



SEYCHELLES BROADCASTING CORPORATION

Audited Financial Statements
For the year ended 31st December 2018



Office of the Auditor General

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OPINION OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE SEYCHELLES BROADCASTING CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2018

Scope

I have audited the financial statements of the Seychelles Broadcasting Corporation for the year ended 31 December 2018, as set out on pages 1-13, 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 13 fairly present the financial position of the Seychelles Broadcasting Corporation at 31 December 2018 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 are insufficient to meet future payments of staff compensation and gratuity.

Gamini Herath
AUDITOR GENERAL



Victoria, Seychelles
17 August 2020

Seychelles Broadcasting Corporation

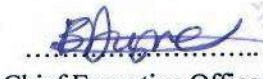
Balance Sheet as at 31st December 2018

	NOTE Schedules	2018 SCR	2017 SCR
FIXED ASSETS:	8	57,345,255	57,477,401
CURRENTS ASSETS:			
Cash & Bank Balances	9	8,696,075	16,472,908
Prepayments & Deposits	10	2,893,062	15,497,810
Accounts Receivables & Others	11	1,277,070	1,490,922
Inventory - Consumables		276,823	290,431
		13,143,030	33,752,071
CURRENT LIABILITIES (SHORT TERM DEBTS)			
Accruals & Accounts Payable	12	6,161,140	8,048,735
TOTAL LIABILITIES		6,161,140	8,048,735
NET CURRENT ASSETS		6,981,890	25,703,336
TOTAL ASSETS		64,327,145	83,180,737
EQUITY AND LIABILITIES			
CAPITAL EMPLOYED	15		
Capital Fund		30,258,073	30,258,073
Capital Grant		155,649,242	151,246,577
Other Grants		9,418,408	9,418,408
Staff Compensation & Gratuity Reserve	13	5,923,969	7,929,134
Deficit (Cumulative) per P & L Appropriation		(136,922,547)	(115,671,455)
TOTAL CAPITAL EMPLOYED		64,327,145	83,180,737

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



 Chairman
 21st July 2020



 Chief Executive Officer
 21st July 2020



Seychelles Broadcasting Corporation

Detailed Profit & Loss Account for the Year Ended 31st December 2018

	Note Schedules	2018 (SCR)	2017 (SCR)
<u>Revenue</u>			
Revenue Subvention		78,738,750	79,585,808
Revenue Advert, Programmes, etc.	2(a)	14,394,305	13,359,187
Other Income	2(b)	964,993	709,090
Operating Revenue		94,098,048	93,654,085
<u>Operating Expenses</u>			
Bank Charges		(21,013)	(14,002)
Sponsorship & Entertainment		(117,637)	(207,933)
Staff Costs	3	(55,937,260)	(55,802,606)
General/Misc Expenses		(422,469)	(473,342)
Insurance		(286,627)	(269,902)
Lease Rentals/Other Lease		(19,808)	(19,808)
Legal & Professional Fees	5	(100,000)	(100,000)
Licenses		(381,347)	(355,000)
(Loss)/Gain on Foreign Exchange		44,727	107,111
Motor Vehicles Expenses	6	(1,761,385)	(1,842,315)
Programming & Production Costs	7	(21,215,029)	(17,484,244)
Printing/Stationery & Postages Expenses		(278,941)	(251,645)
Repairs & Maintenance		(3,944,155)	(1,735,182)
DTT Project		(11,325,331)	(10,924,153)
Security Charges		(198,420)	(216,000)
Subscriptions		(330,125)	(349,489)
Communication Costs		(2,077,853)	(1,514,582)
Travelling Local & Overseas		(884,184)	(707,954)
Utiltiy Costs		(7,486,308)	(6,983,076)
VAT Expenses		(2,587,351)	(3,054,924)
Total Overheads		(109,330,516)	(102,199,046)
NET PROFIT/(LOSS) FOR THE YEAR PRIOR TO DEPRECIATION		(15,232,468)	(8,544,961)
Less:			
Depreciation		(7,580,257)	(8,199,098)
NET PROFIT/(LOSS) FOR THE YEAR		(22,812,725)	(16,744,059)

