

# ANNUAL REPORT FOR THE YEAR 2020

## NATIONAL INFORMATION SERVICES AGENCY



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# Corporate Information

## Our Vision, mission and core values

The National Information Services Agency (NISA) was enacted under the National Information Services Agency Act 4 of 2010. Its main function is to compile, produce, publish and print the national newspaper, *Seychelles NATION*. Since May 2015, the Agency has been printing its own newspaper with great success as well as taking on commercial printing to bring not only competition in the market but also improve the quality of service.

### Vision

Our vision is to remain the *leading, trustworthy, factual information outlet* across all media platforms with a global reach.

### Mission

Our mission is to educate, entertain and disseminate factual information in a timely and objective manner through the publication of the *Seychelles NATION* newspaper and other appropriate technological medium, to help people shape their decisions.

### Core Values

We commit ourselves to work as a *team respectfully and cooperatively* in every task we do, striving to uphold *trustworthy* news and at all times embracing *integrity*, inspiring trust and taking responsibility for our action.

#### Respectfully

- It matters to all staff
- Because we can move forward
- It brings about great results

#### Cooperatively

- It cultivates a spirit of oneness
- It shapes our behaviors
- It helps build self-confidence
- It unites us
- It projects a good image for the organization

#### Trustworthy

- Its builds fairness and ethical journalism
- 

#### Integrity

- It creates a product of value for staff and customers

## Chairperson's statement



The year 2020 was the 3<sup>rd</sup> year that I served as the Chairperson of NISA. My term as the chairperson has been both exciting and rewarding. Under the direction of the NISA Board, we have managed to deliver the following in the first 3 years:

- 1) New leadership, by appointing the CEO, Mr. Gerard Govinden.
- 2) A new strategic plan to guide us for the next 5 years on the strategic direction of the Agency.
- 3) Approved a new business model for the Agency, with our focus on diversification and improving on the revenue of the Agency.
- 4) Restructuring of the Agency by reviewing its organizational structure.
- 5) And, a revision in the scheme of service to retain talent and training of staff.

The year 2020 has been quite challenging for the Agency and we strategized on ensuring that the Agency has enough funds to remain afloat and operational at all times. We ensured that the *Seychelles NATION* was being published every day, that the management has in place health guidelines that will provide for the continuity of its operation and also that the staff feel safe during the pandemic and restrictions.

### Financial Performance

For the year 2020, the Agency collected a total sum of SCR 21.764 Million as revenue which includes SCR 2.1 Million as Government grant under the FA4JR. The operating cost amounted to SCR 20.670 Million, resulting with a profit before interest and taxes of SCR1.093 Million for the year. The Agency has a term loan with NouvoBanq and paid interest of SCR 1.647 Million for the year 2020. This interest has led to a deficit of SCR 0.416 Million which is not too bad considering how other businesses have performed.

### Strategic outlook

There are many projects that the Agency would have wished to have undertaken but due to lack of funds, it has not been possible.

We foresee the Agency having its own building as well as investing in new printing equipment that will allow it to further diversify in quality printing products.

I take this opportunity to thank all the staff and Board members as well as our loyal customers for their continued support.

A handwritten signature in black ink, appearing to be 'Lucy Athanasius', written over a horizontal dotted line.

*Lucy Athanasius*

## CEO's Statement



The year 2020 has been a very challenging one on all fronts for NISA as we had to continue with our core business of producing and printing the daily national newspaper – *Seychelles NATION* – and generate revenue at a time when business came to a temporary standstill or were forced to close down as a result of the coronavirus disease outbreak.

A trusted source of information, the *Seychelles NATION* newspaper had to be in the stands every morning to give the people the right and factual information at a time when the level of misinformation on social media seemed like soaring.

But thanks to the newspaper coming out with updated information about the situation of the Covid-19 cases in Seychelles, the people's thirst for information was quenched.

In 2020, Seychelles ran both the Presidential and Parliamentary elections on the same dates – October 22-24 – and the *Seychelles NATION* newspaper played its role to educate the voters and people in general about the programs of all the parties and candidates who took part in the elections.

*Seychelles NATION* ran stories and interviews with both the Presidential candidates and their running mates, and also covered the live debates by the Presidential candidates. This was the first time the Presidential candidates challenged each other in a live debate of SBC TV.

NISA also had to put in place measures to prevent staff from catching Covid-19 and if one or two did get affected the work schedule was readjusted to make sure the daily work was completed without any hiccups.

Since NISA's revenue dropped because of a decrease in advertising due to forced closure of business as the number of visitors to the country fell dramatically, the agency had to look at diversifying its products.

This is when NISA decided to start printing educational materials. The first trial and it proved to be a success was the printing of two sets of exercise books for the International School of Seychelles (ISS).

NISA also had to look for financial help from government after its reserves depleted.

**Gerard Govinden**

## NISA Board of Directors



The National Information Services Agency Act was amended in 2017, whereby it provides for the Agency to be governed by an inclusive board of directors which is responsible for the policy and control of the agency.

The board's chairperson and vice-chairperson are nominated by the Constitutional Appointments Authority, while the other five board members are drawn from the civil society, the academia, the Association of Media Professionals, and the government.

The NISA board of directors serves for a five-year mandate. The chairperson of the Nisa is Lucy Athanasius, appointed on the recommendation of the Constitutional Appointments Authority, in accordance with Section 6 (2) of the Nisa Act. The vice-chairperson is Roseline Houareau, also appointed on the recommendations of the Constitutional Appointments Authority, under the same section of the NISA Act.

