

NATIONAL INFORMATION SERVICES AGENCY

Financial Statements
Year ended December 31, 2020



NATIONAL INFORMATION SERVICES AGENCY

CORPORATE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

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 2020.

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

	<u>2020</u>
	SCR
Profit before taxation	(416,430)
Taxation	4,902,686
Profit for the year	<u>4,486,256</u>

Property, plant and equipment

Additions to property, plant and equipment of **SCR 265,471.00** during the year comprise mainly of purchase of air conditioners and printer for the year 2020.

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, 2020.

Dividends

The Directors did not recommend any dividends for the financial year under review (2019: Nil)

NATIONAL INFORMATION SERVICES AGENCY
DIRECTORS' 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
DIRECTORS' REPORT

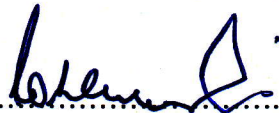
Auditors

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



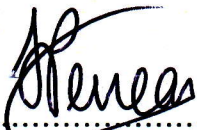
Ms. Lucy Athanasius
Chairperson



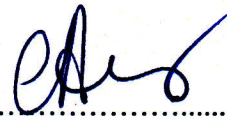
Ms. Roseline Houareau
Vice-Chairperson



Mrs. Barbara Kilindo
Director



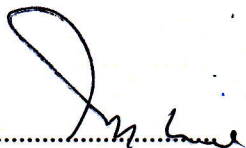
Ms. Joelle Perreau
Director



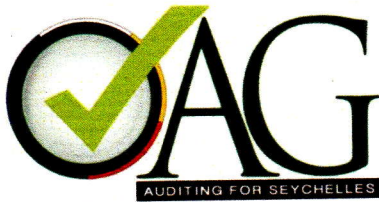
Ms. Claudette Albert
Director



Mrs. Mary Anne Ernesta
Director



Mr. Conrad Lablache
Director



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Please address all correspondence to the Auditor General

OPINION OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE NATIONAL INFORMATION SERVICES AGENCY (NISA) FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

The accompanying financial statements set out on pages 7 to 23, which comprise the statement of financial position as at 31 December 2020, 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 23 give a true and fair view of the financial position of the Agency as at 31st December 2020 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 2.14 of the financial statements which describes a significant event following the Coronavirus (COVID-19) pandemic which is severely affecting the world in general as well as Seychelles. The extent of the impact on the Agency's operations and financial performance will depend on the duration and spread of the outbreak and its effect on the economy, customers and suppliers. These events indicate that an uncertainty exists which may cast doubt on the Agency's ability to continue as a going concern. However, at the beginning of 2021, the country started its vaccination program, resulting in the decision to reopen its borders in mid-March.

The members of the Agency together with Management are confident that there is a positive economic outlook for the foreseeable future and they will continue to remain prudent. The revenue generated, even though lower than previous years, along with the current cash reserve and the cost cutting exercise would be able to sustain the operations for the foreseeable future.

My opinion is not modified 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 and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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 those charged with governance 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

11 August 2021
Victoria, Seychelles



NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

		December 31, 2020	December 31, 2019
	Notes	SCR	SCR
ASSETS			
Non-current assets			
Property, plant and equipment	3	16,471,466	17,637,003
Intangible assets	4	18,624	2,100
Right of Use Asset	13.1	7,504,671	-
Deferred tax asset		2,610,114	-
		26,604,875	17,639,103
Current assets			
Inventories		5,461,690	2,282,167
Trade and other receivables	5	2,739,747	3,259,762
Current tax asset	10	13,780	-
Cash and cash equivalents	6	4,130,836	8,761,139
		12,346,053	14,303,068
TOTAL ASSETS		38,950,928	31,942,171
EQUITY AND LIABILITIES			
Equity			
Retained earnings		19,370,510	14,884,254
		19,370,510	14,884,254
Non-current liabilities			
Borrowings	7	7,407,653	9,090,254
Provision for employee benefit	8	1,594,694	1,567,422
Lease Liability	13.2	7,717,994	-
Deferred tax Liability	10	-	2,292,572
		16,720,341	12,950,248
Current liabilities			
Trade and other payables		969,379	1,023,133
Borrowings	7	1,514,773	2,590,150
Current tax liability	10	-	2,482
Deferred income	9	375,925	491,904
		2,860,077	4,107,669
TOTAL EQUITY AND LIABILITIES		38,950,928	31,942,171

