

NATIONAL INFORMATION SERVICES AGENCY

Financial Statements

Year ended December 31, 2016

NATIONAL INFORMATION SERVICES AGENCY

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NATIONAL INFORMATION SERVICES AGENCY

CORPORATE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2016

Directors

Rene Morel
Deacon Louis Agathine
Brenda Bastienne
Nadine Jack
Barbara Kilindo

CEO

Merline Volcere

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

DIRECTOR'S REPORT

The Director's present their report together with the audited financial statements of the Agency for the year ended 31st December 2016.

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>2016</u>
	SCR
Profit before taxation	3,941,413
Taxation	<u>(989,829)</u>
Profit for the year	<u>2,951,584</u>

Property, plant and equipment

Additions to property, plant and equipment of SCR 1,221,748 during the year comprise mainly of capital work in progress for the year 2016. The capital work in progress comprises of the construction of a storage building at the NISA office located at Bois De Rose Avenue.

Work in progress is stated at cost and is not depreciated. The remaining items of 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, 2016.

Dividends

The Directors did not recommend any dividends for the financial year under review (2015: Nil)

NATIONAL INFORMATION SERVICES AGENCY
DIRECTOR'S REPORT

Directors and director's interest in the Agency

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

Mr Rene Morel (Chairman)

Deacon Louis Agathine (Vice-Chairman)

Mrs Barbara Kilindo

Ms Brenda Bastienne

Ms Nadine Jack

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.

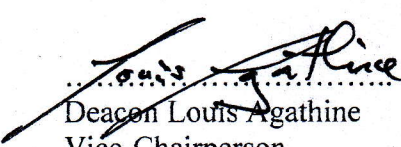
Auditors

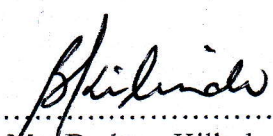
The Auditor General of Seychelles is mandated to carry out the audit of the Agency as per section 14 (1) of the National Information Services Agency Act, 2010.

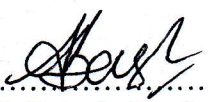
NATIONAL INFORMATION SERVICES AGENCY
DIRECTOR'S REPORT


Board Approval


.....
Mr Rene Morel
Chairman


.....
Deacon Louis Agathine
Vice-Chairperson


.....
Mrs Barbara Kilindo
Director


.....
Ms Brenda Bastienne
Director


.....
Ms Nadine Jack
Director



OFFICE OF THE AUDITOR GENERAL

P.O. Box 49 - Victoria,
Mahe, Republic of Seychelles
Telephone: (248) 4672500 Fax: (248) 4610365
E-mail: auditgen@oag.sc Website: www.oag.sc

Please address all correspondence to the Auditor General

Our Ref: NISA/AI

Date: 10th May 2017

*Chief Executive Officer
National Information Services Agency
Independence Avenue*

Audit Certification of the National Information Services Agency – 2016

Please find enclosed 3 sets of duly certified account for the year ended 31 December 2016.


Lindy Sedgwick (Mrs)
For: AUDITOR GENERAL



OFFICE OF THE AUDITOR GENERAL

P.O. Box 49 - Victoria,
Mahe, Republic of Seychelles
Telephone: (248) 4672500 Fax: (248) 4610365
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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 2016

Scope

I have audited the financial statements of the National Information Services Agency for the year ended 31 December 2016 as set out on pages 7 to 23 in terms of Section 14 (1) of the National Information Services Agency Act, 2010.

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 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. 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 our audit and report it to the Board. The audit was conducted in accordance with International Standards of the Supreme Audit Institutions (ISSAIs). Those standards require that I 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 auditors consider internal control relevant to the Agency'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 Agency's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board 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.

