

NATIONAL INFORMATION SERVICES AGENCY

Financial Statements

Year ended December 31, 2019

NATIONAL INFORMATION SERVICES AGENCY

CORPORATE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019

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

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Agency for the year ended 31st December 2019.

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

	2019
	SCR
Profit before taxation	1,624,803
Taxation	(523,439)
Profit for the year	<u>1,101,364</u>

Property, plant and equipment

Additions to property, plant and equipment of **SCR 635,066** during the year comprise mainly of purchase of minibus, furniture and computers for the year 2019.

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, 2019.

Dividends

The Directors did not recommend any dividends for the financial year under review (2018: Nil)

NATIONAL INFORMATION SERVICES AGENCY
DIRECTORS' REPORT

Directors and directors' 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.

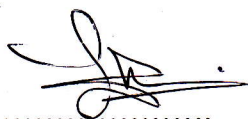
NATIONAL INFORMATION SERVICES AGENCY

DIRECTORS' 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



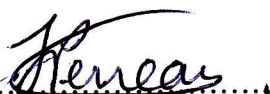
Ms. Lucy Athanasius
Chairperson



Ms. Roseline Houareau
Vice-Chairperson



Mrs. Barbara Kilindo
Director



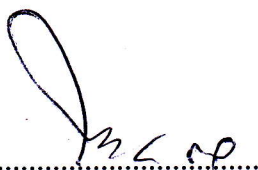
Ms. Joelle Perreau
Director



Ms. Claudette Albert
Director



Mrs. Mary Anne Ernesta
Director



Mr. Conrad Lablache
Director



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Please address all correspondence to the Auditor General

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OPINION OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE NATIONAL INFORMATION SERVICES AGENCY (NISA) FOR THE YEAR ENDED 31ST DECEMBER 2019

Opinion

The accompanying financial statements set out on pages 7 to 22, which comprise the statement of financial position as at 31st December 2019, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the financial statements, including a summary of significant accounting policies, have been audited by me in terms of Section 14 (1) of the National Information Services Agency Act, 2010.

Accordingly, in my opinion,

- (a) proper accounting records have been kept by the Agency as far as it appears from examination of those records; and
- (b) the financial statements on pages 7 to 22 give a true and fair view of the financial position of the Agency as at 31st December 2019 and of its financial performance and its cash flows for the year then ended 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.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the '*responsibilities of the Auditor General*' section of my report. I am independent of the Agency in accordance with the INTOSAI Code of Ethics, together with other ethical requirements that are relevant to the audit of financial statements in Seychelles. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Effects of COVID-19 pandemic

I draw attention to Note 2.13 of the financial statements which describes a material uncertainty following the Coronavirus (COVID-19) pandemic which is severely

affecting the world in general as well as Seychelles. Actions adopted by countries such as closing of borders, grounding of flights and discouraging people from traveling are impacting heavily on all industries including the essential services sector thereby raising a significant uncertainty in the Agency's ability to continue as a going concern.

However, the members of the Agency together with Management are confident that they will continue to have the financial and otherwise support of the financial stakeholders and are therefore of the opinion that the going concern basis of preparation of these financial statements remains appropriate in the foreseeable future.

My opinion is not qualified in respect of the above matter.

Responsibility of the Members and those charged with Governance

The Members are responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards 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.

In preparing the financial statements, the members are responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Government either intend to liquidate the Agency or to cease operations, or have no realistic alternative but to do so.

Responsibilities of the Auditor General

The audit objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and issue an auditor's report in accordance with the National Information Services Agency Act, 2010. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess that risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the opinion. The risk of not detecting material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omission or misrepresentation, or the override of internal control;

- obtain an understanding of the internal control relevant to the audit 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of going concern basis of accounting and, based on the audit evidence obtained, concludes whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If I concludes that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. My conclusions are based on audit evidence obtained to the date of report. However, future unforeseeable events or conditions may cause the Agency to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Agency to express an opinion on the financial statements; and
- communicate with directors among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I am satisfied that all information and explanations which, to the best of my knowledge and belief, where necessary for the purpose of the audit have been obtained.



