



OFFICE OF THE AUDITOR GENERAL

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Please address all correspondence to the Auditor General

Our Ref: NISA/AI

Date: 03 July 2014

*Chief Executive Officer
National Information Services Agency
Independence Avenue*

Audit Certification of National Information Services Agency

*Enclosed herewith please find 2 sets of duly certified accounts for the year ended 31st
December 2013.*


L Sedgwick (Mrs)
For: AUDITOR GENERAL

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OPINION OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE NATIONAL INFORMATION SERVICES AGENCY FOR THE YEAR ENDED 31 DECEMBER 2013

Scope

I have audited the financial statements of the National Information Services Agency for the year ended 31 December 2013 as set out on pages 1 to 9 in terms of Section 14 (1) of the National Information Services Agency Act, 2010.

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 2013 and the results of its operations and cash flows for the year then ended.

A handwritten signature in black ink, appearing to read "Marc Benstrong".

Marc Benstrong
Auditor General

3 July 2014
Victoria

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Notes	2013 SCR	2012 SCR
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	918,532	572,363
Loans	6	766,550	349,865
		<u>1,685,082</u>	<u>922,228</u>
CURRENT ASSETS			
Inventory		130,921	318,176
Trade Receivables		1,881,850	1,161,230
Prepayments		23,507	-
Cash and Bank Balances	7	2,715,782	2,758,677
Financial Investment	8	4,999,588	2,816,657
		<u>9,751,648</u>	<u>7,054,740</u>
TOTAL ASSETS		<u>11,436,730</u>	<u>7,976,968</u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS			
Deferred Grant	9	-	-
Profit for the Year		3,084,932	1,563
Retained Earnings	10	5,653,403	1,927,582
		<u>8,738,335</u>	<u>3,725,821</u>
			<u>5,654,966</u>
CURRENT LIABILITIES			
Accounts Payable		622,663	587,581
Provision for Business Tax	11	2,075,732	1,734,421
		<u>2,698,395</u>	<u>2,322,002</u>
TOTAL EQUITY AND LIABILITIES		<u>11,436,730</u>	<u>7,976,968</u>

The accompanying notes 1-14 form part of these financial statements

Chairman: Mr. Rene Morel

Date: 06/01/2014

Chief Executive Officer: Ms. Merline Volcere

Date: 2 July 2014

NATIONAL INFORMATION SERVICES AGENCY

INCOME STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2013

	Notes	2013 SCR	2012 SCR
Income	12	22,177,087	16,711,735
Cost of Goods Sold	13	8,899,792	7,100,753
Gross Profit		13,277,295	9,610,982
Administrative and General expenses	14	8,673,466	7,126,566
Profit for the Year Before Tax		4,603,829	2,484,416
Business Tax	11	1,518,897	556,834
Profit for the Year		3,084,932	1,927,582

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2013

	<u>2013</u> SCR	<u>2012</u> SCR
OPERATING ACTIVITIES		
Profit Before Taxation	4,603,829	2,484,416
<i>Adjustments</i>		
Depreciation	276,315	203,041
Accrued Interest on Held to Maturity Investment	(37,088)	(63,837)
Loss/(Profit) from Sale of Fixed Assets	(125,000)	-
	<u>4,718,056</u>	<u>2,623,620</u>
<i>Movements in Working Capital:-</i>		
(Increase)/Decrease in Trade receivables	(720,620)	(913,366)
(Increase)/Decrease in Inventory	187,255	(208,189)
Increase/(Decrease) in Accounts Payable	35,082	189,333
(Increase)/Decrease in Prepayments	(23,507)	-
(Increase)/Decrease in Loans	(416,685)	(349,865)
	<u>3,779,581</u>	<u>1,341,533</u>
Business Tax Paid	(1,177,586)	-
Net Cash Flow from Operating Activities	<u>2,601,995</u>	<u>1,341,533</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Assets	(624,047)	(98,873)
Proceeds from Sale of Assets	125,000	-
Financial Investments	(2,145,843)	(2,752,820)
Net Cash Flow from Investing Activities	<u>(2,644,890)</u>	<u>(2,851,693)</u>
Net Movement in Cash and Cash Equivalents	<u>(42,895)</u>	<u>(1,510,160)</u>
Cash and Cash equivalents as at January 1	2,758,677	4,268,837
Cash and Cash Equivalents as at December 31	<u>2,715,782</u>	<u>2,758,677</u>