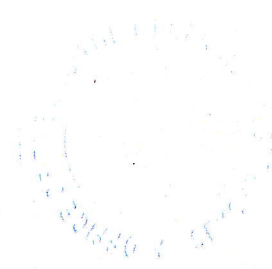
Opinion

In my opinion, the financial statements on pages 7 to 23 give a true and fair view of the financial position of the Agency at 31 December 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (for Small and Medium-sized Entities) and comply with the National Information Services Agency Act, 2010.



Gamini Herath
AUDITOR GENERAL

10 May 2017
Victoria



NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2016

	Notes	December 31, 2016 SCR	Re-stated December 31, 2015 SCR	Re-stated January 01, 2015 SCR
ASSETS				
Non-current assets				
Property, plant and equipment	4	19,354,725	19,425,505	15,497,033
Intangible assets	5	103,840	18,904	44,109
Trade and other receivables	6	30,173	123,024	316,081
		<u>19,488,738</u>	<u>19,567,433</u>	<u>15,857,223</u>
Current assets				
Financial investment		-	-	955,152
Inventories		3,075,216	2,007,257	137,428
Trade and other receivables	6	3,037,618	2,532,953	3,035,716
Cash and cash equivalents	7	6,311,478	5,094,720	5,322,952
		<u>12,424,312</u>	<u>9,634,930</u>	<u>9,451,248</u>
TOTAL ASSETS		<u>31,913,050</u>	<u>29,202,363</u>	<u>25,308,471</u>
EQUITY AND LIABILITIES				
Equity				
Retained earnings		9,970,842	7,019,258	7,362,084
		<u>9,970,842</u>	<u>7,019,258</u>	<u>7,362,084</u>
Non-current liabilities				
Borrowings	8	16,428,195	18,241,717	15,846,715
Provision for employee benefit	9	978,076	625,084	472,139
Deferred tax	11	592,639	-	-
		<u>17,998,910</u>	<u>18,866,801</u>	<u>16,318,854</u>
Current liabilities				
Trade and other payables		451,998	457,716	756,303
Borrowings	8	1,824,517	1,683,071	-
Current tax liability	11	502,062	-	-
Deferred income	10	1,164,721	1,175,517	871,230
		<u>3,943,298</u>	<u>3,316,304</u>	<u>1,627,533</u>
TOTAL EQUITY AND LIABILITIES		<u>31,913,050</u>	<u>29,202,363</u>	<u>25,308,471</u>

The accompanying notes 1-18 form part of these financial statements

Chairman: Mr. René Morel

Date: 19th April 2017

Chief Executive Officer: Ms. Merline Volcere

Date: 19th April 2017

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2016

	Notes	<u>2016</u> SCR	<u>Re-stated</u> <u>2015</u> SCR
Revenue	12	27,992,703	26,031,475
Operating costs	13	<u>(22,087,233)</u>	<u>(24,520,906)</u>
Operating Profit		5,905,470	1,510,569
Finance income	15.1	146,477	115,609
Finance costs	15.2	<u>(2,110,534)</u>	<u>(1,969,004)</u>
Profit or Loss for the year before Taxation		3,941,413	(342,826)
Taxation	11	<u>(989,829)</u>	<u>-</u>
Profit or Loss for the year after Taxation		<u>2,951,584</u>	<u>(342,826)</u>

The accompanying notes 1-18 form part of these financial statements

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2016

	Retained Earnings SCR	Total Equity SCR
Re-stated balance as at January 01, 2016	7,019,258	7,019,258
Comprehensive Income for the year 2016	<u>2,951,584</u>	<u>2,951,584</u>
Balance as at December 31, 2016	<u>9,970,842</u>	<u>9,970,842</u>
Re-stated balance as at January 01, 2015	7,362,084	7,362,084
Comprehensive Income for the year 2015	<u>(342,826)</u>	<u>(342,826)</u>
Re-stated balance as at December 31, 2015	<u>7,019,258</u>	<u>7,019,258</u>

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CASH FLOW AS AT DECEMBER 31, 2016

