



Fiji  
Broadcasting  
Corporation

FIJI BROADCASTING CORPORATION LIMITED  
ANNUAL REPORT 2016





## < our vision >

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 widest 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



## < CHAIRMANS report >



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 6 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 more than 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

## < CHAIRMANS report (cont'd) >

year we televised IRB Sevens Series, Olympic Games Rio, Super Rugby and Live Boxing Matches for Fijians who never had the opportunity of viewing such tournaments live and free.

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 member, Mr Aren Baa for his 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 2017.

Vinaka.

MR. SASHI SINGH  
CHAIRMAN





Fiji  
Broadcasting  
Corporation

< BOARD OF DIRECTORS >



MR. SASHI SINGH  
CHAIRMAN



MR. AREN BAOA  
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 VIJEN KUMAR  
DIRECTOR  
SALES & MARKETING



MR NITENDRA PRASAD  
DIRECTOR  
TECHNICAL OPERATIONS



MR INDRA SINGH  
MANAGER  
NEWS & SPORTS





	<b>RADIO FIJI ONE</b> NA DOMOVITI	<b>RADIO FIJI TWO</b> <i>Desi ki Dhadkan</i>
	<b>GOLD fm</b> <i>Only the Classic Hit</i>	<b>BULA fm</b> <i>More than just a song</i>
	<b>FBC SPORTS</b> EVERY SPORT COUNTS	<b>FBC TV</b> YOU'RE NO. 1 WITH US
		<b>FBC NEWS</b> KEEPING FIJIANS CONNECTED



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.





## < PUBLIC SERVICE broadcasts >



**RADIO  
FIJI ONE**  
NA DOMOIVITI

**RADIO  
FIJI TWO**  
*Desh ki Dhadkan*

**FBC  
TV**  
YOU'RE NO. 1 WITH US

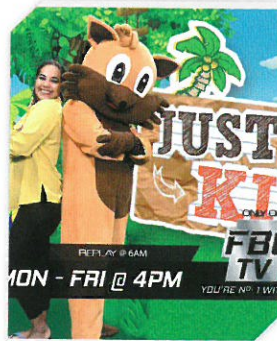
### Radio:

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.





# FIJI BROADCASTING CORPORATION LIMITED

< financial statements >

31 DECEMBER 2016



**RADIO FIJI ONE**  
NA DOMOVITI



**GOLD**

**BULA**



**RADIO FIJI TWO**  
Dresh At Macdon



EVERY SPORT COUNTS

YOU'RE #1 WITH US

KEEPING FILMS CONNECTED



**FIJI BROADCASTING CORPORATION LIMITED**  
**FINANCIAL STATEMENTS**

**OFFICE OF THE AUDITOR GENERAL**

Excellence in Public Sector Auditing



6-8<sup>TH</sup> Floor, Ratu Sukuna House  
2-10 McArthur St  
P. O. Box 2214, Government Buildings  
Suva, Fiji

Telephone: (679) 330 9032  
Fax: (679) 330 3812  
E-mail: [info@auditorgeneral.gov.fj](mailto:info@auditorgeneral.gov.fj)  
Website: <http://www.oag.gov.fj>



File: 1248

26 May 2017

Mr. Riyaz Sayed-Khaiyum  
Chief Executive Officer  
Fiji Broadcasting Corporation Limited  
P O Box 334  
SUVA

Dear Mr. Sayed-Khaiyum

---

**FIJI BROADCASTING CORPORATION LIMITED**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

---

Audited financial statements for Fiji Broadcasting Corporation Limited for the year ended 31 December 2016 together with my audit report on them are enclosed.

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

Yours sincerely

Ajay Nand  
**AUDITOR GENERAL**

Encl.

**FIJI BROADCASTING CORPORATION LIMITED**  
**FINANCIAL STATEMENTS**

< **CONTENTS** >

Directors' report	1 - 2
Statement by directors	3
Independent auditors' report	4 - 6
Statement of profit or loss and other 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 - 30
Disclaimer	31
Supplementary information: detailed income statement	32 - 34





**FIJI BROADCASTING CORPORATION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**  
**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 2016, the related 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:

Sashi Singh – Chairman  
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 profit after income tax for the financial year was \$4,262,769 (2015: loss of \$3,361,758).

