

NATIONAL INFORMATION SERVICES AGENCY

Financial Statements

Year ended December 31, 2018

NATIONAL INFORMATION SERVICES AGENCY

TABLE OF CONTENTS - FOR THE YEAR ENDED DECEMBER 31, 2018

	Page
Corporate Information	1
Director's Report	2-4
Independent Auditor's Report	5-6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-22

NATIONAL INFORMATION SERVICES AGENCY

CORPORATE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

Directors

Lucy Athanasius
Roseline Houareau
Claudette Albert
Mary Anne Ernesta
Joelle Perreau
Conrad Lablache
Barbara Kilindo

CEO

Gerard Govinden

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 2018.

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	2018
	SCR
Profit before taxation	1,991,485
Taxation	(651,909)
Profit for the year	<u>1,339,576</u>

Property, plant and equipment

Additions to property, plant and equipment of **SCR 527,990** during the year comprise mainly of purchase of finishing equipment, furniture and computers for the year 2018.

The 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, 2018.

Dividends

The Directors did not recommend any dividends for the financial year under review (2017: 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:

Ms. Lucy Athanasius

Ms. Roseline Houareau

Mrs. Mary Anne Ernesta

Ms. Claudette Albert

Ms. Joelle Perreau

Mr. Conrad Lablache

Mrs Barbara Kilindo

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.

NATIONAL INFORMATION SERVICES AGENCY

DIRECTOR'S REPORT

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.

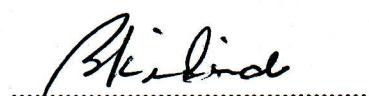
Board Approval



.....
Ms. Lucy Athanasius
Chairperson



.....
Ms. Roseline Houareau
Vice-Chairperson



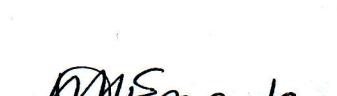
.....
Mrs. Barbara Kilindo
Director



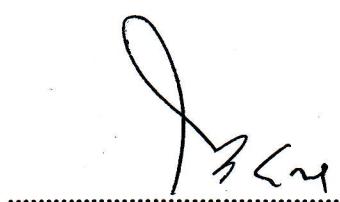
.....
Ms. Joëlle Perreau
Director



.....
Ms. Claudette Albert
Director



.....
Mrs. Mary Anne Ernesta
Director



.....
Mr. Conrad Lablache
Director



Office of the Auditor General

3rd Floor, Block C, Unity House

Victoria, Republic of Seychelles

Telephone: 248-4672500 Email: auditgen@oag.sc

Website: www.oag.sc Facebook: OAG Seychelles

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 2018

Scope

I have audited the financial statements of the National Information Services Agency for the year ended 31 December 2018 as set out on pages 7 to 22 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 22 give a true and fair view of the financial position of the Agency at 31 December 2018, 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

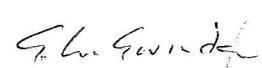
16 May 2019
Victoria, Seychelles

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

Notes	December 31, 2018		December 31, 2017	
	SCR	SCR	SCR	SCR
ASSETS				
Non-current assets				
Property, plant and equipment	3	18,396,137	19,302,152	
Intangible assets	4	61,961	152,819	
		18,458,098	19,454,971	
Current assets				
Inventories		3,360,933	4,159,432	
Trade and other receivables	5	2,957,474	3,333,575	
Cash and cash equivalents	6	7,343,714	6,212,980	
		13,662,121	13,705,987	
TOTAL ASSETS		32,120,219	33,160,958	
EQUITY AND LIABILITIES				
Equity				
Retained earnings		13,782,890	12,443,314	
		13,782,890	12,443,314	
Non-current liabilities				
Borrowings	7	11,641,697	13,827,560	
Provision for employee benefit	8	1,205,486	864,347	
Deferred tax	10	1,769,133	1,166,616	
		14,616,316	15,858,523	
Current liabilities				
Trade and other payables		635,634	660,600	
Borrowings	7	2,388,618	2,420,034	
Current tax liability	10	51,874	416,704	
Deferred income	9	644,887	1,361,783	
		3,721,013	4,859,121	
TOTAL EQUITY AND LIABILITIES		32,120,219	33,160,958	


