

Seychelles

NATION

NATIONAL INFORMATION SERVICES AGENCY

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Please address all correspondence to Chief Executive Officer

NISA/AUDIT/01

30th April 2014

Mr. Patrick Payet
Principal Secretary for Finance
Ministry of Finance Trade & Investment



Dear Mr. Payet,

RE: NATIONAL INFORMATION SERVICES AGENCY AUDITED ACCOUNTS – 2012

Please find attached audited financial statement for the year 2012 for your retention.

Yours sincerely,

For: M. Volcère (Ms.)
CHIEF EXECUTIVE OFFICER

Cc: Ms.S.Cesar
PEMC



International Year of Small Island Developing States: Seychelles – A Determined Island Nation



OFFICE OF THE AUDITOR GENERAL

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OPINION OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE NATIONAL INFORMATION SERVICES AGENCY FOR THE YEAR ENDED 31 DECEMBER 2012

Scope

I have audited the financial statement of the National Information Services Agency for the year ended 31 December 2012 as set out on pages 1 to 9 in terms of Section 14 (1) of the National Information Services Agency Act, 2010.

The Board is responsible for keeping proper books of accounts, preparation of the financial statements and the information they contain. It is my responsibility to form an independent opinion, based on my audit, on those statements and report it to the Board.

The audit was conducted in accordance with the International Organisation of the Supreme Audit Institutions (INTOSAI) Auditing Standards. The audit procedures included examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements as well as an assessment of accounting policies and significant estimates.

The audit was planned and conducted so as to obtain all information and explanations considered necessary to provide me with sufficient evidence to give a reasonable assurance that the financial statements are free of material misstatement, whether caused by fraud or other irregularity or error. The overall adequacy of the presentation of information in the financial statements was also evaluated in forming my opinion.

The audit opinion has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements fairly present the financial position of the Agency as at 31 December 2012 and the results of its operations and cash flows for the year then ended.

Marc Benstrong
Auditor General

29 April 2014
Victoria

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

| | Notes | 2012 SCR | 2011 SCR |
|--|-------|-------------------------|-------------------------|
| NON-CURRENT ASSET | | | |
| Property, Plant and Equipment | 5 | 572,363 | 895,221 |
| Loans | 6 | 349,865 | - |
| | | <u>922,228</u> | <u>895,221</u> |
| CURRENT ASSETS | | | |
| Inventory | | 318,176 | 109,987 |
| Trade Receivables | | 1,161,230 | 247,864 |
| Bank | | 2,730,347 | 4,268,837 |
| Cash on Hand | | 28,330 | - |
| Financial Investment | 7 | 2,816,657 | - |
| | | <u>7,054,740</u> | <u>4,626,688</u> |
| TOTAL ASSETS | | <u>7,976,968</u> | <u>5,521,909</u> |
| EQUITY AND LIABILITIES | | | |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS | | | |
| Deferred Grant | 8 | 1,563 | 220,253 |
| Profit for the Year | | 1,927,582 | 1,621,594 |
| Retained Earnings | | 4,463,358 | 2,841,764 |
| | | <u>6,392,503</u> | <u>4,683,611</u> |
| CURRENT LIABILITIES | | | |
| Accounts Payable | | 587,581 | 398,248 |
| Provision for Business Tax | 9 | 996,884 | 440,050 |
| | | <u>1,584,465</u> | <u>838,298</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>7,976,968</u> | <u>5,521,909</u> |

The accompanying notes 1-12 form part of these financial statements


Chairman: Mr. Rene Morel

Date:

21st April 2014


Chief Executive Officer: Ms Merline Volcere

Date:

21st April 2014

NATIONAL INFORMATION SERVICES AGENCY

INCOME STATEMENT FOR THE YEAR ENDING 31 DECEMBER 2012

| | <u>Notes</u> | <u>2012</u> <u>SCR</u> | <u>2011</u> <u>SCR</u> |
|-------------------------------------|--------------|---------------------------|---------------------------|
| Income | 10 | 16,711,735 | 14,360,420 |
| Cost of Goods Sold | 11 | 7,100,753 | 6,203,508 |
| Gross Profit | | <u>9,610,982</u> | <u>8,156,912</u> |
| Administrative and General expenses | 12 | 7,126,566 | 6,095,268 |
| Profit for the Year Before Tax | | <u>2,484,416</u> | <u>2,061,644</u> |
| Business Tax | 9 | 556,834 | 440,050 |
| Profit for the Year | | <u><u>1,927,582</u></u> | <u><u>1,621,594</u></u> |