**Dividends**

No dividends were declared or paid during the year.

**Reserves**

It is proposed that no amounts be transferred to reserves.

**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.

**FIJI BROADCASTING CORPORATION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**  
**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.

**Going concern**

The directors believe that the basis of preparation of the financial statements is appropriate and the company will be able to continue operations for at least 12 months from the date of this report.

**Events Subsequent to Balance Date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**Other Circumstances**

As at the date of this report:

- (i) 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.

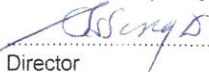
As at the date of this report, the directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Company's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

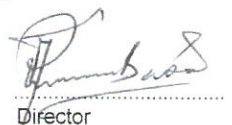
**Directors' Benefits**

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 24<sup>TH</sup> day of May 2017.

  
Director

  
Director



**FIJI BROADCASTING CORPORATION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**  
**STATEMENT BY DIRECTORS**

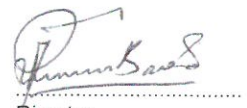
In accordance with a resolution of the board of directors of Fiji Broadcasting Corporation Limited, we state that in the opinion of the directors:

- i) 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 2016;
- 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 2016;
- 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 2016;
- 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 2016;
- v) all related party transactions have been adequately recorded in the books of the Company.
- vi) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay their debts as and when they become due and payable; and
- vii) the accompanying financial statements have been prepared in accordance with the Companies Act, 2015.

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

Dated this 24<sup>TH</sup> day of May 2017.

  
.....  
Director

  
.....  
Director

**FIJI BROADCASTING CORPORATION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**  
**INDEPENDENT AUDIT REPORT**

**OFFICE OF THE AUDITOR GENERAL**

Excellence in Public Sector Auditing



6-8<sup>th</sup> Floor, Ratu Sukuna House  
2-10 McArthur St  
P. O. Box 2214, Government Buildings  
Suva, Fiji

Telephone: (679) 330 9032  
Fax: (679) 330 3812  
E-mail: [info@auditorgeneral.gov.fj](mailto:info@auditorgeneral.gov.fj)  
Website: <http://www.oag.gov.fj>



**Independent Auditor's Report**

**Report on the Audit of the Financial Statements**

**Opinion**

I have audited the financial statements of Fiji Broadcasting Corporation Limited, which comprise the statement of financial position as at 31 December 2016, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the Basis of Qualified Opinion Paragraph, the accompanying financial statements give a true and fair view of the financial position of Fiji Broadcasting Corporation Limited as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

**Basis for Qualified Opinion**

As explained in note 3(l) to the financial statements, the Company accounted for all government grants received from 1 January 2016 to 7 March 2016 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 \$2,075,785 and reduce capital contribution by \$2,075,785 for the current year and increase retained earnings by \$16,413,911 and reduce capital contribution by \$16,413,911 for prior years.

I conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Responsibilities of the Management and Directors for the Financial Statements**

The management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, Companies Act, 2015 and the Public Enterprise Act, 1996 and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management intend to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.





**FIJI BROADCASTING CORPORATION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**  
**INDEPENDENT AUDIT REPORT**

**Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's and directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the management and directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

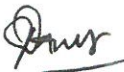
**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Fiji Companies Act, 2015 and the Public Enterprise Act, 1996, in my opinion:

- a) proper books of account have been kept by the Company, so far as it appears from my examination of those books,
- b) the accompanying financial statements:

**FIJI BROADCASTING CORPORATION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**  
**INDEPENDENT AUDIT REPORT**

- (i) are in agreement with the books of account; and
- (ii) to the best of my information and according to the explanations given to me, give the information required by the Fiji Companies Act, 2015 and the Public Enterprise Act, 1996 in the manner so required.

