



# **SEYCHELLES BROADCASTING CORPORATION**

Audited Financial Statements  
For the year ended 31<sup>st</sup> December 2020



## 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 2020

#### Scope

I have audited the financial statements of the Seychelles Broadcasting Corporation for the year ended 31 December 2020, 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 2020 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 2020 are insufficient to meet future payments of staff compensation and gratuity.

Gamini Herath  
AUDITOR GENERAL

Victoria, Seychelles  
09 March 2022


# Seychelles Broadcasting Corporation

## Balance Sheet as at 31<sup>st</sup> December 2020

	NOTE Schedules	2020 SCR	2019 SCR
<b>FIXED ASSETS:</b>	8	68,492,083	64,408,658
<b>CURRENTS ASSETS:</b>			
Cash & Bank Balances	9	2,705,483	2,005,016
Prepayments & Deposits	10	2,400,274	2,197,506
Accounts Receivables & Others	11	994,308	1,236,216
Inventory - Consumables		328,099	292,700
		<u>6,428,164</u>	<u>5,731,438</u>
<b>CURRENT LIABILITIES (SHORT TERM DEBTS)</b>			
Accruals & Accounts Payable	12	2,022,587	3,344,240
<b>TOTAL LIABILITIES</b>		<u>2,022,587</u>	<u>3,344,240</u>
<b>NET CURRENT ASSETS</b>		4,405,577	2,387,198
<b>TOTAL ASSETS</b>		<u><u>72,897,660</u></u>	<u><u>66,795,856</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL EMPLOYED</b>	15		
Capital Fund		30,258,073	30,258,073
Capital Grant		161,379,715	157,659,418
Other Grants		9,838,408	9,418,408
Staff Compensation & Gratuity Reserve	13	10,838,756	8,503,359
Deficit (Cumulative) per P & L Appropriation		(139,417,292)	(139,043,402)
<b>CAPITAL EMPLOYED</b>		<u><u>72,897,660</u></u>	<u><u>66,795,856</u></u>

The accompanying notes 1-18 form part of these Financial Statements

  
 .....  
 Chairman  
 25<sup>th</sup> February 2022

  
 .....  
 Chief Executive Officer  
 25<sup>th</sup> February 2022



# Seychelles Broadcasting Corporation

## Detailed Profit & Loss Account for the Year Ended 31<sup>st</sup> December 2020

	Note Schedules	2020 (SCR)	2019 (SCR)
<b><u>Revenue</u></b>			
Revenue Subvention		94,351,694	94,049,940
Revenue Advert, Programme and etc	2(a)	11,796,388	13,940,708
Other Income	2(b)	1,066,363	824,130
Operating Revenue		<b>107,214,445</b>	<b>108,814,778</b>
<b><u>Operating Expenses</u></b>			
Bank Charges		(15,365)	(18,049)
Sponsorship & Entertainment		(26,710)	(43,109)
Staff Costs	3	(64,013,007)	(62,975,567)
General/Misc. Expenses		(190,537)	(267,496)
Insurance		(353,917)	(339,699)
Lease Rentals/Other Lease		(18,157)	(19,808)
Legal & Professional Fees	5	(135,000)	(111,000)
Licenses		-	(355,000)
(Loss)/Gain on Exchange		124,339	36,533
Motor Vehicles Expenses	6	(2,273,665)	(2,142,627)
Programming & Production Cost	7	(20,662,840)	(23,127,513)
Printing/Stationery & Postages Expenses		(244,704)	(290,985)
Repairs & Maintenance		(1,674,938)	(2,344,668)
Security Charges		(114,000)	(114,000)
Subscriptions		(238,322)	(411,395)
Communication Cost		(3,772,775)	(2,911,263)
Travelling Local & Overseas		(71,332)	(570,350)
Utility Costs		(7,002,022)	(8,038,089)
VAT Expenses		(783,717)	(1,458,907)
<b>Total Overheads</b>		<b>(101,466,669)</b>	<b>(105,502,992)</b>
<b>NET PROFIT/(LOSS) FOR THE YEAR PRIOR TO DEPRECIATION</b>		<b>5,747,776</b>	<b>3,311,786</b>
Less:			
<b>Depreciation</b>		<b>(7,290,949)</b>	<b>(6,645,331)</b>
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>		<b>(1,543,173)</b>	<b>(3,333,545)</b>

