



# **SEYCHELLES BROADCASTING CORPORATION**

Audited Financial Statements  
For the year ended 31<sup>st</sup> December 2019



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### OPINION OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE SEYCHELLES BROADCASTING CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2019

#### Scope

I have audited the financial statements of the Seychelles Broadcasting Corporation for the year ended 31 December 2019, as set out on pages 1-12, in accordance with Section 15 (2) of the Seychelles Broadcasting Corporation Act, 2011.

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 to report it to the Board.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). 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 on pages 1 to 12 fairly present the financial position of the Seychelles Broadcasting Corporation at 31 December 2019 and the results of its operations and cash flows for the year then ended.

#### Emphasis of matter

Attention is drawn to Note 13 therein management is of the opinion that the budget funds for 2019 are insufficient to meet future payments of staff compensation and gratuity.

Gamini Herath  
AUDITOR GENERAL

Victoria, Seychelles  
14 June 2021



# Seychelles Broadcasting Corporation

## Balance Sheet as at 31st December 2019

	NOTE Schedules	2019 SCR	2018 SCR
<b>FIXED ASSETS:</b>	8	64,408,658	57,345,255
<b>CURRENTS ASSETS:</b>			
Cash & Bank Balances	9	2,005,016	8,696,075
Prepayments & Deposits	10	2,197,506	2,893,062
Accounts Receivables & Others	11	1,236,216	1,277,070
Inventory - Consumables		292,700	276,823
		<b>5,731,438</b>	<b>13,143,030</b>
<b>CURRENT LIABILITIES (SHORT TERM DEBTS)</b>			
Accruals & Accounts Payable	12	3,344,240	6,161,140
<b>TOTAL LIABILITIES</b>		<b>3,344,240</b>	<b>6,161,140</b>
<b>NET CURRENT ASSETS</b>		<b>2,387,198</b>	<b>6,981,890</b>
<b>TOTAL ASSETS</b>		<b>66,795,856</b>	<b>64,327,145</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL EMPLOYED</b>	15		
Capital Fund		30,258,073	30,258,073
Capital Grant		157,659,418	155,649,242
Other Grants		9,418,408	9,418,408
Staff Compensation & Gratuity Reserve	13	8,503,359	5,923,969
Deficit (Cumulative) per P & L Appropriation		(139,043,402)	(136,922,547)
<b>CAPITAL EMPLOYED</b>		<b>66,795,856</b>	<b>64,327,145</b>

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

  
 .....  
 Chairman  
 02-June-2021



  
 .....  
 Chief Executive Officer  
 02-June-2021



# Seychelles Broadcasting Corporation

## Detailed Profit & Loss Account for the Year Ended 31st December 2019

	Note Schedules	2019 (SCR)	2018 (SCR)
<b><u>Revenue</u></b>			
Revenue Subvention		94,049,940	78,738,750
Revenue Advert, Programme and etc	2(a)	13,940,708	14,394,305
Other Income	2(b)	824,130	964,993
Operating Revenue		<b>108,814,778</b>	<b>94,098,048</b>
 <b><u>Operating Expenses</u></b>			
Bank Charges		(18,049)	(21,013)
Sponsorship & Entertainment		(43,109)	(117,637)
Staff Costs	3	(62,975,567)	(55,937,260)
General/Misc. Expenses		(267,496)	(422,469)
Insurance		(339,699)	(286,627)
Lease Rentals/Other Lease		(19,808)	(19,808)
Legal & Professional Fees	5	(111,000)	(100,000)
Licenses		(355,000)	(381,347)
(Loss)/Gain on Exchange		36,533	44,727
Motor Vehicles Expenses	6	(2,142,627)	(1,761,385)
Programming & Production Cost	7	(23,127,513)	(21,215,029)
Printing/Stationery & Postages Expenses		(290,985)	(278,941)
Repairs & Maintenance		(2,344,668)	(3,944,155)
DTT Project		-	(11,325,331)
Security Charges		(114,000)	(198,420)
Subscriptions		(411,395)	(330,125)
Communication Cost		(2,911,263)	(2,077,853)
Travelling Local & Overseas		(570,350)	(884,184)
Utility Costs		(8,038,089)	(7,486,308)
VAT Expenses		(1,458,907)	(2,587,351)
<b>Total Overheads</b>		<b>(105,502,992)</b>	<b>(109,330,516)</b>
 <b>NET PROFIT/(LOSS) FOR THE YEAR PRIOR TO DEPRECIATION</b>		 <b>3,311,786</b>	 <b>(15,232,468)</b>
Less:			
<b>Depreciation</b>		<b>(6,645,331)</b>	<b>(7,580,257)</b>
 <b>NET PROFIT/(LOSS) FOR THE YEAR</b>		 <b>(3,333,545)</b>	 <b>(22,812,725)</b>

