



SEYCHELLES BROADCASTING CORPORATION

Audited Financial Statements
For the year ended 31st December 2017



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OPINION OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE SEYCHELLES BROADCASTING CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2017

Scope

I have audited the financial statements of the Seychelles Broadcasting Corporation for the year ended 31 December 2017, 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 2017 and the results of its operations and cash flows for the year then ended.

Gamini Herath
AUDITOR GENERAL

Victoria, Seychelles
02 July 2019



Seychelles Broadcasting Corporation


Balance Sheet as at 31st December 2017

	NOTE Schedules	2017 SCR	2016 SCR
FIXED ASSETS:	8	57,477,401	54,944,943
CURRENTS ASSETS:			
Cash & Bank Balances	9	16,472,908	14,057,377
Prepayments & Deposits	10	15,497,810	30,827,092
Accounts Receivables & Others	11	1,490,922	1,477,355
Inventory - Consumables		290,431	314,697
		33,752,071	46,676,521
CURRENT LIABILITIES (SHORT TERM DEBTS)			
Accruals & Accounts Payable	12	8,048,735	8,189,826
TOTAL LIABILITIES		8,048,735	8,189,826
NET CURRENT ASSETS		25,703,336	38,486,695
TOTAL ASSETS		83,180,737	93,431,639
EQUITY AND LIABILITIES			
CAPITAL EMPLOYED	15		
Capital Fund		30,258,073	30,258,073
Capital Grant		151,246,577	144,935,866
Other Grants		9,418,408	9,418,408
Staff Compensation & Gratuity Reserve	13	7,929,134	7,742,166
Deficit (Cumulative) per P & L Appropriation		(115,671,455)	(98,922,875)
CAPITAL EMPLOYED		83,180,737	93,431,638

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



 Chairman
 11th June 2019



 Chief Executive Officer
 11th June 2019



Seychelles Broadcasting Corporation

Detailed Profit & Loss Account for the Year Ended 31st December 2017

	Note Schedules	2017 SCR	2016 SCR
<u>Revenue</u>			
Revenue Subvention		79,585,808	76,242,897
Revenue Advert, Programmes, etc...	2(a)	13,359,187	11,915,113
Other Income	2(b)	709,090	953,545
Operating Revenue		93,654,085	89,111,555
<u>Operating Expenses</u>			
Bank Charges		(14,002)	(18,014)
Sponsorship & Entertainment		(207,933)	(395,726)
Staff Costs	3	(55,802,606)	(54,917,890)
General/Misc Expenses		(473,342)	(846,216)
Insurance		(269,902)	(204,724)
Lease Rentals/Other Lease		(19,808)	(313,088)
Legal & Professional Fees	5	(100,000)	(100,000)
Licenses		(355,000)	(355,500)
(Loss)/Gain on Exchange		107,111	49,937
Motor Vehicles Expenses	6	(1,842,315)	(1,938,413)
Programming & Production Cost	7	(17,484,244)	(17,419,389)
Printing/Stationery & Postages Expenses		(251,645)	(286,067)
Repairs & Maintenance		(1,735,182)	(2,314,068)
DTT Project		(10,924,153)	-
Security Charges		(216,000)	(216,000)
Subscriptions		(349,489)	(85,929)
Communication Cost		(1,514,582)	(1,122,689)
Travelling Local & Overseas		(707,954)	(974,652)
Utility Costs		(6,983,076)	(5,641,602)
VAT Expenses		(3,054,924)	(5,217,296)
Total Overheads		(102,199,046)	(92,317,326)
NET PROFIT/(LOSS) FOR THE YEAR PRIOR TO DEPRECIATION		(8,544,961)	(3,205,771)
Less:			
Depreciation		(8,199,098)	(8,206,897)
NET PROFIT/(LOSS) FOR THE YEAR		(16,744,059)	(11,412,668)

