

NATIONAL INFORMATION SERVICES AGENCY

Financial Statements

Year ended December 31, 2023

NATIONAL INFORMATION SERVICES AGENCY

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NATIONAL INFORMATION SERVICES AGENCY

CORPORATE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023

Directors

Kurtis Lespoir
Darell Bristol
Khalyann Karunakaran
Mary Anne Ernesta
Joelle Perreau
Barbara Cooposamy
Jean-Claude Matombe

CEO

Gerard Govinden

Secretary

Dolivette Chang-Ko

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

ABSA Bank of Seychelles

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 2023.

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	2023
	SCR
Profit before taxation	1,041,083
Taxation	(128,417)
Profit for the year	912,666

Property, plant and equipment

Additions to property, plant and equipment of **SCR 401,074.00** during the year comprise mainly of purchase of air conditioners and printer for the year 2023.

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, 2023.

Dividends

The Directors did not recommend any dividends for the financial year under review (2022: 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:

Mr. Kurtis Lespoir

Mr. Darell Bristol

Mrs. Mary Anne Ernesta

Mr. Khalyann Karunakaran

Ms. Joelle Perreau

Mr. Jean-Claude Matombe

Ms. Barbara Coopoosamy

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

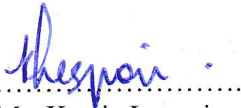
Auditors

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.

NATIONAL INFORMATION SERVICES AGENCY

DIRECTORS' REPORT

Board Approval



Mr. Kurtis Lespoir
Chairperson



Mr. Darell Bristol
Vice-Chairperson



Ms. Barbara Cooposamy
Director



Ms. Joelle Perreau
Director



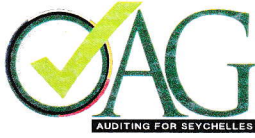
Mr. Khalyann Karunakaran
Director



Mrs. Mary Anne Ernesta
Director



Mr. Jean-Claude Matombe
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 2023

Opinion

The accompanying financial statements set out on pages 9 to 25, which comprise the statement of financial position as at 31 December 2023, 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,

- (e) proper accounting records have been kept by the Agency as far as it appears from examination of those records; and
- (f) the financial statements on pages 9 to 25 give a true and fair view of the financial position of the Agency as at 31st December 2023 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 Enterprises Act.

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.

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 Enterprises Act, 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.

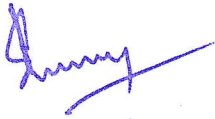
As part of the audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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;

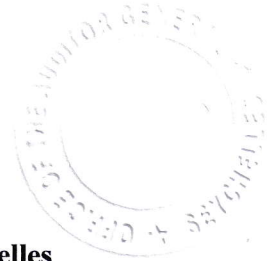
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding 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

25 June 2024
Victoria, Seychelles



NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

	Notes	December 31, 2023	December 31, 2022
		SCR	SCR
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,731,214	14,558,758
Intangible assets	4	13,200	-
Right of Use Asset	13.1	4,440,000	4,651,429
Deferred tax asset			
		18,184,414	19,210,187
Current assets			
Inventories		3,941,920	3,805,260
Trade and other receivables	5	2,440,303	2,211,019
Current tax asset	10	-	-
Cash and cash equivalents	6	3,304,069	5,155,936
		9,686,292	11,172,215
TOTAL ASSETS		27,870,706	30,382,402
EQUITY AND LIABILITIES			
Equity			
Retained earnings		16,297,753	15,385,087
		16,297,753	15,385,087
Non-current liabilities			
Borrowings	7	-	707,982
Provision for employee benefit	8	1,860,620	1,558,205
Lease Liability	13.2	4,804,087	4,886,865
Deferred tax Liability	10	2,404,049	2,609,331
		9,068,756	9,762,383
Current liabilities			
Trade and other payables		1,213,722	1,387,041
Borrowings	7	705,710	3,516,266
Current tax liability	10	319,918	144,375
Deferred income	9	264,847	187,250
		2,504,197	5,234,932
TOTAL EQUITY AND LIABILITIES		27,870,706	30,382,402

