



SEYCHELLES BROADCASTING CORPORATION

Audited Financial Statements
For the year ended 31st December 2021



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**OPINION OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE
SEYCHELLES BROADCASTING CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

Scope

I have audited the financial statements of the Seychelles Broadcasting Corporation for the year ended 31 December 2021, 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 fairly present the financial position of the Seychelles Broadcasting Corporation at 31 December 2021 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 2021 are insufficient to meet future payments of staff compensation and gratuity.

Gamini Herath
AUDITOR GENERAL

Victoria, Seychelles
14 September 2023

Seychelles Broadcasting Corporation


Balance Sheet as at 31st December 2021

	NOTE Schedules	2021 (SCR)	2020 (SCR)
FIXED ASSETS:	8	62,572,058	68,492,083
CURRENTS ASSETS:			
Cash & Bank Balances	9	3,618,830	2,705,483
Prepayments & Deposits	10	3,718,661	2,400,274
Accounts Receivables & Others	11	1,247,011	994,308
Inventory - Consumables		322,648	328,099
		8,907,150	6,428,164
CURRENT LIABILITIES (SHORT TERM DEBTS)			
Accruals & Accounts Payable	12	2,275,985	2,022,587
TOTAL LIABILITIES		2,275,985	2,022,587
NET CURRENT ASSETS		6,631,165	4,405,577
TOTAL ASSETS		69,203,223	72,897,660
EQUITY AND LIABILITIES			
CAPITAL EMPLOYED	15		
Capital Fund		30,258,073	30,258,073
Capital Grant		161,344,115	161,379,715
Other Grants		9,838,408	9,838,408
Staff Compensation & Gratuity Reserve	13	14,981,677	10,838,756
Deficit (Cumulative) per P & L Appropriation		(147,219,050)	(139,417,292)
CAPITAL EMPLOYED		69,203,223	72,897,660

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



 Chairman
 8th August 2023



 Chief Executive Officer
 8th August 2023

Seychelles Broadcasting Corporation

Detailed Profit & Loss Account for the Year ended 31st December 2021

	Note Schedules	2021 (SCR)	2020 (SCR)
<u>Revenue</u>			
Revenue Subvention		95,291,636	94,351,694
Revenue Adverts, Programmes, etc	2(a)	10,415,146	11,796,388
Other Income	2(b)	794,889	1,066,363
Operating Revenue		106,501,671	107,214,445
<u>Operating Expenses</u>			
Bank Charges		(15,821)	(15,365)
Sponsorship & Entertainment		(24,693)	(26,710)
Staff Costs	3	(66,043,216)	(64,013,007)
General/Misc Expenses		(188,998)	(190,537)
Insurance		(358,508)	(353,917)
Lease Rentals/Other Lease		(21,459)	(18,157)
Legal & Professional Fees	5	(85,500)	(135,000)
(Loss)/Gain on Exchange		(107,843)	124,339
Motor Vehicles Expenses	6	(2,372,659)	(2,273,665)
Programming & Production Cost	7	(20,349,401)	(20,662,840)
Printing/Stationery & Postages Expenses		(297,263)	(244,704)
Repairs & Maintenance		(2,263,205)	(1,674,938)
Security Charges		(114,000)	(114,000)
Subscriptions		(140,535)	(238,322)
Communication Cost		(3,492,499)	(3,772,775)
Travelling Local & Overseas		(293,323)	(71,332)
Utility Costs		(7,055,717)	(7,002,022)
VAT Expenses		(1,197,149)	(783,717)
Total Overheads		-104,421,789	-101,466,669
 NET PROFIT/(LOSS) FOR THE YEAR PRIOR TO DEPRECIATION		 2,079,882	 5,747,776
Less:			
Depreciation		(15,530,009)	(7,290,949)
 NET PROFIT/(LOSS) FOR THE YEAR		 (13,450,127)	 (1,543,173)

Seychelles Broadcasting Corporation

Cash Flow Statement for the year ended 31st December 2021

	2021		2020	
	(SCR)	(SCR)	(SCR)	(SCR)
Cash Flows from Operating Activities				
Profit/ (Loss) Before Tax	(13,450,127)		(1,543,173)	
Depreciation Expenses	15,530,009		7,290,948	
Prior Year Adjustment	5,655		215,748	
Profit on disposal of assets	-		(77,900)	
		2,085,537		5,885,623
Movements in Working Capital				
(Increase)/ Decrease in Accounts Receivable	(252,703)		241,908	
(Increase)/ Decrease in Inventory	5,451		(35,399)	
Increase/(Decrease) in Accounts Payable	253,398		(1,321,653)	
Increase/(Decrease) in Compensation Reserves	4,142,921		2,335,397	
(Increase)/ Decrease in Deposits	(1,318,387)		(202,768)	
		2,830,680		1,017,485
Cash Flows from Investing Activities				
Purchase of Assets	(3,967,270)		(10,420,838)	
Sale of Assets	-		77,900	
		(3,967,270)		(10,342,938)
Cash Flows from Financing Activities				
Capital Grants	(35,600)		3,720,297	
Other grants	-		420,000	
		(35,600)		4,140,297
Net Increase/(Decrease) in Cash		913,347		700,467
Cash and Cash Equivalents as at 1st January 2021		2,705,483		2,005,016
Cash and Cash Equivalents as at 31st December 2021		3,618,830		2,705,483

