

Fiji Broadcasting Corporation











FIJI BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015



To be the premier Broadcaster in Fiji and the region

### **OUR MISSION**

To inform, educate and entertain our audience through the highest standards of Radio and Television service

To be the most responsible, dynamic and wides covering Broadcaster providing free quality content to achieve complete audience and customer satisfaction

### **OUR VALUES**

- We understand our audience and put them at the core of everything we do
- We strive for excellence in the development and presentation of our programs
- We are responsible, respectful, honest and accountable to one another and to our audience and customers
- Our driving force and success factors are our professional and dedicated staff, united by common values and a strong corporate culture



As Fiji's number one National broadcaster, Fiji Broadcasting Corporation is responsible for providing radio and TV programmes in three languages.

The Fiji Broadcasting Corporation today operates a network of six radio stations; two in each of the three major languages (i-Taukei, Hindustani and English). The stations are Radio Fiji One and Bula FM (i-Taukei), Radio Fiji Two and Mirchi FM (Hindustani) and Gold FM and 2Day FM (English).

In addition to these radio services, FBC is also responsible for producing educational and local programmes in all three languages. Although most of the current English and Hindi programmes are purchased, all of the Itaukei programmes are written and produced by FBC in house. Whilst the PSB grant that we receive offsets some of the costs in such generative production, the continuously increasing costs associated with production, broadcast and transmission is currently being offset with income generated from commercial advertising.

Though the country now has very advanced mobile and fixed line phone systems, there is still a significant Fijian population living in the outer islands who are totally reliant on news and messages on our AM transmission service. Our reach to this population is

critical especially during times of natural disasters.

FBC TV was set up in November 2011 and funding was in form of a government guaranteed loan acquired from FDB. Only a handful staff were hired and radio staff were trained in-house to run this TV Station. Considering these humble beginnings I must commend the CEO, management and entire FBC team on their adaptability and focus shown in operating such a great organisation. A further testament to this team's strength is that within 5 years FBC TV has become the number one 'Free to Air' TV station in Fiji and furthermore, a recent survey indicates that FBC TV and Radio now reaches 93.33% of the population in Fiji.

We believe that it is because of the recent high standards achieved by FBC, the level of competition in the industry has increased. The acquisition cost of programmes of national interest is getting extremely high whilst advertising rates are being slashed drastically by our competitors. FBC remains very much committed to maintaining high quality programming. As an example, this year we televised IRB Sevens Series and World Cup Soccer for Fijians who never had the opportunity of viewing such tournaments live and free.

FIJI BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015

Staff training is another priority, we make a special effort to train and retain our staff, as we would very much like to be recognised as employer of choice.

You are invited to read our audited financials which is self-explanatory, clearly showing all of our annual financial transactions and our projected losses and increasing revenues.

The Chief Executive Officer, Mr. Riyaz Sayed-Khaiyum with his dedicated executive and management team has worked very hard to deliver high quality services for the people of Fiji.

I take this opportunity to thank our dedicated board members, Mr Aren Baoa and Mr Sitiveni Raturala for their commitment and sound advice. The board's decisions has been enhanced by diversity of views they have brought to the table. We look forward to a much brighter year 2016.

Vinaka.

MR. SASHI SINGH CHAIRMAN





### **BOARD OF DIRECTORS**





MR. SASHI SINGH CHAIRMAN



DIRECTOR



MR VIMLESH SAGAR **COMPANY SECRETARY** 



### **EXECUTIVE MANAGEMENT TEAM**



MR RIYAZ SAYED-KHAIYUM CHIEF EXECUTIVE OFFICER



MR VIMLESH SAGAR CHIEF FINANCIAL OFFICER





MS JANICE SINGH DIRECTOR HUMAN RESOURCES



MR VINAL RAJ
MANAGER TELEVISION
OPERATIONS



MS SHAMMI LOCHAN LAL MANAGER RADIO PROGRAMS



MR JACK TEDRICK DIRECTOR SALES & MARKETING



MR NITENDRA PRASAD ACTING DIRECTOR TECHNICAL OPERATIONS



MS RITA NARAYAN DIRECTOR NEWS & SPORTS



Fiji Broadcasting Commission was first established in 1954 as a public service broadcast radio station. In January 1998, it was corporatized under the Government's public sector reform programme and renamed Island Network Corporation Limited. In June 1999, the change in Government also led to another change in name; this time to the Fiji Broadcasting Corporation Limited.

From its humble beginnings, the Fiji Broadcasting Corporation today operates a network of six radio stations; two in each of the three major languages (i-Taukei, Hindustani and English). The stations are Radio Fiji One and Bula FM (i-Taukei), Radio Fiji Two and Mirchi FM (Hindustani) and Gold FM and 2Day FM (English).

Radio Fiji One and Radio Fiji Two are classified as public service broadcast stations governed under a contract between the government and the Fiji Broadcasting Corporation. Under this contract the Government "buys" airtime on the two stations and contributes towards its operations. The other arm of the FBC is its commercial operations under which fall four radio stations namely Bula FM, Gold FM, Mirchi FM and 2day FM.

The FBC also provides a free to air television service (FBC TV). Our programs focus on issues faced by the people of Fiji on a daily basis. As the national broadcaster, FBC TV carries immense community service responsibility which is reflected in the content of the network. Along with our commercial TV programs, we also have high quality local and international programs such as documentaries, social and religious programs and more. These not only inform and educate the masses, but also mould the younger generation for the future.













### The FBC Pledge

At the Fiji Broadcasting Corporation we believe every Fijian has the right to the best Radio and Television service; to be informed, entertained and educated.

At the Fiji Broadcasting Corporation we give every advertiser the countries best broadcasting service, to reach the widest audience, to showcase their products, service and themselves.

At the Fiji Broadcasting Corporation we always provide the best for all Fijians.

### Commercial Radio

FBC operates four commercial radio stations. These stations are Mirchi FM (Hindustani), Gold FM (English), Bula FM (i-Taukei) and 2Day FM (English).