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

Seychelles Broadcasting Corporation

Cash Flow Statement for the year ended 31st December 2018

	2018		2017	
	SCR	SCR	SCR	SCR
Cash Flows from Operating Activities				
Profit/ (Loss) Before Tax	(22,812,725)		(16,744,059)	
Depreciation Expenses	7,580,257		8,199,098	
Prior Year Adjustment	1,561,633		(4,521)	
Profit on disposal of assets	<u>(157,000)</u>		<u>-</u>	
		(13,827,835)		(8,549,482)
Movements in Working Capital				
(Increase)/ Decrease in Accounts Receivable	213,852		(13,567)	
(Increase)/ Decrease in Inventory	13,608		24,266	
Increase/(Decrease) in Accounts Payable	(1,887,595)		(141,091)	
Increase/(Decrease) in Compensation Reserves	(2,005,165)		186,968	
(Increase)/ Decrease in Deposits	<u>12,604,748</u>		<u>15,329,282</u>	
		8,939,448		15,385,858
Cash Flows from Investing Activities				
Purchase of Assets	(7,448,111)		(10,731,556)	
Sale of Assets	<u>157,000</u>		<u>-</u>	
		(7,291,111)		(10,731,556)
Cash Flows from Financing Activities				
Capital Grants	4,402,665		6,310,711	
Other Grants	<u>-</u>		<u>-</u>	
		4,402,665		6,310,711
Net Increase/(Decrease) in Cash		(7,776,833)		2,415,531
Cash and Cash Equivalents as at 1st January 2018		<u>16,472,908</u>		<u>14,057,377</u>
Cash and Cash Equivalents as at 31st December 2018		<u><u>8,696,075</u></u>		<u><u>16,472,908</u></u>

Seychelles Broadcasting Corporation

Summary of Profit and Loss Account for the year ended 31st December **2018**

	2018	2017
	SCR	SCR
Gross Revenue	94,098,048	93,654,085
Overheads	<u>(116,910,773)</u>	<u>(110,398,144)</u>
Profit/(Loss) for the Year	(22,812,725)	(16,744,059)
Retained Earnings 1st January	(115,671,455)	(98,922,875)
Prior Year Adjustment	1,561,633	(4,521)
Retained Earnings 31st December	<u>(136,922,547)</u>	<u>(115,671,455)</u>

Seychelles Broadcasting Corporation

Notes to the Financial Statements,
For the year ended 31st December 2018

Accompanying Notes

1. Accounting Policies

General

The activities of the Corporation up to 31st December 2018 were undertaken in accordance with the SBC Act (Act 2 of 2011 & Act 6 of 2017).

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 average useful lives of the assets are as follows:

Furniture, Fixtures & IT Equipment	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 31st December 2018

2. Income

Income	2018	2017
<i>(a) Revenue Advert, Programme</i>	SCR	SCR
TV Advertising Income	8,763,023	8,807,876
AM Advertising Income	2,061,559	1,580,075
FM Advertising Income	725,606	663,868
TV Public Announcements Income	584,065	802,865
AM Messages Income	789,960	575,200
Income from Lottery Draws	557,910	620,675
Programme Sales	144,780	64,050
Facility Hire	9,450	17,000
DVD Transfers	17,350	35,317
Programme Production	26,150	35,350
TV-Programme Sponsorship	198,348	8,364
Am-Programme Sponsorship	11,739	51,304
FM-Programme Sponsorship	73,430	97,243
Sales of Set Top Boxes	430,935	-
	14,394,305	13,359,187
	2018	2017
	SCR	SCR
<i>(b) Other Income</i>		
Staff Loan Interest Received	8,251	6,554
Fixed Asset Disposal	157,000	38,000
Miscellaneous Income	799,742	664,536
	964,993	709,090