Seychelles Broadcasting Corporation

Summary of Profit and Loss Account for the year ended 31st December 2021

	2021 (SCR)	2020 (SCR)
Gross Revenue	106,501,671	107,214,445
Overheads	<u>(119,951,798)</u>	<u>(108,757,618)</u>
Profit/(Loss) for the Year	(13,450,127)	(1,543,173)
Retained Earnings 1st January	(139,417,292)	(139,043,402)
Prior Year Adjustment	5,648,369	1,169,283
Retained Earnings 31st December	<u><u>(147,219,050)</u></u>	<u><u>(139,417,292)</u></u>

Seychelles Broadcasting Corporation

Notes to the Financial Statements,
For the year ended 31st December 2021

1. Accounting Policies

General

The activities of the Corporation up to 31st December 2021 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 31st December 2021

2. Income

	2021	2020
	(SCR)	(SCR)
<i>(a) Revenue Advert, Programme</i>		
TV Advertising Income	5,750,231	6,147,079
TV Public Announcements Income	792,295	914,967
AM Advertising Income	1,193,345	1,554,964
FM Advertising Income	351,784	420,282
AM Messages Income	595,575	608,520
Income From Lottery Draws	478,015	516,420
Programme Sales	179,200	152,990
Facility Hire	17,300	
Video Transfers	46,317	34,350
Programme Productions		36,000
TV-Programme Sponsorship	242,319	113,787
AM-Programme Sponsorship		7,725
FM-Programme Sponsorship	226,097	370,491
Income from Sales of Set Top Boxes	351,107	751,248
Income from Sales of DTT Items	3,261	15,261
Income from Radio Competitions	132,850	48,025
Income from Radio APPs	55,450	104,279
	10,415,146	11,796,388
	2021	2020
	(SCR)	(SCR)
<i>(b) Other Income</i>		
Staff Loan Interest Received	11,095	6,140
Fixed Asset Disposal		77,900
Miscellaneous Income	783,794	982,323
	794,889	1,066,363

Seychelles Broadcasting Corporation

Notes to the Financial Statements, For the year ended 31st December 2021

	2021	2020
3. Staff Costs		
	(SCR)	(SCR)
Salaries	45,877,699	49,717,808
Other Allowances	4,263,539	3,313,672
Pension	1,558,186	1,606,838
Housing Cost	290,121	249,360
Performance Incentive Scheme CEO/DCEO	118,275	143,884
Overtime	4,647,987	4,832,660
Compensation	4,970,265	1,786,840
Gratuity	2,620,421	390,631
Local Accom/Subs	53,625	67,282
Protective Clothing	66,721	79,077
Staff Welfare	111,532	29,310
Non-Exec Directors Fees	632,400	863,846
Training	813,865	903,067
Recruitment	18,580	28,732
	66,043,216	64,013,007

	2021	2020
	(SCR)	(SCR)
4. Directors' Fees		
Directors:		
Mr. Gérard Lafortune (14/06/2017 to date)	96,000	111,955
Mr. Jean Claude Matombe(14/06/2017 to date)	72,000	77,407
Ms. Angele Low (14/06/2017 to date)	60,000	85,412
Mr. Jean Marc Lablache (14/06/2017 to date)	60,000	85,412
Mr. Rene Durup (14/06/2017 to date)	60,000	85,412
Ms. Marie Anne Ernesta (14/06/2017 to date)	60,000	85,412
Mr. Harry Tirant (14/06/2017 to date)	60,000	85,412
Mrs. Marion Gendron (14/06/2017 to date)	60,000	85,412
Ms. Linda Monthy (14/06/2017 to date)	60,000	85,412
Ms. Valerie Brown(Secretary)(01/09/17 to date)	14,400	13,200
Ms. Anne Marie Julie (Secretary)(22/08/2018 to 13/12/2019)		1,500
Ms. Georgette Hoareau (22/08/2018 to 31/08/2020)		46,926
Ms. Mandy Adonis (Secretary) (Temp)		1,500
Ms. Barbara Coopoosamy (01/09/2020 to date)	30,000	13,474
	632,400	863,846

Seychelles Broadcasting Corporation

Notes to the Financial Statements,
For the year ended 31st December 2021

	2021 (SCR)	2020 (SCR)
<i>5. Legal & Professional Fees</i>		
Legal & Professional Fees	45,500	95,000
Audit Fees	40,000	40,000
	85,500	135,000

6. Motor Vehicle Expenses

Motor Vehicle Rental	197,800	173,000
Motor Vehicle Repairs	858,752	960,268
Motor Vehicle Fuel & Lubricant	1,140,613	947,852
Motor Vehicle Insurance	94,751	101,684
Motor Vehicle Licences	80,743	90,861
	2,372,659	2,273,665