  
Ajay Nand  
AUDITOR GENERAL



Suva, Fiji  
26 May, 2017



**FIJI BROADCASTING CORPORATION LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**FIJI BROADCASTING CORPORATION LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 \$	Restated 2015 \$
Revenue	6	19,202,108	8,174,598
Other operating revenue	7	411,921	323,733
Finance income		7,004	35,746
		<u>19,621,033</u>	<u>8,534,077</u>
Administration and operating expenses		(12,272,541)	(10,101,865)
Marketing expenses		(2,163,728)	(777,685)
Finance costs		(921,995)	(1,016,285)
<b>Profit/ (loss) before income tax</b>		<u>4,262,769</u>	<u>(3,361,758)</u>
Income tax expense	9(a)	-	-
<b>Profit/ (loss) after income tax</b>		<u>4,262,769</u>	<u>(3,361,758)</u>
Other comprehensive income			
Revaluation of property	2(d)	-	4,176,517
Tax effect of revaluation	2(d)	-	(835,303)
Other comprehensive income for the year, net of tax		<u>-</u>	<u>3,341,214</u>
<b>Total comprehensive profit/ (loss) for the year</b>		<u>4,262,769</u>	<u>(20,544)</u>

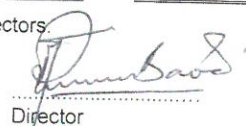
The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements.

**FIJI BROADCASTING CORPORATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Notes	2016 \$	Restated 2015 \$
<b>Current assets</b>			
Cash			
Trade and other receivables	20	6,205,105	866,072
Other assets	10	1,836,608	1,759,363
Held-to-maturity investments	11	671,851	717,521
Income tax receivable	12	360,606	355,815
	9(b)	22,340	9,606
<b>Total current assets</b>		<u>9,096,510</u>	<u>3,708,377</u>
<b>Non-current assets</b>			
Property, plant and equipment	13	<u>17,938,361</u>	<u>17,428,331</u>
<b>Total non-current assets</b>		<u>17,938,361</u>	<u>17,428,331</u>
<b>Total assets</b>		<u>27,034,871</u>	<u>21,136,708</u>
<b>Current liabilities</b>			
Trade and other payables	14	2,383,751	1,010,139
Employee entitlements	16	147,151	98,381
Deferred income	17	20,000	40,222
Interest bearing borrowings	15	<u>1,966,321</u>	<u>1,817,005</u>
<b>Total current liabilities</b>		<u>4,517,223</u>	<u>2,965,747</u>
<b>Non-current liabilities</b>			
Interest bearing borrowings	15	13,792,862	15,764,729
Deferred income	17	19,032	39,032
Deferred tax liability		<u>835,303</u>	<u>835,303</u>
<b>Total non-current liabilities</b>		<u>14,647,197</u>	<u>16,639,064</u>
<b>Total liabilities</b>		<u>19,164,420</u>	<u>19,604,811</u>
<b>Net assets</b>		<u>7,870,451</u>	<u>1,531,897</u>
<b>Shareholders' equity</b>			
Share capital	18	4,113,357	200,002
Share premium reserve	19	-	3,913,355
Capital contribution		18,489,696	16,413,911
Asset Revaluation Reserve		3,341,214	3,341,214
Accumulated losses		<u>(18,073,816)</u>	<u>(22,336,585)</u>
<b>Total shareholders' equity</b>		<u>7,870,451</u>	<u>1,531,897</u>

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

  
 Director

  
 Director

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



**FIJI BROADCASTING CORPORATION LIMITED**  
**STATEMENT OF CHANGES OF EQUITY**  
**YEAR ENDED 31 DECEMBER 2016**

	Share Capital	Share Premium Reserve	Accumulated Losses	Asset Revaluation Reserve	Capital Contribution	Total
	\$	\$	\$		\$	\$
Restated Balance as at 1 January 2015	200,002	3,913,355	(18,974,827)	-	13,503,911	(1,357,559)
Total comprehensive loss for the year						
Loss for the year	-	-	(3,361,758)	-	-	(3,361,758)
Other comprehensive income for the year						
Asset Revaluation Reserve	-	-	-	4,176,517	-	4,176,517
Tax effect of revaluation	-	-	-	(835,303)	-	(835,303)
Total comprehensive income for the year	-	-	(3,361,758)	3,341,214	-	(20,544)
Capital contribution by the shareholders, Government of Fiji. (Note 23(c))	-	-	-	-	2,910,000	2,910,000
<b>Balance as at 31 December 2015</b>	<b>200,002</b>	<b>3,913,355</b>	<b>(22,336,585)</b>	<b>3,341,214</b>	<b>16,413,911</b>	<b>1,531,897</b>
Total comprehensive income for the year						
Profit for the year	-	-	4,262,769	-	-	4,262,769
Total comprehensive income for the year	-	-	4,262,769	-	-	4,262,769
Transfers						
Transfers to share capital	3,913,355	(3,913,355)	-	-	-	-
Capital contribution by the shareholders, Government of Fiji. (Note 23(c))	-	-	-	-	2,075,785	2,075,785
<b>Balance as at 31 December 2016</b>	<b>4,113,357</b>	<b>-</b>	<b>(18,073,816)</b>	<b>3,341,214</b>	<b>18,489,696</b>	<b>7,870,451</b>