Five other members were appointed following nominations by their respective institutions, in accordance with Section 6 (5) of the Nisa Act:

- Mary-Anne Ernesta (nominated by the Association of Media Practitioners of Seychelles)
- Claudette Albert (nominated by the Citizens Engagement Platform Seychelles)
- Barbara Kilindo (nominated by the Department of Information)
- Joëlle Perreau (nominated by the University of Seychelles)
- Conrad Lablache (nominated by the Attorney General)
- The Chief Executive (CEO) Gerard Govinden is an ex-officio member of the Nisa board

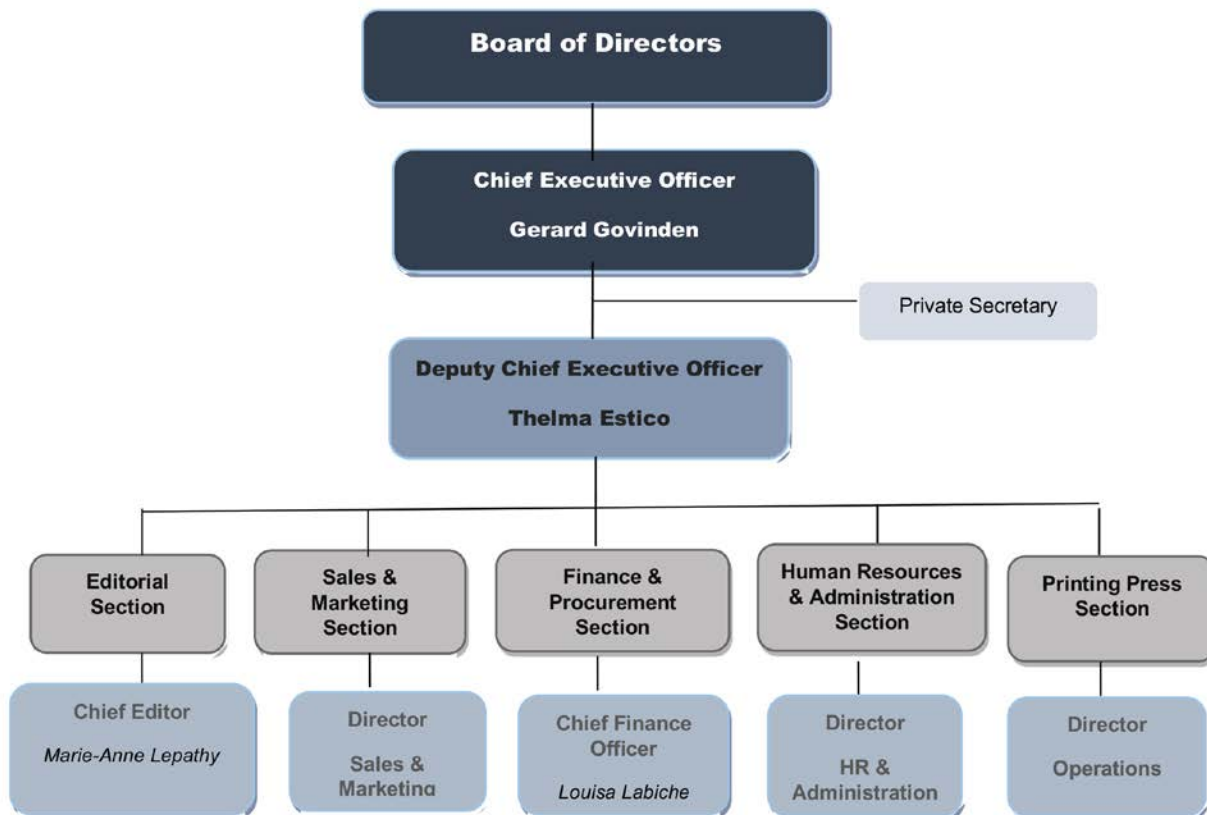
## NISA's Organisational structure

NISA's Organisational Structure is called a Functional structure. This is because the products produced by NISA are on a continuous basis. This structure groups the employees according to the functions they perform.

The NISA structure is made up of five different sections and this is according to their roles and skills:

1. Editorial;
2. Finance and Procurement;
3. Sales and Marketing;
4. Human Resource & Administration;
5. Printing Press.

The heads (directors) of all these five sections sit on the management. The sections are broken down into specialised sub-sections.



# Review of activities in 2020

## Editorial

The year 2020 will be marked as the most difficult year for the National Information Services Agency.

The corona virus (Covid-19) outbreak in the world in early January 2020 and later described by the World Health Organisation as a pandemic, led to the Government of Seychelles taking drastic measures to prevent its spread in the country. Restrictions were put in place after the virus reached Seychelles and the first positive case was registered on March 14, 2020.

During the restriction period, the media sector was considered to be an essential service. The demand for stories published by the *Seychelles NATION* covering the impact of the highly infectious strain of corona virus and its resulting disease, soared. The *Seychelles NATION* newspaper had to act as a mouthpiece for the Ministry of Health in providing factual information during the period whereby misinformation was rampant and causing panic. The editorial team ensured that they were providing the general public with all the necessary information they needed.

The Agency made sure that the newspaper was printed and delivered to its esteemed clients every day, no matter the circumstances.

With the closure of the international airports, tourists were not coming into the country, leading for most tourism establishments to close their doors. During that period clients were not advertising due to restrictions in place, freeze on recruitment as well as some clients having severe cash flow problems.

The management of NISA hence decided on the 17<sup>th</sup> April 2020, to reduce the minimum number of pages from a minimum 24 to a minimum 16 until further notice, instead of suspending publication.

There was also concern with regards to access of the physical newspaper, thus the Agency launched the e-*NATION* in March 2020 that provided readers will multiple options to access the newspaper. The e-edition of *Seychelles NATION* can be accessed on multiple devices including desktop, laptop, tablet, Ipad and mobile phones. During the first year of the launching the product, the Agency made about SR244,000.

## Printing

The printing unit was also affected in that some of the contracts that we have with clients were cancelled. We however managed to make about SR1.8 Million in revenue from printing.

New staffing arrangement had to be made to ensure that guidelines were followed in preventing the infection among our staff. The unit ensured that the newspaper is printed and delivered every day of its publication.