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2012

| | <u>2012</u> SCR | <u>2011</u> SCR |
|--|-------------------------|-------------------------|
| OPERATING ACTIVITIES | | |
| Profit Before Taxation | 2,484,416 | 2,061,644 |
| <i>Adjustments</i> | | |
| Depreciation | 203,041 | 95,306 |
| Accrued Interest on Held to Maturity Investment | (63,837) | - |
| <i>Movements in Working Capital:-</i> | | |
| (Increase)/Decrease in Trade Receivables | (913,366) | (103,830) |
| (Increase)/Decrease in Inventory | (208,189) | (13,740) |
| Increase/(Decrease) in Other Payables | 189,333 | (14,559) |
| (Increase)/Decrease in Staff Loan | (349,865) | - |
| Net Cash Flow from Operating Activities | <u>1,341,533</u> | <u>2,024,821</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Assets | (98,873) | (383,425) |
| Financial Investment | (2,752,820) | - |
| Net Cash Flow from Investing Activities | <u>(2,851,693)</u> | <u>(383,425)</u> |
| Net Movement in Cash and Cash Equivalents | <u>(1,510,160)</u> | <u>1,641,396</u> |
| Cash and Cash Equivalents as at January 1 | <u>4,268,837</u> | <u>2,627,441</u> |
| Cash and Cash Equivalents as at December 31 | <u><u>2,758,677</u></u> | <u><u>4,268,837</u></u> |

NATIONAL INFORMATION SERVICES AGENCY

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The National Information Services Agency was enacted by the President and the National Assembly under the National Information Services Agency Act 2010 (Act 4 of 2010).

The Agency's main object is to establish and operate facilities for the collection and distribution of information which includes compiling, printing, producing and distributing the Seychelles Nation Newspaper.

2. BASIS OF PREPARATION

The financial statements which have been prepared under the historical cost convention are presented in Seychelles Rupees (SCR).

Statement of compliance

The financial statements of the Agency have been prepared in accordance with Generally Accepted Accounting Standards applicable in Seychelles.

3. INFORMATION ABOUT KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of the future.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Plant and equipment

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 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. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to operating expenses during the period in which they are incurred.

The Agency does not hold title deeds to the land upon which the premises at Laurier Road stands.

b) Trade receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, 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.

c) 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. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

d) Provisions

Provisions for restructuring costs and legal claims are recognised when: the Agency has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated.

NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2012

| | <u>2012</u> SCR | <u>2011</u> SCR |
|--|-------------------------|-------------------------|
| OPERATING ACTIVITIES | | |
| Profit Before Taxation | 2,484,416 | 2,061,644 |
| <i>Adjustments</i> | | |
| Depreciation | 203,041 | 95,306 |
| Accrued Interest on Held to Maturity Investment | (63,837) | - |
| <i>Movements in Working Capital:-</i> | | |
| (Increase)/Decrease in Trade Receivables | (913,366) | (103,830) |
| (Increase)/Decrease in Inventory | (208,189) | (13,740) |
| Increase/(Decrease) in Other Payables | 189,333 | (14,559) |
| (Increase)/Decrease in Staff Loan | (349,865) | - |
| Net Cash Flow from Operating Activities | <u>1,341,533</u> | <u>2,024,821</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Assets | (98,873) | (383,425) |
| Financial Investment | (2,752,820) | - |
| Net Cash Flow from Investing Activities | <u>(2,851,693)</u> | <u>(383,425)</u> |
| Net Movement in Cash and Cash Equivalents | <u>(1,510,160)</u> | <u>1,641,396</u> |
| Cash and Cash Equivalents as at January 1 | <u>4,268,837</u> | <u>2,627,441</u> |
| Cash and Cash Equivalents as at December 31 | <u><u>2,758,677</u></u> | <u><u>4,268,837</u></u> |