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

**FIJI BROADCASTING CORPORATION LIMITED**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
<b>Cash flow from operating activities</b>			
Receipts from customers and grant income		19,466,911	8,595,648
Payments to suppliers and employees		(11,413,957)	(9,304,862)
Cash generated by/ (used in) operations		8,052,954	(709,214)
Interest paid		(921,995)	(1,016,285)
Income tax paid		(12,734)	-
Income tax received		-	366,760
Interest received		7,005	35,746
Net cash generated by/ (used in) operating activities		7,125,230	(1,322,993)
<b>Cash flow from investing activities</b>			
Proceeds from disposal of land and buildings		69,424	-
Payments for term deposits		-	1,007,347
Payments for property, plant and equipment		(2,101,355)	(812,709)
Capital gains tax paid		(7,500)	-
Net cash used in investing activities		(2,039,431)	194,638
<b>Cash flows from financing activities</b>			
Proceeds from capital contribution by the shareholders	24(c)	2,075,785	2,910,000
Repayment of term loans, net		(1,822,551)	(1,723,131)
Net cash provided by financing activities		253,234	1,186,869
<b>Net increase in cash and cash equivalents during the year</b>		5,339,033	58,514
Cash and cash equivalents at the beginning of the year		866,072	807,558
<b>Cash and cash equivalents at the end of the year</b>	21	6,205,105	866,072

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

**Note:**

Public service broadcast revenue has been treated as financing income from 1 January 2016 to 7 March 2016 and thereafter, has been treated as operating income from 8 March 2016 to 31 December 2016.



## FIJI BROADCASTING CORPORATION LIMITED

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2016

#### 1 GENERAL INFORMATION

Fiji Broadcasting Corporation Limited (the Company) is a Government owned entity incorporated under the Companies Act, 2015 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 20<sup>th</sup> May 2017.

#### 2 BASIS OF PREPARATION

##### a) Basis of preparation

The financial statements have been prepared on the basis of historical cost convention, except for the following item in the statement of financial position:

- Property is measured at fair value

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 recognized 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 has been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with the requirements of the Companies Act, 2015.

## FIJI BROADCASTING CORPORATION LIMITED

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)

#### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 2 BASIS OF PREPERATION – Continued

##### c) Functional and presentation currency

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

##### d) Restatement

In the financial statements for the year ended 31 December 2015, the Company disclosed accounted for the revaluation of property of \$4,176,517 (note 13) direct to assert revaluation reserves. However, IAS 16 "Property, Plant and Equipment" states that such increases should be recognized in other comprehensive income. Therefore, other comprehensive income for the year ended 31 December 2015 has been increased for this amount and the same amount separately shown as other comprehensive income in the statement of changes in equity.

##### e) Comparatives

Other than the restatements in 2(d), where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

##### f) Changes in accounting policies

###### Amendments to standards and annual improvements effective from 1 January 2016

A number of amendments to standards and annual improvements are effective for the first time for periods beginning on (or after) 1 January 2016. None of the amendments have a material effect on the Company's annual financial statements.

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

1. Amendments to IAS 1 – Disclosure Initiative
2. Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation
3. Annual improvements to:
  - IFRS 7 – Financial Instruments – Disclosures
  - IAS 19 – Employee Benefits

###### New standards, amendments, annual improvements and interpretation that have been issued but are not mandatorily effective as at 31 December 2016

Certain new standards, amendments, annual improvements and interpretations 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, amendments, annual improvements and interpretation if applicable, when they become effective.