## Financial performance

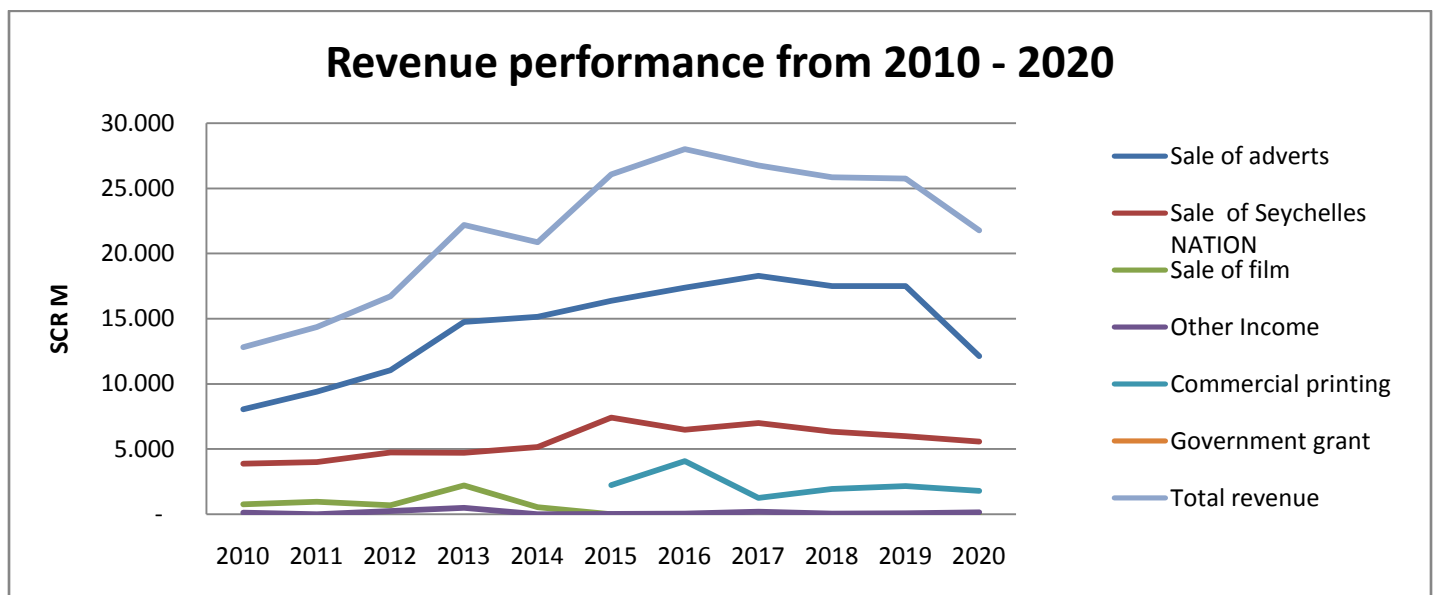
The table below shows the performance of the Agency in terms of revenue for the past 11 years of its existence, depicting its growth and the diversification that was boldly undertaken to improve on its revenue.

Revenues	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sale of adverts	8.039	9.382	11.040	14.744	15.141	16.368	17.366	18.284	17.489	17.493	12.109
Sale of Seychelles NATION	3.878	4.003	4.726	4.724	5.167	7.415	6.482	6.991	6.339	5.993	5.584
Sale of film	0.769	0.960	0.699	2.216	0.549	0.004				-	-
Other Income	0.127	0.016	0.247	0.493	0.005	0.041	0.066	0.199	0.060	0.079	0.146
Commercial printing						2.231	4.079	1.257	1.954	2.167	1.804
Government grant											2.122
<b>Total revenue</b>	<b>12.813</b>	<b>14.360</b>	<b>16.712</b>	<b>22.177</b>	<b>20.861</b>	<b>26.060</b>	<b>27.993</b>	<b>26.732</b>	<b>25.842</b>	<b>25.732</b>	<b>21.765</b>

The table shows a gradual increase in revenue since the Agency's existence but there has been a slight decrease since 2018. With changes in technology, we had to adapt and be innovative. The board of NISA took the decision to buy the offset printing machine in order for the Agency to print its own newspaper instead of outsourcing. The decision to stop outsourcing the printing services was that it was getting too costly.

In 2020, we saw our revenue for advertising, which normally accounts for about 70% of our revenue, reduced by 30% compared to the previous year. In order to remain as a going concern, we had to seek the help of the Ministry of Finance under the FA4JR to finance our deficit in revenue.

The graph below portrays the performance of the Agency for the last 11 years.

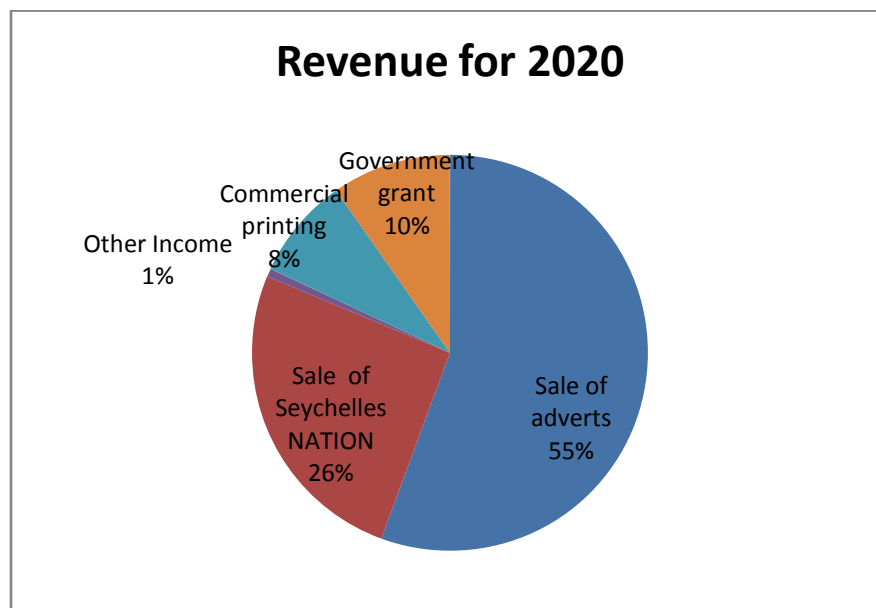


## Revenue of 2020

During the first 3 months of 2020, we were performing well in terms of revenue but that was disturbed in April 2020 when the country had to close its borders due to the COVID-19 cases that had come to our shores.