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Restatement of prior year financial statement

The prior year financial statement has been restated to take into consideration the business tax liability omitted.

f) Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

g) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Organisation and the revenue can be reliably measured. Revenue collected for subscriptions of the Seychelles Nation Newspaper has been recognized on a cash basis.

h) Financial investment

Treasury bills are stated at their amortized cost as held to maturity investments.

i) Grant

On January 1, 2010 the Agency inherited some assets from the Government of Seychelles. A contribution reserve has been created to reflect this contribution made. Yearly amortization of this balance over the life of these assets inherited is made.

j) Going concern

The management has made an assessment of its ability to continue as a going concern and is satisfied that the Agency has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Agency's ability to continue as a going concern. Therefore the financial statements continue to be prepared on the going concern basis.

NATIONAL INFORMATION SERVICES AGENCY

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

Note 5. PROPERTY, PLANT AND EQUIPMENT

Costs

Balance at Jan 01, 2011
 Additions during the year 2011
 Balance at Dec 31 2011

| Fixture and fittings | IT and other Equipments | Specialised Equipments | Vehicles | Total |
|----------------------|-------------------------|------------------------|----------|-----------|
| 253,531 | 171,915 | 846,276 | 502,000 | 1,773,722 |
| 71,889 | 57,700 | 253,835 | - | 383,424 |
| 325,420 | 229,615 | 1,100,111 | 502,000 | 2,157,146 |

Balance at Jan 01, 2012
 Additions during the year 2012
 Balance at Dec 31 2012

| | | | | |
|---------|---------|-----------|---------|-----------|
| 325,420 | 229,615 | 1,100,111 | 502,000 | 2,157,146 |
| 14,285 | 27,670 | 56,918 | - | 98,873 |
| 339,705 | 257,285 | 1,157,029 | 502,000 | 2,256,019 |

Depreciation

Balance at Jan 01, 2011
 Total Charge for the year 2011
 Balance at Dec 31 2011

| | | | | |
|--------|--------|---------|---------|-----------|
| 38,726 | 34,318 | 525,585 | 349,300 | 947,929 |
| 39,611 | 46,275 | 127,710 | 100,400 | 313,996 |
| 78,337 | 80,593 | 653,295 | 449,700 | 1,261,925 |

Balance at Jan 01, 2012
 Total Charge for the year 2012
 Balance at Dec 31 2012

| | | | | |
|---------|---------|---------|---------|-----------|
| 78,337 | 80,593 | 653,295 | 449,700 | 1,261,925 |
| 86,484 | 128,871 | 154,076 | 52,300 | 421,731 |
| 164,821 | 209,464 | 807,371 | 502,000 | 1,683,656 |

Net book Value:

At Dec 31, 2011
 At Dec 31, 2012

| | | | | |
|---------|---------|---------|--------|---------|
| 247,083 | 149,022 | 446,816 | 52,300 | 895,221 |
| 174,884 | 47,821 | 349,658 | - | 572,363 |

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

| | <u>2012</u> SCR | <u>2011</u> SCR |
|---|--------------------|--------------------|
| Note 6. Loans | | |
| Staff Loans | 349,865 | - |
| | <u>349,865</u> | <u>-</u> |
| Note 7. FINANCIAL INVESTMENT | | |
| Investment in T-bills | 2,752,820 | - |
| Accrued Interest | 63,837 | - |
| | <u>2,816,657</u> | <u>-</u> |
| Note 8. DEFERRED GRANT | | |
| Balance as at January 1, | 220,253 | 438,943 |
| Utilisation | (218,690) | (218,690) |
| Balance as at December 31 | <u>1,563</u> | <u>220,253</u> |
| Note 9. PROVISION FOR BUSINESS TAX | | |
| Taxation Balance Brought forward | 440,050 | - |
| Provision for Business Tax based on Profit for the Year | 556,834 | 440,050 |
| | <u>996,884</u> | <u>440,050</u> |
| Note 10. INCOME | | |
| Advert Sales | 11,039,776 | 9,381,506 |
| Nation Sales | 4,726,069 | 4,002,950 |
| Photo Sales | 2,975 | 6,841 |
| Pre-press | 699,144 | 960,277 |
| Other income | 243,771 | 8,846 |
| | <u>16,711,735</u> | <u>14,360,419</u> |
| Note 11. COST OF GOODS SOLD | | |
| Delivery cost | 461,931 | 291,779 |
| Film output | 556,949 | 246,258 |
| Print Cost | 6,017,189 | 5,638,556 |
| Publishing | 64,684 | 26,915 |
| | <u>7,100,753</u> | <u>6,203,508</u> |
| Note 12. ADMINISTRATIVE & GENERAL EXPENSES | | |
| a. INCIDENTAL COSTS | | |
| Audit fees | 25,000 | - |
| Bank Service Charges | 3,279 | 200 |
| Local consultancy fees | 23,500 | 6,000 |
| Miscellaneous Expense | 40,213 | 48,173 |
| Telephone | 196,831 | 226,898 |
| | <u>288,824</u> | <u>281,271</u> |