NATIONAL INFORMATION SERVICES AGENCY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

NOTES TO THE FINANCIAL STATEMENTS

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 object is to establish and operate facilities for the collection and distribution of information which includes 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 the Agency have been prepared in accordance with Generally Accepted Accounting Standards applicable in Seychelles.

3. INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Plant and equipment

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

The Agency adds to the carrying amount of an item of plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Agency. 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.

The Agency does not hold title deeds to the land upon which the premises at Laurier Road stands.

b) Trade receivables

Trade receivables are recognised initially at the transaction price. 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.

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: the Agency 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Restatement of prior year financial statement

The prior year financial statement has been restated to take into consideration the business tax liability 2010 omitted and improvements in classification of Administrative and General expenses.

f) Trade payables

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

g) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Organisation and the revenue can be reliably measured. Revenue collected for subscriptions of the Seychelles Nation Newspaper has been recognized on a cash basis.

h) Financial investment

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

i) Deferred Grant

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

j) Going concern

The management has made an assessment of its ability to continue as a going concern and is satisfied that the Agency has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Agency's ability to continue as a going concern. Therefore the financial statements continue to be prepared on the going concern basis.

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 5. PROPERTY, PLANT AND EQUIPMENT

Costs	Fixture and fittings		IT and other Equipments		Specialised Equipments	Vehicles	Total
	SCR	SCR	SCR	SCR	SCR	SCR	
Balance at Jan 01, 2012	325,420		229,615		1,100,111	502,000	2,157,146
Additions	14,285		27,670		56,918		98,873
Balance at Dec 31 2012	339,705		257,285		1,157,029	502,000	2,256,019
Balance at Jan 01, 2013	339,705		257,285		1,157,029	502,000	2,256,019
Disposals	-		-		-	(230,000)	(230,000)
Additions			39,113	58,199	101,735	425,000	624,047
Balance at Dec 31 2013	378,818		315,484		1,258,764	697,000	2,650,066
 Depreciation	 	 	 	 	 	 	
Balance at Jan 01, 2012	78,337		80,593		653,295	449,700	1,261,925
Charge for the year 2012	86,484		128,871		154,076	52,300	421,731
Balance at Dec 31 2012	164,821		209,464		807,371	502,000	1,683,656
Balance at Jan 01, 2013	164,821		209,464		807,371	502,000	1,683,656
Disposals	-		-		-	(230,000)	(230,000)
Total Charge for the year 2013	68,417		49,446		110,432	49,583	277,878
Balance at Dec 31 2013	233,238		258,910		917,803	321,583	1,731,534
 Net book Value:	 	 	 	 	 	 	
At Dec 31,2012	174,884		47,821		349,658	-	572,363
At Dec 31,2013	145,580		56,574		340,961	375,417	918,532

