



OFFICE OF THE 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 2014

Scope

I have audited the financial statements of the National Information Services Agency for the year ended 31 December 2014 as set out on pages 1 to 10 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 2014 and the results of its operations and cash flows for the year then ended.



Marc Benstrong
Auditor General

13 May 2015
Victoria

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Notes	2014 SCR	2013 SCR
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	15,497,033	918,532
Intangible Assets	6	44,109	-
Loans	7	536,496	766,550
		<u>16,077,638</u>	<u>1,685,082</u>
CURRENT ASSETS			
Inventory		137,428	130,921
Trade Receivables		1,415,534	1,881,850
Prepayments		1,399,767	23,507
Cash and Bank Balances	8	5,322,952	2,715,782
Financial Investment	9	955,152	4,999,588
		<u>9,230,833</u>	<u>9,751,648</u>
TOTAL ASSETS		<u>25,308,471</u>	<u>11,436,730</u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS			
Profit/(loss) for the Year		(32,882)	3,084,932
Retained Earnings	10	8,738,335	5,653,403
		<u>8,705,453</u>	<u>8,738,335</u>
CURRENT LIABILITIES			
Accounts Payable		756,303	622,663
Provision for Business Tax	11	-	2,075,732
		<u>756,303</u>	<u>2,698,395</u>
NON-CURRENT LIABILITIES			
Term Loan	12	15,846,715	-
		<u>15,846,715</u>	<u>-</u>
TOTAL EQUITY AND LIABILITIES		<u>25,308,471</u>	<u>11,436,730</u>

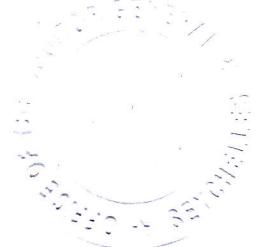
The accompanying notes 1-15 form part of these financial statements

Chairman: Mr. Rene Morel

Date: 09th May 2015

Chief Executive Officer: Ms. Merline Volcere

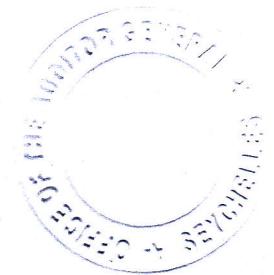
Date: 4/5/2015



NATIONAL INFORMATION SERVICES AGENCY

INCOME STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2014

	Notes	2014 SCR	2013 SCR
Income	13	21,191,531	22,177,087
Cost of Goods Sold	14	9,387,943	8,899,792
Gross Profit		11,803,588	13,277,295
Administrative and General expenses	15	11,772,636	8,673,466
Profit for the Year Before Tax		30,952	4,603,829
Business Tax	11	63,834	1,518,897
Profit for the Year		(32,882)	3,084,932



NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2014

	2014	2013
	SCR	SCR
OPERATING ACTIVITIES		
Profit Before Taxation	30,952	4,603,829
<i>Adjustments:</i>		
Depreciation	328,623	276,315
Amortisation of Intangible Assets	18,904	-
Accrued Interest on Held to Maturity Investment	(20,452)	(37,088)
Loss/(Profit) from Sale of Fixed Assets	-	(125,000)
	<u>358,027</u>	<u>4,718,056</u>
<i>Movements in Working Capital:</i>		
(Increase)/Decrease in Trade receivables	466,316	(720,620)
(Increase)/Decrease in Inventory	(6,507)	187,255
Increase/(Decrease) in Accounts Payable	133,640	35,082
(Increase)/Decrease in Prepayments	(1,376,260)	(23,507)
(Increase)/Decrease in Loans	230,054	(416,685)
	<u>(194,730)</u>	<u>3,779,581</u>
Business Tax Paid	<u>(2,139,566)</u>	<u>(1,177,586)</u>
Net Cash Flow from Operating Activities	<u>(2,334,296)</u>	<u>2,601,995</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible Assets	(14,907,124)	(624,047)
Purchase of Intangible Assets	(63,013)	-
Proceeds from Sale of Assets	-	125,000
Financial Investments	4,064,888	(2,145,843)
Net Cash Flow from Investing Activities	<u>(10,905,249)</u>	<u>(2,644,890)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings received	15,846,715	-
Net Cash Flow from Financing Activities	<u>15,846,715</u>	<u>-</u>
Net Movement in Cash and Cash Equivalents	<u>2,607,170</u>	<u>(42,895)</u>
Cash and Cash Equivalents as at January 1	<u>2,715,782</u>	<u>2,758,677</u>
Cash and Cash Equivalents as at December 31	<u>5,322,952</u>	<u>2,715,782</u>