	<u>2016</u>	<u>Re-stated</u> <u>2015</u>
	SCR	SCR
OPERATING ACTIVITIES		
Profit before taxation	3,941,413	(342,826)
<i>Adjustments</i>		
Depreciation on property, plant and equipment	1,292,528	977,652
Amortisation of intangible assets	18,904	25,205
Interest payable	2,110,534	-
	<u>7,363,379</u>	<u>660,031</u>
<i>Movements in Working Capital</i>		
(Increase)/Decrease in trade and other receivables	(411,814)	695,820
(Increase)/Decrease in inventories	(1,067,959)	(1,869,829)
Increase/(Decrease) in accounts payable	(5,718)	(298,587)
Increase/(Decrease) in deferred income	(10,796)	304,287
Provision of employee benefit	352,991	152,945
	<u>(1,143,296)</u>	<u>(1,015,364)</u>
Tax refund	104,872	-
Interest on borrowing	(2,057,621)	-
	<u>(3,096,045)</u>	<u>-</u>
Net cash flow from operating activities	4,267,334	(355,333)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(174,951)	(4,906,124)
Purchase of intangible assets	(103,840)	-
Capital work in progress	(1,046,797)	-
Financial investments	-	955,152
Net cash flow from investing activities	(1,325,588)	(3,950,972)
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings received	-	4,078,073
Repayment of loan	(1,724,988)	-
Net cash flow from financing activities	(1,724,988)	4,078,073
Net movement in cash and cash equivalents	1,216,758	(228,232)
Cash and cash equivalents as at January 01, 2016	5,094,720	5,322,952
Cash and Cash equivalents as at December 31, 2016	<u>6,311,478</u>	<u>5,094,720</u>

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

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. Comparative figures have been amended to conform to changes in presentation in the current year. The financial statements are prepared under the historical cost convention.

2.2 Cash and cash equivalents

Cash and cash equivalents includes 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 useful life of the building has been re-stated to 30 years. 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 have a finite useful life and are 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 Financial investment

Treasury bills are stated at their ammortised cost as held to maturity investments.

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 Events after the reporting date

No events have occurred after the reporting period that are required to be disclosed in these financial statements.

3. TRANSITION TO THE IFRS FOR SMEs

3.1 Basis of transition to the IFRS for SMEs

The Agency's financial statements for the year ended 31 December 2016 are its first annual financial statements prepared under accounting policies that comply with the IFRS for SMEs. The Agency's transition date is 1 January 2015. The Agency prepared its opening statement of financial position under IFRS for SMEs at that date.

3.2 Reconciliation

The Agency has applied IFRS 1, first-time adoption of International Financial Reporting Standards, to provide a starting point for the reporting under the international reporting and accounting standards. On principle these standards have been applied retrospectively and the 2015 and 2014 comparatives contained in these annual financial statements differ from those published in the annual financial statements published for the year ended December 31, 2015.

The date of transition was 01 January, 2015. The following reconciliations show the effect on the Agency's equity of the transition from the Agency's previous GAAP to the IFRS for SMEs at 01 January 2015 and 31 December 2015, and the Agency's profit for the year ended 31 December 2015.

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

	December 31, 2015	January 01, 2015
	SCR	SCR
Total Equity under local GAAP	8,439,349	8,705,453
Restatement of deferred income	(1,175,517)	(871,230)
Deferred income previously recognised	304,287	-
Re-statement of provision for employee compensation	(625,084)	(472,139)
Adjustment of refurbishment depreciation	76,223	-
Total Equity under IFRS for SME	7,019,258	7,362,084
		2015
		SCR
Results for the year under previous GAAP		(266,104)
Adjustment of building depreciation		76,223
Provision for compensation not computed under GAAP		(152,945)
Results for the year under IFRS for SME		(342,826)

3.3 Explanation of transition to the IFRS for SMEs

(a) Provision for post-employment benefits

Under previous GAAP, the Agency did not calculate the provision for employee compensation.

