



NATIONAL INFORMATION SERVICES AGENCY
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Please address all correspondence to Chief Executive Officer

Your Ref:
Our Ref: NISA/AUDIT/01
Enquiries to:
Date: 30th May 2016

Miss Sydna Cesar
Chief Executive Officer
Public Enterprise Monitoring Commission
P.O. Box 593
Second Floor
Orion Mall

Dear Miss Cesar,

AUDIT CERTIFICATION OF THE NATIONAL INFORMATION SERVICES AGENCY

I enclose the audited account of the National Information Services Agency for the year ended 31st December 2015 duly certified for your attention.

Yours sincerely,

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

Merline Volcere (Miss)
CHIEF EXECUTIVE OFFICER
NATIONAL INFORMATION SERVICES AGENCY

Attach...

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 4 to 14 give a true and fair view of the financial position of the Agency at 31 December 2015, and of its financial performance and cash flows for the year then ended prepared in accordance with Generally Accepted Accounting Practices in Seychelles and comply with the National Information Services Agency Act, 2010.



Marc Benstrong
AUDITOR GENERAL

12 May 2016
Victoria



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 2015

Scope

I have audited the financial statements of the National Information Services Agency for the year ended 31 December 2015 as set out on pages 4 to 14 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 Generally Accepted Accounting Practices in Seychelles 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.

NATIONAL INFORMATION SERVICES AGENCY

**Audited Financial Statements for the Year ended
December 31, 2015**

NATIONAL INFORMATION SERVICES AGENCY

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NATIONAL INFORMATION SERVICES AGENCY

DIRECTOR'S REPORT

For the year ended December 31, 2015

The Director's present their report together with the Auditor's Report and the Audited Financial statements of the National Information Services Agency for the year ended 31st December 2015

Principal Activity

- 1) The Agency is responsible for the compiling, publishing, printing, producing and distributing the Seychelles Nation Newspaper.
- 2) In May 2015 with the commissioning of its own printing machinery its additional activity included printing of newspapers and other printing products.

Results for the year

	2015
Income	SCR
Cost of sales, distribution and administrative expenses, finance costs	26,147,084
Loss before taxation	<u>(26,413,188)</u>
Taxation	<u>(266,104)</u>
Loss for the year	<u>(266,104)</u>

Property , Plant and Equipment

Additions to Property, Plant and Equipment of **SCR4.9 Million** during the year comprises mainly of refurbishment of offices at Bois de Rose Avenue and purchase of computers, furniture and fittings and specialised equipment

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, 2015

Dividend

The Directors did not recommend any dividends for the financial year under review (2014: Nil)

Directors and directors interest in the Agency

The Directors from the date of the last report and 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 share of the Agency during the financial year.

NATIONAL INFORMATION SERVICES AGENCY

DIRECTOR'S REPORT

For the year ended December 31, 2015

Statement of Directors responsibility

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

The Directors are responsible for the preparation and fair representation of these financial statements in accordance with Generally Accepted Accounting Standards in Seychelles .

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 responsibility as set out by the Public Enterprise Monitoring Commission Act, 2013 and the National Information Services Agency Act, 2010.

Auditors

The Office of the Auditor General will continue in office in accordance with section 14 (1) of the National Information Services Agency Act, 2010

Board Approval



Mr. Rene Morel
Chairmain



Deacon Louis Agathine
Vice-Chairperson



Mrs Barbara Kilindo
Director



Ms. Brenda Bastienne
Director



Ms. Nadine Jack
Directors

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2015

	Notes	2015 SCR	2014 SCR
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	19,349,282	15,497,033
Intangible Assets	6	18,904	44,109
Loans to Staff		313,207	536,496
		<u>19,681,393</u>	<u>16,077,638</u>
CURRENT ASSETS			
Financial Investment	7	-	955,152
Inventories		2,007,257	137,428
Trade and Other Receivables		2,342,770	2,815,301
Cash and Cash Equivalents	8	<u>5,094,720</u>	<u>5,322,952</u>
		<u>9,444,747</u>	<u>9,230,833</u>
TOTAL ASSETS		<u>29,126,140</u>	<u>25,308,471</u>
EQUITY AND LIABILITIES			
EQUITY			
Retained Earnings		<u>8,439,349</u>	<u>8,705,453</u>
		<u>8,439,349</u>	<u>8,705,453</u>
NON-CURRENT LIABILITIES			
Borrowings	9	<u>19,924,788</u>	<u>15,846,715</u>
		<u>19,924,788</u>	<u>15,846,715</u>
CURRENT LIABILITIES			
Accounts Payable		457,716	756,303
Deferred Income	10	<u>304,287</u>	<u>-</u>
		<u>762,003</u>	<u>756,303</u>
TOTAL EQUITY AND LIABILITIES		<u>29,126,140</u>	<u>25,308,471</u>