Gold FM is aimed specifically for 35 to 60 age group while, Mirchi FM and Bula FM are aimed specifically for 18 to 40 age groups. These stations are mainly music based with popular programmes and lots of competitions and they generate the bulk of the advertising revenue. The fourth commercial station is 2Day FM which targets the 18 to 35 year age group. This station is designed to attract younger listeners who want the latest music delivered with a mature and responsible approach.















Radio:

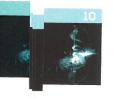
Currently FBC has two radio stations that broadcast programmes targeting mainly national development taking into consideration ethnic, cultural and religious diversity. These programmes are sold to Government under the Public Service Broadcast (PSB) contract which is tendered every three years. These stations are Radio Fiji One (i-Taukei Language) and the Radio Fiji Two (Hindustani Language). These stations have national coverage via AM transmitters and supplemented in some areas by FM transmitters. The company is required to comply with requirements of the terms as stipulated under the PSB contract.



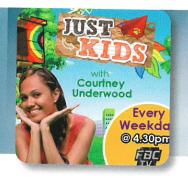
FBCTV:

The objective of TV public broadcasting is to provide and promote local talent and varied programming and wider public service viewing choices. In general term, as a PSB broadcaster, FBC undertakes to promote standards of quality, unbiased information, and diverse programming taking into account the special characteristics of Fiji.

Services are performed with all intents and purpose to entertain, inform and educate the public with the emphasis on income generation to return profit to the government on its investment and repayment of startup moneys borrowed to ensure maintenance of high quality of programming, transmission and public service broadcast by the government-owned corporation.

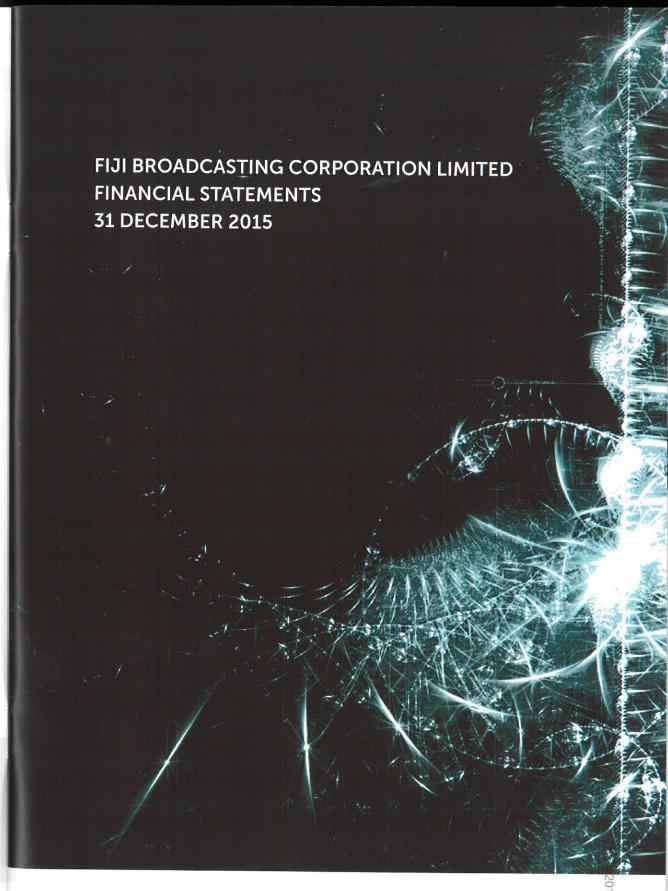








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### FIJI BROADCASTING CORPORATION LIMITED FINANCIAL STATEMENTS

### OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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Telephone: (679) 330 9032 Fax: (679) 330 3312 Email:info@auditorgeneral.gov.fj Website:http://www.oag.gov.fj



File: 1248

6 May 2016

The Chairman of the Board Fiji Broadcasting Corporation 69 Gladstone Road SUVA

Dear Sir

### Audit of the Accounts for Fiji Broadcasting Corporation for the Year Ended 31 December 2015

Audited financial statements for the year ended 31 December 2015 together with my audit report on them are enclosed.

Particulars of errors and omissions arising from the audit have been forwarded to the Management for their action.

Yours sincerely

46-6 Atunaisa Nadakuitavuki for Auditor General

Encl.























# FIJI BROADCASTING CORPORATION LIMITED FINANCIAL STATEMENTS

### CONTENTS

Directors' report		1 - 3
Statement by directors	į	4
ndependent auditor's report		5 - 6
Statement of comprehensive income		7
Statement of financial position		8
Statement of changes in equity		9
Statement of cash flows		10
Notes to the financial statements		11 – 28
Disclaimer		29
Supplementary information: detailed income statement		30 33























### FIJI BROADCASTING CORPORATION LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 **DIRECTORS'REPORT**

In accordance with a resolution of the board of directors, the directors herewith submit the statement of financial position of the Company as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended on that date and report as follows:

### Directors

The names of the directors in office at the date of this report are:

Mr. Sashi Singh - Chairman

Mr. Sitiveni Raturala

Ms. Malini Raghwan

Mr. Aren Baoa

### **Principal Activities**

The principal activities of the Company during the year were that of providing commercial and public radio and television services.

### Results

The loss after income tax for the financial year was \$3,361,758 (2014: \$3,924,672).

### Dividends

No dividends were declared or paid during the year.

### Reserves

It is proposed that no amounts be transferred to reserves within the meaning of the Seventh Schedule of the Companies Act, 1983.

### Bad and Doubtful Debts

Prior to the completion of the Company's financial statements, the directors took reasonable steps to ascertain that action has been taken in relation to writing off of bad debts and the making of allowance for doubtful debts. In the opinion of directors, adequate allowance has been made for doubtful debts.

As at the date of this report, the directors are not aware of any circumstances, which would render the amount written off for bad debts, or the allowance for doubtful debts in the Company, inadequate to any substantial extent.

### **Current Assets**

Prior to the completion of the financial statements of the Company, the directors took reasonable steps to ascertain whether any current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Company. Where necessary these assets have been written down or adequate allowance has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the directors are not aware of any circumstances, which would render the values attributed to current assets in the Company's financial statements to be misleading.