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

# Seychelles Broadcasting Corporation

## Cash Flow Statement for the year ended 31<sup>st</sup> December 2019

	2019		2018	
	SCR	SCR	SCR	SCR
<b>Cash Flows from Operating Activities</b>				
Profit/ (Loss) Before Tax	(3,333,545)		(22,812,725)	
Depreciation Expenses	6,645,331		7,580,257	
Prior Year Adjustment	1,212,690		1,561,633	
Profit on disposal of assets	(7,000)		(157,000)	
		<b>4,517,476</b>		<b>(13,827,835)</b>
<b>Movements in Working Capital</b>				
(Increase)/ Decrease in Accounts Receivable	40,854		213,852	
(Increase)/ Decrease in Inventory	(15,877)		13,608	
Increase/(Decrease) in Accounts Payable	(2,816,899)		(1,887,595)	
Increase/(Decrease) in Compensation Reserves	2,579,390		(2,005,165)	
(Increase)/ Decrease in Deposits	695,556		12,604,748	
		<b>483,024</b>		<b>8,939,448</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of Assets	(13,708,735)		(7,448,111)	
Sale of Assets	7,000		157,000	
		<b>(13,701,735)</b>		<b>(7,291,111)</b>
<b>Cash Flows from Financing Activities</b>				
Capital Grants	2,010,176		4,402,665	
Other grants	-		-	
		<b>2,010,176</b>		<b>4,402,665</b>
Net Increase/(Decrease) in Cash		<b>(6,691,059)</b>		<b>(7,776,833)</b>
Cash and Cash Equivalents as at 1st January 2019		<b>8,696,075</b>		<b>16,472,908</b>
Cash and Cash Equivalents as at 31st December 2019		<b>2,005,016</b>		<b>8,696,075</b>

# Seychelles Broadcasting Corporation

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## Summary of Profit and Loss Account for the year ended 31<sup>st</sup> December 2019

	<b>2019</b>	<b>2018</b>
	<b>SCR</b>	<b>SCR</b>
<b>Gross Revenue</b>	108,814,778	94,098,048
<b>Overheads</b>	(112,148,323)	(116,910,773)
	<hr/>	<hr/>
<b>Profit/(Loss) for the Year</b>	(3,333,545)	(22,812,725)
Retained Earnings 1st January	(136,922,547)	(115,671,455)
Prior Year Adjustment	1,212,690	1,561,633
<b>Retained Earnings 31st December</b>	<b>(139,043,402)</b>	<b>(136,922,547)</b>

# Seychelles Broadcasting Corporation

## Notes to the Financial Statements, For the year ended 31<sup>st</sup> December 2019

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### 1. Accounting Policies

#### *General*

The activities of the Corporation up to 31<sup>st</sup> December 2019 were undertaken in accordance with the SBC Act 2 of 2011.

The Corporation has been following the historical cost convention consistently throughout the year unless stated otherwise below. The inventory has been valued at cost of the purchases.