(b) Deferred Tax

This adjustment reflects the deferred tax recognised on transition. The adjustment also reflects the impact of recognising deferred tax on the basis of temporary differences between the carrying amounts of assets and liabilities and their tax bases, compared to deferred tax calculated on the difference between items included in the income for accounting purposes and items included in the tax return.

(c) Deferred Income

Prior to the year ending 2015, NISA was recognizing revenue from subscriptions on a cash basis.

3.4 Statement of cash flows

A number of changes have been made to the Agency's statement of cash flows.

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

4. PROPERTY, PLANT AND EQUIPMENT

	Fixture and fittings		IT and other equipment		Specialised equipment		Printing equipment		Refurbishment of office		Vehicles		Capital work in progress		Total		
	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR	
Cost																	
At January 01, 2015	391,078	464,787	1,487,721	14,516,604	-	-	697,000	-	-	-	-	-	-	-	-	17,557,190	
Additions	259,394	449,852	189,555	55,762	3,951,561	-	-	-	3,951,561	-	-	-	-	-	-	4,906,124	
At December 31, 2015	650,472	914,639	1,677,276	14,572,366	3,951,561	-	697,000	-	3,951,561	-	-	697,000	-	-	-	22,463,314	
Accumulated Depreciation																	
At January 01, 2015	305,190	324,581	1,023,803	-	-	-	406,583	-	-	-	-	-	-	-	-	2,060,157	
Charge for the year 2015	80,805	68,247	122,307	545,070	152,446	-	85,000	-	152,446	-	-	-	-	-	-	1,053,875	
Adjusted Depreciation	-	-	-	-	(76,223)	-	-	-	(76,223)	-	-	-	-	-	-	(76,223)	
At December 31, 2015	385,995	392,828	1,146,110	545,070	76,223	-	491,583	-	76,223	-	-	491,583	-	-	-	3,037,809	
Net Book Value																	
At December 31, 2015	264,477	521,811	531,166	14,027,296	3,875,338	-	205,417	-	3,875,338	-	-	205,417	-	-	-	19,425,505	
Cost																	
At January 01, 2016	650,472	914,639	1,677,276	14,572,366	3,951,561	-	697,000	-	3,951,561	-	-	697,000	-	-	-	22,463,314	
Additions	27,598	147,353	-	-	-	-	-	-	-	-	-	-	1,046,797	-	-	1,221,748	
At December 31, 2016	678,070	1,061,992	1,677,276	14,572,366	3,951,561	-	697,000	1,046,797	3,951,561	-	-	697,000	1,046,797	-	-	23,685,062	
Accumulated Depreciation																	
At January 01, 2016	385,995	392,828	1,146,110	545,070	76,223	-	491,583	-	76,223	-	-	491,583	-	-	-	3,037,809	
Charge for the year 2016	73,366	149,366	124,459	728,618	131,719	-	85,000	-	131,719	-	-	85,000	-	-	-	1,292,528	
At December 31, 2016	459,361	542,194	1,270,569	1,273,688	207,942	-	576,583	-	207,942	-	-	576,583	-	-	-	4,330,337	
Net Book Value																	
At December 31, 2016	218,709	519,798	406,707	13,298,678	3,743,619	-	120,417	1,046,797	3,743,619	-	-	120,417	1,046,797	-	-	19,354,725	

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

5. INTANGIBLE ASSETS

	<u>Accounting Software SCR</u>
<u>Cost</u>	
At January 01, 2015	63,013
Additions	-
At December 31, 2015	<u>63,013</u>
<u>Accumulated Amortisation</u>	
At January 01, 2015	18,904
Charge for the year 2015	25,205
At December 31, 2015	<u>44,109</u>
<u>Net Book Value</u>	
At December 31, 2015	<u>18,904</u>
<u>Cost</u>	
At January 01, 2016	63,013
Additions	103,840
At December 31, 2016	<u>166,853</u>
<u>Accumulated Amortisation</u>	
At January 01, 2016	44,109
Charge for the year 2016	18,904
At December 31, 2016	<u>63,013</u>
<u>Net Book Value</u>	
At December 31, 2016	<u>103,840</u>