1. IFRS 2: Amendment - Classification and Measurement of Share Based Payment
2. IFRS 4: Amendment – Applying IFRS 9: Financial Instruments
3. IFRS 12: Amendment – Recognition of Deferred Tax Assets for Unrealised Losses
4. IAS 7: Amendment – Disclosure Initiative
5. IAS 40: Amendment – Transfers of Investment Property
6. Annual Improvements to IFRSs 2014 – 2016 Cycle (IFRS 12, IFRS 1 and IAS 28)





**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**2 BASIS OF PREPERATION – Continued**

**f) Changes in accounting policies**

7. IFRIC Interpretation 22: Foreign Currency Transactions and Advance Consideration  
8. New Standards: IFRS 9: Financial Instruments (effective for periods beginning 1 January 2018)

IFRS 15: Revenue from Contracts with Customers (effective for periods beginning 1 January 2018 (effective for periods beginning 1 January 2018)

IFRS 16: Leases (effective for periods beginning 1 January 2019)

These three new standards are likely to have the most significant impact to the Company's financial statements. Management is assessing the likely impact of these changes.

**3 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.

**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 statements 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.

## FIJI BROADCASTING CORPORATION LIMITED

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2016

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

##### 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.

###### *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' and 'cash' in the statement of financial position (Note 10 and Note 20 respectively).

###### *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 cash-generating unit to which the asset belongs.





## FIJI BROADCASTING CORPORATION LIMITED

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2016

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

##### g) Impairment of Non-Financial Assets (Cont'd)

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 pre-tax 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.

###### *Deferred Tax*

Deferred tax is provided 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) Property, Plant and Equipment

Land and buildings are stated at fair value, less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are performed by external independent valuers with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**i) Property, Plant and Equipment (Cont'd)**

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Any revaluation increase arising on the revaluation of such land and buildings is credited as other comprehensive income in the statement of profit or loss and other comprehensive income and recorded as revaluation reserve in the statement of changes in equity.

Decreases that off-set previous increases of the same asset are charged against other comprehensive income and revaluation reserves in the equity; all other decreases are charged as expense in the statement of profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred to retained earnings.

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:

	2016	2015
Leasehold land	Term of lease	Term of lease
Building	2%	2%
Plant and equipment*	5 - 33%	7 - 50%
Furniture and fittings	10%	10%
Motor vehicles	20%	20%
Computer equipment	20 - 24%	20 - 24%

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

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

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.

**j) 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.



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**k) 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.

**l) 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, were treated as a capital contribution. As such, grants and/ or special - funding by the Government of Fiji were treated as additions to equity rather than being recognized as operating revenue of the Company.

Effective from 8 March 2016 and based on the Cabinet's decision in 2016, grants and / or special funding from the Government of Fiji, as the shareholder, is treated as operating revenue. This is to align the accounting treatment for all State Owned Entities (SOEs) in accordance with International Financial Reporting Standards (IFRS). As such, grants and/ or special funding by the Government of Fiji received after 8 March 2016 have been recognized in the statement of profit or loss as operating revenue.

**m) 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.

**n) Income Received in Advance**

The income received in advance is comprised of the PSB Government Grant received in advance for January 2017 and income received from customers for which services are yet to be provided.

**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.

**p) Share Capital**

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.

**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**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 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 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 receivable 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 receivables. Subsequent recoveries of amounts previously written off are credited to other revenue in the statement of profit or loss.

**s) 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
- ii) 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.



## FIJI BROADCASTING CORPORATION LIMITED

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2016

#### 4 FINANCIAL RISK MANAGEMENT – Continued

##### b) Foreign exchange risk

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.

##### c) Interest Rate Risk Management

The Company has significant interest-bearing borrowings from Fiji Development Bank at variable interest rates. 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.