The situation had a negative impact on our cash flow in that retained earnings generated for the past 10 years had to be sacrificed and used for our expenses. It was a tough time and we had to seek the help of the Ministry of Finance to help us with our cash position. The board members and management of NISA ensured that the daily expenses, stock for printing of the newspaper and salary of staff were guaranteed.

The pandemic had a direct effect on our clients from the private sector who suffered terribly from the lockdown, leading to a reduction in advertising. The Agency, thus took the decision to reduce the number of pages of the Newspaper from a minimum of 24 pages to a minimum 16 pages.



All sources of our revenue for the year 2020 reduced compared to previous years. The sale of adverts fell by SR5.38 Million in 2020 compared to the year 2019. This represents a reduction of 30.78 % which is very significant. The sale of newspaper was less affected with a reduction of about SR 0.4 or 6% compared to the year 2019.

The printing income was also affected with a reduction of 16.76 % compared to the year 2019

Financial Statements  
Year ended December 31, 2020

NATIONAL INFORMATION SERVICES AGENCY

CORPORATE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

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**Directors**

Lucy Athanasius  
Roseline Houareau  
Claudette Albert  
Mary Anne Ernesta  
Joelle Perreau  
Conrad Lablache  
Barbara Kilindo

**CEO**

Gerard Govinden

**Secretary**

Thelma Florry Estico

**Registered Office**

P.O. Box 800  
Laurier Road  
Victoria, Seychelles

**Business**

Laurier Road  
Victoria, Seychelles

Bois De Rose Avenue  
Victoria, Seychelles

**Auditor**

Office Of the Auditor General

**Banker**

Seychelles International Mercantile Banking  
Corporation Limited

# NATIONAL INFORMATION SERVICES AGENCY

## DIRECTORS' REPORT

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The Directors' present their report together with the audited financial statements of the Agency for the year ended 31st December 2020.

### Principal Activity

The principal activity of the Agency is compiling, publishing, printing, producing and distributing the Seychelles Nation Newspaper. It also comprises of printing other products.

### Results for the year

	<u>2020</u>
	<b>SCR</b>
Profit before taxation	(416,430)
Taxation	4,902,686
Profit for the year	<u><b>4,486,256</b></u>

### Property, plant and equipment

Additions to property, plant and equipment of **SCR 265,471.00** during the year comprise mainly of purchase of air conditioners and printer for the year 2020.

The property, plant and equipment are stated at cost less accumulated depreciation.

The Directors are of the view that the carrying amount of property, plant and equipment does not materially differ from its fair value as at December 31, 2020.

### Dividends

The Directors did not recommend any dividends for the financial year under review (2019: Nil)

# NATIONAL INFORMATION SERVICES AGENCY

## DIRECTORS' REPORT

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### **Directors and director's interest in the Agency**

The Directors from the date of the last report and in this report are:

Ms. Lucy Athanasius

Ms. Roseline Houareau

Mrs. Mary Anne Ernesta

Ms. Claudette Albert

Ms. Joelle Perreau

Mr. Conrad Lablache

Mrs Barbara Kilindo

None of the Directors held an interest in the Agency during the financial year.

### **Statement of Directors' responsibilities**

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

The Board is responsible for the preparation and fair representation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

The responsibility includes designing, implementing and maintaining internal control that is determined to be necessary to enable the preparation of financial statements that are free of material misstatements, whether due to fraud or error.

The Directors have the general responsibility of safeguarding the assets of the Agency.

The Directors consider they have met their responsibilities as set out by the Public Enterprise Monitoring Commission Act, 2013 and the National Information Services Agency Act, 2010.

NATIONAL INFORMATION SERVICES AGENCY

DIRECTORS' REPORT

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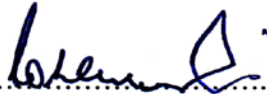
**Auditors**

The Auditor General of Seychelles is mandated to carry out the audit of the Agency as per section 14 (1) of the National Information Services Agency Act, 2010.

**Board Approval**



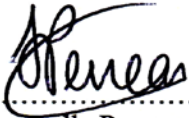
Ms. Lucy Athanasius  
Chairperson



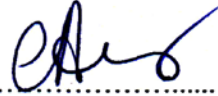
Ms. Roseline Houareau  
Vice-Chairperson



Mrs. Barbara Kilindo  
Director



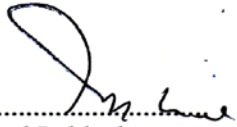
Ms. Joelle Perreau  
Director



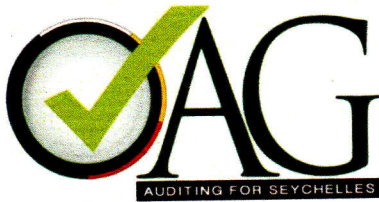
Ms. Claudette Albert  
Director



Mrs. Mary Anne Ernesta  
Director



Mr. Conrad Lablache  
Director



## Office of the Auditor General

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Facebook: OAG Seychelles

Please address all correspondence to the Auditor General

### OPINION OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE NATIONAL INFORMATION SERVICES AGENCY (NISA) FOR THE YEAR ENDED 31 DECEMBER 2020

#### Opinion

The accompanying financial statements set out on pages 7 to 23, which comprise the statement of financial position as at 31 December 2020, statement of 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 14 (1) of the National Information Services Agency Act, 2010.

Accordingly, in my opinion,

- (a) proper accounting records have been kept by the Agency as far as it appears from examination of those records; and
- (b) the financial statements on pages 7 to 23 give a true and fair view of the financial position of the Agency as at 31<sup>st</sup> December 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standard Board (ISAB) and in compliance with the requirements of the National Information Services Agency Act, 2010 and the Public Enterprise Monitoring Commission Act, 2013.

#### Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the '*responsibilities of the Auditor General*' section of my report. I am independent of the Agency 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.





## **Emphasis of Matter**

### Effects of COVID-19 pandemic

I draw attention to Note 2.14 of the financial statements which describes a significant event following the Coronavirus (COVID-19) pandemic which is severely affecting the world in general as well as Seychelles. The extent of the impact on the Agency's operations and financial performance will depend on the duration and spread of the outbreak and its effect on the economy, customers and suppliers. These events indicate that an uncertainty exists which may cast doubt on the Agency's ability to continue as a going concern. However, at the beginning of 2021, the country started its vaccination program, resulting in the decision to reopen its borders in mid-March.