# FUI BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015

### FIJI BROADCASTING CORPORATION LIMITED

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 DIRECTORS'REPORT (CONT'D)

### Related Party Transactions

All related party transactions have been adequately recorded in the financial statements.

### **Unusual Transactions**

In the opinion of the directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company in the current financial year.

### **Events Subsequent to Balance Date**

On 20 February 2016, certain areas of the Fiji Islands were severely affected by Tropical Cyclone Winston. The impact of this on the Company's property has not been fully ascertained at this time and the Company is in the process of claiming damages from its insurer.

A circular was received on 16 March 2016 from the Ministry of Public Enterprises informing all State Owned Entities of Cabinet's decision on the treatment of government grant and/or special funding which will be in accordance with the International Financial Reporting Standards (IFRS). This treatment is effective from 1 January 2016.

The Company is in advanced discussions with the Fiji National Provident Fund (FNPF) in regards to the refinancing of the loan currently held with the Fiji Development Bank. An offer was received from FNPF which has been accepted by the Company's Board of Directors and signoff is expected in April 2016.

Other than these, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

### Other Circumstances

As at the date of this report:

- no charge on the assets of the Company has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the Company could become liable; and
- (iii) no contingent liabilities or other liabilities of the Company have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

As at the date of this report, the directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Company's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.























FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
DIRECTORS'REPORT (CONT'D)

### Directors' Benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed in the financial statements) by reason of a contract made by the Company or by a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

For and on behalf of the board and in accordance with a resolution of the directors.

Dated this 3rd day of May 2016.

Director

Director

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# 17

FIJI BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015

### FIJI BROADCASTING CORPORATION LIMITED

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 STATEMENT BY DIRECTORS

In accordance with a resolution of the board of directors of Fiji Broadcasting Corporation Limited, we state that in the opinion of the directors:

- the accompanying statement of profit or loss and other comprehensive income of the Company is drawn up so as to give a true and fair view of the results of the Company for the year ended 31 December 2015;
- ii) the accompanying statement of financial position of the Company is drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2015;
- iii) the accompanying statement of changes in equity of the Company is drawn up so as to give a true and fair view of the changes in equity of the Company for the year ended 31 December 2015;
- iv) the accompanying statement of cash flows of the Company is drawn up so as to give a true and fair view of the cash flows of the Company for the year ended 31 December 2015;
- v) all related party transactions have been adequately recorded in the books of the Company.

For and on behalf of the board and in accordance with a resolution of the directors.

Dated this 3rd day of May 2016.

Director

Director

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 INDEPENDENT AUDIT REPORT

### OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIJI BROADCASTING CORPORATION

Report on the Financial Statements

I have audited the accompanying financial statements of Fiji Broadcasting Corporation, which comprise the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out in Note 1 to Note 25.

### Directors' and Management's Responsibility for the Financial Statements

The directors and management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.























# FIJI BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015

### FIJI BROADCASTING CORPORATION LIMITED

### AUDIT OPINION FOR THE YEAR ENDED 31 DECEMBER 2015

### Qualification

As explained in note 3(m) to the financial statements, the Company accounts for all government grants received after 1 January 2010 as a capital contribution. This is a departure from IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" which requires government grants provided to compensate the Company for expenses incurred to be recognized in profit or loss as other income on a systematic basis in the same period that the expenses are recognized. The Company's records indicate that, had the Company complied with IAS 20 the impact would be to increase other income by \$2,910,000 and reduce capital contribution by \$2,910,000 for the current year and increase retained earnings by \$13,503,911 and reduce capital contribution by \$13,503,911 for prior years.

### **Audit Opinion**

In my opinion, except for the effects of the matter described in the qualification paragraph, the financial statements give a true and fair view of the financial position of Fiji Broadcasting Corporation as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and other statutory requirements.

4

Atunaisa Nadakuitavuki for AUDITOR GENERAL

Suva, Fiji



6 May 2016





















# FIJI BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015

## FIJI BROADCASTING CORPORATION LIMITED

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	s	2015 \$	2014
Revenue	6		8,174,598	8,747,758
Other operating revenue	7	*	323,733	560,244
Finance income			35,746	5,488
			8,534,077	9,313,490
Administration and operating expenses Marketing expenses Finance costs			(10,101,865) (777,685) (1,016,285)	(11,028,944) (1,036,409) _(1,172,809)
Loss before income tax			(3,361,758)	(3,924,672)
Income tax expense	9(a)			
Loss after income tax			(3,361,758)	(3,924,672)
Other comprehensive income				
Total comprehensive loss for the year			(3,361,758)	(3,924,672)

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements.























# FUI BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015

### FIJI BROADCASTING CORPORATION LIMITED

# STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Notes	2015	2014
Current assets		\$	\$
Cash and cash equivalents Trade and other receivables Other assets	21 10	866,072 1,759,363	807,558 1,923,014
Available for sale investments	11	717,521	541,656
Held-to-maturity investments	12 13	355,815	1 262 462
Income tax receivable	9(c)	9,606	1,363,162 376,366
Total current assets	. ,	3,708,377	5,011,756
Non-current assets			
Property, plant and equipment	14	17,428,331	14,304,194
Total non-current assets		17,428,331	14,304,194
Total assets		21,136,708	19,315,950
Current liabilities			
Trade and other payables	15	1,010,139	1,139,169
Employee entitlements Deferred income	17	98,381	83,887
Interest bearing borrowings	18	40,222	51,333
Next 15	16	1,817,005	1,722,232
Total current liabilities		2,965,747	2,996,621
Non-current liabilities			
Interest bearing borrowings Deferred income	16	15,764,729	17,582,633
Deferred income	18	39,032	94,255
Total non-current liabilities		15,803,761	17,676,888
Total liabilities		18,769,508	20,673,509
Net assets/ (liabilities)		2,367,200	(1,357,559)
Shareholders' equity			
Share capital	19	200,002	200,002
Share premium reserve	20	3,913,355	3,913,355
Capital contribution Asset Revaluation Reserve	20	16,413,911	13,503,911
Accumulated losses	20	4,176,517	/10 074 007
		(22,336,585)	(18,974,827)
Total shareholders' equity/ (deficit)		2,367,200	(1,357,559)

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements.