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

Seychelles Broadcasting Corporation

Cash Flow Statement for the year ended 31st December 2017

	2017		2016	
	SCR	SCR	SCR	SCR
Cash Flows from Operating Activities				
Profit/ (Loss) Before Tax	(16,744,059)		(11,412,668)	
Depreciation Expenses	8,199,098		8,206,897	
Prior Year Adjustment	(4,521)		191,546	
		(8,549,482)		(3,014,225)
Movements in Working Capital				
(Increase)/ Decrease in Accounts Receivable	(13,567)		(421,005)	
(Increase)/ Decrease in Inventory	24,266		(35,477)	
Increase/(Decrease) in Accounts Payable	(141,091)		449,491	
Increase/(Decrease) in Compensation Reserves	186,968		631,508	
(Increase)/ Decrease in Deposits	15,329,282		(17,690,842)	
		15,385,858		(17,066,325)
Cash Flows from Investing Activities				
Purchase of Assets	(10,731,556)		(34,484,331)	
Sale of Assets	-		-	
		(10,731,556)		(34,484,331)
Cash Flows from Financing Activities				
Capital Grants	6,310,711		55,114,000	
Other grants	-		-	
		6,310,711		55,114,000
Net Increase/(Decrease) in Cash		2,415,531		549,119
Cash and Cash Equivalents as at 1st January 2017		14,057,377		13,508,258
Cash and Cash Equivalents as at 31st December 2017		16,472,908		14,057,377

Seychelles Broadcasting Corporation

Summary of Profit and Loss Account for the year ended 31st December 2017

	2017	2016
	SCR	SCR
Gross Revenue	93,654,085	89,111,555
Overheads	<u>(110,398,144)</u>	<u>(100,524,223)</u>
Profit/(Loss) for the Year	(16,744,059)	(11,412,668)
Retained Earnings 1st January	(98,922,875)	(87,701,753)
Prior Year Adjustment	(4,521)	191,546
Retained Earnings 31st December	<u>(115,671,455)</u>	<u>(98,922,875)</u>

Seychelles Broadcasting Corporation

Notes to the Financial Statements, For the year ended 31st December 2017

1. Accounting Policies

General

The activities of the Corporation up to 31st December 2017 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

2. Income

	2017	2016
	SCR	SCR
<i>(a) Revenue Advert, Programme</i>		
TV Advertising Income	8,807,876	7,151,630
AM Advertising Income	1,580,075	1,479,564
FM Advertising Income	663,868	783,004
TV Public Announcements Income	802,865	552,505
Am Messages Income	575,200	531,800
Income From Lottery Draws	620,675	577,007
Programme Sales	64,050	95,938
Rental of Equipment	17,000	34,800
DVD/Cassette Transfers	35,317	25,293
Programme Production	35,350	27,500
TV-Programme Sponsorship	8,364	498,302
AM-Programme Sponsorship	51,304	1,826
FM-Programme Sponsorship	97,243	155,944
	<u>13,359,187</u>	<u>11,915,113</u>

Seychelles Broadcasting Corporation

Notes to the Financial Statements, For the year ended 31st December 2017

	2017	2016
	SCR	SCR
<i>(b) Other Income</i>		
Staff Loan Interest Received	6,554	12,810
Fixed Asset Disposal	38,000	13,000
Miscellaneous Income	664,536	927,735
	709,090	953,545

3. Staff Costs

Salaries	40,549,989	37,182,734
Other Allowances	1,499,777	1,286,668
Pension	860,806	850,094
Housing Cost	173,484	589,242
Performance Incentive Scheme	1,572,949	2,811,965
Overtime	4,609,890	4,587,282
Compensation	906,488	570,996
Gratuity	2,888,524	3,643,745
Local Accom/Subs	178,680	142,298
Protective Clothing	36,916	106,420
Staff Functions	80,475	124,562
Staff Welfare	142,505	293,632
Non Exec Directors Fees	840,859	268,382
Consultancy	192,000	
Training	1,177,977	2,456,420
Uniform	17,709	3,450
Recruitment	73,578	
	55,802,606	54,917,889

