

6.17

National Information Services Agency (NISA)

6.17.1

Strategic Overview

6.17.1.1

Mandate

The National Information Services Agency (NISA) was enacted under the National Information Services Agency Act 4 of 2010. Its main function is to compile, produce, publish and print the national newspaper, *Seychelles NATION*.

6.17.1.2

Vision

Our vision is to remain the *leading, trustworthy, factual information outlet* across all media platforms with a global reach

6.17.1.3

Mission

Our mission is to educate, entertain and disseminate factual information in a timely and objective manner through the publication of the *Seychelles NATION* newspaper and other appropriate technological medium, to help people shape their decisions.

6.17.1.4

Strategic Priorities for 2024-2028

Financials

- 1) Increase sales and revenue
- 2) Increase return on investment / Return on capital employed
- 3) Reduce operational cost

Customer

- 1) Improve internal TAT
- 2) Diversification of sales & products offerings by segments
- 3) Improve digital offerings and portfolios

Compliance

- 1) Improve on reporting to PEMC
- 2) Compliance to all regulations
- 3) Defining and embedding a Business Continuity Plan

6.17.1.5

Key Challenges

Property

The Agency is currently facing challenges relating to both of its properties. The Victoria property was acquired / Handed over to another Ministry. Inspection by the other party has already been done. The second property at Bois De Rose, is being leased from a political party.

Newspaper

Trends related to readership of physical newspaper versus technological medium is a key challenge within our industry. Although the impact is not immediate, the management remains mindful and cautious with the change of mindset. Cost of material vs revenue cost (Advertising revenue) With the ever increase of raw materials and other cost to serve, finding the right balance to increase revenue is a challenge as digital advertising is cannibalizing revenue streams of newspaper earnings

6.17.2 Outlook of Financial Strategy

6.17.2.1

Projected Financial Position of National Information Services Agency

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Property, plant and equipment	16,471	15,478	14,559	13,897	13,057	12,518	11,357
Intangible assets	19	9	-	13	3	-	-
Right of use asset	7,505	4,863	4,651	4,440	6,100	5,795	5,490
Deferred tax asset	2,610	-	-	-	-	-	-
Non-current assets	26,605	20,351	19,210	18,350	19,160	18,313	16,847
Inventories	5,462	3,874	3,805	3,805	3,805	3,805	3,805
Trade and other receivables	2,740	3,285	2,211	2,211	2,211	2,211	2,211
Current tax asset	14	14	-	-	-	-	-
Cash and cash equivalents	4,131	4,761	5,156	4,470	5,861	7,714	11,580
Current assets	12,346	11,933	11,172	10,487	11,877	13,730	17,596
TOTAL ASSETS	38,951	32,284	30,382	28,836	31,038	32,043	34,443
Retained earnings	19,371	14,552	15,385	16,958	18,283	19,440	21,567
Equity	19,371	14,552	15,385	16,958	18,283	19,440	21,567
Borrowings	7,408	4,221	708	-	-	-	-
Provision for employee benefit	1,595	1,487	1,558	1,963	2,214	2,462	2,587
Lease liability	7,718	4,963	4,887	4,815	6,502	6,411	6,812
Deferred tax	-	2,845	2,609	2,256	1,947	1,695	1,120
Non-current liabilities	16,720	13,517	9,762	9,034	10,664	10,568	10,518
Trade and other payables	969	950	1,387	1,595	1,595	1,595	1,595
Borrowings	1,515	3,236	3,516	708	-	-	-
Current tax liability	-	-	144	354	308	252	575
Deferred income	376	30	187	187	187	187	187
Current liabilities	2,860	4,216	5,235	2,844	2,091	2,035	2,358
TOTAL EQUITY AND LIABILITIES	38,951	32,284	30,382	28,836	31,038	32,043	34,443

6.17.2.2

Projected Statement of Comprehensive Income of National Information Services Agency

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
Revenue	21,765	20,875	23,393	24,368	24,506	24,935	25,453
Operating costs	20,671	19,150	21,748	21,976	22,488	23,216	22,566
Operating Profit	1,094	1,725	1,645	2,392	2,018	1,719	2,888
Finance Income	137	50	41	65	167	225	337
Finance Costs	1,647	1,140	930	642	552	534	523
	(1,510)	(1,089)	(888)	(577)	(385)	(309)	(186)
Profit for the year before taxation	(416)	636	756	1,815	1,633	1,410	2,701
Taxation	(4,903)	5,455	77	354	308	252	575
Profit for the year after taxation	4,486	(4,819)	679	1,461	1,325	1,157	2,126

6.17.2.3 Projected Cash Flow Statement of National Information Services Agency

SCR ('000)