The foreign currency transactions are represented in the accounts in Seychelles Rupees at the rates of exchange prevalent at the time of the transactions.

#### *Fixed Assets*

The movements in the fixed assets are set out in the schedule attached to the accounts. The assets are stated at cost less depreciation except for freehold land which is owned by the Government of Seychelles. The depreciation has been calculated to write off the assets over their useful lives to the Corporation.

The estimated useful lives of the assets are as follows:

Furniture, Fixtures & IT Equipment	3.3-10 Years
Motor Vehicles	5 Years
Plant & Equipment	5 Years
Building	5 Years

# Seychelles Broadcasting Corporation

Notes to the Financial Statements,  
For the year ended 31<sup>st</sup> December 2019

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## 2. Income

	<b>2019</b>	<b>2018</b>
	<b>SCR</b>	<b>SCR</b>
<i>(a) Revenue Advert, Programme</i>		
TV Advertising Income	8,014,273	8,763,023
AM Advertising Income	1,955,591	2,061,559
FM Advertising Income	739,946	725,606
TV Public Announcements Income	630,425	584,065
AM Messages Income	742,830	789,960
Income from Lottery Draws	541,833	557,910
Programme Sales	40,000	144,780
Facility Hire	6,000	9,450
Video Transfers	32,659	17,350
Programme Production	163,365	26,150
TV-Programme Sponsorship	4,891	198,348
AM-Programme Sponsorship	27,478	11,739
FM-Programme Sponsorship	416,909	73,430
Income from Sales of Set Top Boxes	624,508	430,935
	13,940,708	14,394,305
	<b>2019</b>	<b>2018</b>
	<b>SCR</b>	<b>SCR</b>
<i>(b) Other Income</i>		
Staff Loan Interest Received	6,793	8,251
Fixed Asset Disposal	7,000	157,000
Miscellaneous Income	810,337	799,742
	<b>824,130</b>	<b>964,993</b>



# Seychelles Broadcasting Corporation

## Notes to the Financial Statements, For the year ended 31<sup>st</sup> December 2019

	<b>2019</b>	<b>2018</b>
	<b>SCR</b>	<b>SCR</b>
<b>3. Staff Costs</b>		
Salaries	45,711,422	41,344,389
Other Allowances	4,165,842	2,707,897
Pension	1,520,122	1,144,724
Housing Cost	167,972	175,057
Performance Incentive Scheme	-	73,785
Overtime	4,845,484	4,632,419
Compensation	2,643,804	818,939
Gratuity	962,263	1,584,396
Local Accom/Subs	160,480	192,889
Protective Clothing	50,721	52,383
Staff Functions	221,800	176,000
Staff Welfare	202,985	325,065
Non-Exec Directors Fees	1,408,710	1,404,510
Consultancy	-	132,000
Training	769,072	986,225
Uniform	67,130	63,000
Recruitment	77,760	123,582
	<b>62,975,567</b>	<b>55,937,260</b>

	<b>SCR</b>	<b>SCR</b>
<b>4.Directors' Fee</b>		
<b>Directors</b>		
Mr. Gerard Lafortune (14/06/2017 to date)	175,956	175,956
Mr. Jean Claude Matombe (14/06/2017 to date)	158,364	158,364
Ms. Angele Low (14/06/2017 to date)	140,772	140,772
Mr. Jean Marc Lablache (14/06/2017 to date)	140,772	140,772
Mr. Rene Durup (14/06/2017 to date)	140,772	140,772
Ms. Marie Anne Ernesta (14/06/2017 to date)	140,772	140,772
Mr. Harry Tirant (14/06/2017 to date)	140,772	140,772
Mrs.Marion Gendron (14/06/2017 to date)	140,772	140,772
Ms. Linda Monthly (14/06/2017 to date)	140,772	140,772
Ms. Celine Pillay (15/09/2017 -to 31/12/2018)	-	45,032
Ms. Valerie Brown (1/09/17 - to date)	-	9,213
Miss Anne Marie Julie (22/08/2018 to date)	17,100	5,187
Miss Georgette Hoareau (22/08/2018 to date)	70,386	25,354
Miss Mandy Adonis	1,500	-
	<b>1,408,710</b>	<b>1,404,510</b>