The accompanying notes 1-17 form part of these financial statements

Chairperson: Mr. Kurtis Lespoir

Date: *Kespori*

29-05-24

Chief Executive Officer: Mr. Gerard Govinden

Date: *28/05/2024*



NATIONAL INFORMATION SERVICES AGENCY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	<u>2023</u> SCR	<u>2022</u> SCR
Revenue	11	23,828,356	23,392,598
Operating costs	12	(22,183,028)	(21,747,918)
Operating Profit		1,645,328	1,644,680
Finance income	14.1	33,293	41,363
Finance costs	14.2	(637,538)	(929,770)
Profit or Loss for the year before Taxation		1,041,083	756,273
Taxation	10	(128,417)	77,226
Profit or Loss for the year after Taxation		912,666	833,499

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, 2023

	Retained Earnings SCR	Total Equity SCR
Balance as at January 01, 2023	15,385,087	15,385,087
Comprehensive Income for the year 2023	912,666	912,666
Balance as at December 31, 2023	<u>16,297,753</u>	<u>16,297,753</u>
Balance as at January 01, 2022	14,551,588	14,551,588
Comprehensive Income for the year 2022	833,499	833,499
Balance as at December 31, 2022	<u>15,385,087</u>	<u>15,385,087</u>

NATIONAL INFORMATION SERVICES AGENCY
STATEMENT OF CASH FLOW AS AT DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
	SCR	SCR
OPERATING ACTIVITIES		
Profit before taxation	1,041,083	756,273
<i>Adjustments</i>		
Depreciation on property, plant and equipment	1,210,618	1,211,016
Amortisation of intangible assets	4,800	9,311
Amortisation of Right of Use Asset	211,429	211,429
Interest payable	637,538	929,770
	<u>3,105,467</u>	<u>3,117,799</u>
<i>Movements in Working Capital</i>		
(Increase)/Decrease in trade and other receivables	(229,284)	1,074,056
(Increase)/Decrease in inventories	(136,660)	68,529
Increase/(Decrease) in accounts payable	(173,319)	437,321
Increase/(Decrease) in deferred income	77,597	156,867
Provision of employee benefit	302,415	70,730
	<u>(159,251)</u>	<u>1,807,503</u>
Tax refund/(Paid)	(158,156)	-
Interest on borrowing	(637,537)	(929,770)
	<u>(795,693)</u>	<u>(929,770)</u>
Net cash flow from operating activities	2,150,523	3,995,531
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(383,074)	(291,283)
Purchase of intangible assets	(18,000)	-
Net cash flow from investing activities	(401,074)	(291,283)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loan	(3,518,538)	(3,232,790)
Repayment of Lease Liability	(82,778)	(76,293)
Net cash flow from financing activities	(3,601,316)	(3,309,083)
Net movement in cash and cash equivalents	(1,851,867)	395,165
Cash and cash equivalents as at January 01	5,155,936	4,760,771
Cash and Cash equivalents as at December 31	<u>3,304,069</u>	<u>5,155,936</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 are 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 having a lease term of 12 months and of low value.

2.12 Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlements of liabilities and commitments will occur in the ordinary course of business.

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

3 PROPERTY, PLANT AND EQUIPMENT

	SCR	IT and other Equipment	Specialised equipment	Printing equipment	Refurbishment of office	Vehicles	Warehouse	Total
Fixture and fittings	SCR	SCR	SCR	SCR	SCR	SCR	SCR	SCR
At January 01, 2022	888,316	1,593,709	1,677,276	15,412,438	4,100,343	1,313,936	1,537,256	26,523,274
Additions	10,973	252,816	-	27,494	-	-	-	291,283
Disposals								
At December 31, 2022	899,289	1,846,525	1,677,276	15,439,932	4,100,343	1,313,936	1,537,256	26,814,557
<u>Accumulated Depreciation</u>								
At January 01, 2022	820,999	1,368,105	1,671,099	4,995,573	888,513	1,052,824	247,670	11,044,783
Charge for the year	31,629	110,459	6,177	770,953	137,019	103,537	51,242	1,211,016
At December 31, 2022	852,628	1,478,564	1,677,276	5,766,526	1,025,532	1,156,361	298,912	12,255,799
<u>Net Book Value</u>								
At December 31, 2022	46,661	367,961	-	9,673,406	3,074,811	157,575	1,238,344	14,558,758
At January 01, 2023	899,289	1,846,525	1,677,276	15,439,932	4,100,343	1,313,936	1,537,256	26,814,557
Additions	42,922	289,462	-	50,690	-	-	-	383,074
Disposals								
At December 31, 2023	942,211	2,135,987	1,677,276	15,490,622	4,100,343	1,313,936	1,537,256	27,197,631
<u>Accumulated Depreciation</u>								
At January 01, 2023	852,628	1,478,564	1,677,276	5,766,526	1,025,532	1,156,361	298,912	12,255,799
Charge for the year	24,700	146,663	-	772,207	137,019	78,787	51,242	1,210,618
At December 31, 2023	877,328	1,625,227	1,677,276	6,538,733	1,162,551	1,235,148	350,154	13,466,417
<u>Net Book Value</u>								
At December 31, 2023	64,883	510,760	-	8,951,889	2,937,792	78,788	1,187,102	13,731,214