##### d) Credit Risk Management

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:

	2016 \$	2015 \$
Cash at bank	6,189,605	855,772
Trade receivables	1,731,013	1,673,158
Other receivables	125,420	106,630
Held-to-maturity investments	360,606	355,815
Other assets, excluding prepayments	122,314	128,511
	<u>8,528,958</u>	<u>3,119,886</u>

**FIJI BROADCASTING CORPORATION LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**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 2016	Carrying amount \$	Contractual cash flows \$	Less than 1 year \$	More than 1 year \$
Trade and other payables	2,383,751	2,383,751	2,383,751	-
Interest bearing borrowings	<u>15,759,183</u>	<u>24,329,854</u>	<u>2,784,000</u>	<u>16,545,854</u>
	<u>18,142,934</u>	<u>26,713,605</u>	<u>5,167,751</u>	<u>16,545,854</u>
<b>31 December 2015</b>				
Trade and other payables	1,010,139	1,010,139	1,010,139	-
Interest bearing borrowings	<u>17,584,734</u>	<u>27,151,739</u>	<u>2,784,001</u>	<u>24,367,739</u>
	<u>18,591,873</u>	<u>28,161,878</u>	<u>3,794,140</u>	<u>24,367,739</u>

**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 assets and liabilities that are not readily apparent from other sources. The estimates and 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.



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS – continued**

**Critical Judgments in Applying the Company's Accounting Policies**

(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(d).

(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 2016, 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**

	2016	2015
	\$	\$
Advertising:		
- Radio		
- Television	1,553,043	1,191,843
Paid programmes:	2,334,353	2,331,717
- Radio		
- Television	1,149,496	1,124,529
Special events:	2,031,704	1,377,411
- Radio		
- Television	310,198	107,065
Sports:	105,807	67,042
- Radio		
- Television	188,134	137,861
Elections:	1,328,216	952,252
- Radio		
Commercial outside broadcast	-	1,461
Public service broadcast revenue	634,395	601,073
Others	9,201,615	-
	365,147	282,344
Total revenue	19,202,108	8,174,598

**FIJI BROADCASTING CORPORATION LIMITED**
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

7 OTHER OPERATING INCOME	2016 \$	2015 \$
Gain on sale of land and building	24,859	-
Income from gifted assets	40,222	66,334
Rent	42,000	42,000
Communication	111,541	84,776
Other income	193,299	130,623
	<u>411,921</u>	<u>323,733</u>
Total other operating revenue	<u>411,921</u>	<u>323,733</u>

**8 PROFIT/ (LOSS) BEFORE INCOME TAX**

Profit/ (loss) before income tax has been determined after charging the following expenses:

Auditors' remuneration for audit fees	20,734	12,515
Accounting and taxation fees	3,485	20,000
Consultancy fees	167,528	67,619
Depreciation	1,979,132	1,774,016
Depreciation of gifted asset	40,222	66,334
Directors' fees	19,000	14,000
FNPF (employer's contribution)	349,414	289,990
Insurance	236,592	161,091
Interest expenses	921,995	1,016,285
Licences and permits	1,403,844	817,002
Motor vehicle expenses	215,722	235,704
Power and transmission	638,246	591,782
Program expenses	1,768,095	1,900,904
Rent and rates (including land rentals)	138,114	125,907
Sports coverage expenses	289,615	184,450
Telephone	115,962	88,344
Wages, salaries, and training levy	3,403,599	2,909,046

**9 INCOME TAX**

(a) Income tax expense	2016 \$	Restated 2015 \$
The income tax expense/ (benefit) on loss before income tax is reconciled as follows:		
Profit/ (loss) before income tax	4,262,769	(3,361,758)
Prima facie tax benefit thereon at 20%	852,554	(672,352)
Tax effect of:		
Non-deductible expenses	38,682	32,105
Utilisation of tax losses previously not recognised	(891,236)	640,247
Income tax expense attributable to operating loss	<u>-</u>	<u>-</u>
Income tax expense comprises movement in Deferred tax expense	<u>-</u>	<u>-</u>





**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>9</b>	<b>INCOME TAX – continued</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
	<b>(b) Income tax receivable</b>		
	Opening balance	9,606	376,366
	Refunds during the year	-	(374,641)
	RWT on interest paid on term deposits	448	2,513
	15% Provisional tax deducted on sales invoices	12,286	5,368
		<u>22,340</u>	<u>9,606</u>
	<b>(c) Deferred tax liabilities</b>		
	Asset Revaluation of property	<u>835,303</u>	<u>835,303</u>
	<b>(d) Benefit of income tax losses not brought to account</b>		

As at 31 December 2016, the Company had unrecouped income tax losses of \$10,858,895 (2015: \$16,482,981) available to offset against future years' taxable income. The benefit of these losses at the future income tax rate of 20% amounting \$2,171,779 (2015: \$3,296,596) has not been brought to account, as realization is not considered to be probable.