The accompanying notes 1-18 form part of these Financial Statements

# Seychelles Broadcasting Corporation

## Cash Flow Statement for the year ended 31<sup>st</sup> December 2020

	2020		2019	
	SCR	SCR	SCR	SCR
<b>Cash Flows from Operating Activities</b>				
Profit/ (Loss) Before Tax	(1,543,173)		(3,333,545)	
Depreciation Expenses	7,290,948		6,645,331	
Prior Year Adjustment	215,748		1,212,690	
Profit on disposal of assets	(77,900)		(7,000)	
		<b>5,885,623</b>		<b>4,517,476</b>
<b>Movements in Working Capital</b>				
(Increase)/ Decrease in Accounts Receivable	241,908		40,854	
(Increase)/ Decrease in Inventory	(35,399)		(15,877)	
Increase/(Decrease) in Accounts Payable	(1,321,653)		(2,816,899)	
Increase/(Decrease) in Compensation Reserves	2,335,397		2,579,390	
(Increase)/ Decrease in Deposits	(202,768)		695,556	
		<b>1,017,485</b>		<b>483,024</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of Assets	(10,420,838)		(13,708,735)	
Sale of Assets	77,900		7,000	
		<b>(10,342,938)</b>		<b>(13,701,735)</b>
<b>Cash Flows from Financing Activities</b>				
Capital Grants	3,720,297		2,010,176	
Other grants	420,000		-	
		<b>4,140,297</b>		<b>2,010,176</b>
Net Increase/(Decrease) in Cash		<b>700,467</b>		<b>(6,691,059)</b>
Cash and Cash Equivalents as at 1st January 2020		<b>2,005,016</b>		<b>8,696,075</b>
Cash and Cash Equivalents as at 31st December 2020		<b>2,705,483</b>		<b>2,005,016</b>

# Seychelles Broadcasting Corporation

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## Summary of Profit and Loss Account for the year ended 31<sup>st</sup> December 2020

	<b>2020</b>	<b>2019</b>
	<b>SCR</b>	<b>SCR</b>
<b>Gross Revenue</b>	107,214,445	108,814,778
<b>Overheads</b>	(108,757,618)	(112,148,323)
	<hr/>	
<b>Profit/(Loss) for the Year</b>	(1,543,173)	(3,333,545)
Retained Earnings 1st January	(139,043,402)	(136,922,547)
Prior Year Adjustment	1,169,283	1,212,690
<b>Retained Earnings 31st December</b>	<b>(139,417,292)</b>	<b>(139,043,402)</b>
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# Seychelles Broadcasting Corporation

Notes to the Financial Statements,  
For the year ended 31<sup>st</sup> December 2020

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## 1. Accounting Policies

### *General*

The activities of the Corporation up to 31<sup>st</sup> December 2020 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	15 Years

# Seychelles Broadcasting Corporation

## Notes to the Financial Statements, For the year ended 31<sup>st</sup> December 2020

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### 2. Income

	<b>2020</b>	<b>2019</b>
	<b>SCR</b>	<b>SCR</b>
<i>(a) Revenue Advert, Programme</i>		
TV Advertising Income	6,147,079	8,014,273
AM Advertising Income	1,554,964	1,955,591
FM Advertising Income	420,282	739,946
TV Public Announcements Income	914,967	630,425
AM Messages Income	608,520	742,830
Income From Lottery Draws	516,420	541,833
Programme Sales	152,990	40,000
Facility Hire	-	6,000
Video Transfers	34,350	32,659
Programme Productions	36,000	163,365
TV-Programme Sponsorship	113,787	4,891
AM-Programme Sponsorship	7,725	27,478
FM-Programme Sponsorship	370,491	416,909
Income from Sales of Set Top Boxes	751,248	624,508
Income from Sales of DTT Items	15,261	-
Income from Radio Competitions	48,025	-
Income from Radio APPs	104,279	-
	<b>11,796,388</b>	<b>13,940,708</b>
	<b>11,796,388</b>	<b>13,940,708</b>
	<b>2020</b>	<b>2019</b>
	<b>SCR</b>	<b>SCR</b>
<i>(b) Other Income</i>		
Staff Loan Interest Received	6,140	6,793
Fixed Asset Disposal	77,900	7,000
Miscellaneous Income	982,323	810,337
	<b>1,066,363</b>	<b>824,130</b>
	<b>1,066,363</b>	<b>824,130</b>