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

6. TRADE AND OTHER RECEIVABLES

	December 31, 2016	December 31, 2015	January 01, 2015
	SCR	SCR	SCR
Trade Receivables	2,617,666	2,321,923	1,527,903
Prepayments and deposits	241,000	30,800	1,339,767
Staff loans (notes (b) &(c))	237,645	313,207	536,496
	<u>3,096,311</u>	<u>2,665,930</u>	<u>3,404,166</u>
Provision for credit impairment	(28,520)	(9,953)	(52,369)
	<u>3,067,791</u>	<u>2,655,977</u>	<u>3,351,797</u>
<i>Analysed as follows:</i>			
	2016	2015	2014
	SCR	SCR	SCR
Within one year	3,037,618	2,532,953	3,035,716
After more than one year	30,173	123,024	316,081
	<u>3,067,791</u>	<u>2,655,977</u>	<u>3,351,797</u>

- (a) The carrying amount of trade and other receivables and other receivables approximate their fair values.
- (b) The staff loan balance relate to a staff car loan expected to be repaid in the subsequent financial period and general purpose loan issued by the Agency which are receivable in instalments over the loan agreement. The non-current portion of the staff car loan is classified as non-current assets. Car loans have a maturity of 5 years and general purpose loans have a maturity of 1 year. The balances are neither past due or impaired. With respect to the car loans the vehicles are pledged to the Agency and a lien clause to insurance policy, wherein the event of any claims, proceeds will be paid directly to the Agency. 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:

	December 31, 2016	December 31, 2015	January 01, 2015
	SCR	SCR	SCR
Within one year	207,472	190,183	220,415
After more than one year	30,173	123,024	316,081
	<u>237,645</u>	<u>313,207</u>	<u>536,496</u>

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

7. CASH AND CASH EQUIVALENTS

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>January 01, 2015</u>
	SCR	SCR	SCR
Bank balance	6,191,195	5,092,216	5,321,952
Cash in Hand	120,283	2,504	1,000
	<u>6,311,478</u>	<u>5,094,720</u>	<u>5,322,952</u>

8. BORROWING

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>January 01, 2015</u>
	SCR	SCR	SCR
Borrowing	<u>18,252,712</u>	<u>19,924,788</u>	<u>15,846,715</u>
<i>Analysed as follows:</i>			
Non-current bank borrowings	16,428,195	18,241,717	15,846,715
Current bank borrowings	1,824,517	1,683,071	
	<u>18,252,712</u>	<u>19,924,788</u>	<u>15,846,715</u>

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 is to be separately serviced by the Agency.

9. 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.

10. 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.

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

11. TAXATION

11.1 Income Statement

	<u>2016</u>	<u>2015</u>
	SCR	SCR
Balance at January 01, 2016	-	-
Refund from SRC	104,872	-
Current tax	(502,062)	-
Deferred tax liability	(592,639)	-
Balance at December 31, 2016	<u>(989,829)</u>	<u>-</u>

11.2 Balance Sheet

	<u>2016</u>	<u>2015</u>
	SCR	SCR
At January 01, 2016	-	-
Current tax due	(502,062)	-
	<u>(502,062)</u>	<u>-</u>

	<u>2016</u>	<u>2015</u>
	SCR	SCR
At January 01, 2016	-	-
Deferred Tax	(592,639)	-
	<u>(592,639)</u>	<u>-</u>

12. REVENUE

	<u>2016</u>	<u>2015</u>
	SCR	SCR
Nation sales	6,481,662	7,415,043
Advert sales	17,365,912	16,368,289
Commercial printing	4,079,464	2,231,325
Other revenue	65,665	16,818
	<u>27,992,703</u>	<u>26,031,475</u>