The benefit will only be obtained if:

- (i) 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 tax losses will be expiring as follows:

Year	Amount	Expiry of tax loss
2013	4,075,926	2017
2014	2,517,574	2018
2015	4,265,395	2019

**10 TRADE AND OTHER RECEIVABLES**

Trade accounts receivable	1,731,013	1,673,158
Provision for impairment of trade receivables	<u>(6,775)</u>	<u>(6,775)</u>
	1,724,238	1,666,383
Other receivables	125,420	106,630
Provision for impairment of other receivables	<u>(13,050)</u>	<u>(13,650)</u>
	112,370	92,980
Total trade and other receivables, net	<u>1,836,608</u>	<u>1,759,363</u>

The aging analysis of these trade and other receivables is as follows:

0 to 60 days	1,624,091	1,661,246
61 to 90 days	79,852	3,641
Over 90 days	132,665	94,476

**FIJI BROADCASTING CORPORATION LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**10 TRADE AND OTHER RECEIVABLES -continued**

As of 31 December 2016, trade receivables of \$6,775 (2015: \$6,775) 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.

Movements on the Company provision for impairment of trade receivables are as follows:

	2016	2015
	\$	\$
At 1 January	20,425	125,814
Unused amount reversed	<u>(601)</u>	<u>(105,389)</u>
At 31 December	<u>19,824</u>	<u>20,425</u>

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**

Prepayments	523,953	545,472
Deposits	122,314	128,511
Fuel	<u>25,584</u>	<u>43,538</u>
	<u>671,851</u>	<u>717,521</u>

**12 HELD-TO-MATURITY INVESTMENTS**

Term deposits	<u>360,606</u>	<u>355,815</u>
---------------	----------------	----------------

The term deposits earn interest at interest rates between 1% and 2% per annum and mature between February 2017 and December 2017. Interest is added to the principle amount at maturity.



## FIJI BROADCASTING CORPORATION LIMITED

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2016

13 PROPERTY, PLANT AND EQUIPMENT	2016 \$	2015 \$
Leasehold land and buildings – <i>at deemed cost</i>	10,785,040	10,832,805
Less: accumulated depreciation	<u>(1,115,189)</u>	<u>(902,166)</u>
	9,669,851	9,930,639
Plant and equipment, and vehicles – <i>at deemed cost</i>	23,088,931	22,093,814
Less: accumulated depreciation	<u>(16,488,752)</u>	<u>(14,712,316)</u>
	6,600,179	7,381,498
Furniture and fittings – <i>at deemed cost</i>	325,392	305,798
Less: accumulated depreciation	<u>(208,798)</u>	<u>(189,604)</u>
	116,594	116,194
Capital Work in Progress – <i>at deemed cost</i>	1,551,737	-
Total property, plant and equipment, net	<u>17,938,361</u>	<u>17,428,331</u>

#### 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 2016 \$	Total 2015 \$
Balance as at 1 January	9,930,639	7,381,498	116,194	17,428,331	14,304,194
Revaluation	-	-	-	-	4,176,517
Additions	-	995,118	19,594	1,014,712	812,709
Disposals	(47,765)	-	-	(47,765)	(2,045,445)
Depreciation expense	(223,723)	(1,776,437)	(19,194)	(2,019,354)	(1,840,351)
Depreciation expense-disposal	10,700	-	-	10,700	2,020,707
Capital work in progress additions	-	1,551,737	-	1,551,737	-
Balance as at 31 December	<u>9,669,851</u>	<u>8,151,916</u>	<u>116,594</u>	<u>17,938,361</u>	<u>17,428,331</u>

An independent valuation of the company's main broadcasting house located 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. The excess of current market value over book value amounting to \$4,176,517 has been brought to account during 2015 financial year.