Seychelles Broadcasting Corporation

Notes to the Financial Statements,
For the year ended 31st December 2018

3. Staff Costs

Staff Costs	2018	2017
	SCR	SCR
Salaries	41,344,389	40,549,989
Other Allowances	2,707,897	1,499,777
Pension	1,144,724	860,806
Housing Costs	175,057	173,484
Performance Incentive Scheme	73,785	1,572,949
Overtime	4,632,419	4,609,890
Compensation	818,939	906,488
Gratuity	1,584,396	2,888,524
Local Accom/Subs	192,889	178,680
Protective Clothing	52,383	36,916
Staff Functions	176,000	80,475
Staff Welfare	325,065	142,505
Non-Exec Directors Fees	1,404,510	840,859
Consultancy	132,000	192,000
Training	986,225	1,177,977
Uniform	63,000	17,709
Recruitment	123,582	73,578
	55,937,260	55,802,606

Seychelles Broadcasting Corporation

Notes to the Financial Statements,
For the year ended 31st December 2018

4. Directors' Fees

Directors' Fees	2018 SCR	2017 SCR
Directors		
Mr. Patrick Nanty (05/05/2011-to-04/05/2017)	-	15,200
Mrs. Jeannette Larue (05/05/2011-to-04/05/2017)	-	12,192
Mrs. Margaret Pillay (05/05/2011-to-04/05/2017)	-	12,192
Ms. Anne-Mary Collet (05/05/2011-to-04/05/2017)	-	12,192
Ms. Fatounata Sylla (05/05/2011-to-04/05/2017)	-	12,192
Ms. Brigitte Confait (05/05/2011-to-04/05/2017)	-	12,192
Dr. Steve Fanny (05/05/2011-to-04/05/2017)	-	12,192
Ms. Denise Horace (Secretary - 01/11/2013 to 04/05/2017)	-	4,800
Mr. Gerard Lafortune (14/06/2017 to 31/12/2018)	175,956	96,287
Mr. Jean Claude Matombe (14/06/2017 to 31/12/2018)	158,364	86,657
Ms. Angele Low (14/06/2017 to 31/12/2018)	140,772	77,034
Mr. Jean Marc Lablache (14/06/2017 to 31/12/2018)	140,772	77,034
Mr. Rene Durup (14/06/2017 to 31/12/2018)	140,772	77,034
Ms. Marie Anne Ernesta (14/06/2017 to date)	140,772	77,034
Mr. Harry Tirant (14/06/2017 to 31/12/2018)	140,772	77,034
Mrs. Marion Gendron (14/06/2017 to 31/12/2018)	140,772	77,034
Ms. Linda Monthy (14/06/2017 to 31/12/2018)	140,772	77,034
Ms. Celine Pillay (15/09/2017 to 31/12/2018)	45,032	20,725
Ms. Valerie Brown (1/09/17 - to 31/12/2018)	9,213	4,800
Miss Anne Marie Julie (22/08/2018 to 31/12/2018)	5,187	-
Miss Georgette Hoareau (22/08/2018 to 31/12/2018))	25,354	-
	1,404,511	840,859

Seychelles Broadcasting Corporation

Notes to the Financial Statements, For the year ended 31st December 2018

	2018	2017
	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	13,875	87,690
Motor Vehicle Repairs	570,271	169,866
Motor Vehicle Maintenance	-	551,818
Motor Vehicle Fuel & Lubricant	966,870	842,480
Motor Vehicle Insurance	112,992	107,856
Motor Vehicle Licences	97,377	82,605
	1,761,385	1,842,315
7. Programming & Production Costs		
La Digue Feast	23,375	128,834
Radio Roadshows	159,580	263,005
Clothing Allowance	115,240	101,060
Makeup Allowance	28,760	24,260
Facials	84,600	78,000
DVD/Audio/Visual Tapes	17,300	19,336
Website Expenses	72,907	96,500
Music Commissioning	25,000	25,000
Royalties	175,000	175,000
Software License	5,177,600	659,319
Subscription Services	654,758	676,056
Programme Costs	14,502,501	15,077,708
Advertising	178,408	160,166
	21,215,029	17,484,244