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

13. OPERATING COSTS

	<u>2016</u>	<u>2015</u>
	SCR	SCR
Printing services	77,900	4,837,837
Cost of materials	3,704,725	2,630,740
Staff costs (Note 13.1)	10,073,352	9,571,084
Depreciation of property, plant and equipment	1,292,528	977,652
Amortisation of intangible assets	18,904	25,205
Other expense (Note 13.2)	6,919,824	6,478,388
	<u>22,087,233</u>	<u>24,520,906</u>

13.1 Staff Cost

	<u>2016</u>	<u>2015</u>
	SCR	SCR
Personal emoluments	7,163,549	6,675,313
Bonus and 13 th month salary	488,849	837,252
Pension Fund	134,203	124,599
Compensation and gratuity	664,456	435,378
Collating and binding	1,088,711	802,277
Other employee costs	533,584	696,265
	<u>10,073,352</u>	<u>9,571,084</u>

13.2 Other expense

	<u>2016</u>	<u>2015</u>
	SCR	SCR
Publishing	63,546	82,207
Distribution expenses	1,029,361	888,644
Director's remuneration	143,529	162,353
Consumable expenses	592,378	421,298
Insurance expenses	95,068	95,680
Internet connection	247,325	224,948
IT cost	141,375	104,333
Rent expenses	1,038,848	1,165,448
Utilities	675,543	764,356
Security expenses	420,376	444,805
Advertisement and donations	30,601	10,700
Telephone	434,840	349,740
Other expenses	109,173	71,049
Repairs and maintenance	724,474	399,126
Transportation cost	831,014	1,160,849
Sundry expense	262,373	102,852
Fees to auditors:		

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

Audit fees	40,000	30,000
Professional fees	40,000	-
	<u>6,919,824</u>	<u>6,478,388</u>

14. OPERATING LEASE

The annual rental expense consists of SCR 763,848 in lieu of rent of 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 lease is payable in monthly instalments of SCR 63,654.

	SCR
Lease due in the next year	763,848
Lease due years 2 through 5 combined	3,055,392
Lease due beyond 5 years	17,250,234

15. FINANCE INCOME AND COST

15.1 Finance Income

	<u>2016</u>	<u>2015</u>
	SCR	SCR
Interest on Treasury bills	-	44,848
Interest on staff loans	14,542	24,841
Interest on bank account	131,935	45,920
	<u>146,477</u>	<u>115,609</u>

15.2 Finance Cost

	<u>2016</u>	<u>2015</u>
	SCR	SCR
Interest on borrowings	<u>2,110,534</u>	<u>1,969,004</u>
	2,110,534	1,969,004

16. CAPITAL COMMITMENTS

At the end of the reporting period there was a contract for the construction of a storage building at the Laurier Road office for the amount of SCR 1,468,970; which was 70% complete by the end of the reporting period.

17. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2016.

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

18. RELATED PARTY TRANSACTIONS

a. Transactions with CEO

	<u>2016</u>	<u>2015</u>
	SCR	SCR
Annual salary	581,232	500,652
Annual gratuity payments	-	18,031
End of contract payment	193,331	-
	<u>774,563</u>	<u>518,683</u>

b. Directors emoluments

	<u>2016</u>	<u>2015</u>
	SCR	SCR
Mr. Rene Morel	42,353	42,353
Deacon Louis Agathine	35,294	35,295
Mrs. Barbara Kilindo	28,235	28,235
Ms. Brenda Bastienne	9,412	28,235
Ms. Lena Desaubin	-	4,706
Ms. Nadine Jack	28,235	23,529
	<u>143,529</u>	<u>162,353</u>

c. Operating lease with Sunpress printing limited

	<u>2016</u>	<u>2015</u>
	SCR	SCR
Annual rental	763,848	763,848
	<u>763,848</u>	<u>763,848</u>