The members of the Agency together with Management are confident that there is a positive economic outlook for the foreseeable future and they will continue to remain prudent. The revenue generated, even though lower than previous years, along with the current cash reserve and the cost cutting exercise would be able to sustain the operations for the foreseeable future.

My opinion is not modified in respect of the above matter.

## **Responsibility of the Members and those charged with Governance**

The Members are responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards for small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standard Board (ISAB) and in compliance with the requirements of the National Information Services Agency Act, 2010 and the Public Enterprise Monitoring Commission Act, 2013 and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Government either intend to liquidate the Agency or to cease operations, or have no realistic alternative but to do so.

## **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 an auditor's report in accordance with the National Information Services Agency Act, 2010. 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 the 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 Agency's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' 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 Agency's ability to continue as a going concern. If I concludes 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 my opinion. My conclusions are based on audit evidence obtained to the date of report. However, future unforeseeable events or conditions may cause the Agency to cease to continue as a going concern;
- evaluate 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;
- obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Agency to express an opinion on the financial statements; and
- communicate with those charged with governance 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 am satisfied that all information and explanations which, to the best of my knowledge and belief, where necessary for the purpose of the audit have been obtained.

**Gamini Herath**  
Auditor General

**11 August 2021**  
Victoria, Seychelles



NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	Notes	December 31, 2020	December 31, 2019
		SCR	SCR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	16,471,466	17,637,003
Intangible assets	4	18,624	2,100
Right of Use Asset	13.1	7,504,671	-
Deferred tax asset		2,610,114	-
		<b>26,604,875</b>	<b>17,639,103</b>
<b>Current assets</b>			
Inventories		5,461,690	2,282,167
Trade and other receivables	5	2,739,747	3,259,762
Current tax asset	10	13,780	-
Cash and cash equivalents	6	4,130,836	8,761,139
		<b>12,346,053</b>	<b>14,303,068</b>
<b>TOTAL ASSETS</b>		<b>38,950,928</b>	<b>31,942,171</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Retained earnings		19,370,510	14,884,254
		<b>19,370,510</b>	<b>14,884,254</b>
<b>Non-current liabilities</b>			
Borrowings	7	7,407,653	9,090,254
Provision for employee benefit	8	1,594,694	1,567,422
Lease Liability	13.2	7,717,994	-
Deferred tax Liability	10	-	2,292,572
		<b>16,720,341</b>	<b>12,950,248</b>
<b>Current liabilities</b>			
Trade and other payables		969,379	1,023,133
Borrowings	7	1,514,773	2,590,150
Current tax liability	10	-	2,482
Deferred income	9	375,925	491,904
		<b>2,860,077</b>	<b>4,107,669</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38,950,928</b>	<b>31,942,171</b>

Chairperson: Ms. Lucy Athanasius

Date: 2/08/2021

Chief Executive Officer: Mr. Gerard Govinden

Date: 2/07/2021

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2020

	Notes	<u>2020</u> SCR	<u>2019</u> SCR
Revenue	<b>11</b>	21,764,659	25,731,682
Operating costs	<b>12</b>	(20,670,947)	(22,953,343)
<b>Operating Profit</b>		<u><b>1,093,712</b></u>	<u><b>2,778,339</b></u>
Finance income	<b>14.1</b>	137,048	237,243
Finance costs	<b>14.2</b>	(1,647,190)	(1,390,779)
<b>Profit or Loss for the year before Taxation</b>		<u><b>(416,430)</b></u>	<u><b>1,624,803</b></u>
Taxation	<b>10</b>	4,902,686	(523,439)
<b>Profit or Loss for the year after Taxation</b>		<u><u><b>4,486,256</b></u></u>	<u><u><b>1,101,364</b></u></u>

The accompanying notes 1-17 form part of these financial statements

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2020

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	<b>Retained Earnings SCR</b>	<b>Total Equity SCR</b>
Balance as at January 01, 2020	14,884,254	14,884,254
Comprehensive Income for the year 2020	<u>4,486,256</u>	<u>4,486,256</u>
Balance as at December 31, 2020	<u><b>19,370,510</b></u>	<u><b>19,370,510</b></u>
Re-stated balance as at January 01, 2019	13,782,890	13,782,890
Comprehensive Income for the year 2019	<u>1,101,364</u>	<u>1,101,364</u>
Balance as at December 31, 2019	<u><b>14,884,254</b></u>	<u><b>14,884,254</b></u>

NATIONAL INFORMATION SERVICES AGENCY  
STATEMENT OF CASH FLOW AS AT DECEMBER 31, 2020

	<b>2020</b>	<b>2019</b>
	<b>SCR</b>	<b>SCR</b>
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	(416,430)	1,624,803
<i>Adjustments</i>		
Depreciation on property, plant and equipment	1,431,008	1,394,200
Amortisation of intangible assets	6,756	59,861
Amortisation of Right of Use Asset	312,695	-
Interest payable	1,647,190	1,390,779
	<u>2,981,219</u>	<u>4,469,643</u>
<i>Movements in Working Capital</i>		
(Increase)/Decrease in trade and other receivables	520,015	(302,288)
(Increase)/Decrease in inventories	(3,179,523)	1,078,766
Increase/(Decrease) in accounts payable	(53,754)	387,499
Increase/(Decrease) in deferred income	(115,979)	(152,983)
Provision of employee benefit	27,272	361,936
	<u>(2,801,969)</u>	<u>1,372,930</u>
Tax refund/(Paid)	(16,262)	(49,392)
Interest on borrowing	(1,647,190)	(1,390,779)
	<u>(1,663,452)</u>	<u>(1,440,171)</u>
<b>Net cash flow from operating activities</b>	<b>(1,484,202)</b>	<b>4,402,402</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	(265,471)	(635,066)
Purchase of intangible assets	(23,280)	-
<b>Net cash flow from investing activities</b>	<b>(288,751)</b>	<b>(635,066)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of loan	(2,757,978)	(2,349,911)
Repayment of Lease Liability	(99,372)	-
<b>Net cash flow from financing activities</b>	<b>(2,857,350)</b>	<b>(2,349,911)</b>
<b>Net movement in cash and cash equivalents</b>	<b>(4,630,303)</b>	<b>1,417,425</b>
Cash and cash equivalents as at January 01	8,761,139	7,343,714
<b>Cash and Cash equivalents as at December 31</b>	<b><u>4,130,836</u></b>	<b><u>8,761,139</u></b>