# Seychelles Broadcasting Corporation

**Notes to the Financial Statements,  
For the year ended 31<sup>st</sup> December 2019**

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	<b>2019</b>	<b>2018</b>
	<b>SCR</b>	<b>SCR</b>
<b><i>5. Legal &amp; Professional Fees</i></b>		
Legal & Professional Fees	71,000	60,000
Audit Fees	40,000	40,000
	<b>111,000</b>	<b>100,000</b>
	<b>111,000</b>	<b>100,000</b>

<b><i>6. Motor Vehicle Expenses</i></b>		
Motor Vehicle Rental	123,250	13,875
Motor Vehicle Repairs	781,326	570,271
Motor Vehicle Fuel & Lubricant	1,034,250	966,870
Motor Vehicle Insurance	101,684	112,992
Motor Vehicle Licences	102,117	97,377
	<b>2,142,627</b>	<b>1,761,385</b>
	<b>2,142,627</b>	<b>1,761,385</b>

<b><i>7. Programming &amp; Production Cost</i></b>		
Indian Ocean Island Games	2,447,432	-
La Digue Feast	142,391	23,375
Radio Roadshows	256,069	159,580
Clothing Allowance	106,880	115,240
Makeup Allowance	24,224	28,760
Facials	97,020	84,600
DVD/Audio/Visual Tapes		17,300
Website Expenses	59,604	72,907
Music Commissioning	25,000	25,000
Royalties	175,000	175,000
Software License	4,356,994	5,177,600
Subscription Services	693,610	654,758
Programme Costs	14,514,746	14,502,501
Advertising	228,543	178,408
	<b>23,127,513</b>	<b>21,215,029</b>
	<b>23,127,513</b>	<b>21,215,029</b>

# Seychelles Broadcasting Corporation

Notes to the Financial Statements,  
For the year ended 31<sup>st</sup> December 2019

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## 8 Fixed Asset

### Depreciation Schedule for the year ended 31<sup>st</sup> December 2019

Assets	Cost	Add's	Disposal	Balance	Depn	Depn B/F	Dep Disp	Depn C/F	NBV
<b>Land &amp; Building</b>	26,044,729	696,882	-	26,741,611	713,841	20,369,053	-	21,082,894	5,658,717
<b>Plant &amp; Equipment</b>	70,263,520	4,547,793	-	74,811,313	3,909,300	62,895,235	-	66,804,535	8,006,778
<b>Furnitures &amp; Fixtures</b>	22,980,054	2,549,256	(828,734)	24,700,576	1,633,207	22,756,541	(828,734)	23,561,014	1,139,562
<b>Motor Vehicles</b>	7,452,674	-	(80,000)	7,372,674	388,983	5,857,435	(80,000)	6,166,418	1,206,256
<b>WIP</b>	42,482,542	5,914,803	-	48,397,345	-	-	-	-	48,397,345
<b>Total</b>	<b>169,223,519</b>	<b>13,708,734</b>	<b>-908,734</b>	<b>182,023,519</b>	<b>6,645,331</b>	<b>111,878,264</b>	<b>(908,734)</b>	<b>117,614,861</b>	<b>64,408,658</b>

# Seychelles Broadcasting Corporation

## Notes to the Financial Statements, For the year ended 31<sup>st</sup> December 2019

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	<b>2019</b>	<b>2018</b>
	<b>SCR</b>	<b>SCR</b>
<b><u>9. Cash &amp; Bank Balances</u></b>		
Nouvobanq Current Account	1,475,600	1,178,052
Nouvobanq Fx Account	118,440	488,117
Cash-in-Hand	32,545	41,487
Treasury Suspense A/C	15,580	20,522
Treasury Revolving A/C	347,851	6,952,897
Cash Imprest - Sales Office	2,000	2,000
Petty Cash Imprest-Praslin	3,000	3,000
Petty Cash Imprest	10,000	10,000
	<b><u>2,005,016</u></b>	<b><u>8,696,075</u></b>

Funds in the Treasury revolving account with the Treasury refer to the capital grants received from the Government in respect of various projects yet to be commenced/ completed. It also includes transfers made through the commercial bank account (Nouvobanq).