Seychelles Broadcasting Corporation

Notes to the Financial Statements, For the year ended 31st December 2017

	2017	2016
	SCR	SCR
<u>4.Directors' Fee</u>		
Directors		
Mr. Patrick Nanty (05/05/2011-to-04/05/2017)	15,200	45,600
Mrs. Jeannette Larue (05/05/2011-to-04/05/2017)	12,192	36,576
Mrs. Margaret Pillay (05/05/2011-to-04/05/2017)	12,192	36,576
Ms. Anne-Mary Collet (05/05/2011-to-04/05/2017)	12,192	36,576
Ms. Fatoumata Sylla (05/05/2011-to-04/05/2017)	12,192	36,576
Ms. Brigitte Confait (05/05/2011-to-04/05/2017)	12,192	36,576
Dr. Steve Fanny (05/05/2011-to-04/05/2017)	12,192	25,502
Ms. Denise Horace (Secretary - 01/11/2013 to 04/05/2017)	4,800	14,400
Mr. Gerard Lafortune (14/06/2017 to date)	96,287	-
Mr. Jean Claude Matombe (14/06/2017 to date)	86,657	-
Ms. Angele Low (14/06/2017 to date)	77,034	-
Mr. Jean Marc Lablache (14/06/2017 to date)	77,034	-
Mr. Rene Durup (14/06/2017 to date)	77,034	-
Ms. Marie Anne Ernesta (14/06/2017 to date)	77,034	-
Mr. Harry Tirant (14/06/2017 to date)	77,034	-
Mrs. Marion Gendron (14/06/2017 to date)	77,034	-
Ms. Linda Monthy (14/06/2017 to date)	77,034	-
Ms. Celine Pillay (15/09/2017 to date)	20,725	-
Ms. Valerie Brown (1/09/17 to date)	4,800	-
	840,859	268,382

Seychelles Broadcasting Corporation

**Notes to the Financial Statements,
For the year ended 31st December 2017**

	2017	2016
	SCR	SCR
5. Legal & Professional Fees		
Legal & Professional Fees	60,000	60,000
Audit Fees	40,000	40,000
	100,000	100,000
6. Motor Vehicle Expenses		
Motor Vehicle Rental	87,690	41,950
Motor Vehicle Repairs	169,866	312,620
Motor Vehicle Maintenance	551,818	505,442
Motor Vehicle Fuel & Lubricant	842,480	901,320
Motor Vehicle Insurance	107,856	112,992
Motor Vehicle Licences	82,605	64,089
	1,842,315	1,938,413
7. Programming & Production Cost		
SBC Un-programmed Activities		12,546
La Digue Feast	128,834	144,499
Radio Roadshows	263,005	248,201
<i>CIRTEF</i> Director's Meeting 2015		2,174
Clothing Allowance	101,060	107,674
Makeup Allowance	24,260	26,221
Facials	78,000	80,573
DVD/Audio/Visual Tapes	19,336	97,486
Website Expenses	96,500	55,000
Music Commissioning	25,000	12,000
Royalties	175,000	84,000
Software License	659,319	467,563
Subscription Services	676,056	656,914
Programme Costs	15,077,708	15,269,493
Advertising	160,166	155,045
	17,484,244	17,419,389

Seychelles Broadcasting Corporation

Notes to the Financial Statements,
For the year ended 31st December 2017

8 Fixed Asset

Depreciation Schedule for the year ended 31st December 2017

Assets	Cost	Add's	Disposal	Balance	Depn	Depn B/F	Dep Disp	Depn C/F	NBV
Land & Building	25,365,629	207,832	-	25,573,461	780,357	18,991,253	-	19,771,610	5,801,851
Plant & Equipment	88,822,773	1,189,260	(20,675,785)	69,336,248	3,821,077	76,513,860	(20,675,785)	59,659,152	9,677,096
Furnitures & Fixtures	24,987,761	2,143,232	(6,246,025)	20,884,968	3,270,108	22,352,818	(6,246,025)	19,376,901	1,508,067
Motor Vehicles	6,481,352	776,000	(85,000)	7,172,352	327,556	6,136,380	(85,000)	6,378,936	793,416
WIP	33,281,739	6,415,232	-	39,696,971	-	-	-	-	39,696,971
Total	178,939,254	10,731,556	(27,006,810)	162,664,000	8,199,098	123,994,311	(27,006,810)	105,186,599	57,477,401