**1. GENERAL INFORMATION**

The National Information Services Agency was established in March 2010 under the National Information Services Agency Act, 2010. The Agency's main objective is to establish and operate facilities for the collection and distribution of information which includes compiling, publishing, printing, producing and distributing the Seychelles Nation newspaper.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**2.1 Basis for preparation**

The financial statements of the National Information Services Agency have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standard Board (IASB) and in compliance with the National Information Services Act, 2010.

The financial statements are prepared under the historical cost convention.

**2.2 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.

**2.3 Trade receivables**

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Agency will not be able to collect all amounts due according to the original terms of the receivables.

**2.4 Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overhead. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

**2.5 Property, plant and equipment**

Property, 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 Agency adds to the carrying amount of an item of property, 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 Agency. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is calculated on the straight line method to write off the cost of each asset to their residual values over their expected useful lives as follows:

Refurbishment of office	30 years
Printing equipment	20 years
Specialised equipment	7 years
Fixtures and fittings	5 years
IT and other equipment	5 years
Motor vehicles	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income

The agency does not hold title deed to the land upon which the building at Laurier Road stands but holds a lease agreement of 30 years for the land with Sunpress Printing Limited.

**2.6 Intangible assets**

Intangible assets comprise of computer and accounting software. Purchased intangible assets are shown at historical cost. Software has a finite useful life and is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight line method and allocated over the cost of the software over their estimated useful lives. Intangible assets are amortised over 2 ½ years.



**2.7 Borrowings**

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs. Borrowings are classified as current liabilities unless the Agency has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**2.8 Trade payables**

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

**2.9 Provisions**

Provisions are recognised when the Agency has a present obligation (legal or constructive) as a result of past events, 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. The expense relating to any provision is presented in the Income Statement.

**2.10 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Agency's activities. Revenue is shown net of value-added tax, returns, rebates and discounts. The Agency recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

**2.11 Current and deferred tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. The current income tax charge is calculated on the basis of applicable tax rates and laws that have been enacted by the reporting date.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Agency's financial statements and on unused tax losses or tax credits. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set

up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

## **2.12 Leases**

The lease has been recognised under IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated.

A contract was, or contained, a lease if the contract conveyed the right to control the use of an identified asset for a period of time in exchange for consideration. To determine whether a contract conveyed the right to control the use of an identified asset it must be assessed that;

- the contract involved the use of an identified asset;
- there was the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
- there was the right to direct the use of the asset.

A right-of-use asset and a lease liability are recognised at the lease commencement date. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date. The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is measured at the present value of the remaining terms of the lease using the borrowing rate of the Agency.

### **Short term and low value leases**

The Agency has decided not to recognise right-of use asset and lease liability for short term leases of warehouse that have a lease term of 12 months and a low value.

## **2.13 Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlements of liabilities and commitments will occur in the ordinary course of business.

## **2.14 Significant events**

### *Effects of Covid-19 pandemic.*

The pandemic outbreak has caused severe disruption in the economic activities globally as well as in the Seychelles.

From mid-March 2020 the country imposed restrictions such as closure of the Seychelles border, grounded flights, closure of restaurants, hotels, bars and casinos. The Agency being an entity that relies partly on advertising from those establishments saw its revenue in adverts reduced by 30% compared to prior years.

At the beginning of 2021, the country started its vaccination program, resulting in the decision to re-open its borders in mid-March 2021.

The Agency has seen an increase in its revenue compared to the budgeted figure from that decision. A budgeted cash flow was prepared at the beginning of 2021 and it projected that the Agency will remain afloat until end of the year.

There is a positive economic outlook for the foreseeable future, even though we remain prudent. The revenue generated, even though lower than prior years, along with the current cash reserve and the cost cutting exercise would be able to sustain the operation for the foreseeable future.

Thus, it is appropriate for us to prepare these financial statements on a going concern basis.

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

**3 PROPERTY, PLANT AND EQUIPMENT**

	<b>Fixture and fittings</b>	<b>IT and other Equipment</b>	<b>Specialised equipment</b>	<b>Printing equipment</b>	<b>Refurbishment of office</b>	<b>Vehicles</b>	<b>Warehouse</b>	<b>Total</b>
	<b>SCR</b>	<b>SCR</b>	<b>SCR</b>	<b>SCR</b>	<b>SCR</b>	<b>SCR</b>	<b>SCR</b>	<b>SCR</b>
At January 01, 2019	824,004	1,283,329	1,677,276	14,964,643	4,100,343	920,000	1,537,256	25,306,851
Additions	34,148	206,982	-	-	-	393,936	-	635,066
<b>At December 31, 2019</b>	<b>858,152</b>	<b>1,490,311</b>	<b>1,677,276</b>	<b>14,964,643</b>	<b>4,100,343</b>	<b>1,313,936</b>	<b>1,537,256</b>	<b>25,941,917</b>
<b><u>Accumulated Depreciation</u></b>								
At January 01, 2019	629,655	882,916	1,489,871	2,738,622	477,456	598,250	93,944	6,910,714
Charge for the year	90,314	189,476	78,917	748,232	137,019	99,000	51,242	1,394,200
<b>At December 31, 2019</b>	<b>719,969</b>	<b>1,072,392</b>	<b>1,568,788</b>	<b>3,486,854</b>	<b>614,475</b>	<b>697,250</b>	<b>145,186</b>	<b>8,304,914</b>
<b><u>Net Book Value</u></b>								
<b>At December 31, 2019</b>	<b>138,183</b>	<b>417,919</b>	<b>108,488</b>	<b>11,477,789</b>	<b>3,485,868</b>	<b>616,686</b>	<b>1,392,070</b>	<b>17,637,003</b>
At January 01, 2020	858,152	1,490,311	1,677,276	14,964,643	4,100,343	1,313,936	1,537,256	25,941,917
Additions	4,469	69,207	-	191,795	-	-	-	265,471
<b>At December 31, 2020</b>	<b>862,621</b>	<b>1,559,518</b>	<b>1,677,276</b>	<b>15,156,438</b>	<b>4,100,343</b>	<b>1,313,936</b>	<b>1,537,256</b>	<b>26,207,388</b>
<b><u>Accumulated Depreciation</u></b>								
At January 01, 2020	719,969	1,072,392	1,568,788	3,486,854	614,475	697,250	145,186	8,304,914
Charge for the year	61,106	185,650	68,374	749,830	137,019	177,787	51,242	1,431,008
<b>At December 31, 2020</b>	<b>781,075</b>	<b>1,258,042</b>	<b>1,637,162</b>	<b>4,236,684</b>	<b>751,494</b>	<b>875,037</b>	<b>196,428</b>	<b>9,735,922</b>
<b><u>Net Book Value</u></b>								
<b>At December 31, 2020</b>	<b>81,546</b>	<b>301,476</b>	<b>40,114</b>	<b>10,919,754</b>	<b>3,348,849</b>	<b>438,899</b>	<b>1,340,828</b>	<b>16,471,466</b>