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

4 INTANGIBLE ASSETS

	Accounting Software SCR
<u>Cost</u>	
At January 01, 2022	313,438
Additions	-
At December 31, 2022	<u>313,438</u>
<u>Accumulated Amortisation</u>	
At January 01, 2022	304,127
Charge for the year 2022	9,311
At December 31, 2022	<u>313,438</u>
<u>Net Book Value</u>	
At December 31, 2022	<u>-</u>
<u>Cost</u>	
At January 01, 2023	313,438
Additions	18,000
At December 31, 2023	<u>331,438</u>
<u>Accumulated Amortisation</u>	
At January 01, 2023	313,438
Charge for the year 2023	4,800
At December 31, 2023	<u>318,238</u>
<u>Net Book Value</u>	
At December 31, 2023	<u>13,200</u>

NATIONAL INFORMATION SERVICES AGENCY

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

5. TRADE AND OTHER RECEIVABLES

	December 31, 2023	December 31, 2022
	SCR	SCR
Trade Receivables	2,331,482	2,043,807
Prepayments and deposits	24,500	73,654
Staff loans (notes (b) &(c))	84,321	93,558
	<u>2,440,303</u>	<u>2,211,019</u>
<i>Analysed as follows:</i>		
	2023	2022
Within one year	<u>2,440,303</u>	<u>2,211,019</u>
	<u>2,440,303</u>	<u>2,211,019</u>

- (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, 2023	December 31, 2022
	SCR	SCR
Within one year	84,321	93,558
	<u>84,321</u>	<u>93,558</u>

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
	SCR	SCR
Bank balance	3,296,785	5,150,722
Cash in Hand	7,284	5,214
	<u>3,304,069</u>	<u>5,155,936</u>

7. BORROWING

	December 31, 2023	December 31, 2022
	SCR	SCR
Borrowing	705,710	4,224,248
<i>Analysed as follows:</i>		
Non-current bank borrowings	-	707,982
Current bank borrowings	705,710	3,516,266
	705,710	4,224,248

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 rate 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. A moratorium of 6 months was provided from February to July 2021 due to the impact of the Covid'19 economic downturn. Repayment of term loan was resumed from August 2021. In the year 2023 the interest rate has remained at 8.5%.

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 and the sale of adverts.

10. TAXATION

10.1 Income Statement

	<u>2023</u>	<u>2022</u>
Current tax	(333,699)	(158,155)
Deferred tax Credit / (Charge)	205,282	235,382
	<u>(128,417)</u>	<u>77,226</u>

10.2 Balance Sheet

	<u>2023</u>	<u>2022</u>
	<u>SCR</u>	<u>SCR</u>
At January 01	(144,375)	13,780
Paid during the year	158,156	-
Current tax due	(333,699)	(158,155)
Balance at December 31	<u>(319,918)</u>	<u>(144,375)</u>

	<u>2023</u>	<u>2022</u>
	<u>SCR</u>	<u>SCR</u>
At January 01	(2,609,331)	(2,844,713)
Credit / (Charge) for the year	205,282	235,382
Balance at December 31	<u>(2,404,049)</u>	<u>(2,609,331)</u>

11. REVENUE

	<u>2023</u>	<u>2022</u>
	<u>SCR</u>	<u>SCR</u>
Nation sales	4,481,725	4,473,655
Advert sales	16,519,685	16,103,052
Commercial printing	2,692,271	2,557,236
Other revenue	134,675	166,802
Grant	-	91,853
	<u>23,828,356</u>	<u>23,392,598</u>

12. OPERATING COSTS

	2023	2022
	SCR	SCR
Printing services	198,976	54,590
Cost of materials	3,174,527	3,922,480
Staff costs (Note 12.1)	12,786,110	11,519,703
Depreciation of property, plant and equipment	1,210,618	1,211,016
Amortisation of intangible assets	4,800	9,311
Amortisation of right of Use Asset	211,429	211,429
Other expense (Note 12.2)	4,596,568	4,819,389
	<u>22,183,028</u>	<u>21,747,918</u>

