCR
Entertainment	9,963
Utilities	<u>328,435</u>
	<u><u>338,398</u></u>

12. OTHERS

Based on information provided, the organization did not have any contingent liabilities or capital commitments contracted for, or approved by the Officers as at December 31, 2010.