Gamini Herath
Auditor General

20 July 2020
Victoria, Seychelles



NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

	Notes	December 31, 2019 SCR	December 31, 2018 SCR
ASSETS			
Non-current assets			
Property, plant and equipment	3	17,637,003	18,396,137
Intangible assets	4	2,100	61,961
		17,639,103	18,458,098
Current assets			
Inventories		2,282,167	3,360,933
Trade and other receivables	5	3,259,762	2,957,474
Cash and cash equivalents	6	8,761,139	7,343,714
		14,303,068	13,662,121
TOTAL ASSETS		31,942,171	33,120,219
EQUITY AND LIABILITIES			
Equity			
Retained earnings		14,884,254	13,782,890
		14,884,254	13,782,890
Non-current liabilities			
Borrowings	7	9,090,254	11,641,697
Provision for employee benefit	8	1,567,422	1,205,486
Deferred tax	10	2,292,572	1,769,133
		12,950,248	14,616,316
Current liabilities			
Trade and other payables		1,023,133	635,634
Borrowings	7	2,590,150	2,388,618
Current tax liability	10	2,482	51,874
Deferred income	9	491,904	644,887
		4,107,669	3,721,013
TOTAL EQUITY AND LIABILITIES		31,942,171	31,120,219

Chairperson: Ms. Lucy Athanasius
Date:

Chief Executive Officer: Mr. Gerard Govinden
Date: 09/07/2020

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2019

	Notes	<u>2019</u> <u>SCR</u>	<u>2018</u> <u>SCR</u>
Revenue	11	25,731,682	25,841,982
Operating costs	12	(22,953,343)	(22,465,661)
Operating Profit		<u>2,778,339</u>	<u>3,376,321</u>
Finance income	14.1	237,243	138,576
Finance costs	14.2	(1,390,779)	(1,523,412)
Profit or Loss for the year before Taxation		<u>1,624,803</u>	<u>1,991,485</u>
Taxation	10	(523,439)	(651,909)
Profit or Loss for the year after Taxation		<u><u>1,101,364</u></u>	<u><u>1,339,576</u></u>

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, 2019

	Retained Earnings SCR	Total Equity SCR
Balance as at January 01, 2019	13,782,890	13,782,890
Comprehensive Income for the year 2019	<u>1,101,364</u>	<u>1,101,364</u>
Balance as at December 31, 2019	<u>14,884,254</u>	<u>14,884,254</u>
Re-stated balance as at January 01, 2018	12,443,314	12,443,314
Comprehensive Income for the year 2018	<u>1,339,576</u>	<u>1,339,576</u>
Balance as at December 31, 2018	<u>13,782,890</u>	<u>13,782,890</u>

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CASH FLOW AS AT DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
	SCR	SCR
OPERATING ACTIVITIES		
Profit before taxation	1,624,803	1,991,485
<i>Adjustments</i>		
Depreciation on property, plant and equipment	1,394,200	1,434,005
Amortisation of intangible assets	59,861	90,858
Interest payable	1,390,779	1,523,412
	<u>4,469,643</u>	<u>5,039,760</u>
<i>Movements in Working Capital</i>		
(Increase)/Decrease in trade and other receivables	(302,288)	376,101
(Increase)/Decrease in inventories	1,078,766	798,499
Increase/(Decrease) in accounts payable	387,499	(24,966)
Increase/(Decrease) in deferred income	(152,983)	(716,896)
Provision of employee benefit	361,936	341,138
	<u>1,372,930</u>	<u>773,877</u>
Tax refund/(Paid)	(49,392)	(414,222)
Interest on borrowing	(1,390,779)	(1,523,412)
	<u>(1,440,171)</u>	<u>(1,937,634)</u>
Net cash flow from operating activities	4,402,402	3,876,003
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(635,066)	(527,990)
Net cash flow from investing activities	(635,066)	(527,990)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loan	(2,349,911)	(2,217,279)
Net cash flow from financing activities	(2,349,911)	(2,217,279)
Net movement in cash and cash equivalents	1,417,425	1,130,734
Cash and cash equivalents as at January 01	7,343,714	6,212,980
Cash and Cash equivalents as at December 31	<u>8,761,139</u>	<u>7,343,714</u>

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.