Description	Actual Figures			Provisional	Forecast		
	2020	2021	2022	2023	2024	2025	2026
OPERATING ACTIVITIES							
Profit before taxation	(416)	636	756	1,815	1,633	1,410	2,701
<i>Adjustments</i>							
Depreciation on property, plant and equipment	1,431	1,309	1,211	1,345	1,367	1,483	1,475
Amortization of intangible assets	7	9	9	-	-	-	-
Amortization of Right of Use Asset	313	211	211	211	305	305	305
Provision for employee benefit					252	248	125
Gain due to decrease in consideration of rental property	-	(213)	-	-	(375)	-	-
Interest Payable	1,647	1,140	930	642	552	534	523
	2,981	3,092	3,118	4,013	3,733	3,979	5,130
Movements in working Capital							
(Increase)/Decrease in trade and other receivables	520	(545)	1,074	-	-	-	-
(Increase)/Decrease in inventories	(3,180)	1,588	69	-	-	-	-
Increase/(Decrease) in accounts payable	(54)	(20)	437	208	-	-	-
Increase/(Decrease) in deferred income	(116)	(346)	157	-	-	-	-
Provision for employee benefit	27	(107)	71	405	252	248	125
	(2,802)	570	1,808	613	252	248	125
Tax refund / (Paid)	(16)	-	-	(158)	(354)	(308)	(252)
Interest on borrowing	(1,647)	(1,140)	(930)	(642)	(552)	(534)	(523)
	(1,663)	(1,140)	(930)	(800)	(905)	(843)	(776)
Net cash flow from operating activities	(1,484)	2,522	3,996	3,826	3,080	3,384	4,479
CASH FLOW FROM INVESTING ACTIVITIES							
Purchase of tangible assets	(265)	(316)	(291)	(684)	(863)	(1,363)	(500)
Purchase of intangible assets	(23)	-	-	(18)	-	-	-
Net cash flow from investing activities	(289)	(316)	(291)	(702)	(863)	(1,363)	(500)
CASH FLOW FROM FINANCING ACTIVITIES							
Repayment of loan	(2,758)	(1,465)	(3,233)	(3,738)	(700)	-	-
Repayment of Lease Liability	(99)	(111)	(76)	(72)	(127)	(169)	(113)
Net cash flow from financing activities	(2,857)	(1,577)	(3,309)	(3,810)	(826)	(169)	(113)
Net movement in cash and cash equivalents	(4,630)	630	395	(686)	1,391	1,853	3,866
Cash and Cash equivalent as at January 01	8,761	4,131	4,761	5,156	4,470	5,861	7,714
Cash and Cash equivalent as at December 31	4,131	4,761	5,156	4,470	5,861	7,714	11,580

6.17.2.4 Projected Capital Investment Plan of National Information Services Agency

SCR ('000)

Project Name	Project Purpose and Description	Actual Figures			Provisional	Forecast		
		2020	2021	2022	2023	2024	2025	2026
<i>Major Capital Investments</i>								
-	-	-	-	-	-	-	-	-
<i>Replacements and upkeep of Assets (PPE)</i>								
Motor vehicle		-	-	-	-	-	500	
Computers/ Printers / Chairs / etc	To replace faulty ones	265	316	291	702	863	863	500

6.17.3 Projected TAX, Divided, Debt Payments, Subventions, Grants and Contingencies

6.17.3.1 *Tax Implications by the Operations of National Information Services Agency*

Type of Tax	Actual Figures			Provisional	Forecast			SCR ('000)
	2020	2021	2022	2023	2024	2025	2026	
	Business Tax	(4,903)	5,455	77	354	308	252	575
PIT	867	747	815	908	951	951	951	
VAT	2,413	2,331	2,762	3,440	3,676	3,740	3,818	

6.17.3.2 *Anticipated Dividend Declarations By National Information Services Agency*

NISA does not anticipate declaring any dividend

6.17.3.3 *Debt Payments Forecasts By National Information Services Agency*

SCR ('000)

Lending Organization	Description	Purpose of Borrowings	Total Debt Amount (Capital)	Total Borrowings and Debt Servicing							
				Actual Figures			Provisional	Forecast			
				2020	2021	2022	2023	2024	2025	2026	
Loan 01 From Nouvobanq Bank	Borrowings	Financing of printing machine + Renovation of property	20,000	-	-	-	-	-	-	-	
	Interest for the Year	-		983	405	508	224	8	-	-	
	Repayment of Capital	-		(2,758)	(1,465)	(3,233)	(3,516)	(708)	-	-	
	Balance carried forward	-		8,922	7,457	4,224	708	-	-	-	

6.17.3.4 *Anticipated Subventions and Grants By National Information Services Agency*

NISA does not anticipate in receiving any subventions or grants

6.17.3.5 *Contingencies of National Information Services Agency*

NISA does not anticipate any contingent liabilities

6.17.3.6 *Assumptions used for the Financial Projections of National Information Services Agency*

- 1) The new Board of Directors of NISA has just been appointed. The task of the new Board of directors is to provide new directions for the Agency. We are currently finalizing the strategic plan of the Agency that will guide us through the 5 years to come. Whilst this is being done, some of the Key Performance Indicators have come to light that have been used, based on the present circumstances. Once the plan is finalized, we may have to change some of those KPI's. The forecast for 2025 and 2026 will also change.
- 2) Assumption is made that all revenue will be collected during the year they are incurred.
- 3) Assumption is made that all expenses will be paid during the year they are incurred.
- 4) Assumption is made that all inventory will be used during the year they are purchased.