For and on behalf of the board and in accordance with a resolution of the directors.

Director

Director

were























# FIJI BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015

## FIJI BROADCASTING CORPORATION LIMITED

### STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 DECEMBER 2015

	Share Capital	Share Premium Reserve	Accumulated Losses	Asset Revaluation Reserve	Capital Contribution	Total
	\$	\$	\$		\$	\$
Balance as at 1 January 2014	200,002	3,913,355	(15,050,155)	į -	10,593,911	(342,887)
Loss for the year Capital contribution by the shareholders, Government of Fiji.	•		(3,924,672)			(3,924,672)
(Note 24(c))		-	_		2,910,000	2,910,000
Balance as at 31 December 2014	200,002	3,913,355	(18,974,827)		13,503,911	(1,357,559)
Loss for the year Capital contribution by the shareholders,	•	~	(3,361,758)	-	-	(3,361,758)
Government of Fiji. (Note 24(c)) Asset Revaluation	<b>*</b>		· ·	.5	2,910,000	2,910,000
Reserve	-	74	-	4,176,517	: *:	4,176,517
Balance as at 31 December 2015	200,002	3,913,355	(22,336,585)	4,176,517	16,413,911	2,367,200

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements.























# 23

# FUI BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015

## FIJI BROADCASTING CORPORATION LIMITED

### STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
Cash flow from operating activities			
Receipts from customers and grant income Payments to suppliers and employees		8,595,648 (9,304,862)	9,253,077 (8,681,035)
Cash generated by operations		(709,214)	572,042
Interest paid Income tax received Interest received	8 7	(1,016,285) 366,760 35,746	(1,172,809)
Net cash used in operating activities		(1,322,993)	(595,279)
Cash flow from investing activities			
Proceeds from term deposits Payments for property, plant and equipment	14	1,007,347 (812,709)	(219,927)
Net cash used in investing activities		194,638	(219,927)
Cash flows from financing activities			
Proceeds from term loans Proceeds from capital contribution by the shareholders Repayment of term loans, net	24(c) 24(c)	2,910,000 (1,723,131)	47,880 2,910,000 (1,611,191)
Net cash provided by financing activities		1,186,869	1,346,689
Net increase in cash and cash equivalents during the year		58,514	531,483
Cash and cash equivalents at the beginning of the year		807,558	276,075
Cash and cash equivalents at the end of the year	21	866,072	807,558

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements.





















### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

### GENERAL INFORMATION

Fiji Broadcasting Corporation Limited (the Company) is a Government owned entity incorporated under the Companies Act, 1983 and a Government Commercial Company under the Public Enterprises Act of 1996, domiciled in Fiji. The address of the Company's registered office and the principal place of business is 69 Gladstone Rd, Suva, Fiji.

The principal activities of the Company during the year were that of providing commercial and public radio and television services.

There were no significant changes in the nature of principal activities of the Company during the financial year.

The financial statements were approved by the board of directors and authorised for issue on 3rd May 2016.

### BASIS OF PREPARATION

### Basis of preparation a)

The financial statements have been prepared on the basis of historical cost convention, except where stated. Cost is based on the fair values of the consideration given in exchange for assets. In the application of IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the future periods are disclosed, where applicable, in the relevant notes to the financial statements.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are critical to the financial statements are disclosed in Note 5.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

### b) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with the requirements of the Companies Act, 1983.

### Functional and presentation currency c)

The Company operates in Fiji and hence its financial statements are presented in Fiji dollars, which is the Company's functional and presentation currency.























### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

### 2 BASIS OF PREPARATION - Continued

### d) Comparatives

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

### e) Changes in accounting policies

### New standards, interpretations and amendments effective from 1 January 2015

A number of amendments are effective for the first time for annual periods beginning on (or after) 1 January 2015. None of the amendments have a material effect on the Company's annual financial statements.

Amendment and annual improvements which are relevant to the entity are presented below.

- 1. Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
- 2. Amendments to IFRS 13 Fair Value Measurement
- 3. Amendments to IAS 16 Property, Plant and Equipment
- 4. Amendments to IAS 24 Related Party Disclosures

### New standards, interpretations and amendments that have been issued but are not mandatorily effective as at 31 December 2015

There are certain new standards, interpretations and amendments, which are not yet mandatorily effective and have not been adopted early in these financial statements, will or may have an effect on the Company's future financial statements. The Company intends to adopt these standards, interpretations and amendments, if applicable, when they become effective.

- 1. IFRS 9: Financial Instruments
- 2. IFRS 15: Revenue from Contracts with Customers
- 3. IFRS 16 : Leases
- 4. Amendments to IAS 16: Clarification of Acceptable Methods of Depreciation and Amortization
- 5. Amendments to IAS 1: Disclosure Initiative

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Company are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

### a) Foreign currency translation

### Transactions and balances

Foreign currency transactions are translated into the Fijian currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss in the period in which they arise.























# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

### b) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

### c) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as expenses in the statement of profit or loss in the period in which they are incurred.

### d) Cash and Cash Equivalents

For the purpose of statement of cash flows, cash is comprised of cash on hand and cash in banks.

### e) Employee Benefits

Wages and salaries

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are accrued up to the reporting date.

### Annual leave

The liability for annual leave is recognised in the provision for employee entitlements. These benefits are expected to be settled within 12 months and are measured at their nominal values using the remuneration rate expected to apply at the time of the settlement.

### Defined contribution plans

Contributions to Fiji National Provident Fund are expensed when incurred.

### f) Financial Assets

The Company classifies its financial assets as loans and receivable and held-to-maturity investments. The classification depends on the nature and purpose for which the financial assets were acquired and is determined at the time of initial recognition.





















# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

### f) Financial Assets - continued

Loans and Receivable

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' (Note 10) and 'cash and cash equivalents' (Note 21) in the statement of financial position.

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. The Company's held-to-maturity investments comprise of 'held-to-maturity term deposits'.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method less any impairment.

