



OFFICE OF THE AUDITOR GENERAL

P.O. Box 49 - Victoria,
Mahe, Republic of Seychelles
Telephone: (248) 4610360 Fax: (248) 4610365
E-mail: auditgen@oag.sc Website: www.oag.sc

Please address all correspondence to the Auditor General

OPINION OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE NATIONAL INFORMATION SERVICES AGENCY FOR THE YEAR ENDED 31 DECEMBER 2011

Scope

I have audited the financial statements of the National Information Services Agency for the year ended 31 December 2011 as set out on pages 1 to 9 in terms of Section 14 (1) of the National Information Services Agency.

The Board is responsible for keeping proper books of accounts, preparation of the financial statements and the information they contain. It is my responsibility to form an independent opinion, based on my audit, on those statements and report it to the Board.

The audit was conducted in accordance with the International Organisation of the Supreme Audit Institutions (INTOSAI) Auditing Standards. The audit procedures included examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements as well as an assessment of accounting policies and significant estimates.

The audit was planned and conducted so as to obtain all information and explanations considered necessary to provide me with sufficient evidence to give a reasonable assurance that the financial statements are free of material misstatement, whether caused by fraud or other irregularity or error. The overall adequacy of the presentation of information in the financial statements was also evaluated in forming my opinion.

The audit opinion has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements fairly present the financial position of the Agency as at 31 December 2011 and the results of its operations and cash flows for the year then ended.

Marc Benstrong
Auditor General

27 December 2012
Victoria



NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Notes	2011	2010
FIXED ASSET			
Property, Plant and Equipment	5	895,221	825,794
CURRENT ASSETS			
Inventory	6	109,987	96,247
Trade receivables		247,864	144,034
Bank		4,268,837	2,627,441
		<u>4,626,688</u>	<u>2,867,722</u>
TOTAL ASSETS		<u>5,521,909</u>	<u>3,693,516</u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS			
Grant	7	220,253	438,943
Profit for the year		2,061,644	2,841,764
Profit brought forward		2,841,764	-
		<u>5,123,661</u>	<u>3,280,707</u>
CURRENT LIABILITIES			
Accounts payables	8	398,250	412,809
TOTAL EQUITY AND LIABILITIES		<u>5,521,911</u>	<u>3,693,516</u>



Rene Morel
Chairman: Mr. Rene Morel

Merline Volcere
Chief Executive Officer: Ms Merline Volcere

Date: 20th December 2012

Date: 20th December 2012

NATIONAL INFORMATION SERVICES AGENCY

INCOME STATEMENT FOR THE YEAR ENDING 31 DECEMBER, 2011

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
		Scr	Scr
Income	9	14,360,420	12,812,758
Cost of Goods Sold	10	<u>6,203,508</u>	<u>4,361,777</u>
Gross Profit		8,156,912	8,450,981
Administrative and General expenses	11	<u>6,095,268</u>	<u>5,609,218</u>
Profit for the year		<u>2,061,644</u>	<u>2,841,763</u>



NATIONAL INFORMATION SERVICES AGENCY

Statement of Cash Flow as at 31 Decemebr 2011

	2011	2010
	Scr	Scr
OPERATING ACTIVITIES		
Operating Profit	2,061,644	2,841,764
<i>Adjustments</i>		
Depreciation	95,306	60,936
<i>Changes in Working Capital:-</i>		
Trade receivables	(103,830)	(144,034)
Inventory	(13,740)	(96,247)
Other Payables	(14,559)	412,809
Net Cash flow from operations	2,024,821	3,075,228
INVESTING ACTIVITIES		
Purchase of fixed asset	(383,425)	(447,787)
Net cash flow from investing activities	(383,425)	(447,787)
FINANCING ACTIVITIES		
Net cash flow from financing activities	-	-
Net movement in cash and cash equivalents	1,641,396	2,627,441
Cash and Cash equivalents as at 1 January 2011	2,627,441	-
Cash and Cash equivalents as at 31 December 2011	4,268,837	2,627,441
Represented by:		
Cash in hand and at bank	4,268,837	2,627,441



FIXED ASSET SCHEDULE

Note 5

Property, Plant and Equipment

	Fixture and Fitting		IT and other Equipment		Specialised Equipment		Vehicles		Total	
	Scr		Scr		Scr		Scr		Scr	
Balance at Jan 01, 2010	31,659		4,000		788,276		502,000		1,325,935	
Additions	221,872		167,915		58,000		-		447,787	
Balance at Dec 31 2010	253,531		171,915		846,276		502,000		1,773,722	
Balance at Jan 01, 2011	253,531		171,915		846,276		502,000		1,773,722	
Additions	71,889		57,700		253,836		-		383,425	
Balance at Dec 31 2011	325,420		229,615		1,100,111		502,000		2,157,146	
Depreciation										
Balance at Jan 01, 2010	8,933		727		409,743		248,900		668,303	
Charge for the year 2010	29,793		33,591		115,842		100,400		279,626	
Balance at Dec 31 2010	38,726		34,318		525,585		349,300		947,929	
Balance at Jan 01, 2011	38,726		34,318		525,585		349,300		947,929	
Charge for the year 2011	39,611		46,275		127,710		100,400		313,996	
Balance at Dec 31 2011	78,337		80,593		653,295		449,700		1,261,925	
Net book Value:										
As at Dec 31, 2010	214,805		137,597		320,691		152,700		825,793	
As at Dec 31, 2011	247,083		149,022		446,816		52,300		895,221	



NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Agency'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 NISA 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 are 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.