### **10. Prepayments & Deposits**

Prepayments	357,790	364,433
Advances to Suppliers	548,905	1,324,432
Daro Current Accounts	38,364	38,364
Vohkus Current Accounts	5,232	5,232
On-Air BC Current A/C	12,019	12,019
CTE Digital Broadcast Current A/C	12,893	12,893
Videsh Commercial Current A/C	1,853	1,853
Cranford Audio Plc	1,409	19,759
AUCOM (Pty) Ltd	170,062	73,598
Treasury - 10% Call Account	3,492	3,492
Deposits	225,530	217,030
Treasury Deposit (TX Project)	819,957	819,957
	<b><u>2,197,506</u></b>	<b><u>2,893,062</u></b>

# Seychelles Broadcasting Corporation

## Notes to the Financial Statements, For the year ended 31<sup>st</sup> December 2019

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	<b>2019</b>	<b>2018</b>
	<b>SCR</b>	<b>SCR</b>
<b><u>11. Accounts Receivables &amp; Others</u></b>		
Suspense A/C	21,917	21,917
Accounts Rec Control Account	546,164	874,631
Provision for Bad Debts	(39,564)	(39,564)
Sundry Debtors	549,757	289,363
Staff Loans Control Account	80,477	67,834
Vat Control Accounts	77,465	62,889
	<b><u>1,236,216</u></b>	<b><u>1,277,070</u></b>
 <b><u>12. Accruals &amp; Accounts Payable</u></b>		
Accruals	615,676	753,013
Suspense A/C	(3,923)	(3,923)
Accounts Payable Control A/C	1,210,351	515,168
Sundry Creditors	938,362	4,132,518
Advances from Customers	583,774	764,364
	<b><u>3,344,240</u></b>	<b><u>6,161,140</u></b>

Sundry creditors include SCR684,182 as provision for gratuity in respect of staff who are on fixed-term contracts.

### **13 Staff Compensation and Gratuity Reserve**

In the opinion of the management the existing provision in the accounts, specifically in the 2019 allocated budget, is NOT sufficient to cover any future payments.

### **14 Prior year adjustment**

This includes a sum of SCR 1,212,690 written off to the Profit & Loss Account.

# Seychelles Broadcasting Corporation

## Notes to the Financial Statements, For the year ended 31<sup>st</sup> December 2019

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### **15 Capital Employed.**

The Seychelles Broadcasting Corporation Act 2011 has not prescribed any limit on the capital structure of the Corporation. The capital employed as at 31<sup>st</sup> December 2019 represents the brought-forward balance from the previous years and adjusted for the current years' deficit. It includes:

	As at 1/1/2019		As at 31/12/2019
<b>Capital Funds</b>	30,258,073	-	30,258,073
<b>Capital Grants</b>	155,649,242	2,010,176	157,659,418
<b>Other Grants</b>	9,418,408	-	9,418,408
<b>Staff Compensation</b>	5,923,969	2,579,390	8,503,359
<b>Deficit (Cumulative) per P&amp; L Appropriation</b>	(136,922,547)	(2,120,855)	(139,043,402)

### **16 Capital Commitments**

There were no commitments of capital nature either contracted for or approved by the Members but not actualised as at 31<sup>st</sup> December 2019.

### **17 Contingent Liabilities**

The Members were not aware of any contingent liabilities existing as at 31<sup>st</sup> December 2019.