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


Chairman: Mr. Rene Morel

Date: *06/06/2016*


Chief Executive Officer: Ms. Merline Volcere

Date: *06/06/2016*

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	2015 SCR	2014 SCR
Revenue	12	26,029,975	21,058,896
Cost of Sales	14	(9,919,432)	(8,749,848)
Gross Profit		16,110,543	12,309,048
Other Income	13	72,261	111,771
Administrative Expenses	15	(13,636,108)	(11,470,267)
Distribution Expenses	16	(888,644)	(638,095)
Operating Profit		1,658,052	312,457
Finance Income	17 (a)	44,848	20,864
Finance Costs	17 (b)	(1,969,004)	(302,369)
Loss for the Year before Taxation		(266,104)	30,952
Tax	11	-	(63,834)
Loss for the Year		(266,104)	(32,882)

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Retained Earnings</u>
	SCR
Balance as 1st January 2015	8,705,453
Comprehensive Income for the year 2015	(266,104)
Balance at 31st December 2015	<u>8,439,349</u>
Balance at 1st January 2014	8,738,335
Comprehensive Income for the year 2014	(32,882)
Balance at 31st December 2014	<u>8,705,453</u>

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CASH FLOWS AS AT DECEMBER 31, 2015

	2015 SCR	2014 SCR
OPERATING ACTIVITIES		
Profit Before Taxation	(266,104)	30,952
<i>Adjustments:</i>		
Depreciation	1,053,875	328,623
Amortisation of Intangible Assets	25,205	18,904
Accrued Interest Receivable	-	(20,452)
	<u>812,976</u>	<u>358,027</u>
<i>Movements in Working Capital:</i>		
(Increase)/Decrease in Trade and Other Receivables	472,531	(909,944)
(Increase)/Decrease in Inventories	(1,869,829)	(6,507)
Increase/(Decrease) in Accounts Payable	(298,587)	133,640
Increase/(Decrease) in Deferred Income	304,287	-
(Increase)/Decrease in Loans to Staff	223,289	230,054
	<u>(1,168,309)</u>	<u>(194,730)</u>
Tax Paid	-	(2,139,566)
Net Cash Flow from Operating Activities	(355,333)	(2,334,296)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Tangible Assets	(4,906,124)	(14,907,124)
Purchase of Intangible Assets	-	(63,013)
Financial Investments	955,152	4,064,888
Net Cash Flow from Investing Activities	(3,950,972)	(10,905,249)
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings received	4,078,073	15,846,715
Net Cash Flow from Financing Activities	4,078,073	15,846,715
Net Movement in Cash and Cash Equivalents	(228,232)	2,607,170
Cash and Cash Equivalents as at January 1	5,322,952	2,715,782
Cash and Cash Equivalents as at December 31	5,094,720	5,322,952

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

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, publishing, 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 are stated at historical cost less accumulated depreciation and any impairment in value. 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. All other repairs and maintenance are charged to operating expenses 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:

Printing equipments	20 years
Refurbishment of offices	15 years
Specialised Equipment	7 years
Fixtures and Fittings	5 years
IT and Other Equipments	5 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 but holds a lease agreement of 30 years for the land on which the building stands at Bois De Rose Avenue.

b) Inventories

Inventories are stated at the lower of cost and net realisable value. In general the cost is determined by the first in first out method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads.

c) 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) 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.

e) Financial investment

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

f) Borrowings

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

g) 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.

h) Trade payables

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

i) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Agency and the revenue can be reliably measured.

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.

k) Comparatives

Certain information for the previous year has been reclassified and re-stated to confirm with the current year's presentation.

NATIONAL INFORMATION SERVICES AGENCY

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Note 5. PROPERTY, PLANT AND EQUIPMENT

Costs	Fixture and fittings	IT and other Equipments	Specialised Equipments	Printing equipment	Refurbishment of offices	Vehicles	Total
SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
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	
Balance at Jan 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	4,906,124	
Balance at Dec 31, 2015	650,472	914,639	1,677,276	14,572,366	697,000	22,463,314	

Depreciation

Balance at Jan 01, 2014	233,238	258,910	917,803	-	321,583	1,731,534	
Total Change 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	
Balance at Jan 01, 2015	305,190	324,581	1,023,803	-	406,583	2,060,157	
Total Charge for the year 2015	80,805	68,247	122,307	545,070	152,446	85,000	1,053,875
Balance at Dec 31, 2015	385,995	392,828	1,146,110	545,070	152,446	491,583	3,114,032
Net book Value:	85,888	140,206	463,918	14,516,604	-	290,417	15,497,033
At Dec 31, 2014							
At Dec 31, 2015	264,477	521,811	531,166	14,027,296	3,799,115	205,417	19,349,282