NISA 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 NISA. 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.

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 NISA 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.

d) Provisions

Provisions for restructuring costs and legal claims are recognised when: NISA 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 NISA and the revenue can be reliably measured.

	<u>2011</u>	<u>2010</u>
Note 5. ASSETS	Scr	Scr
Fixtures and fittings	247,083	214,806
IT and Other equipments	149,022	137,597
Specialised Equipment	446,816	320,691
Vehicles	<u>52,300</u>	<u>152,700</u>
	<u>895,221</u>	<u>825,794</u>
Note 6. INVENTORY	<u>2011</u>	<u>2010</u>
	Scr	Scr
Purchase of pre-press materials 2011	259,999	96,247
less usage of pre-press materials 2011	<u>(150,012)</u>	<u>0</u>
	<u>109,987</u>	<u>96,247</u>



Note 7. GRANT

	<u>2011</u>	<u>2010</u>
	Scr	Scr
Balance as at 1 January 2011	438,943	657,633
Amortisation	(218,690)	(218,690)
	<u>220,253</u>	<u>438,943</u>

Note 8. ACCOUNTS PAYABLES

	<u>2011</u>	<u>2010</u>
	Scr	Scr
Trade payables	398,250	378,251
Accruals	0	34,558
	<u>398,250</u>	<u>412,809</u>

Note 9. INCOME

	<u>2011</u>	<u>2010</u>
	Scr	Scr
Advert Sales	9,381,506	8,039,271
Nation Sale	4,002,950	3,877,635
Photo Sales	6,841	126,693
Pre-press	960,277	769,159
Other income	8,846	0
	<u>14,360,420</u>	<u>12,812,758</u>

Note 10. COST OF GOODS SOLD

	<u>2011</u>	<u>2010</u>
	Scr	Scr
Delivery cost	291,779	156,210
Film output	246,258	151,374
Print Cost	5,638,556	4,003,271
Publishing	26,915	50,922
	<u>6,203,508</u>	<u>4,361,777</u>

Note 11. ADMINISTRATIVE EXPENSES

	<u>2011</u>	<u>2010</u>
	Scr	Scr
Audit fees	0	34,558
Bank Service Charges	200	1,892
Local consultancy fees	6,000	31,063
Miscellaneous Expense	61,281	257,426
Telephone	226,898	229,921
Board remuneration	84,525	48,240
Bonus	59,601	92,161



Income Tax	529,124	401,821
Other Subsistence Allowance	4,925	2,695
Personnel Emoluments	3,000,563	2,798,101
Pension Fund	74,057	100,051
Staff Housing Benefit	25,500	42,500
Staff Training	26,880	5,150
Staff Welfare	16,376	30,950
	<u>4,115,930</u>	<u>4,076,529</u>

a. DEPRECIATION EXPENSE

	<u>2011</u>	<u>2010</u>
	Scr	Scr
Depreciation charge for the year	313,996	279,626
Amortisation of Grant contribution	(218,690)	(218,690)
	<u>95,306</u>	<u>60,936</u>

b. OFFICE RUNNING COSTS

	<u>2011</u>	<u>2010</u>
	Scr	Scr
Cleaning	53,298	107,790
Clearing Cost	20,750	3,244
Information Services	0	91,336
Insurance Expense	49,426	36,380
Internet Connection	68,189	18,836
IT cost	32,012	81,145
Landscaping fees	219,103	3,016
Licence fees	2,393	6,714
Newspaper, magazines & periodic	6,330	10,131
Office Rent Expenses	165,000	167,000
Office Supplies	187,933	11,849
Other consumables expenses	26,672	30,501
Postage	31,828	57,116
Security Guard expenses	204,000	32,400
	<u>1,066,934</u>	<u>657,458</u>

c. REPAIRS AND MAINTENANCE

	<u>2011</u>	<u>2010</u>
	Scr	Scr
Motor Vehicle Repairs	19,205	20,200
Office Refurbishment	305	3,375
Other repairs and maintenance	104,270	192,744
Refurbishment of Office	0	96,750
	<u>123,780</u>	<u>313,069</u>



d. TRANSPORTATION COST	2011	2010
	Scr	Scr
Fuel for vehicles	121,565	99,620
Other transportation expenses	19,956	26,137
	141,521	125,757
e. TRAVELLING COST	2011	2010
	Scr	Scr
Travelling	53,582	17,055
Overseas subsistence allowance	58,983	20,016
	112,565	37,071
f. OTHER EXPENSES	2011	2010
	Scr	Scr
Entertainment	2,243	9,963
Utilities Total: Electricity	436,989	328,435
	439,232	338,398
Total Administrative and General Expenses	6,095,268	5,609,218