### g) = Impairment of Non-Financial Assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cashgenerating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

### h) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.





















## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

### h) Income Tax - continued

Deferred Tax

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and the eligible tax losses can be utilised.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

### Capital Gains Tax

Capital Gains Tax (CGT) is applicable at 10% on capital gains realised on the sale or disposal of 'capital assets' as set out in the Capital Gains Tax Decree. Accordingly, the Company provides for deferred tax liability that may arise if capital assets were to be ultimately sold or traded. As such, the potential CGT is disclosed under deferred tax liabilities in the financial statements.

### i) Inventory

Inventory comprising of fuel is valued at the cost. Cost is determined on a first-in, first-out (FIFO) method.

### i) Property, Plant and Equipment

Property, plant and equipment are stated at deemed cost less accumulated depreciation and impairment losses. Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives using the following rates:

2015	2014
Term of lease	Term of lease
2%	2%
7 - 50%	10 - 50%
10%	10%
20%	20%
20% - 24%	20% - 24%
	Term of lease 2% 7 - 50% 10% 20%

\*Management have changed the depreciation rates for plant and equipment from 20% to 7% given the move towards full Digitalisation of its media platform by 2020.

Capital work in progress principally relates to costs and expenses incurred for capital work in the nature of property, plant and equipment. Capital work in progress is stated at historical cost and is not depreciated.

Gains and losses on disposal of property, plant and equipment are taken into profit or loss in determining the results for the year.





















# FIJI BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015

### FIJI BROADCASTING CORPORATION LIMITED

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

### k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

### I) Revenue

Revenue represents income earned from advertising, programs and special events and is stated net of returns, trade discounts and Value Added Tax.

Revenue from advertising and programs is recognised upon playing of respective commercials and programs. Revenue from special events is recognised upon performance of the respective events.

### m) Capital Contribution by the Government of Fiji

Based on the Cabinet's decision in 2012, grants and / or special funding from the Government of Fiji, as the shareholder, is treated as capital contribution. As such, grants and / or special funding by the Government of Fiji are treated as additions to equity rather than being recognised as operating revenue of the Company.

### n) Deferred Income

The cost of assets gifted by foreign Governments have been capitalised to plant and equipment and the corresponding credit has been taken up as deferred income. These plant and equipment are being depreciated over their estimated useful lives and the benefit arising from the grant being the recoupment of depreciation is credited to revenue.

### o) Leased Assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.























Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

### q) Trade and Other Payables

Payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

### r) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade and other receivables is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss within administration and operating expenses.

When a trade receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited to other revenue in the statement of profit or loss.

### Value Added Tax (VAT)

Revenue, expenses, assets and liabilities are recognised net of VAT, except:

- i) Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of expense; and
- For trade receivables and trade payables which are recognised inclusive of VAT.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

The VAT component of cash flows arising from operating and investing activities which is recoverable from or payable to, the taxation authority is classified as part of operating cash flows.

### 4 FINANCIAL RISK MANAGEMENT

### a) Financial Risk Management Objectives

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Company is also exposed to credit risk, liquidity risk and regulatory risk.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by executive management. Executive management identifies, evaluates and monitors financial risks in close co-operation with the operating units.























### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

### FINANCIAL RISK MANAGEMENT - Continued

### Foreign exchange risk b)

The Company undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are closely managed within approved policy parameters. Foreign currency risk arises from recognised assets and liabilities that are denominated in a currency that is not the Company's functional currency. As a measure, the Company negotiates competitive rates with its bankers to minimise losses and maximise gains when foreign exchange receipts and payments become due.

The carrying amount of the Company's foreign currency denominated monetary liabilities at the end of reporting period were not significant.

### Interest Rate Risk Management c)

The Company has significant interest-bearing borrowings from Fiji Development Bank at variable interest rates. The Company also has short-term term deposits with fixed interest rates for set time periods. This exposes the Company to interest rate risk. The company manages its interest rate risk by arranging fixed interest rates for a certain period on the borrowed funds from the Bank. The risk is monitored and managed by the management within the approved policy parameters.

	Carrying Am	Carrying Amount	
	2015	2014	
Fixed rate instruments - Financial assets	13,160	5,488	
- Financial liabilities	13,160	5,488	
Variable rate instruments - Financial assets	· ·		
- Financial liabilities	(1,016,285) (1,016,285)	(1,172,809) (1,172,809)	
	And the second s		

### Credit Risk Management d)

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management on a regular basis annually.

Trade accounts receivable consists of a few customers with good credit ratings. Ongoing credit evaluations are performed on the financial condition of accounts receivables.

Deposits are made only with reputable financial institutions which are regulated by Reserve Bank of Fiji with known sound financial standing.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2015	2014
	\$	\$
Cash and cash equivalents	855,772	800,458
Trade receivables	1,673,158	1,672,786
Other receivables	106,630	376,042
Available for sales investments	355,815	-
Held-to-maturity investments	-	1,363,162
Other assets, excluding prepayments	128,511	95,527
Other assets, excluding propayments	3,119,886	4,307,975
	The state of the s	























# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

### 4 FINANCIAL RISK MANAGEMENT - Continued

### e) Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

31 December 2015	Carrying amount \$	Contractual cash flows	Less than 1 year \$	More than 1 year \$
Trade and other payables Interest bearing	1,010,139	1,010,139	1,010,139	
borrowings	17,581,734 18,591,873	27,151,739 28,161,878	2,784,001 3,794,140	24,367.739
31 December 2014			0,734,140	24,367,739
Trade and other payables Interest bearing	1,139,169	1,139,169	1,139,169	-
borrowings	19,304,865 20,444,034	27,151,739	2,784,000	24,367,739
	20,444,034	28,290,908	3,923,169	24,367,739

### f) Regulatory Risk

The Company's operating environment is regulated by the Media Industry Development Decree 2011 (Fiji Media Decree) which came into effect on 28 June 2011.

The salaries and wages payable to workers are subject to relevant wages regulations and employment legislation.

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In application of the Company's accounting policies, which are described in note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year and in future are discussed below.