Seychelles Broadcasting Corporation

**Notes to the Financial Statements,
For the year ended 31st December 2017**

	2017	2016
	SCR	SCR
<u>9. Cash & Bank Balances</u>		
Nouvobanq Current Account	1,118,527	1,033,704
Nouvobanq Fx Account	385,500	457,854
Cash In Hand	47,100	5,821
Treasury Suspense A/C	13,184	11,100
Treasury Revolving A/C	14,895,597	12,536,698
Cash Imprest - Sales Office	1,000	1,200
Petty Cash Imprest-Praslin	2,000	1,000
Petty Cash Imprest	10,000	10,000
	16,472,908	14,057,377
	16,472,908	14,057,377

Funds in the 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.

10. Prepayments & Deposits

Prepayments	288,725	444,335
Advances To Suppliers	415,530	747,994
Daro Current Account	38,364	38,364
Vohkus Current Account	100,376	89,038
On-Air BC Current Account	33,185	259,809
CTE Digital Broadcast Current Account	12,893	12,893
Videsh Commercial Current Account	1,853	1,853
Canford Audio PLC Current Account	1,409	1,409
Au Communications (Pty) Ltd	13,613,596	28,252,018
Treasury - 10% Call Account	3,492	3,492
Deposits	168,430	155,930
Treasury Deposit (TX Project)	819,957	819,957
	15,497,810	30,827,092
	15,497,810	30,827,092

Seychelles Broadcasting Corporation

Notes to the Financial Statements, For the year ended 31st December 2017

	2017 SCR	2016 SCR
<u>11. Accounts Receivables & Others</u>		
Suspense Account	21,917	21,917
Returned Cheques Control Account	8,070	
Accounts Rec Control Account	1,103,429	563,227
Provision For Bad Debts	(39,564)	(39,564)
Sundry Debtors	147,449	175,494
Staff Loans Control Account	69,749	132,975
VAT Control Account	179,872	623,306
	<u>1,490,922</u>	<u>1,477,355</u>
 <u>12. Accruals & Accounts Payable</u>		
Provision For Pension	-	272
Personal Income Tax	-	97,949
Accruals	2,263,390	3,174,910
Suspense Account	(3,923)	(9,607)
Accounts Payable Control Account	546,291	81,083
Sundry Creditors	4,691,018	4,509,422
Advances From Customers	551,959	335,797
	<u>8,048,735</u>	<u>8,189,826</u>

Sundry creditors include SCR 3,630,753.30 as provision for gratuity in respect of contract staff.

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 sufficient to cover any future payments.

14 Prior year adjustment

This includes a sum of SCR 4,521 written off to the Profit & Loss Account.

Seychelles Broadcasting Corporation

Notes to the Financial Statements, For the year ended 31st December 2017

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 31st December 2017 represents the brought forward balance from the previous years and adjusted for the current years' deficit. It includes:

	As at 1/1/2017	Addition	As at 31/12/2017
Capital Funds	30,258,073	-	30,258,073
Capital Grants	144,935,866	6,310,711	151,246,577
Other Grants	9,418,408	-	9,418,408
Staff Compensation	7,742,166	186,968	7,929,134
Deficit (Cumulative) per P& L Appropriation	(98,922,875)	(16,748,580)	(115,671,455)

16 Capital Commitments

There were no commitments of capital nature either contracted for or approved by the Members but not actualised as at 31st December 2017.

17 Contingent Liabilities

The Members were not aware of any contingent liabilities existing as at 31st December 2017.