Seychelles Broadcasting Corporation

Notes to the Financial Statements,
For the year ended 31st December 2018

8 Fixed Asset

Depreciation Schedule for the year ended 31st December 2018

Assets	Cost	Add's	Disposal	Balance	Depn	Depn B/F	Dep Disp	Depn C/F	NBV
Land & Building	25,573,461	471,268	-	26,044,729	597,443	19,771,610	-	20,369,053	5,675,676
Plant & Equipment	69,336,248	927,272	-	70,263,520	3,236,083	59,659,152	-	62,895,235	7,368,285
Furnitures & Fixtures	20,884,968	2,095,086	-	22,980,054	3,379,640	19,376,901	-	22,756,541	223,513
Motor Vehicles	7,172,352	1,168,914	(888,592)	7,452,674	367,091	6,378,936	(888,592)	5,857,435	1,595,239
WIP	39,696,971	2,785,571	-	42,482,542	-	-	-	-	42,482,542
Total	162,664,000	7,448,111	(888,592)	169,223,519	7,580,257	105,186,599	(888,592)	111,878,264	57,345,255

Seychelles Broadcasting Corporation

Notes to the Financial Statements,
For the year ended 31st December 2018

	2018	2017
	SCR	SCR
9. Cash & Bank Balances		
Nouvobanq Current Account	1,178,052	1,118,527
Nouvobanq Forex Account	488,117	385,500
Cash in Hand	41,487	47,100
Treasury Suspense A/C	20,522	13,184
Treasury Revolving A/C	6,952,897	14,895,597
Cash Imprest - Sales Office	2,000	2,000
Petty Cash Imprest-Praslin	3,000	1,000
Petty Cash Imprest	10,000	10,000
	8,696,075	16,472,908
	8,696,075	16,472,908

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	364,433	288,725
Advances to Suppliers	1,324,432	415,533
Daro Current Accounts	38,364	38,364
Vohkus Current Accounts	5,232	100,376
On-Air Bc Current A/C	12,019	33,185
CTE Digital Broadcast Current A/C	12,893	12,893
Videsh Commercial Current	1,853	1,853
Canford Audio PLCA/C	19,759	1,409
Au Communications (Pty) Ltd	73,598	13,613,596
Treasury - 10% Call Account	3,492	3,492
Deposits	217,030	168,430
Treasury Deposit (Tx Project)	819,957	819,957
	2,893,062	15,497,810
	2,893,062	15,497,810

Seychelles Broadcasting Corporation

Notes to the Financial Statements,
For the year ended 31st December 2018

	2018	2017
	SCR	SCR
<u>11. Accounts Receivables & Others</u>		
Suspense A/C	21,917	21,917
Returned Cheques Control A/C		8,070
Accounts Rec Control Account	874,631	1,103,429
Provision for Bad Debts	(39,564)	(39,564)
Sundry Debtors	289,363	147,449
Staff Loans Control Account	67,834	69,749
Vat Control Accounts	62,889	179,872
	<u>1,277,070</u>	<u>1,490,922</u>
 <u>12. Accruals & Accounts Payable</u>		
Accruals	753,013	2,263,390
Suspense A/C	(3,923)	(3,923)
Accounts Payable Control A/C	515,168	546,291
Sundry Creditors	4,132,518	4,691,018
Advances from Customers	764,364	551,959
	<u>6,161,140</u>	<u>8,048,735</u>

Sundry creditors include SCR 3,072,253 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 2020 allocated budget, is NOT sufficient to cover any future payments.

14. Prior year adjustment

This includes a sum of SCR 1,561,633 written off to the Profit & Loss Account.

Seychelles Broadcasting Corporation

Notes to the Financial Statements,
For the year ended 31st December 2018

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 2018 represents the brought forward balance from the previous years and adjusted for the current years' deficit.

It includes:

	As at 1/1/2018		As at 31/12/2018
Capital Funds	30,258,073	-	30,258,073
Capital Grants	151,246,577	4,402,665	155,649,242
Other Grants	9,418,408	-	9,418,408
Staff Compensation	7,929,134	(2,005,165)	5,923,969
Deficit (Cumulative) per P& L Appropriation	(115,671,455)	(21,251,092)	(136,922,547)

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 2018.

17. Contingent Liabilities

The Members were not aware of any contingent liabilities existing as at 31st December 2018.