## 33

### FIJI BROADCASTING CORPORATION LIMITED

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

### 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS - Continued

### (a) Deferred tax assets

Deferred income tax assets are recognised for all unused tax losses and benefits arising from temporary deductible differences to the extent that taxable profits will be available against which the losses can be utilized. However, deferred tax asset on tax losses and other deductible temporary differences has not been recognised given that the realization of tax losses and other deductible temporary differences in foreseeable future is not considered to be probable.

Significant management judgment is required to determine the amount of deferred income tax assets that can be recognised, based upon the likely and level of future taxable profits together with future planning strategies. Further details are contained in note 9(b).

### (b) Impairment of property, plant and equipment

The Company assesses whether there are any indicators of impairment of all property, plant and equipment at each reporting date. Property, plant and equipment are tested for impairment and when there are indicators that the carrying amount may not be recoverable, a reasonable provision for impairment is created. The management's assessment of recoverable amount involves making a judgment, at the particular point in time, about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

For the year ended 31 December 2015, no provision for impairment has been made as the management reasonably believes that no indicators for impairment exist.

### (c) Allowance for doubtful debts

Allowance for doubtful debts is assessed at an individual level. All debtors in the 90+ days category are considered for impairment and provided for on a specific basis after detailed review of individual account balances.

6 REVENUE	2015 \$	2014
Advertising: - Radio - Television	2,331,717 1,191,843	1,302,777 2,232,464
Paid programmes: - Radio - Television	1,124,529 1,377,411	980,703 1,042,973
Special events: - Radio - Television	107,065 67,042	234,040 268,155
Sports: - Radio - Television	137,861 952,252	140,672 512,542
Elections: - Radio - Television Commercial outside broadcast	1,461 - 601,073	296,221 630,638 721,007
Others  Total revenue	282,344 8,174,598	385,566 8,747,758





















### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

7	OTHER OPERATING INCOME – Continued	2015 \$	2014
Rent	me from gifted assets munication r income	66,334 42,000 84,776 130,623	51,333 42,000 72,948 393,963
Total	other operating revenue	323,733	560,244
8	LOSS BEFORE INCOME TAX		
	before income tax has been determined after ging the following expenses:		
Accons Depre Depre Direct FNPF Insura Intere Licen Motor Powe Progr Rent Sport Telep	est expenses ces and permits r vehicle expenses er and transmission ram expenses and rates (including land rentals) s coverage expenses	12,515 20,000 67,619 1,774,016 66,334 14,000 289,990 161,091 1,016,285 399,353 235,704 591,782 2,318,553 125,907 184,450 88,344 2,909,046	32,000 16,000 50,270 4,090,596 51,333 13,254 252,209 171,376 1,172,809 244,597 243,566 658,861 1,138,449 125,306 170,246 121,516 2,774,405
9	INCOME TAX		
(a)	Income tax expense		
The i	ncome tax benefit on loss before income tax is reconciled a	s follows:	
Loss	before income tax	(3,361,758)	(3,924,672)
Prima	a facie tax benefit thereon at 20% (2014: 20%)	(672,352)	(784,934)
Non-o	effect of: deductible expenses rred tax assets not recognised on tax losses and r temporary differences	32,105 640,247	25,221 759,713
Incom	ne tax expense attributable to operating loss		
	ne tax expense comprises movement in deferred xpense	-	-





















## FIJI BROADCASTING CORPORATION LIMITED NOTES TO AND FORMING PART OF THE FINAN

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

### 9 INCOME TAX - Continued

### (b) Benefit of income tax losses not brought to account

As at 31 December 2015, the Company had unconfirmed unrecouped income tax losses of approximately \$16,482,981 (2014: \$13,211,564) available to offset against future years' taxable income. The benefit of these losses of approximately at the future income tax rate of 20% amounting \$3,296,596 (2014: \$2,642,313) has not been brought to account, as realization is not considered to be probable.

The benefit will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses to be realized;
- (ii) the Company continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the Company in realizing the benefit from the deductions for the losses.

The estimated unconfirmed tax losses will be expiring as follows:

Year	Amount	Expiry of tax loss
2012	5,551,379	2016
2013	4,075,926	2017
2014	2,569,442	2018
2015	4,286,234	2019

(c) Income tax receivable	2015 \$	2014 \$
Opening Balance Refunds during the year RWT on interest received from term deposits 15% Provisional tax deducted on sales invoices Closing Balance	376,366 (374,641) 2,513 5,368 9,606	376,366 - - - - - 376,366
10 TRADE AND OTHER RECEIVABLES		
Trade accounts receivable Provision for impairment of trade receivables	1,673,158 (6,775) 1,666,383	1,672,786 (38,730) 1,634,056
Other receivables Provision for impairment of other receivables	106,630 (13,650) 92,980	376,042 (87,084) 288,958
Total trade and other receivables, net	1,759,363	1,923,014
The aging analysis of these trade and other receivables not i	impaired is as follows:	
0 to 60 days 61 to 90 days Over 90 days	1,661,246 3,641 94,476 1,759,363	1,403,867 27,894 491,253 1,923,014

As of 31 December 2015, trade receivables of \$6,775 (2014: \$38,730) were impaired and provided for. The individually impaired receivables mainly relate to balances that were over 3 months past due and in dispute. It was assessed that a portion of the receivables is expected to be recovered.























FIJI BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015

# UI BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015

### FIJI BROADCASTING CORPORATION LIMITED

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

### 10 TRADE AND OTHER RECEIVABLES - Continued

Movements in provision for impairment of trade and other receivables are as follows:

		2015	2014
At 1 January Allowance for impairment of receivables / (unused amount reversed)	è	125,814	351,760
		(105,389)	(225,946)
At 31 December	-	20,425	125,814

The creation and release of provision for impaired receivables have been included in 'Administration and Operating expenses' in the statement of profit or loss. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

### 11 OTHER ASSETS

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Prepayments Deposits Fuel	545,472 128,511 43,538 717,521	423,082 95,527 23,047 541.656
12 AVAILABLE FOR SALE INVESTMENTS Term deposits	355,815	341,030

The term deposits earn interest at interest rates between 0.5% and 2.5% per annum and mature between February 2016 and December 2016. Interest is added to the principle amount at maturity.