NATIONAL INFORMATION SERVICES AGENCY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 useful life of the plant and equipment are as follows:

Fixtures and Fittings	5 years
IT and Other Equipments	2 1/2 years
Specialised Equipment	7.15 years
Printing equipments	15 years
Motor Vehicles	5 years

Intangible assets have a useful life of 2 1/2 years

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Financial investment

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

e) Term Loan

The term loan is stated at amortised cost applying the effective interest rate method.

f) Provisions

Provisions for 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.

g) Trade payables

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

h) 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 sale of the Seychelles Nation Newspaper has been recognised on a cash basis.

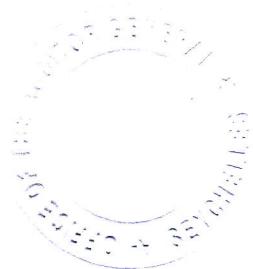
i) Going concern

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 2014

Note 5. PROPERTY, PLANT AND EQUIPMENT

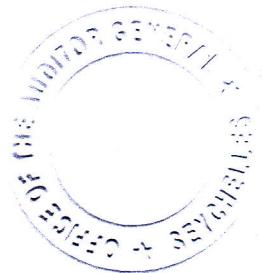
Costs	Fixture and fittings	IT and other Equipments	Specialised Equipments	Printing equipment	Vehicles	Total
	SCR	SCR	SCR	SCR	SCR	SCR
Balance at Jan 01, 2013	339,705	257,285	1,157,029	-	502,000	2,256,019
Disposals	-	-	-	-	(230,000)	(230,000)
Additions	39,113	58,199	101,735	-	425,000	624,047
Balance at Dec 31 2013	378,818	315,484	1,258,764	-	697,000	2,650,066
Balance at Jan 01, 2014	378,818	315,484	1,258,764	-	697,000	2,650,066
Additions	12,260	149,303	228,957	14,516,604	-	14,907,124
Balance at Dec 31 2014	391,078	464,787	1,487,721	14,516,604	697,000	17,557,190
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Depreciation						
Balance at Jan 01, 2013	164,821	209,464	807,371	-	502,000	1,683,656
Disposals	-	-	-	-	(230,000)	(230,000)
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
Balance at Jan 01, 2014	233,238	258,910	917,803	-	321,583	1,731,534
Total Charge for the year 2014	71,952	65,671	106,000	-	85,000	328,623
Balance at Dec 31 2014	305,190	324,581	1,023,803	-	406,583	2,060,157
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Net book Value:						
At Dec 31,2013	145,580	56,574	340,961	-	375,417	918,532
At Dec 31,2014	85,888	140,206	463,918	14,516,604	290,417	15,497,033



NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Note 6. Intangible Assets

<u>Costs</u>	Accounting software		Total
	SCR	SCR	
Balance at Jan 01, 2013	-	-	
Additions	-	-	
Balance at Dec 31 2013			
Balance at Jan 01, 2014	-	-	
Additions	63,013	63,013	
Balance at Dec 31 2014	63,013	63,013	
 <u>Amortisation</u>			
Balance at Jan 01, 2013	-	-	
Charge for the year 2013	-	-	
Balance at Dec 31 2013			
Balance at Jan 01, 2014	-	-	
Total Charge for the year 2014	18,904	18,904	
Balance at Dec 31 2014	18,904	18,904	
 Net book Value:			
At Dec 31,2013	-	-	
At Dec 31,2014	44,109	44,109	



NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	SCR	SCR
Note 7. LOANS		
Staff Loans	536,496	766,550
Balance as at December 31	<u>536,496</u>	<u>766,550</u>
Note 8. CASH AND BANK BALANCES		
Nouvobanq SCR	1,379,296	2,487,282
Nouvobanq NISA-PRESS SCR	3,942,656	-
Security Deposit	-	228,000
Cash on Hand	1,000	500
Balance as at December 31	<u>5,322,952</u>	<u>2,715,782</u>
Note 9. FINANCIAL INVESTMENT		
Investment in T-bills	934,700	4,962,500
Accrued Interest	20,452	37,088
Balance as at December 31	<u>955,152</u>	<u>4,999,588</u>
Note 10. RETAINED EARNINGS		
Balance as at January 1	8,738,335	5,653,403
Profit for the year	(32,882)	3,084,932
Balance as at December 31	<u>8,705,453</u>	<u>8,738,335</u>
Note 11. BUSINESS TAX		
Financial Position		
Balance as at January 1	2,075,732	1,734,421
Under provision in previous years	63,834	-
Paid during the Year	(2,139,566)	(1,177,586)
Provision based on Profit for the Year	-	1,518,897
Balance as at December 31	<u>-</u>	<u>2,075,732</u>
Income Statement		
Provision based on Profit for the Year	-	1,518,897
Under provision in prior years	63,834	-
	<u>63,834</u>	<u>1,518,897</u>
Note 12. TERM LOANS		
The Term Loan is 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 2014. The amount drawdown as at that date was SCR 15,846,715. The loan is guaranteed by the government.		
The loan is repayable in 96 monthly installments, commencing on the thirteenth month from drawdown. During the moratorium period of 12 months, accrued interest is to be separately serviced by NISA.		
Note 13. INCOME		
Advert Sales	15,140,501	14,743,797
Nation Sales	5,364,825	4,723,802
Photo Sales	4,650	16,525
Pre-press	548,920	2,216,346
Other income	132,635	476,617
	<u>21,191,531</u>	<u>22,177,087</u>

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	SCR	SCR
Note 14. COST OF GOODS SOLD		
Delivery Cost	638,095	606,940
Film Output	312,128	553,196
Print Cost	8,357,299	7,635,303
Publishing	80,421	104,353
	<u>9,387,943</u>	<u>8,899,792</u>

Note 15. ADMINISTRATIVE & GENERAL EXPENSES

a. WAGES & SALARIES

Board Remuneration	129,041	82,773
Bonus	324,217	296,872
Other Subsistence Allowances	15,662	9,681
Pension Fund	118,409	124,508
Personal Emoluments	6,066,184	4,545,458
Compensation and Gratuity	384,014	114,418
Staff Training	45,476	73,984
Staff Welfare	146,501	106,181
	<u>7,229,504</u>	<u>5,353,875</u>

b. DEPRECIATION EXPENSE

Depreciation Charge for the Year	328,623	277,878
Amortisation of Intangible assets	18,904	-
Amortisation of Grant contribution	-	(1,563)
	<u>347,527</u>	<u>276,315</u>

c. OFFICE RUNNING COSTS

Cleaning	99,846	109,481
Insurance Expense	66,553	87,535
Internet Connection	260,278	121,695
IT Cost	131,164	41,538
Licence Fees	4,482	10,833
Newspaper, Magazines & Periodic	2,460	7,161
Office Rent Expenses	516,270	198,000
Rental of warehouses	28,000	-
Office Supplies	355,664	203,641
Other Consumables Expenses	43,025	80,591
Postage	33,612	48,723
Security Guard Expenses	207,500	187,728
Donation	1,137	30,000
	<u>1,749,991</u>	<u>1,126,926</u>

d. REPAIRS AND MAINTENANCE

Motor Vehicle Repairs	89,334	56,324
Office Refurbishment	169,353	339,700
Other Repairs and Maintenance	-	110,978
Specialised Equipment	62,525	54,414
	<u>321,212</u>	<u>561,416</u>

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	SCR	SCR
e.TRANSPORTATION COST		
Fuel for Vehicles	161,700	151,835
Other Transportation Expenses	35,798	10,670
	197,498	162,505
f.TRAVELLING COST		
Airfares and Other Transportation Costs	146,242	24,311
Overseas Subsistence Allowance	343,646	64,117
	489,888	88,428
g. INCIDENTAL EXPENSES		
Audit Fees	30,000	25,000
Commission expenses	70,013	-
Bank Service Charges	148,024	6,898
Interest expense	132,357	-
Commitment fees	100,000	-
Consultancy Fees	48,193	93,170
Miscellaneous Expense	43,069	38,345
Telephone	197,010	242,385
	768,666	405,798
h. OTHER EXPENSES		
Fees and fines	50,774	-
Entertainment	6,662	-
Utilities	535,412	616,093
Corporate Social Responsibility Tax	75,502	82,110
	668,350	698,203
TOTAL ADMINISTRATIVE EXPENSES & GENERAL EXPENSES		
	11,772,636	8,673,466