7. Programming & Production Cost

La Digue Feast		56,671
Radio Roadshows		
Clothing Allowance	174,671	129,330
Makeup Allowance	48,717	30,848
Facials	121,800	110,460
National Elections		329,632
Music Commissioning	50,000	75,000
Royalties	350,000	525,000
Software License	4,421,132	5,310,692
Subscription Services	868,958	792,029
Programme Costs	11,843,235	13,156,648
Programme Commissioning	2,470,888	
Advertising		146,530
	20,349,401	20,662,840

Seychelles Broadcasting Corporation

Notes to the Financial Statements,
For the year ended 31st December 2021

8. Fixed Asset

Depreciation Schedule for the year ended 31st December 2021

Assets	Cost	Add's	Disposal	Balance	Depn	Depn B/F	Dep Disp	Prior Year Adjust	Depn C/F	NBV
Land & Building	27,102,516	155,472	0	27,257,988	760,609	21,829,173	0		22,589,782	4,668,206
Plant & Equipment	121,001,461	1,871,620	0	122,873,081	11,014,976	70,145,703		(2,068,400)	79,092,279	43,780,802
Furnitures & Fixtures	26,907,703	1,897,428	0	28,805,131	3,281,441	24,551,944		(3,574,314)	24,259,071	4,546,060
Motor Vehicles	7,594,079	0	(325,363)	7,268,716	472,983	6,440,806	(325,363)		6,588,427	680,290
WIP	8,853,950	42,750	0	8,896,700					0	8,896,700
Total (SCR)	191,459,709	3,967,270	(325,363)	195,101,616	15,530,009	122,967,626	(325,363)	(5,642,714)	132,529,559	62,572,058

Seychelles Broadcasting Corporation

Notes to the Financial Statements,
For the year ended 31st December 2021

	2021 (SCR)	2020 (SCR)
9. Cash & Bank Balances		
Nouvobanq Current Account	1,144,488	919,867
Nouvobanq Forex Account	20,978	267,341
Cash In Hand		5,015
Treasury Suspense Account	4,679	484
Treasury Revolving Account	2,432,935	1,497,026
Cash Imprest - Sales Office	2,750	2,750
Petty Cash Imprest-Praslin	3,000	3,000
Petty Cash Imprest	10,000	10,000
	3,618,830	2,705,483

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	1,099,279	414,016
Advances to Suppliers	932,191	219,149
DARO Current Accounts	38,364	38,364
Vohkus Current Accounts	5,232	5,232
On-Air BC Current A/C	13,602	143,833
CTE Digital Broadcast Current A/C	12,893	12,893
Videsh Commercial Current A/C	1,853	1,853
Canford Audio Plc	116,469	90,156
AUCOM (Pty) Ltd	455,799	455,799
Treasury - 10% Call Account	3,492	3,492
Deposits	219,530	195,530
Treasury Deposit (TX Project)	819,957	819,957
	3,718,661	2,400,274

Seychelles Broadcasting Corporation

Notes to the Financial Statements, For the year ended 31st December 2021

	2021	2020
	(SCR)	(SCR)
<u>11. Accounts Receivables & Others</u>		
Suspense A/C	21,917	21,917
Accounts Rec Control Account	548,226	594,869
Provision For Bad Debts	(39,564)	(39,564)
Sundry Debtors	512,251	308,722
Staff Loans Control Account	126,284	59,527
VAT Control Accounts	77,897	48,837
	<u>1,247,011</u>	<u>994,308</u>
<u>12. Accruals & Accounts Payable</u>		
Accruals	1,083,750	915,990
Suspense A/C	(3,923)	(3,923)
Accounts Payable Control A/C	428,924	468,183
Sundry Creditors	14,140	121,903
Advances From Customers	753,094	520,434
	<u>2,275,985</u>	<u>2,022,587</u>

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 2021 allocated budget, is NOT sufficient to cover any future payments.

14. Prior year adjustment

This includes a sum of SR 5,642,714 for correction in depreciation overstated for the years from 2015 to 2020 to written off to the Profit & Loss Account.

Seychelles Broadcasting Corporation

Notes to the Financial Statements,
For the year ended 31st December 2021

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 2021 represents the brought forward balance from the previous years and adjusted for the current years' deficit. It includes:

	As at 1/1/2021	Movement	As at 31/12/2021
Capital Funds	30,258,073	-	30,258,073
Capital Grants	161,379,715	(35,600)	161,344,115
Other Grants	9,838,408	(0)	9,838,408
Staff Compensation	10,838,756	4,142,921	14,981,677
Deficit (Cumulative) per P& L Appropriation	(139,417,292)	(7,801,759)	(147,219,050)

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 2021.

17. Contingent Liabilities

The Members were not aware of any contingent liabilities existing as at 31st December 2021.

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 19th November 2018. The project is under implementation.