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.

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 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

At the end of December 2019 there was an outbreak of the COVID 19 in China. In early 2020 the virus spread to other parts of the world, including Seychelles. It has affected almost all businesses in the Seychelles eventually having an effect on our operation. There is still a level of uncertainty of the level of its impact on the economy. We are currently experiencing a significant drop in our revenue from adverts.

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2019

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, 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
At January 01, 2019	824,004	1,283,329	1,677,276	14,964,643	4,100,343	920,000	1,537,256	25,306,851
Additions	34,148	206,982	-	-	-	393,936	-	635,066
At December 31, 2019	858,152	1,490,311	1,677,276	14,964,643	4,100,343	1,313,935	1,537,256	25,941,917
<u>Accumulated Depreciation</u>								
At January 01, 2019	629,655	882,916	1,489,871	2,738,622	477,456	598,250	93,944	6,910,714
Charge for the year	90,314	189,476	78,917	748,232	137,019	99,000	51,242	1,394,200
At December 31, 2019	719,969	1,072,392	1,568,788	3,486,854	614,475	697,250	145,186	8,304,914
<u>Net Book Value</u>								
At December 31, 2019	138,183	417,919	108,488	11,477,789	3,485,868	616,685	1,392,070	17,637,003

4. INTANGIBLE ASSETS

	Accounting Software SCR
<u>Cost</u>	
At January 01, 2018	290,158
Additions	-
At December 31, 2018	<u>290,158</u>
<u>Accumulated Amortisation</u>	
At January 01, 2018	137,339
Charge for the year 2018	90,858
At December 31, 2018	<u>228,197</u>
<u>Net Book Value</u>	
At December 31, 2018	<u>61,961</u>
<u>Cost</u>	
At January 01, 2019	290,158
Additions	-
At December 31, 2019	<u>290,158</u>
<u>Accumulated Amortisation</u>	
At January 01, 2019	228,197
Charge for the year 2019	59,861
At December 31, 2019	<u>288,058</u>
<u>Net Book Value</u>	
At December 31, 2019	<u>2,100</u>

5. TRADE AND OTHER RECEIVABLES

	December 31, 2019	December 31, 2018
	SCR	SCR
Trade Receivables	3,177,878	2,701,750
Prepayments and deposits	12,000	174,083
Staff loans (notes (b) &(c))	69,884	81,641
	3,259,762	2,957,474
<i>Analysed as follows:</i>		
	2019	2018
		SCR
Within one year	3,259,762	2,957,474
	3,259,762	2,957,474

- (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 and are analysed as follows:

	December 31, 2019	December 31, 2018
	SCR	SCR
Within one year	69,884	81,641
	69,884	81,641

6. CASH AND CASH EQUIVALENTS

	December 31, 2019	December 31, 2018
	SCR	SCR
Bank balance	8,756,060	7,336,729
Cash in Hand	5,079	6,985
	8,761,139	7,343,714

7. BORROWING

	December 31, 2019	December 31, 2018
	SCR	SCR
Borrowing	<u>11,680,404</u>	<u>14,030,315</u>
<i>Analysed as follows:</i>		
Non-current bank borrowings	9,090,254	11,641,697
Current bank borrowings	<u>2,590,150</u>	<u>2,388,618</u>
	<u>11,680,404</u>	<u>14,030,315</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%. Nouvobanq increased the interest on the term loan to 11% in March 2019 and reduced it again to 10.5% in October 2019.