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Note 6. Intangible Assets

<u>Costs</u>	<u>Accounting software</u>	<u>SCR</u>
Balance at Jan 01, 2014		
Additions	63,013	
Balance at Dec 31 2014	<u>63,013</u>	
Balance at Jan 01, 2015	63,013	
Additions	-	
Balance at Dec 31 2015	<u>63,013</u>	
<u>Amortisation</u>		
Balance at Jan 01, 2014		
Total Charge for the year 2014	18,904	
Balance at Dec 31 2014	<u>18,904</u>	
Balance at Jan 01, 2015	18,904	
Total Charge for the year 2015	25,205	
Balance at Dec 31 2015	<u>44,109</u>	
Net book Value:		
At Dec 31,2014	44,109	
At Dec 31,2015	<u>18,904</u>	

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
	SCR	SCR
Note 7. FINANCIAL INVESTMENT		
Investment in T-bills	-	934,700
Accrued Interest	-	20,452
Balance as at December 31	<u><u>955,152</u></u>	

	2015	2014
	SCR	SCR
Note 8. CASH AND CASH EQUIVALENTS		
Nouvobanq SCR	4,757,049	1,379,296
Nouvobanq NISA-PRESS SCR	335,167	3,942,656
Cash on Hand	2,504	1,000
Balance as at December 31	<u><u>5,094,720</u></u>	<u><u>5,322,952</u></u>

	2015	2014
	SCR	SCR
Note 9. BORROWING		
Balance as at January 1	15,846,715	-
Amount drawn down	4,078,073	15,846,715
Balance as at December 31	<u><u>19,924,788</u></u>	<u><u>15,846,715</u></u>

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 31st December 2015 was SCR 19,924,787.64. 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 10. DEFERRED INCOME

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

	2015	2014
	SCR	SCR
Note 11. TAXATION		
Financial Position		
Balance as at January 1	-	2,075,732
Under provision in previous years	-	63,834
Paid during the Year	-	(2,139,566)
Balance as at December 31	<u><u>-</u></u>	<u><u>-</u></u>

Income Statement

Under provision in prior years	-	63,834
	<u><u>-</u></u>	<u><u>63,834</u></u>

	2015	2014
	SCR	SCR
Note 12. REVENUE		
Advert Sales	16,368,289	15,140,501
Nation Sales	7,415,043	5,364,825
Photo Sales	10,875	4,650
Pre-press	4,443	548,920
Commercial printing	2,231,325	-
	<u><u>26,029,975</u></u>	<u><u>21,058,896</u></u>

	2015	2014
	SCR	SCR
Note: 13. OTHER INCOME		
Sundry Income	1,500	2,580
Interest on staff loans	24,841	34,988
Interest on bank account	45,920	74,203
	<u><u>72,261</u></u>	<u><u>111,771</u></u>

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Note 14. COST OF SALES

	2015	2014
	SCR	SCR
Film Output	-	312,128
Print Cost	4,837,837	8,357,299
Cost of materials	2,630,740	-
Collating and binding	802,277	-
Publishing	82,207	80,421
Staff Cost	868,855	-
Depreciation	697,516	-
	9,919,432	8,749,848

Note 15. ADMINISTRATIVE EXPENSES

Employee benefit expense

	2015	2014
	SCR	SCR
Bonus	837,252	324,217
Other Subsistence Allowances	22,234	15,662
Pension Fund	124,599	118,409
Personal Emoluments	5,806,458	6,066,990
Compensation and Gratuity	282,433	384,014
Accommodation	74,000	-
Staff Training	435,470	45,476
Staff Welfare	164,561	146,501
	7,747,007	7,101,269

Director's remuneration

Mr. Rene Morel (Chairman)	42,353	33,529
Deacon Louis Agathine (Vice-Chairman)	35,295	27,647
Mrs. Barbara Kilindo	28,235	22,353
Ms. Brenda Bastienne	28,235	22,353
Ms. Lena Desaubin(up to Feb 2015)	4,706	22,353
Ms. Nadine Jack (from March 2015)	23,529	-
	162,353	128,235

Depreciation and amortisation expense

Depreciation	356,359	328,623
Amortisation of Intangible assets	25,205	18,904
	381,564	347,527

Office running expenses

Cleaning	180,305	99,846
Insurance Expense	95,680	66,553
Internet Connection	224,948	260,278
IT Cost	104,333	131,164
Licence Fees	9,470	4,482
Newspaper, Magazines & Periodic	10,200	2,460
Office Rent Expenses	817,848	516,270
Rental of warehouses	347,600	28,000
Utilities	764,356	535,412
Office Supplies	192,208	355,664
Consumables Expenses	48,785	43,025
Postage	51,379	33,612
Security Guard Expenses	444,805	207,500
Advertisement and Donation	10,700	1,137
Telephone	349,740	197,010
	3,652,357	2,482,413