12.1 Staff Cost

	2023	2022
	SCR	SCR
Personal emoluments	9,182,267	8,184,420
Bonus and 13 th month salary	608,388	489,108
Pension Fund	417,461	320,669
Compensation and gratuity	1,315,052	754,136
Collating and binding	814,556	811,525
Other employee costs	448,386	959,845
	<u>12,786,110</u>	<u>11,519,703</u>

12.2 Other expense

	2023	2022
	SCR	SCR
Publishing	279,503	263,140
Distribution expenses	684,111	700,349
Director's remuneration	165,184	154,858
Consumable expenses	176,187	138,038
Insurance expenses	153,621	147,242
Internet connection	149,040	149,040
IT cost	253,823	381,581
Rent expenses	166,800	166,800
Utilities	939,661	968,018
Security expenses	271,020	242,111
Advertisement and donations	5,599	2,865
Telephone	467,246	444,246
Other expenses	186,247	174,816
Repairs and maintenance	306,917	530,640
Transportation cost	351,609	315,645
Fees to auditors:		
Audit fees	40,000	40,000
	<u>4,596,568</u>	<u>4,819,389</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 beginning 2020. The right of use asset and lease liability was recognised 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. After negotiations with the landlords, the monthly rental fee was reduced from SR63,654 to SR47,740.50 (Inclusive of VAT with effect from March 2021.)

In effect, the lease liability and right of use asset was re-measured at the beginning of 2021 to adjust for the change in consideration for the decrease.

13.1 Right of use asset	Land and buildings	
	SCR 2023	SCR 2022
At January 01	<u>4,651,429</u>	<u>4,862,858</u>
Less: Amortisation for the year	<u>(211,429)</u>	<u>(211,429)</u>
At December 31	<u>4,440,000</u>	<u>4,651,429</u>

13.2 Lease Liability	SCR	SCR
At January 01	4,886,865	4,963,158
Add: Interest Expense	415,384	421,868
Less: Lease Payments for the year	<u>(498,162)</u>	<u>(498,162)</u>
At December 31	<u>4,804,087</u>	<u>4,886,865</u>

14. FINANCE INCOME AND COST

14.1 Finance Income

	<u>2023</u>	<u>2022</u>
	SCR	SCR
Interest on staff loans	4,983	4,186
Interest on bank account	28,310	37,177
	<u>33,293</u>	<u>41,363</u>

14.2 Finance Cost

	<u>2023</u>	<u>2022</u>
	SCR	SCR
Interest on borrowings	222,154	507,902
Interest on Lease	415,384	421,868
	<u>637,538</u>	<u>929,770</u>

15. CAPITAL COMMITMENTS

There were no capital commitments as at December 31, 2023

16. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2023

17. RELATED PARTY TRANSACTIONS

a. Transactions with CEO

	2023	2022
	SCR	SCR
Annual Salary	592,188	592,188
Annual Gratuity	-	25,699
End of contract payment 5 years	363,971	-
	<u>956,159</u>	<u>620,887</u>

b. Directors emoluments

	2023	2022
	SCR	SCR
Ms. Lucy Athanasius (Ended 31.03.2023)	8,160	32,640
Ms. Roseline Houareau (Ended 31.03.2023)	6,528	26,112
Mrs. Barbara Kilindo (Ended 31.03.2023)	5,440	21,760
Mrs. Mary Anne Ernesta	21,760	21,760
Ms. Claudette Albert (Ended 31.03.2023)	5,440	21,760
Ms. Joelle Perreau	21,760	21,760
Mr. Conrad Lablache	-	9,067
Mr. Kurtis Lespoir (Started 01.04.2023)	24,480	
Mr. Darell Bristol (Started 15.06.2023)	13,056	
Ms. Barbara Cooposamy (Started 01.04.2023)	16,320	
Mr. Khalyann Karunakaran (Started 01.04.2023)	16,320	
Mr. Jean-Claude Matombe (Started 01.04.2023)	16,320	
	<u>155,584</u>	<u>154,858</u>

c. Lease with Sunpress Printing Limited

	2023	2022
	SCR	SCR
Annual rental	498,162	498,162
	<u>498,162</u>	<u>498,162</u>