Chairperson: Ms. Lucy Athanasius

Date: 2/08/2021

Chief Executive Officer: Mr. Gerard Govinden

Date: 2/07/2024

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2020

	Notes	<u>2020</u> <u>SCR</u>	<u>2019</u> <u>SCR</u>
Revenue	11	21,764,659	25,731,682
Operating costs	12	(20,670,947)	(22,953,343)
Operating Profit		<u>1,093,712</u>	<u>2,778,339</u>
Finance income	14.1	137,048	237,243
Finance costs	14.2	(1,647,190)	(1,390,779)
Profit or Loss for the year before Taxation		<u>(416,430)</u>	<u>1,624,803</u>
Taxation	10	4,902,686	(523,439)
Profit or Loss for the year after Taxation		<u><u>4,486,256</u></u>	<u><u>1,101,364</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, 2020

	Retained Earnings SCR	Total Equity SCR
Balance as at January 01, 2020	14,884,254	14,884,254
Comprehensive Income for the year 2020	<u>4,486,256</u>	<u>4,486,256</u>
Balance as at December 31, 2020	<u>19,370,510</u>	<u>19,370,510</u>
Re-stated 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>

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CASH FLOW AS AT DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
	SCR	SCR
OPERATING ACTIVITIES		
Profit before taxation	(416,430)	1,624,803
<i>Adjustments</i>		
Depreciation on property, plant and equipment	1,431,008	1,394,200
Amortisation of intangible assets	6,756	59,861
Amortisation of Right of Use Asset	312,695	-
Interest payable	1,647,190	1,390,779
	<u>2,981,219</u>	<u>4,469,643</u>
<i>Movements in Working Capital</i>		
(Increase)/Decrease in trade and other receivables	520,015	(302,288)
(Increase)/Decrease in inventories	(3,179,523)	1,078,766
Increase/(Decrease) in accounts payable	(53,754)	387,499
Increase/(Decrease) in deferred income	(115,979)	(152,983)
Provision of employee benefit	27,272	361,936
	<u>(2,801,969)</u>	<u>1,372,930</u>
Tax refund/(Paid)	(16,262)	(49,392)
Interest on borrowing	(1,647,190)	(1,390,779)
	<u>(1,663,452)</u>	<u>(1,440,171)</u>
Net cash flow from operating activities	(1,484,202)	4,402,402
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(265,471)	(635,066)
Purchase of intangible assets	(23,280)	-
Net cash flow from investing activities	(288,751)	(635,066)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loan	(2,757,978)	(2,349,911)
Repayment of Lease Liability	(99,372)	-
Net cash flow from financing activities	(2,857,350)	(2,349,911)
Net movement in cash and cash equivalents	(4,630,303)	1,417,425
Cash and cash equivalents as at January 01	8,761,139	7,343,714
Cash and Cash equivalents as at December 31	<u>4,130,836</u>	<u>8,761,139</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 Leases

The lease has been recognised under IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated.

A contract was, or contained, a lease if the contract conveyed the right to control the use of an identified asset for a period of time in exchange for consideration. To determine whether a contract conveyed the right to control the use of an identified asset it must be assessed that;

- the contract involved the use of an identified asset;
- there was the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
- there was the right to direct the use of the asset.

A right-of-use asset and a lease liability are recognised at the lease commencement date. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date. The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is measured at the present value of the remaining terms of the lease using the borrowing rate of the Agency.

Short term and low value leases

The Agency has decided not to recognise right-of use asset and lease liability for short term leases of warehouse that have a lease term of 12 months and a low value.

2.13 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.

2.14 Significant events

Effects of Covid-19 pandemic.

The pandemic outbreak has caused severe disruption in the economic activities globally as well as in the Seychelles.

From mid-March 2020 the country imposed restrictions such as closure of the Seychelles border, grounded flights, closure of restaurants, hotels, bars and casinos. The Agency being an entity that relies partly on advertising from those establishments saw its revenue in adverts reduced by 30% compared to prior years.