6.17.4

KPIs, Risk Management Strategy and Reporting Obligations

6.17.4.1

Key Performance Indicators of the National Information Services Agency

Title of Key Performance Indicators	Description	Achievements of KPIs						
		Actual Figures			Provisional	Forecast		
		2020	2021	2022	2023	2024	2025	2026
Return on investment / Capital employed	Profit generated from investment made / Total assets – current liabilities	3%	6%	7%	9%	7%	6%	9%
Net Profit margin	Profit generated after all cost from the sales value	-2%	3%	3%	7%	7%	6%	11%
Operational Profit Margin	Profit generated from operation	5%	8%	7%	10%	8%	7%	11%
Operational cost	% change in operational cost year on year	- 10%	-7%	14%	1%	2%	3%	-3%
Staff turnover	% staff leaving per year	7%	18%	22%	6%	0%	2%	2%
Customer complaint	Number of complaints received per year					Max 5	Max 5	Max 5
Staff training rate (Long term)	Number of staff entering the training program per year	2	2	2	3	3	3	3
Increase in online presence	% increase in online presence	-	-	-	-	100%	100%	100%

6.17.4.2

Risks and Resilience Plan of the National Information Services Agency

Risk Category	Potential Risks Identified	Risk Mitigation Strategies
Strategic Risks	The business model is not successful	The board of NISA with the Management has worked on a strategic plan, with the focus on diversification. Many scenarios have been discussed in order to ensure the success of the plan.
	The core business of the Agency, the newspaper becomes obsolete (Especially the physical newspaper)	The Agency is working on a diversification model to counter such eventuality
Financial Risks	Foreign exchange rate risk - Almost all of the inventory and spare parts for the printing machine of NISA is bought overseas. Any changes in foreign exchange rate poses a risk on the ability of the Agency to pay should the increase be substantial.	Monitor risk. The Agency will have to bear the cost or pass on to customers.
	Interest rate risk – The Agency is currently servicing a loan at the commercial bank. Any upward changes in interest rate will have a negative impact on the Finance of the Agency	The loan balance will clear off in 2024. Any changes will have minimal impact.
Operational Risks	The Agency's Victoria location has been acquired by another government entity. The Agency is at risk of not having an office to run its operation	Currently the Agency is still trying to find other locations
	Risk in landlords not selling the property at Bois De Rose Printer or related equipment malfunction	As part of our strategy, a Business Continuity Management plan is being developed.

	Breakdown in the supply of printing inventory	Having multiple supplier – Both locally and internationally
Compliance and Regulatory Risks	Non-compliant to procurement Act, PEMC Act, Licensing Authority, Seychelles Revenue Commission and other regulatory bodies	The Agency has to keep abreast of all laws and regulations that may have a direct or indirect impact on its operation.
Environmental and Social Risks	<p>Fire may completely damage the property with all its offices and equipment.</p> <p>Potential risk of weather related impact or act of God (eg. Tsunami of 2004)</p>	<p>A business continuity plan is being worked on by the Agency</p> <p>Along with the Business continuity plan, a digitization plan is also being developed to ensure the business remains in operation through all digital channels, plus using clouds services</p>
PESTEL	<p>Policies of the Government related to media houses</p> <p>Operational policies - Changes in government policy relating to media and information may have an impact on our operation. The government may decide to privatize all media houses</p>	<p>Monitor Risk.</p> <p>Board will have to regroup to review strategy and determine impact and required action.</p>
	Fiscal policy - The government's decision to reduce its budget expenditure may indirectly affect our operation. Most times the items that are reduced are related to printing and stationary as well as newspapers.	Diversification strategy of the Agency.

6.17.4.3 External Reporting's by the National Information Services Agency

Name/Title of the Report	Recipients of the Report	Description of the purpose, content and inclusion of the report	Frequency and Timing of the Report
Annual Report	PEMC Responsible Minister Minister of Finance, trade and National Development National Assembly of Seychelles	Reporting on operational, Environment, social and financial activity of the Agency	Annually
Audited Financial Statements	PEMC Responsible Minister Minister of Finance, trade and National Development National Assembly of Seychelles	Reporting on the audited financial statements prepared by the Agency	Annually
Quarterly Reports	PEMC	Reporting on quarterly unaudited financial performance of the Agency	Quarterly

6.17.5 Stakeholder Engagement

The MTFS is in draft mode and yet to be approved by the BoDs and the responsible Minister for NISA. As such, the statement of commitments by the CEO, BoDs and the responsible minister is not included.