# Seychelles Broadcasting Corporation

## Notes to the Financial Statements, For the year ended 31<sup>st</sup> December 2020

	<b>2020</b>	<b>2019</b>
	<b>SCR</b>	<b>SCR</b>
<b>3. Staff Costs</b>		
Salaries	49,717,808	45,711,422
Other Allowances	3,313,672	4,165,842
Pension	1,606,838	1,520,122
Housing Cost	249,360	167,972
Performance Incentive CEO/DCEO	143,884	-
Overtime	4,832,660	4,845,484
Compensation	1,786,840	2,643,804
Gratuity	390,631	962,263
Local Accom/Subs	67,282	160,480
Protective Clothing	79,077	50,721
Staff Functions		221,800
Staff Welfare	29,310	202,985
Non-Exec Directors Fees	863,846	1,408,711
Training	903,067	769,072
Uniform		67,130
Recruitment	28,732	77,760
	<b>64,013,007</b>	<b>62,975,567</b>

	<b>2020</b>	<b>2019</b>
	<b>SCR</b>	<b>SCR</b>
<b>4. Directors' Fee</b>		
<b>Directors</b>		
Mr. Gérard Lafortune (14/06/2017 to date)	111,955	175,956
Mr. Jean Claude Matombe (14/06/2017 to date)	77,407	158,364
Ms. Angele Low (14/06/2017 to date)	85,412	140,772
Mr. Jean Marc Lablache (14/06/2017 to date)	85,412	140,772
Mr. Rene Durup (14/06/2017 to date)	85,412	140,772
Ms. Marie Anne Ernesta (14/06/2017 to date)	85,412	140,772
Mr. Harry Tirant (14/06/2017 to date)	85,412	140,772
Mrs. Marion Gendron (14/06/2017 to date)	85,412	140,772
Ms. Linda Monthy (14/06/2017 to date)	85,412	140,772
Ms. Valerie Brown (Secretary)(1/09/17 to date)	13,200	-
Ms. Anne Marie Julie (Secretary)(22/08/2018 to 13/12/2019)	1,500	17,100
Ms. Georgette Hoareau (22/08/2018 to 31/08/2020)	46,926	70,386
Ms. Mandy Adonis (Secretary)	1,500	1,500
Ms. Barbara Cooposamy (01/09/2020 to date)	13,474	-
	<b>863,846</b>	<b>1,408,710</b>

# Seychelles Broadcasting Corporation

## Notes to the Financial Statements, For the year ended 31<sup>st</sup> December 2020

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	<b>2020</b>	<b>2019</b>
	<b>SCR</b>	<b>SCR</b>
<b><i>5. Legal &amp; Professional Fees</i></b>		
Legal & Professional Fees	95,000	71,000
Audit Fees	40,000	40,000
	<b>135,000</b>	<b>111,000</b>
	<b>135,000</b>	<b>111,000</b>
<b><i>6. Motor Vehicle Expenses</i></b>		
Motor Vehicle Rental	173,000	123,250
Motor Vehicle Repairs	960,268	781,326
Motor Vehicle Fuel & Lubricant	947,852	1,034,250
Motor Vehicle Insurance	101,684	101,684
Motor Vehicle Licences	90,861	102,117
	<b>2,273,665</b>	<b>2,142,627</b>
	<b>2,273,665</b>	<b>2,142,627</b>
<b><i>7. Programming &amp; Production Cost</i></b>		
I.O.I.G. (Indian Ocean Islands Games)		2,447,432
La Digue Feast	56,671	142,391
Radio Roadshows		256,069
Clothing Allowance	129,330	106,880
Makeup Allowance	30,848	24,224
Facials	110,460	97,020
National Elections	329,632	
Website Expenses		59,604
Music Commissioning	75,000	25,000
Royalties	525,000	175,000
Software License	5,310,692	4,356,994
Subscription Services	792,029	693,610
Programme Costs	13,156,648	14,514,746
Advertising	146,530	228,543
	<b>20,662,840</b>	<b>23,127,513</b>
	<b>20,662,840</b>	<b>23,127,513</b>

# Seychelles Broadcasting Corporation

Notes to the Financial Statements,  
For the year ended 31<sup>st</sup> December 2020

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## 8 Fixed Asset

### Depreciation Schedule for the year ended 31<sup>st</sup> December 2020

Assets	Cost	Add's	Disposal	Balance	Depn	Depn B/F	Dep Disp	Prior Year Adjustment	Depn C/F	NBV
<b>Land &amp; Building</b>	26,741,611	360,905	-	27,102,516	746,279	21,082,894	-		21,829,173	5,273,343
<b>Plant &amp; Equipment</b>	74,811,313	946,494	-	75,757,807	3,498,792	66,804,535		(157,624.00)	70,145,703	5,612,104
<b>Furnitures &amp; Fixtures</b>	24,700,576	2,993,180	(786,053)	26,907,703	2,572,895	23,561,014	(786,053)	(795,912)	24,551,944	2,355,759
<b>Motor Vehicles</b>	7,372,674	420,000	(198,595)	7,594,079	472,983	6,166,418	(198,595)		6,440,806	1,153,273
<b>WIP</b>	48,397,345	5,700,259	-	54,097,604	-	-	-		-	54,097,604
<b>Total</b>	<b>182,023,519</b>	<b>10,420,838</b>	<b>(984,648)</b>	<b>191,459,709</b>	<b>7,290,949</b>	<b>117,614,861</b>	<b>(984,648)</b>	<b>(953,536)</b>	<b>122,967,626</b>	<b>68,492,083</b>