At the beginning of 2021, the country started its vaccination program, resulting in the decision to re-open its borders in mid-March 2021.

The Agency has seen an increase in its revenue compared to the budgeted figure from that decision. A budgeted cash flow was prepared at the beginning of 2021 and it projected that the Agency will remain afloat until end of the year.

There is a positive economic outlook for the foreseeable future, even though we remain prudent. The revenue generated, even though lower than prior years, along with the current cash reserve and the cost cutting exercise would be able to sustain the operation for the foreseeable future.

Thus, it is appropriate for us to prepare these financial statements on a going concern basis.

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

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
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	1,313,936	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	616,686	1,392,070	17,637,003
At January 01, 2020	858,152	1,490,311	1,677,276	14,964,643	4,100,343	1,313,936	1,537,256	25,941,917
Additions	4,469	69,207	-	191,795	-	-	-	265,471
At December 31, 2020	862,621	1,559,518	1,677,276	15,156,438	4,100,343	1,313,936	1,537,256	26,207,388
<u>Accumulated Depreciation</u>								
At January 01, 2020	719,969	1,072,392	1,568,788	3,486,854	614,475	697,250	145,186	8,304,914
Charge for the year	61,106	185,650	68,374	749,830	137,019	177,787	51,242	1,431,008
At December 31, 2020	781,075	1,258,042	1,637,162	4,236,684	751,494	875,037	196,428	9,735,922
<u>Net Book Value</u>								
At December 31, 2020	81,546	301,476	40,114	10,919,754	3,348,849	438,899	1,340,828	16,471,466

4 INTANGIBLE ASSETS

	Accounting Software SCR
<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>
<u>Cost</u>	
At January 01, 2020	290,158
Additions	23,280
At December 31, 2020	<u>313,438</u>
<u>Accumulated Amortisation</u>	
At January 01, 2020	288,058
Charge for the year 2020	6,756
At December 31, 2020	<u>294,814</u>
<u>Net Book Value</u>	
At December 31, 2020	<u>18,624</u>

5. TRADE AND OTHER RECEIVABLES

	December 31, 2020	December 31, 2019
	SCR	SCR
Trade Receivables	2,618,904	3,177,878
Prepayments and deposits	12,000	12,000
Staff loans (notes (b) &(c))	108,843	69,884
	2,739,747	3,259,762
<i>Analysed as follows:</i>		
	2020	2019
		SCR
Within one year	2,739,747	3,259,762
	2,739,747	3,259,762

- (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, 2020	December 31, 2019
	SCR	SCR
Within one year	108,843	69,884
	108,843	69,884

6. CASH AND CASH EQUIVALENTS

	December 31, 2020	December 31, 2019
	SCR	SCR
Bank balance	4,127,319	8,756,060
Cash in Hand	3,517	5,079
	4,130,836	8,761,139

7. BORROWING

	December 31, 2020	December 31, 2019
	SCR	SCR
Borrowing	8,922,426	11,680,404
<i>Analysed as follows:</i>		
Non-current bank borrowings	7,407,653	9,090,254
Current bank borrowings	1,514,773	2,590,150
	8,922,426	11,680,404

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%. The interest was increased to 11% on the 1st March 2019 and decreased again to 10.50% on the 1st October 2019. During the year 2020 with the lowering of interbank interest rate the interest in the term loan was decreased to 9.5% on the 1st April 2020 and with further deterioration in the financial market, the interest rate was further decreased to 8.50% as at 1st August 2020.

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**

	2020	2019
	SCR	SCR
Current tax	-	-
Deferred tax Credit / (Charge)	4,902,686	(523,439)
	4,902,686	(523,439)

10.2 Balance Sheet

	2020	2019
	SCR	SCR
At January 01	(2,482)	(51,874)
Paid during the year	16,262	49,392
Current tax due	-	-
Balance at December 31	13,780	(2,482)

	2020	2019
	SCR	SCR
At January 01	(2,292,572)	(1,769,133)
Credit / (Charge) for the year	4,902,686	(523,439)
Balance at December 31	2,610,114	(2,292,572)