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 SCR	2012 SCR
Note 6. LOANS		
Staff Loans	766,550	349,865
Balance as at December 31	<u>766,550</u>	<u>349,865</u>
Note 7. CASH AND BANK BALANCES		
Nouvobanq SCR	2,487,282	2,730,347
Security Deposit	228,000	-
Cash on Hand	500	28,330
Balance as at December 31	<u>2,715,782</u>	<u>2,758,677</u>
Note 8. FINANCIAL INVESTMENT		
Investment in T-bills	4,962,500	2,752,820
Accrued Interest	37,088	63,837
Balance as at December 31	<u>4,999,588</u>	<u>2,816,657</u>
Note 9. DEFERRED GRANT		
Balance as at January 1	1,563	220,253
Utilisation	(1,563)	(218,690)
Balance as at December 31	<u>-</u>	<u>1,563</u>
Note 10. RETAINED EARNINGS		
Balance as at January 1	5,653,403	4,463,358
Restatement of Business Tax Provision	-	(737,537)
Profit for the year	5,653,403	3,725,821
Balance as at December 31	<u>3,084,932</u>	<u>1,927,582</u>
	<u>8,738,335</u>	<u>5,653,403</u>
Note 11. PROVISION FOR BUSINESS TAX		
Balance as at January 1	1,734,421	440,050
Restatement of Business Tax Provision	-	737,537
Paid During the Year	(1,177,586)	-
Provision Based on Profit for the Year	1,518,897	556,834
Balance as at December 31	<u>2,075,732</u>	<u>1,734,421</u>
Note 12. INCOME		
Advert Sales	14,743,797	11,039,776
Nation Sale	4,723,802	4,726,069
Photo Sales	16,525	2,975
Pre-press	2,216,346	699,144
Other income	476,617	243,771
	<u>22,177,087</u>	<u>16,711,735</u>
Note 13. COST OF GOODS SOLD		
Delivery Cost	606,940	461,931
Film Output	553,196	556,949
Print Cost	7,635,303	6,017,189
Publishing	104,353	64,684
	<u>8,899,792</u>	<u>7,100,753</u>

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	SCR	SCR
Note 14. ADMINISTRATIVE & GENERAL EXPENSES		
a. INCIDENTAL EXPENSES		
Audit Fees	25,000	25,000
Bank Service Charges	6,898	3,279
Consultancy Fees	93,170	23,500
Miscellaneous Expense	38,345	20,165
Telephone	242,385	196,831
	405,798	268,775
b. WAGES & SALARIES		
Board Remuneration	82,773	66,800
Bonus	296,872	169,101
Other Subsistence Allowances	9,681	4,356
Pension Fund	124,508	110,317
Personal Emoluments	4,545,458	3,996,422
Compensation and Gratuity	114,418	230,375
Staff Training	73,984	50,360
Staff Welfare	106,181	37,536
Recruitment of Expatriate	-	51,804
Total wages and salaries	5,353,875	4,717,071
c. DEPRECIATION EXPENSE		
Depreciation Charge for the Year	277,878	421,731
Amortisation of Grant contribution	(1,563)	(218,690)
	276,315	203,041
d. OFFICE RUNNING COSTS		
Cleaning	109,481	88,838
Insurance Expense	87,535	64,274
Internet Connection	121,695	29,960
IT Cost	41,538	43,943
Licence Fees	10,833	4,785
Newspaper, Magazines & Periodic	7,161	8,195
Office Rent Expenses	198,000	180,000
Office Supplies	203,641	120,172
Other Consumables Expenses	80,591	33,693
Postage	48,723	31,251
Security Guard Expenses	187,728	194,400
Donation	30,000	-
Payment Written Off	-	51,446
	1,126,926	850,957
e. REPAIRS AND MAINTENANCE		
Motor Vehicle Repairs	56,324	51,323
Office Refurbishment	339,700	118,718
Other Repairs and Maintenance	110,978	82,050
Specialised Equipment	54,414	33,629
	561,416	285,720

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	SCR	SCR
f. TRANSPORTATION COST		
Fuel for Vehicles	151,835	121,633
Other Transportation Expenses	10,670	68,054
	162,505	189,687
g. TRAVELLING COST		
Airfares and Other Transportation Costs	24,311	14,315
Overseas Subsistence Allowance	64,117	163,704
	88,428	178,019
h. OTHER EXPENSES		
Entertainment	2,806	
Utilities	616,093	430,490
Corporate Social Responsibility Tax	82,110	-
	698,203	433,296
TOTAL ADMINISTRATIVE EXPENSES & GENERAL EXPENSES	8,673,466	7,126,566