 Chairperson: Ms. Lucy Athanasius
 Date: 25/4/2019


 Chief Executive Officer: Mr. Gerard Govinden
 Date: 29/4/2019

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

	Notes	2018 SCR	2017 SCR
Revenue	11	25,841,982	26,731,977
Operating costs	12	(22,465,661)	(21,693,334)
Operating Profit		3,376,321	5,038,643
Finance income	14.1	138,576	157,603
Finance costs	14.2	(1,523,412)	(1,735,574)
Profit or Loss for the year before Taxation		1,991,485	3,460,672
Taxation	10	(651,909)	(988,200)
Profit or Loss for the year after Taxation		1,339,576	2,472,472

The accompanying notes 1-17 form part of these financial statements

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2018

	Retained Earnings SCR	Total Equity SCR
Balance as at January 01, 2018	12,443,314	12,443,314
Comprehensive Income for the year 2018	1,339,576	1,339,576
Balance as at December 31, 2018	<u>13,782,890</u>	<u>13,782,890</u>
Re-stated balance as at January 01, 2017	9,970,842	9,970,842
Comprehensive Income for the year 2017	2,472,472	2,472,472
Balance as at December 31, 2017	<u>12,443,314</u>	<u>12,443,314</u>

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CASH FLOW AS AT DECEMBER 31, 2018

	2018 SCR	2017 SCR
OPERATING ACTIVITIES		
Profit before taxation	1,991,485	3,460,672
<i>Adjustments</i>		
Depreciation on property, plant and equipment	1,434,005	1,418,372
Amortisation of intangible assets	90,858	74,326
Interest payable	1,523,412	1,735,574
	<hr/> 5,039,760	<hr/> 6,688,944
<i>Movements in Working Capital</i>		
(Increase)/Decrease in trade and other receivables	376,101	(265,784)
(Increase)/Decrease in inventories	798,499	(1,084,216)
Increase/(Decrease) in accounts payable	(24,966)	208,602
Increase/(Decrease) in deferred income	(716,896)	197,062
Provision of employee benefit	341,139	(113,729)
	<hr/> 773,877	<hr/> (1,058,065)
Tax refund/(Paid)	(414,222)	(499,581)
Interest on borrowing	(1,523,412)	(1,735,574)
	<hr/> (1,937,634)	<hr/> (3,293,220)
Net cash flow from operating activities	3,876,003	3,395,724
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(527,990)	(2,412,596)
Purchase of intangible assets	-	(123,305)
Capital work in progress	-	1,046,797
Net cash flow from investing activities	(527,990)	(1,489,104)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loan	(2,217,279)	(2,005,118)
Net cash flow from financing activities	(2,217,279)	(2,005,118)
Net movement in cash and cash equivalents	1,130,734	(98,498)
Cash and cash equivalents as at January 01	6,212,980	6,311,478
Cash and Cash equivalents as at December 31	7,343,714	6,212,980

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

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. The financial statements are prepared under the historical cost convention.

2.2 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.

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.

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

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 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 has a finite useful life and is 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.

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

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

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

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 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.