11. REVENUE

	2020	2019
	SCR	SCR
Nation sales	5,584,047	5,993,431
Advert sales	12,108,670	17,492,891
Commercial printing	1,803,747	2,166,780
Other revenue	145,824	78,580
Government Grant	2,122,371	-
	21,764,659	25,731,682

12. OPERATING COSTS

	2020	2019
	SCR	SCR
Printing services	70,772	61,164
Cost of materials	3,259,768	3,308,858
Staff costs (Note 12.1)	10,381,321	11,563,406
Depreciation of property, plant and equipment	1,431,008	1,394,200
Amortisation of intangible assets	6,756	59,861
Amortisation of right of Use Asset	312,695	-
Other expense (Note 12.2)	5,208,627	6,565,854
	<u>20,670,947</u>	<u>22,953,343</u>

12.1 Staff Cost

	2020	2019
	SCR	SCR
Personal emoluments	8,416,830	8,715,650
Bonus and 13 th month salary	-	492,581
Pension Fund	241,956	238,550
Compensation and gratuity	543,431	711,682
Collating and binding	980,253	1,101,092
Other employee costs	198,851	303,851
	<u>10,381,321</u>	<u>11,563,406</u>

12.2 Other expense

	2020	2019
	SCR	SCR
Publishing	377,546	530,905
Distribution expenses	784,241	843,054
Director's remuneration	239,664	455,998
Consumable expenses	278,187	243,932
Insurance expenses	163,745	135,171
Internet connection	148,500	148,590
IT cost	292,760	228,884
Rent expenses	166,800	930,648
Utilities	911,871	893,686
Security expenses	370,380	366,936
Advertisement and donations	15,520	54,872
Telephone	470,288	484,381
Other expenses	165,375	288,859
Repairs and maintenance	547,020	477,975
Transportation cost	236,730	441,963
Fees to auditors:		
Audit fees	40,000	40,000
	<u>5,208,627</u>	<u>6,565,854</u>

13. RIGHT OF USE ASSET AND LEASE LIABILITY

The right of use asset consists of a lease agreement of annual fee of SCR 763,848 for 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 Agency has adopted IFRS 16 for the treatment of its lease at Bois De Rose for the year 2020. With the change, the right of use asset and lease liability was treated under the modified retrospective approach #2 and calculated for the remaining present value of the lease terms of 25 years. The present value of the lease was discounted using the borrowing rate of the Agency at 8.5% interest per annum.

13.1 Right of use asset**Land and buildings**

	SCR	SCR
At January 01	7,817,366	-
Less: Amortisation for the year	(312,695)	-
At December 31	<u>7,504,671</u>	<u>-</u>

13.2 Lease Liability

	SCR	SCR
At January 01	7,817,366	-
Add: Interest Expense	664,476	-
Less: Lease Payments for the year	(763,848)	-
At December 31	<u>7,717,994</u>	<u>-</u>

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

	2020	2019
	SCR	SCR
Interest on staff loans	4,233	4,882
Interest on bank account	132,815	232,361
	<u>137,048</u>	<u>237,243</u>

14.2 Finance Cost

	2020	2019
	SCR	SCR
Interest on borrowings	982,714	1,390,779
Interest on Lease	664,476	-
	<u>1,647,190</u>	<u>1,390,779</u>

15. CAPITAL COMMITMENTS

There were no capital commitments as at December 31, 2020

16. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2020.

17. RELATED PARTY TRANSACTIONS

a. Transactions with CEO

	2020	2019
	SCR	SCR
Annual Salary	595,505	576,196
	595,505	576,196

b. Directors emoluments

	2020	2019
	SCR	SCR
Mrs. Barbara Kilindo	31,320	60,000
Ms. Lucy Athanasius	45,480	84,000
Ms. Roseline Houareau	37,584	72,000
Mrs. Mary Anne Ernesta	31,320	60,000
Ms. Claudette Albert	31,320	60,000
Ms. Joelle Perreau	31,320	60,000
Mr. Conrad Lablache	31,320	60,000
	239,664	456,000

c. Lease with Sunpress Printing Limited

	2020	2019
	SCR	SCR
Annual rental	763,848	763,848
	763,848	763,848