**4 INTANGIBLE ASSETS**

	<b>Accounting Software SCR</b>
<b><u>Cost</u></b>	
At January 01, 2019	290,158
Additions	-
<b>At December 31, 2019</b>	<b><u>290,158</u></b>
<b><u>Accumulated Amortisation</u></b>	
At January 01, 2019	228,197
Charge for the year 2019	59,861
<b>At December 31, 2019</b>	<b><u>288,058</u></b>
<b><u>Net Book Value</u></b>	
<b>At December 31, 2019</b>	<b><u>2,100</u></b>
<b><u>Cost</u></b>	
At January 01, 2020	290,158
Additions	23,280
<b>At December 31, 2020</b>	<b><u>313,438</u></b>
<b><u>Accumulated Amortisation</u></b>	
At January 01, 2020	288,058
Charge for the year 2020	6,756
<b>At December 31, 2020</b>	<b><u>294,814</u></b>
<b><u>Net Book Value</u></b>	
<b>At December 31, 2020</b>	<b><u>18,624</u></b>

**5. TRADE AND OTHER RECEIVABLES**

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	<b>SCR</b>	<b>SCR</b>
Trade Receivables	2,618,904	3,177,878
Prepayments and deposits	12,000	12,000
Staff loans (notes (b) &(c))	108,843	69,884
	<b><u>2,739,747</u></b>	<b><u>3,259,762</u></b>
<i>Analysed as follows:</i>		
	<b>2020</b>	<b>2019</b>
		<b>SCR</b>
Within one year	2,739,747	3,259,762
	<b><u>2,739,747</u></b>	<b><u>3,259,762</u></b>

- (a) The carrying amount of trade and other receivables approximate their fair values.
- (b) The staff loan balance relates to general purpose loans issued by the Agency which are receivable in instalments over the loan agreement. General purpose loans have a maturity of 1 year. The balances are neither past due or impaired. The Agency does not hold any collateral as security in respect of the general purpose loan receivables.
- (c) The company earns interest on the staff loans, which are classified as finance income on the face of the statement of comprehensive income.

Staff loans and are analysed as follows:

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	<b>SCR</b>	<b>SCR</b>
Within one year	108,843	69,884
	<b><u>108,843</u></b>	<b><u>69,884</u></b>

**6. CASH AND CASH EQUIVALENTS**

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	<b>SCR</b>	<b>SCR</b>
Bank balance	4,127,319	8,756,060
Cash in Hand	3,517	5,079
	<b><u>4,130,836</u></b>	<b><u>8,761,139</u></b>

**7. BORROWING**

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	<b>SCR</b>	<b>SCR</b>
<b>Borrowing</b>	<b><u>8,922,426</u></b>	<b><u>11,680,404</u></b>
<i>Analysed as follows:</i>		
Non-current bank borrowings	7,407,653	9,090,254
Current bank borrowings	<u>1,514,773</u>	<u>2,590,150</u>
	<b><u>8,922,426</u></b>	<b><u>11,680,404</u></b>

Borrowing is represented by a term loan with a credit facility entered into with Nouvobanq on 5 December 2013 amounting to R20m, bearing a floating interest rate equivalent to 11% as at 31 December 2016. The loan is guaranteed by the Government of Seychelles. The loan is repayable in 96 monthly instalments, commencing on the thirteenth month from drawdown. During the moratorium period of 12 months, accrued interest was separately serviced by the Agency. In August 2017, with the decrease in Inter-bank interest rate the interest was reduced to 8.5%. There was a further change in inter-bank interest rate in April 2018 and the term loan interest was increased to 10.50%. The interest was increased to 11% on the 1st March 2019 and decreased again to 10.50% on the 1st October 2019. During the year 2020 with the lowering of interbank interest rate the interest in the term loan was decreased to 9.5% on the 1st April 2020 and with further deterioration in the financial market, the interest rate was further decreased to 8.50% as at 1st August 2020.

**8. PROVISION FOR EMPLOYEE BENEFIT**

The provision consists of payment of employee compensation and gratuity. Non contract employees are paid gratuity every 5 years and compensation at the end of employment as per the instructions in the Public Service Order and Employment Act, respectively. For employees on a fixed term contract gratuity is paid every two years at the end of their contract.

**9. DEFERRED INCOME**

Deferred income arises when payments are received in advance of performance or service obligations over the service period. Deferred income relates primarily to the sale of Nation by subscription.