# Seychelles Broadcasting Corporation

**Notes to the Financial Statements,  
For the year ended 31<sup>st</sup> December 2020**

	<b>2020</b>	<b>2019</b>
	<b>SCR</b>	<b>SCR</b>
<b><u>9. Cash &amp; Bank Balances</u></b>		
Nouvobanq Current Account	919,867	1,475,600
Nouvobanq Fx Account	267,341	118,440
Cash In Hand	5,015	32,545
Treasury Suspense A/C	484	15,580
Treasury Revolving A/C	1,497,026	347,851
Cash Imprest - Sales Office	2,750	2,000
Petty Cash Imprest-Praslin	3,000	3,000
Petty Cash Imprest	10,000	10,000
	<b>2,705,483</b>	<b>2,005,016</b>
	<b>2,705,483</b>	<b>2,005,016</b>

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 completed /commenced. It also includes transfers made through the commercial bank account.

**10. Prepayments & Deposits**

Prepayments	414,016	357,790
Advances to Suppliers	219,149	548,905
DARO Current Accounts	38,364	38,364
Vohkus Current Accounts	5,232	5,232
On-Air BC Current A/C	143,833	12,019
CTE Digital Broadcast Current A/C	12,893	12,893
Videsh Commercial Current A/C	1,853	1,853
Cranford Audio Plc	90,156	1,409
AUCOM (Pty) Ltd	455,799	170,062
Treasury - 10% Call Account	3,492	3,492
Deposits	195,530	225,530
Treasury Deposit (TX Project)	819,957	819,957
	<b>2,400,274</b>	<b>2,197,505</b>
	<b>2,400,274</b>	<b>2,197,505</b>

# Seychelles Broadcasting Corporation

## Notes to the Financial Statements, For the year ended 31<sup>st</sup> December 2020

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	<b>2020</b>	<b>2019</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	594,869	546,164
Provision For Bad Debts	(39,564)	(39,564)
Sundry Debtors	308,722	549,757
Staff Loans Control Account	59,527	80,477
VAT Control Accounts	48,837	77,465
	<b>994,308</b>	<b>1,236,216</b>
<b><u>12. Accruals &amp; Accounts Payable</u></b>		
Accruals	915,990	615,676
Suspense A/C	(3,923)	(3,923)
Accounts Payable Control A/C	468,183	1,210,351
Sundry Creditors	121,903	938,362
Advances From Customers	520,434	583,774
	<b>2,022,587</b>	<b>3,344,240</b>

Sundry creditors include 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 215,740 for over-provision made for end of contract payment and SR 953,536 for correction in depreciation overstated in 2019, written off to the Profit & Loss Account.

# Seychelles Broadcasting Corporation

## Notes to the Financial Statements, For the year ended 31<sup>st</sup> December 2020

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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 2020 represents the brought forward balance from the previous years and adjusted for the current years' deficit. It includes:

	As at 1/1/2020	Movement	As at 31/12/2020
<b>Capital Funds</b>	30,258,073	-	30,258,073
<b>Capital Grants</b>	157,659,418	3,720,297	161,379,715
<b>Other Grants</b>	9,418,408	420,000	9,838,408
<b>Staff Compensation</b>	8,503,359	2,335,397	10,838,756
<b>Deficit (Cumulative) per P&amp; L Appropriation</b>	(139,043,402)	(373,890)	(139,417,292)

### **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 2020.

### **17 Contingent Liabilities**

The Members were not aware of any contingent liabilities existing as at 31<sup>st</sup> December 2020.

### **18 Grant-in-kind**

Seychelles Broadcasting Corporation has received a Grant in kind from the People's Republic of China for implementing China Aided project of the Seychelles Broadcasting and Television Centre, project price confirmed as RMB 103.64 million ( equivalent to SCR 200.6 million ) as per the supplementary agreement signed by the SBC and the Agency for International Economic Cooperation of the Ministry of Commerce of the People 's Republic of China dated 19<sup>th</sup> November 2018. The project is under implementation.