

## 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          | -             | -             | -             | -             | -             | -             |
| <b>Non-current assets</b>           | <b>26,605</b>  | <b>20,351</b> | <b>19,210</b> | <b>18,350</b> | <b>19,160</b> | <b>18,313</b> | <b>16,847</b> |
| 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        |
| <b>Current assets</b>               | <b>12,346</b>  | <b>11,933</b> | <b>11,172</b> | <b>10,487</b> | <b>11,877</b> | <b>13,730</b> | <b>17,596</b> |
| <b>TOTAL ASSETS</b>                 | <b>38,951</b>  | <b>32,284</b> | <b>30,382</b> | <b>28,836</b> | <b>31,038</b> | <b>32,043</b> | <b>34,443</b> |
| Retained earnings                   | 19,371         | 14,552        | 15,385        | 16,958        | 18,283        | 19,440        | 21,567        |
| <b>Equity</b>                       | <b>19,371</b>  | <b>14,552</b> | <b>15,385</b> | <b>16,958</b> | <b>18,283</b> | <b>19,440</b> | <b>21,567</b> |
| 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         |
| <b>Non-current liabilities</b>      | <b>16,720</b>  | <b>13,517</b> | <b>9,762</b>  | <b>9,034</b>  | <b>10,664</b> | <b>10,568</b> | <b>10,518</b> |
| 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           |
| <b>Current liabilities</b>          | <b>2,860</b>   | <b>4,216</b>  | <b>5,235</b>  | <b>2,844</b>  | <b>2,091</b>  | <b>2,035</b>  | <b>2,358</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>38,951</b>  | <b>32,284</b> | <b>30,382</b> | <b>28,836</b> | <b>31,038</b> | <b>32,043</b> | <b>34,443</b> |

### 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       |
| <b>Operating Profit</b>                    | <b>1,094</b>   | <b>1,725</b>   | <b>1,645</b> | <b>2,392</b> | <b>2,018</b> | <b>1,719</b> | <b>2,888</b> |
| Finance Income                             | 137            | 50             | 41           | 65           | 167          | 225          | 337          |
| Finance Costs                              | 1,647          | 1,140          | 930          | 642          | 552          | 534          | 523          |
|  | <b>(1,510)</b> | <b>(1,089)</b> | <b>(888)</b> | <b>(577)</b> | <b>(385)</b> | <b>(309)</b> | <b>(186)</b> |
| <b>Profit for the year before taxation</b> | <b>(416)</b>   | <b>636</b>     | <b>756</b>   | <b>1,815</b> | <b>1,633</b> | <b>1,410</b> | <b>2,701</b> |
| Taxation                                   | (4,903)        | 5,455          | 77           | 354          | 308          | 252          | 575          |
| <b>Profit for the year after taxation</b>  | <b>4,486</b>   | <b>(4,819)</b> | <b>679</b>   | <b>1,461</b> | <b>1,325</b> | <b>1,157</b> | <b>2,126</b> |

### 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          |
| <b>OPERATING ACTIVITIES</b>                              |                |                |                |                |              |                |               |
| 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           |
|  | <b>2,981</b>   | <b>3,092</b>   | <b>3,118</b>   | <b>4,013</b>   | <b>3,733</b> | <b>3,979</b>   | <b>5,130</b>  |
| <b>Movements in working Capital</b>                      |                |                |                |                |              |                |               |
| (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)         |
|  | <b>(1,663)</b> | <b>(1,140)</b> | <b>(930)</b>   | <b>(800)</b>   | <b>(905)</b> | <b>(843)</b>   | <b>(776)</b>  |
| <b>Net cash flow from operating activities</b>           | <b>(1,484)</b> | <b>2,522</b>   | <b>3,996</b>   | <b>3,826</b>   | <b>3,080</b> | <b>3,384</b>   | <b>4,479</b>  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>               |                |                |                |                |              |                |               |
| Purchase of tangible assets                              | (265)          | (316)          | (291)          | (684)          | (863)        | (1,363)        | (500)         |
| Purchase of intangible assets                            | (23)           | -              | -              | (18)           | -            | -              | -             |
| <b>Net cash flow from investing activities</b>           | <b>(289)</b>   | <b>(316)</b>   | <b>(291)</b>   | <b>(702)</b>   | <b>(863)</b> | <b>(1,363)</b> | <b>(500)</b>  |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>               |                |                |                |                |              |                |               |
| Repayment of loan  | (2,758)        | (1,465)        | (3,233)        | (3,738)        | (700)        | -              | -             |
| Repayment of Lease Liability                             | (99)           | (111)          | (76)           | (72)           | (127)        | (169)          | (113)         |
| <b>Net cash flow from financing activities</b>           | <b>(2,857)</b> | <b>(1,577)</b> | <b>(3,309)</b> | <b>(3,810)</b> | <b>(826)</b> | <b>(169)</b>   | <b>(113)</b>  |
| <b>Net movement in cash and cash equivalents</b>         | <b>(4,630)</b> | <b>630</b>     | <b>395</b>     | <b>(686)</b>   | <b>1,391</b> | <b>1,853</b>   | <b>3,866</b>  |
| Cash and Cash equivalent as at January 01                | 8,761          | 4,131          | 4,761          | 5,156          | 4,470        | 5,861          | 7,714         |
| <b>Cash and Cash equivalent as at December 31</b>        | <b>4,131</b>   | <b>4,761</b>   | <b>5,156</b>   | <b>4,470</b>   | <b>5,861</b> | <b>7,714</b>   | <b>11,580</b> |

### 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 |
| Major Capital Investments                |                                 |                |      |      |             |          |      |      |
| -  | -                               | -              | -    | -    | -           | -        | -    | -    |
| Replacements and upkeep of Assets (PPE)  |                                 |                |      |      |             |          |      |      |
| Motor vehicle                            |                                 | -              | -    | -    | -           | -        | 500  |      |
| Computers/<br>Printers / Chairs /<br>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

SCR ('000)

| Type of Tax  | Actual Figures |       |       | Provisional | Forecast |       |       |
|--------------|----------------|-------|-------|-------------|----------|-------|-------|
|              | 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.<br><br>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.  | Currently the Agency is still trying to find other locations  |
|                   | The Agency is at risk of not having an office to run its operation  |   |
|                   | Risk in landlords not selling the property at Bois De Rose  | As part of our strategy, a Business Continuity Management plan is being developed.  |
|                   | Printer or related equipment malfunction  |   |

|  |  |   |
|--|--|---|
|  | Breakdown in the supply of printing inventory  | Having multiple supplier – Both locally and internationally   |
| <b>Compliance and Regulatory Risks</b> | 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.  |
| <b>Environmental and Social Risks</b>  | Fire may completely damage the property with all its offices and equipment.  | A business continuity plan is being worked on by the Agency   |
|  | Potential risk of weather related impact or act of God (eg. Tsunami of 2004)   | 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 |
| <b>PESTEL</b>                          | Policies of the Government related to media houses<br>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 | Monitor Risk.<br>Board will have to regroup to review strategy and determine impact and required action.  |
|  | 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<br>Responsible Minister<br>Minister of Finance, trade and National Development<br>National Assembly of Seychelles | Reporting on operational, Environment, social and financial activity of the Agency | Annually                           |
| Audited Financial Statements | PEMC<br>Responsible Minister<br>Minister of Finance, trade and National Development<br>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.