**10. TAXATION****10.1 Income Statement**

	<u>2020</u>	<u>2019</u>
Current tax	-	-
Deferred tax Credit / (Charge)	4,902,686	(523,439)
	<u><b>4,902,686</b></u>	<u><b>(523,439)</b></u>

**10.2 Balance Sheet**

	<u>2020</u>	<u>2019</u>
	<b>SCR</b>	<b>SCR</b>
At January 01	(2,482)	(51,874)
Paid during the year	16,262	49,392
Current tax due	-	-
Balance at December 31	<u><b>13,780</b></u>	<u><b>(2,482)</b></u>

	<u>2020</u>	<u>2019</u>
	<b>SCR</b>	<b>SCR</b>
At January 01	(2,292,572)	(1,769,133)
Credit / (Charge) for the year	4,902,686	(523,439)
Balance at December 31	<u><b>2,610,114</b></u>	<u><b>(2,292,572)</b></u>

**11. REVENUE**

	<u>2020</u>	<u>2019</u>
	<b>SCR</b>	<b>SCR</b>
Nation sales	5,584,047	5,993,431
Advert sales	12,108,670	17,492,891
Commercial printing	1,803,747	2,166,780
Other revenue	145,824	78,580
Government Grant	2,122,371	-
	<u><b>21,764,659</b></u>	<u><b>25,731,682</b></u>



**12. OPERATING COSTS**

	<u>2020</u>	<u>2019</u>
	<b>SCR</b>	<b>SCR</b>
Printing services	70,772	61,164
Cost of materials	3,259,768	3,308,858
Staff costs (Note 12.1)	10,381,321	11,563,406
Depreciation of property, plant and equipment	1,431,008	1,394,200
Amortisation of intangible assets	6,756	59,861
Amortisation of right of Use Asset	312,695	-
Other expense (Note 12.2)	5,208,627	6,565,854
	<u><b>20,670,947</b></u>	<u><b>22,953,343</b></u>

**12.1 Staff Cost**

	<u>2020</u>	<u>2019</u>
	<b>SCR</b>	<b>SCR</b>
Personal emoluments	8,416,830	8,715,650
Bonus and 13 <sup>th</sup> month salary	-	492,581
Pension Fund	241,956	238,550
Compensation and gratuity	543,431	711,682
Collating and binding	980,253	1,101,092
Other employee costs	198,851	303,851
	<u><b>10,381,321</b></u>	<u><b>11,563,406</b></u>

**12.2 Other expense**

	<u>2020</u>	<u>2019</u>
	<b>SCR</b>	<b>SCR</b>
Publishing	377,546	530,905
Distribution expenses	784,241	843,054
Director's remuneration	239,664	455,998
Consumable expenses	278,187	243,932
Insurance expenses	163,745	135,171
Internet connection	148,500	148,590
IT cost	292,760	228,884
Rent expenses	166,800	930,648
Utilities	911,871	893,686
Security expenses	370,380	366,936
Advertisement and donations	15,520	54,872
Telephone	470,288	484,381
Other expenses	165,375	288,859
Repairs and maintenance	547,020	477,975
Transportation cost	236,730	441,963
<b>Fees to auditors:</b>		
Audit fees	40,000	40,000
	<u><b>5,208,627</b></u>	<u><b>6,565,854</b></u>

**13. RIGHT OF USE ASSET AND LEASE LIABILITY**

The right of use asset consists of a lease agreement of annual fee of SCR 763,848 for a plot of land and building at Bois De Rose Avenue for a period of 30 years. The lease agreement was entered into on August 01, 2014 with Sunpress Printing Limited. Sunpress Printing Limited is a company owned by Parti Lepep, represented by the CEO Mr. Olsen Vidot.

The Agency has adopted IFRS 16 for the treatment of its lease at Bois De Rose for the year 2020. With the change, the right of use asset and lease liability was treated under the modified retrospective approach #2 and calculated for the remaining present value of the lease terms of 25 years. The present value of the lease was discounted using the borrowing rate of the Agency at 8.5% interest per annum.

**13.1 Right of use asset**

	<b>Land and buildings</b>	
	<b>SCR</b>	<b>SCR</b>
At January 01	7,817,366	-
Less: Amortisation for the year	(312,695)	-
At December 31	<u>7,504,671</u>	<u>-</u>

**13.2 Lease Liability**

	<b>SCR</b>	<b>SCR</b>
At January 01	7,817,366	-
Add: Interest Expense	664,476	-
Less: Lease Payments for the year	(763,848)	-
At December 31	<u>7,717,994</u>	<u>-</u>

**14. FINANCE INCOME AND COST****14.1 Finance Income**

	<b>2020</b>	<b>2019</b>
	<b>SCR</b>	<b>SCR</b>
Interest on staff loans	4,233	4,882
Interest on bank account	132,815	232,361
	<u>137,048</u>	<u>237,243</u>

**14.2 Finance Cost**

	<b>2020</b>	<b>2019</b>
	<b>SCR</b>	<b>SCR</b>
Interest on borrowings	982,714	1,390,779
Interest on Lease	664,476	-
	<u>1,647,190</u>	<u>1,390,779</u>

**15. CAPITAL COMMITMENTS**

There were no capital commitments as at December 31, 2020

**16. CONTINGENT LIABILITIES**

There were no contingent liabilities as at December 31, 2020.

**17. RELATED PARTY TRANSACTIONS**

## a. Transactions with CEO

	<b>2020</b>	<b>2019</b>
	<b>SCR</b>	<b>SCR</b>
Annual Salary	595,505	576,196
	<b>595,505</b>	<b>576,196</b>

## b. Directors emoluments

	<b>2020</b>	<b>2019</b>
	<b>SCR</b>	<b>SCR</b>
Mrs. Barbara Kilindo	31,320	60,000
Ms. Lucy Athanasius	45,480	84,000
Ms. Roseline Houareau	37,584	72,000
Mrs. Mary Anne Ernesta	31,320	60,000
Ms. Claudette Albert	31,320	60,000
Ms. Joelle Perreau	31,320	60,000
Mr. Conrad Lablache	31,320	60,000
	<b>239,664</b>	<b>456,000</b>

## c. Lease with Sunpress Printing Limited

	<b>2020</b>	<b>2019</b>
	<b>SCR</b>	<b>SCR</b>
Annual rental	763,848	763,848
	<b>763,848</b>	<b>763,848</b>