To comply with the requirements of IAS 39, Financial Instruments, the term deposits have been reclassified from Held to Maturity Investments to Available for Sale Investments in the current year given management's intention to redeem the term deposits prior to its maturity.

### 13 HELD-TO-MATURITY INVESTMENTS

Term deposits	The state of the s	1,363,162
14 PROPERTY, PLANT AND EQUIPMENT		
Leasehold land and buildings – at deemed cost Less: accumulated depreciation	10,832,805 (902,166) 9,930,639	6,656,288 (711,996) 5,944,292
Plant and equipment, and vehicles – at deemed cost Less: accumulated depreciation	22,093,814 (14,712,316) 7,381,498	23,371,917 (15,100,206) 8,271,711
Furniture and fittings – at deemed cost Less: accumulated depreciation	305,798 (189,604) 116,194	260,431 (172,240) 88,191
Total property, plant and equipment, net	17,428,331	14,304,194





















# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

# 14 PROPERTY, PLANT AND EQUIPMENT - Continued

### Movements in Carrying Amounts:

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are as follows:

	Leasehold land and buildings	Plant and equipment, and vehicles	Furniture and fittings	Total 2015	Total 2014
,	\$	\$	\$	\$	\$
Balance as at 1 January Revaluation Additions Disposals	5,944,292 4,176,517	8,271,711 - 767,342 (2,045,445)	88,191 45,367	14,304,194 4,176,517 812,709 (2,045,445)	18,226,196 - 219,927 -
Depreciation expense	(190,170)	(1,632,817)	(17,364)	(1,840,351)	(4,141,929)
Depreciation expense-disposal		2,020,707	_	2,020,707	
Balance as at 31 December	9,930,639	7,381,498	116,194	17,428,331	14,304,194

An independent valuation of the Company's main broadcasting house located at 69, Gladstone Road, Suva was carried out by Professional Valuations Limited on 15 May 2015. The basis of the valuation was market value of the property at that date. In assessing the market value, the replacement cost (summation) approach was adopted and the property was revalued at \$7.74 million.

15 TRADE AND OTHER PAYABLES	2015	2014 \$
Trade accounts payable Unearned income Other payables and accruals VAT payable Total trade and other payables	302,619 132,044 519,156 56,320	447,039 94,401 566,532 31,197 1,139,169
16 INTEREST BEARING BORROWINGS		
Current		
Term loan	1,817,005	1,722,232
Non-Current		
Term loan	15,764,729	17,582,633



















# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

### 16 INTEREST BEARING BORROWINGS - Continued

- (a) The Company has a loan facility with Fiji Development Bank which, at year end, was fully utilised. The loan is for a period of 15 years and interest is charged at the rate of 5.5% (reduced from 6.75% effective from 1 April 2014) per annum .The loan is repayable by monthly instalments of \$232,000 (2014: \$232,000), including principal and interest. The loan is secured by:
  - Registered mortgage debenture by Company over all its assets and undertakings including its uncalled and unpaid capital.
  - (ii) Registered first party mortgage by Company over crown lease no CL 2748 situated at 69 Gladstone Road with improvements thereon.
  - (iii) Registered first party mortgage by Company over native lease no NL 10575 situated at Naulu, Nakasi with improvements thereon.
  - (iv) Bill of Sale over entire radio and TV equipment.
  - (v) Bill of Sale over Transmission Towers and Antennas; and.
  - (vi) Guarantee by the Government amounting to \$21,594,693.
  - (vii) Mortgage over transmission sites

17 EMPLOYEE ENTITLEMENTS	2015 \$	2014 \$
Employee entitlements	98,381	83,887

Employee entitlements relate to annual leave. These benefits are expected to be settled within 12 months and are measured at their nominal values using the remuneration rate expected to apply at the time of the settlement.

### 18 DEFERRED INCOME

Deferred income Less: accumulated amortisation (a)	585,265 (506,011)	635,265 (489,677)
Total deferred income, net	79,254	145,588
Represented by:		
Current Non-current	40,222 39,032	51,333 94,255
	79,254	145,588
a) Movement in the accumulated amortisation are as follows:		
As at 1 January Amortisation charge for the year Disposal – accumulated amortisation	489,677 49,667 (33,333)	438,344 51,333
As at 31 December	506,011	489,677





















# 39

# FIJI BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015

### FIJI BROADCASTING CORPORATION LIMITED

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

19 SHARE CAPITAL – Continued	2015	2014
Authorised capital 10,000,000 ordinary shares of \$1.00 each	10,000,000	10,000,000
Issued and paid up capital 200,002 ordinary shares of \$1.00 each	200,002	200,002

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder's meetings. All shares rank equally with regard to the residual assets of the Company.

### 20 RESERVES

a)	Share premium reserve	3,913,355	3,913,355
b)	Capital contribution	16,413,911	13,503,911
	Balance as at 1 January 2015 Contribution during the year by shareholders 24(c)	13,503,911 2,910,000	10,593,911 2,910,000
	Balance as at 31 December 2015	16,413,911	13,503,911

In accordance with the Public Enterprise Regulations, 1997 and 1998, effective from 1 January 1998, Fiji Broadcasting Corporation Limited took over the business and assets and liabilities of Fiji Broadcasting Commission. Share premium reserve represents the value of net assets amounting to \$3,913,355 that was vested in the Company.

c) Asset revaluation reserve 4,176,517 \_\_\_\_\_\_

The asset revaluation reserve reflects the impact of changes in the market value of property. Refer note 14

### 21 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise of the following:

Cash on hand	10,300	7,100
Cash at bank	855,772	800,458
	866,072	807,558

### 22 COMMITMENTS

- (a) Capital expenditure
   Approved by the board and committed 1,153,000 355,000
- (b) Operating lease commitments contracted for support services fees for radio networking and broadcasting and lease rentals for crown and native lease properties is payable as follows:

Not later than one year Later than one year but not later than two years Later than two years but not later than five years Later than five years	25,625 25,625 76,875 1,626,793	24,625 24,625 76,875 1,691,625
STANDARD AND AND AND AND AND AND AND AND AND AN	1.754.918	1,817,750

Annual lease rentals in relation to its crown and native lease properties stated above do not include fee and interest charges as these are variable.





















# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

Contingent liabilities in respect of security bonds and guarantees amounted to \$nil as at 31 December 2015 (2014: \$38,000).

The Company is subject to certain claims and legal actions in the ordinary course of business. On the basis of advice received from solicitors representing the Company, it is the opinion of the directors that the disposition or ultimate determination of such claims and legal actions will not have a material effect on the financial position of the Company?

### 24 RELATED PARTY DISCLOSURES

### (a) Directors

Directors' fees

The names of persons who were directors of the Company at any time during the financial year are as follows:

Mr. Sashi Singh - Chairman

Mr. Sitiveni Raturala

Ms. Malini Raghwan

Mr. Aren Baoa

The total emolument to directors' is as follows:

2014 \$	
13,254	

### b) Identity of Related Parties

The Company is a private enterprise which is wholly owned and controlled by the Government of Fiji. Government also includes the government agencies and similar bodies whether local or national.

Other related parties include government-related entities which are controlled, jointly controlled or significantly influenced by the Government of Fiji.

Amounts payable to related parties:	2015 \$	2014 \$
Fiji Development Bank	17,581,734	19,304,865

### (c) Transactions with Related Parties

During the year, the Company entered into various transactions with related parties. The aggregate value of major transactions with related parties during the year is as follows:

Government of Fiji	2,910,000	2,910,000
Fiji Development Bank Additional loans Loan repayments Interest on loan	44,584 (2,784,000) 1,016,285	47,878 (2,784,000) 1,172,809
	(1,723,131)	(1,563,313)





















# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

### 24 RELATED PARTY DISCLOSURES - Continued

### (c) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the year the following persons were the executives identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the Company.

Name	Title

Riyaz Sayed-Khaiyum Chief Executive Officer Vimlesh Sagar Chief Financial Officer

The aggregate compensation of the key management personnel comprises only short-term benefits and is set out below:

2015 2014 \$ \$

Short-term benefits 302,380 261,099

### 25 EVENTS SUBSEQUENT TO BALANCE DATE

On 20 February 2016, certain areas of the Fiji Islands were severely affected by Tropical Cyclone Winston. The impact of this on the Company's property has not been fully ascertained at this time and the Company is in the process of claiming damages from its insurer.

A circular was received on 16 March 2016 from the Ministry of Public Enterprises informing all State Owned Entities of Cabinet's decision on the treatment of government grant and/or special funding which will be in accordance with the International Financial Reporting Standards (IFRS). This treatment is effective from 1 January 2016.

The Company is in advanced discussions with the Fiji National Provident Fund (FNPF) in regards to the refinancing of the loan currently held with the Fiji Development Bank. An offer was received from FNPF which has been accepted by the Company's Board of Directors and signoff is expected in April 2016.

Other than these, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.























# BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015

# FIJI BROADCASTING CORPORATION LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

### Disclaimer on Additional Financial Information

The following additional information, being the detailed income statement has been compiled by the management of Fiji Broadcasting Corporation Limited and does not form part of the statutory financial statements.

























# **DETAILED INCOME STATEMENT** FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
Revenue	·*	
Income from advertising, programs and special events	8,174,598	8,747,758
Add: Other Operating Revenue		
Income from gifted assets Interest Income Other income	66,334 35,746 257,399	51,333 5,488 508,911
	359,479	565,732
Total revenue	8,534,077	9,313,490
Less: Expenses		
Administration and operating expenses Marketing expenses Finance costs	(10,101,865) (777,685) (1,016,285)	(11,028,944) (1,036,409) (1,172,809)
	(11,895,835)	(13,238,162)
Operating loss before income tax	(3,361,758)	(3,924,672)





















# DETAILED INCOME STATEMENT (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

Administration and Operating Expenses

Administration and Operating Expenses	201	5 2014
	\$	\$
Accounting and taxation fees	* 20.00	10.000
Audit fees	20,00	
Bad debts	12,51	,
Bank charges	15,52	
Cleaning services	47,01	
Computer charges	16,56	
Consultancy fees	254,58	
Copyright fee	67,61	70,2,0
Depreciation	85,21	
Depreciation – gifted asset	1,774,01	
Directors' fees	66,33	- 1,000
Doubtful debts	14,00	
Entertainment	21,82	
FNPF (employer's contribution)	7,35	
Training levy	289,99	
General expenses	28,83	6 31,404
Insurance	18,96	1 - 0 - 1
Legal fees	161,09	
Licences and permits	2,92	
Library resources	399,35	
Local travelling	32,06	
Motor vehicle expenses	19,90	
Overseas travelling	235,70	
Power and transmission	50,88	5 59,814
	591,782	
Program expenses	2,318,550	3 1,138,449
Production expenses	25,208	3 10,146
Printing and stationery	35,282	26,333
Rent and rates (includes land rentals)	125,907	125,306
Repairs and maintenance	129,880	161,341
Sports coverage expenses	184,450	170,246
Staff costs	59,073	35,108
Subscriptions	15,049	
Telephone	88,344	121,516
Training	3,097	23,605
Wages and salaries	2,880,210	
Water	2,750	
Total administration and operating expenses	10,101,865	11,028,944



FUI BROADCASTING CORPORATION LIMITED ANNUAL REPORT 2015

# DETAILED INCOME STATEMENT (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2015

Marketing Expenses	2015 \$	2014
Advertising campaign expenses Special event expenses Promotion and public relations Commercial Outside Broadcast expenses SMS promotion expenses Public Service Broadcast expenses Commission and discount  Total marketing expenses	188,439 266,977 161,072 37,719 8,250 13,536 101,692	196,112 528,339 106,635 48,437 18,183 8,000 130,703
Finance Costs		
Interest expenses	1,016,285	1,172,809
Total finance costs	1,016,285	1,172,809





