



## **MEDIA STATEMENT**

### **SABC PRESENTS THE 2017/18 FINANCIAL STATEMENTS**

**Johannesburg – Tuesday, 4 September 2018** – The South African Broadcasting Corporation (SABC) held its Annual General Meeting (AGM) on 27 August 2018 to communicate its 2017/18 financial statements.

The year under review saw the SABC being stabilised, governance improving and the Board taking steps to fill vacant executive management positions.

The SABC is one of the key institutional pillars of our democracy, delivering essential content to millions of South Africans on multiple platforms. To this end, the SABC contributes to the strengthening of democracy by promoting nation building and social cohesion, through compelling and accessible local content programmes. The SABC's services are therefore fundamental to the democratic and cultural life of citizens.

In delivering on its mandate, the SABC's eighteen (18) radio stations and three (3) television channels exceeded their local content and genre quotas, as set by the Independent Communications Authority of South Africa (ICASA). The SABC's mandate to broadcast sports of national interest was also realised despite the rising costs of sports rights and the absence of a dedicated sports channel.

SABC radio stations, which commanded a 70.5 % share of the market, translating to over 28 million South Africans, performed well with the SABC having the top five most listened to radio stations in the country namely, Ukhozi FM, Umhlobo Wenene FM, Lesedi FM, Thobela FM and METRO FM.

SABC TV consists of three free-to air channels namely, SABC1, SABC2 and SABC3 as well as two channels carried on a subscription digital satellite network, SABC ENCORE and SABC News. SABC1, SABC2 and SABC3 attracted on average 28 million South African viewers a month, as they delivered top quality local and international content. SABC ENCORE, a retro channel which showcases programming from the 1980s and 1990s is an integral part of the SABC's strategy moving into a multi-channel environment. SABC News offers breaking news and continuous news updates in 51 African countries as it aspires to be a Pan-African channel.

The SABC News division reviewed its radio current affairs offerings to align with ICASA requirements. The move contributed to the achievement of efficiencies in a number of areas. The division pursued a range of stories in keeping with its public service mandate.

With the high performance delivered by television and radio platforms, the SABC won 24 awards for radio, 22 awards for television, news and current affairs received 36 awards, and 2 awards were received by SABC Sport.

During the period under review, SABC platforms in partnership with the SABC Foundation, participated in various nation building initiatives. Such partnerships included the SAfm/Gift of the Givers project which assisted South Africans affected by the fires in the Western Cape.

One of the critical projects that the SABC embarked upon was the review of its Editorial Policies, driven by the SABC's commitment to offering credible, independent and relevant programming.

In terms of governance, significant progress was made on clearing previous internal and external audit findings. This process continues in the current fiscal and has resulted in the corporate plan 2018/19 reflecting the need to turnaround the organisation.

The SABC had a demanding financial year with cash resources stretched to the maximum to ensure continued business operations. Total revenue was R6.6 billion against a budget of R7.3 billion resulting in an underperformance of R709 million (10%).

Year-on-year performance however showed an improvement of R56 million (1%) driven mainly by commercial revenue. Total expenditure incurred for the 2017/18 financial year amounted to R7.269 billion compared to the budget of R7.279 billion. The R11 million (1%) underspend is mainly owing to amortisation of content and other expenses.

The SABC had a net loss of R622 million for the 2017/18 financial year, compared to R977 million in the previous financial year.

The corporation still faces tough economic challenges, which sees expenses exceeding the revenue generated. There are significant liquidity challenges which have resulted in the SABC not being able to settle its creditors timeously. The turnaround strategy that was developed subsequent to the financial year end is designed to ultimately return the corporation to its financial stability.

During the year under review, the Auditor-General issued a disclaimer audit opinion mainly attributable to amongst others, uncertainty regarding the SABC's going concern assumptions, property, plant and equipment and irregular expenditure.

However, significant improvements have taken place in the past few months. We have developed a robust turnaround strategy which focuses on financial sustainability, restoring the integrity, credibility and culture of excellence in the public broadcaster. We continue on a drive to stabilise the SABC financially, through the reduction of operating costs.

We are confident that with the support of the millions of loyal South African audiences, the Shareholder, Parliament and other public and private institutions, we will be able to turnaround the national public broadcaster.

**ENDS**

**Issued By:**

**Group Communications**

**Media Enquiries:  
Marketing/Spokesperson**

**Neo Momodu GE: Corporate Affairs &**

**[MomoduN@sabc.co.za](mailto:MomoduN@sabc.co.za) | T. 011 714 3311 | C. 079 462 5081**