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

| | <u>2012</u> | <u>2011</u> |
|---------------------------------------|------------------|------------------|
| | SCR | SCR |
| b. WAGES & SALARIES | | |
| Board remuneration | 66,800 | 84,525 |
| Bonus | 169,101 | 59,601 |
| Income tax | 578,819 | 529,124 |
| Other Subsistence allowances | 4,356 | 4,925 |
| Pension Fund | 110,317 | 74,057 |
| Personal Emoluments | 3,417,603 | 3,000,563 |
| Compensation and gratuity | 230,375 | 13,108 |
| Staff Training | 50,360 | 26,880 |
| Staff Welfare | 27,036 | 41,876 |
| Recruitment of Expatriate | 51,804 | |
| Total wages and salaries | <u>4,706,571</u> | <u>3,834,660</u> |
| c. DEPRECIATION EXPENSE | | |
| Depreciation charge for the year | 421,731 | 313,996 |
| Amortisation of Grant contribution | (218,690) | (218,690) |
| | <u>203,041</u> | <u>95,306</u> |
| d. OFFICE RUNNING COSTS | | |
| Cleaning | 61,038 | 53,298 |
| Clearing Cost | 18,252 | 20,750 |
| Insurance Expense | 64,274 | 49,426 |
| Internet Connection | 29,960 | 68,189 |
| IT cost | 77,572 | 32,012 |
| Landscaping fees | 117,603 | 219,103 |
| Licence fees | 4,785 | 2,393 |
| Newspaper, magazines & periodic | 8,195 | 6,330 |
| Office Rent Expenses | 180,000 | 165,000 |
| Office Supplies | 120,172 | 187,933 |
| Other consumables expenses | 33,693 | 26,672 |
| Postage | 31,251 | 31,828 |
| Security Guard expenses | 194,400 | 204,000 |
| Payment written off | 51,446 | - |
| | <u>992,641</u> | <u>1,066,934</u> |
| e. REPAIRS AND MAINTENANCE | | |
| Motor Vehicle Repairs | 51,323 | 19,205 |
| Office Refurbishment | 1,115 | 305 |
| Other repairs and maintenance | 82,050 | 104,270 |
| | <u>134,488</u> | <u>123,780</u> |
| f. TRANSPORTATION COST | | |
| Fuel for vehicles | 121,633 | 121,565 |
| Other transportation expenses | 62,366 | 19,956 |
| | <u>183,999</u> | <u>141,521</u> |

NATIONAL INFORMATION SERVICES AGENCY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

| | <u>2012</u> | <u>2011</u> |
|--|------------------|------------------|
| | <u>SCR</u> | <u>SCR</u> |
| g. TRAVELLING COST | | |
| Airfares and Other Transportation Costs | 20,004 | 53,582 |
| Overseas subsistence allowance | <u>163,704</u> | <u>58,983</u> |
| | <u>183,708</u> | <u>112,565</u> |
| h. OTHER EXPENSES | | |
| Entertainment | 2,806 | 2,243 |
| Utilities | <u>430,490</u> | <u>436,989</u> |
| | <u>433,296</u> | <u>439,232</u> |
| TOTAL ADMINISTRATIVE & GENERAL EXPENSES | <u>7,126,566</u> | <u>6,095,268</u> |