2.13 Events after the reporting date

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

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

3. PROPERTY, PLANT AND EQUIPMENT

	Fixture and fittings	IT and other Equipment	Specialised equipment	Printing equipment	Refurbishment of office	Vehicles	Warehouse	Total
	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
<u>Cost</u>								
At January 01, 2017	678,070	1,061,992	1,677,276	14,572,366	3,951,561	697,000	-	22,638,265
Additions	87,331	140,466	-	108,677	43,866	495,000	1,537,256	2,412,596
<u>Written off</u>								
At December 31, 2017	765,401	1,202,458	1,677,276	14,681,043	3,995,427	920,000	1,537,256	24,778,861
<u>Accumulated Depreciation</u>								
At January 01, 2017	459,361	542,194	1,270,569	1,273,688	207,942	576,583	-	4,330,337
Charge for the year 2017	80,953	158,515	113,255	730,882	132,815	159,250	42,702	1,418,372
On asset written off	-	-	-	-	-	(272,000)	-	(272,000)
At December 31, 2017	540,314	700,709	1,383,824	2,004,570	340,757	463,833	42,702	5,476,709
<u>Net Book Value</u>								
At December 31, 2017	225,087	501,749	293,452	12,676,473	3,654,670	456,167	1,494,554	19,302,152
<u>Cost</u>								
At January 01, 2018	765,401	1,202,458	1,677,276	14,681,043	3,995,427	920,000	1,537,256	24,778,861
Additions	58,603	80,871	-	283,600	104,916	-	-	527,990
At December 31, 2018	824,004	1,283,329	1,677,276	14,964,643	4,100,343	920,000	1,537,256	25,306,851
<u>Accumulated Depreciation</u>								
At January 01, 2018	540,314	700,709	1,383,824	2,004,570	340,757	463,833	42,702	5,476,709
Charge for the year	89,341	182,207	106,047	734,052	136,699	134,417	51,242	1,434,005
At December 31, 2018	629,655	882,916	1,489,871	2,738,622	477,456	598,250	93,944	6,910,714
<u>Net Book Value</u>								
At December 31, 2018	194,349	400,413	187,405	12,226,021	3,622,887	321,750	1,443,312	18,396,137

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

4. INTANGIBLE ASSETS

	Accounting Software
	SCR
Cost	
At January 01, 2017	166,853
Additions	123,305
At December 31, 2017	<u>290,158</u>
Accumulated Amortisation	
At January 01, 2017	63,013
Charge for the year 2017	74,326
At December 31, 2017	<u>137,339</u>
Net Book Value	
At December 31, 2017	<u>152,819</u>
Cost	
At January 01, 2018	290,158
Additions	-
At December 31, 2018	<u>290,158</u>
Accumulated Amortisation	
At January 01, 2018	137,339
Charge for the year 2018	90,858
At December 31, 2018	<u>228,197</u>
Net Book Value	
At December 31, 2018	<u>61,961</u>

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

5. TRADE AND OTHER RECEIVABLES

	December 31, 2018	December 31, 2017
	SCR	SCR
Trade Receivables	2,701,750	3,215,728
Prepayments and deposits	174,083	12,000
Staff loans (notes (b) &(c))	81,641	105,847
	<u>2,957,474</u>	<u>3,333,575</u>

Analysed as follows:

	2018	2017
	SCR	SCR
Within one year	2,957,474	3,333,575
	<u>2,957,474</u>	<u>3,333,575</u>

- (a) The carrying amount of trade and other receivables approximate their fair values.
- (b) The staff loan balance relates to general purpose loans issued by the Agency which are receivable in instalments over the loan agreement. General purpose loans have a maturity of 1 year. The balances are neither past due or impaired. 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 are analysed as follows:

	December 31, 2018	December 31, 2017
	SCR	SCR
Within one year	81,641	105,847
	<u>81,641</u>	<u>105,847</u>

6. CASH AND CASH EQUIVALENTS

	December 31, 2018	December 31, 2017
	SCR	SCR
Bank balance	7,336,729	6,210,929
Cash in Hand	6,985	2,051
	<u>7,343,714</u>	<u>6,212,980</u>

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

7. BORROWING

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
	SCR	SCR
Borrowing	<u>14,030,315</u>	<u>16,247,594</u>

Analysed as follows:

Non-current bank borrowings	11,641,697	13,827,560
Current bank borrowings	2,388,618	2,420,034
	<u>14,030,315</u>	<u>16,247,594</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 was separately serviced by the Agency. In August 2017, with the decrease in Inter-bank interest rate the interest was reduced to 8.5%. There was a further change in inter-bank interest rate in April 2018 and the term loan interest was increased to 10.50%.

8. 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.