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.

10. TAXATION**10.1 Income Statement**

	2019	2018
	SCR	SCR
Current tax	-	(49,392)
Deferred tax	(523,439)	(602,517)
	(523,439)	(651,909)

10.2 Balance Sheet

	2019	2018
	SCR	SCR
At January 01	(51,874)	(416,704)
Paid during the year	49,392	414,222
Current tax due	-	(49,392)
Balance at December 31	(2,482)	(51,874)

	2019	2018
	SCR	SCR
At January 01	(1,769,133)	(1,166,616)
Deferred Tax	(523,439)	(602,517)
Balance at December 31	(2,292,572)	(1,769,133)

11. REVENUE

	2019	2018
	SCR	SCR
Nation sales	5,993,431	6,339,287
Advert sales	17,492,891	17,488,730
Commercial printing	2,166,780	1,953,565
Other revenue	78,580	60,400
	25,731,682	25,841,982

12. OPERATING COSTS

	2019	2018
	SCR	SCR
Printing services	61,164	59,630
Cost of materials	3,308,858	3,092,887
Staff costs (Note 12.1)	11,563,406	11,274,913
Depreciation of property, plant and equipment	1,394,200	1,434,005
Amortisation of intangible assets	59,861	90,858
Other expense (Note 12.2)	6,565,853	6,513,368
	22,953,343	22,465,661

12.1 Staff Cost

	2019	2018
	SCR	SCR
Personal emoluments	8,715,650	7,715,075
Bonus and 13 th month salary	492,581	790,694
Pension Fund	238,550	196,586
Compensation and gratuity	711,682	1,077,310
Collating and binding	1,101,092	1,067,723
Other employee costs	303,851	427,525
	11,563,406	11,274,913

12.2 Other expense

	2019	2018
	SCR	SCR
Publishing	530,905	250,378
Distribution expenses	843,054	831,658
Director's remuneration	455,998	207,255
Consumable expenses	243,932	513,966
Insurance expenses	135,171	125,920
Internet connection	148,590	218,075
IT cost	228,884	117,066
Rent expenses	930,648	930,648
Utilities	893,686	737,800
Security expenses	366,935	411,061
Advertisement and donations	54,872	21,660
Telephone	484,381	519,565
Other expenses	288,859	202,353
Repairs and maintenance	477,975	774,342
Transportation cost	441,963	611,621
Fees to auditors:		
Audit fees	40,000	40,000
	6,565,853	6,513,368

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 United Seychelles, represented by the ex 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	14,958,690

14. FINANCE INCOME AND COST**14.1 Finance Income**

	<u>2019</u>	<u>2018</u>
	SCR	SCR
Interest on staff loans	4,882	4,220
Interest on bank account	232,361	134,356
	<u>237,243</u>	<u>138,576</u>

14.2 Finance Cost

	<u>2019</u>	<u>2018</u>
	SCR	SCR
Interest on borrowings	1,390,779	1,523,412
	<u>1,390,779</u>	<u>1,523,412</u>

15. CAPITAL COMMITMENTS

There were no capital commitments as at December 31, 2019

16. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2019.

17. RELATED PARTY TRANSACTIONS

a. Transactions with CEO

	2019	2018
	SCR	Restated SCR
Annual Salary	576,196	558,928
	576,196	558,928

b. Directors emoluments

	2019	2018
	SCR	SCR
Mrs. Barbara Kilindo	60,000	26,832
Ms. Lucy Athanasius	84,000	40,216
Ms. Roseline Houareau	72,000	32,879
Mrs. Mary Anne Ernesta	60,000	26,832
Ms. Claudette Albert	60,000	26,832
Ms. Joelle Perreau	60,000	26,832
Mr. Conrad Lablache	60,000	26,832
	456,000	207,255

c. Operating lease with Sunpress Printing Limited

	2019	2018
	SCR	SCR
Annual rental	763,848	763,848
	763,848	763,848