9. 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, 2018

10. TAXATION

10.1 Income Statement

	2018	2017
	SCR	SCR
Current tax	(49,392)	(414,223)
Deferred tax	(602,517)	(573,977)
	<u>(651,909)</u>	<u>(988,200)</u>

10.2 Balance Sheet

	2018	2017
	SCR	SCR
At January 01	(416,704)	(502,062)
Paid during the year	414,222	499,581
Current tax due	(49,392)	(414,223)
Balance at December 31	<u>(51,874)</u>	<u>(416,704)</u>

	2018	2017
	SCR	SCR
At January 01	(1,166,616)	(592,639)
Deferred Tax	(602,517)	(573,977)
Balance at December 31	<u>(1,769,133)</u>	<u>(1,166,616)</u>

11. REVENUE

	2018	2017
	SCR	SCR
Nation sales	6,339,287	6,991,397
Advert sales	17,488,730	18,284,202
Commercial printing	1,953,565	1,257,453
Other revenue	60,400	198,925
	<u>25,841,982</u>	<u>26,731,977</u>

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

12. OPERATING COSTS

	2018	2017
	SCR	SCR
Printing services	59,630	115,600
Cost of materials	3,092,887	3,273,382
Staff costs (Note 12.1)	11,274,913	10,328,930
Depreciation of property, plant and equipment	1,434,005	1,418,372
Amortisation of intangible assets	90,858	74,326
Other expense (Note 12.2)	6,513,368	6,482,724
	<u>22,465,661</u>	<u>21,693,334</u>

12.1 Staff Cost

	2018	2017
	SCR	SCR
Personal emoluments	7,715,075	7,628,923
Bonus and 13 th month salary	790,694	830,976
Pension Fund	196,586	135,110
Compensation and gratuity	1,077,310	466,811
Collating and binding	1,067,723	957,253
Other employee costs	427,525	309,857
	<u>11,274,913</u>	<u>10,328,930</u>

12.2 Other expense

	2018	2017
	SCR	SCR
Publishing	250,378	185,797
Distribution expenses	831,658	893,161
Director's remuneration	207,255	130,000
Consumable expenses	513,966	556,954
Insurance expenses	125,920	135,157
Internet connection	218,075	168,410
IT cost	117,066	163,358
Rent expenses	930,648	883,348
Utilities	737,800	665,803
Security expenses	411,061	422,308
Advertisement and donations	21,660	-
Telephone	519,565	480,288
Other expenses	202,353	472,911
Repairs and maintenance	774,342	761,727
Transportation cost	611,621	523,502
Fees to auditors:		
Audit fees	40,000	40,000
	<u>6,513,368</u>	<u>6,482,724</u>

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

13. OPERATING LEASE

The annual rental expense includes 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 5years	15,722,538

14. FINANCE INCOME AND COST

14.1 Finance Income

	2018	2017
	SCR	SCR
Interest on staff loans	4,220	8,216
Interest on bank account	134,356	149,387
	138,576	157,603

14.2 Finance Cost

	2018	2017
	SCR	SCR
Interest on borrowings	1,523,412	1,735,574
	1,523,412	1,735,574

15. CAPITAL COMMITMENTS

There were no capital commitments as at December 31, 2018

16. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2018.

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

17. RELATED PARTY TRANSACTIONS

a. Transactions with CEO

	2018	2017
	SCR	SCR
Annual Salary (Retired end August 2017)	-	428,624
Annual Salary	504,924	-
	<u>504,924</u>	<u>428,624</u>

b. Directors emoluments

	2018	2017
	SCR	SCR
Mr. Rene Morel	-	38,824
Deacon Louis Agathine	-	32,353
Mrs. Barbara Kilindo	26,832	25,882
Ms. Brenda Bastienne	-	21,176
Ms. Nadine Jack	-	11,765
Ms. Lucy Athanasius	40,216	-
Ms. Roseline Houareau	32,879	-
Mrs. Mary Anne Ernesta	26,832	-
Ms. Claudette Albert	26,832	-
Ms. Joelle Perreau	26,832	-
Mr. Conrad Lablache	26,832	-
	<u>207,255</u>	<u>130,000</u>

c. Operating lease with Sunpress Printing Limited

	2018	2017
	SCR	SCR
Annual rental	763,848	763,848
	<u>763,848</u>	<u>763,848</u>