**FIJI BROADCASTING CORPORATION LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

14 TRADE AND OTHER PAYABLES	2016 \$	2015 \$
Trade accounts payable	321,697	302,619
Income received in advance	1,041,347	132,044
Other payables and accruals	1,003,515	519,156
VAT payable	<u>17,192</u>	<u>59,130</u>
Total trade and other payables	<u>2,383,751</u>	<u>1,010,139</u>

**15 INTEREST BEARING BORROWINGS**

**Current**

Term loan	<u>1,966,321</u>	<u>1,817,005</u>
-----------	------------------	------------------

**Non-Current**

Term loan	<u>13,792,862</u>	<u>15,764,729</u>
-----------	-------------------	-------------------

(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 (2015: \$232,000), including principal and interest. The loan is secured by:

- (i) First Mortgage Debenture;
- (ii) First Registered over CL 2748;
- (iii) First Registered over NL 10575;
- (iv) Bill of Sale over Radio and TV equipment;
- (v) Bill of Sale over Transmission Towers and Antennas;
- (vi) Mortgage over transmission sites and
- (vii) Government of Fiji Guarantee for total liability.

**16 EMPLOYEE ENTITLEMENTS**

Employee entitlements	<u>147,151</u>	<u>98,381</u>
-----------------------	----------------	---------------

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

**17 DEFERRED INCOME**

Deferred income	585,266	585,265
Less: accumulated amortisation (a)	<u>(546,234)</u>	<u>(506,011)</u>
Total deferred income, net	<u>39,032</u>	<u>79,254</u>



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>17 DEFERRED INCOME – continued</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Represented by:		
Current	20,000	40,222
Non-current	19,032	39,032
	<u>39,032</u>	<u>79,254</u>

a) Movement in the accumulated amortisation are as follows.

As at 1 January	506,011	489,677
Amortisation charge for the year	40,222	49,667
Disposal – accumulated amortisation	-	(33,333)
As at 31 December	<u>546,233</u>	<u>506,011</u>

**18 SHARE CAPITAL**

Authorised capital 10,000,000 ordinary shares	10,000,000	10,000,000
Issued capital 10,000,000 ordinary shares	4,113,357	200,002
Opening balance	200,002	200,002
Share premium reserve transferred	3,913,355	-
	<u>4,113,357</u>	<u>200,002</u>

Shares of the company have no par value.

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.

**19 RESERVES**

a) Share premium reserve	-	3,913,355
b) Capital contribution	18,489,696	16,413,911
Balance as at 1 January 2016	16,413,911	13,503,911
Contribution during the year by shareholders 24(c)	2,075,785	2,910,000
Balance as at 31 December 2016	<u>18,489,696</u>	<u>16,413,911</u>

## FIJI BROADCASTING CORPORATION LIMITED

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED 31 DECEMBER 2016

#### 19 RESERVES (Cont'd)

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. Under the new Companies Act (effective 2016), share premium reserve can no longer be established or maintained, hence has been reclassified to issued share capital as at 31 December 2016.

#### 20 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:

	2016 \$	2015 \$
Cash on hand	15,500	10,300
Cash at bank	<u>6,189,605</u>	<u>855,772</u>
	<u>6,205,105</u>	<u>866,072</u>

#### 21 COMMITMENTS

(a) Capital expenditure		
- Approved by the board and committed	<u>5,725,686</u>	<u>1,153,000</u>
(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	26,270	28,780
Later than one year but not later than two years	26,270	28,780
Later than two years but not later than five years	78,810	86,340
Later than five years	<u>1,552,284</u>	<u>1,735,486</u>
	<u>1,683,634</u>	<u>1,879,386</u>

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.

#### 22 CONTINGENT LIABILITIES

Contingent liabilities in respect of security guarantees amounted to \$Nil as at 31 December 2016 (2015: \$Nil).

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.





**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**23 RELATED PARTY DISCLOSURES**

(a) Directors

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

Sashi Singh – Chairman  
 Sitiveni Raturala (Resign May 2016)  
 Aren Baoa

The total emolument to director's is as follows:

Directors fees	<u>19,000</u>	<u>14,000</u>
----------------	---------------	---------------

(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:

	2016 \$	2015 \$
Fiji Development Bank	<u>15,759,183</u>	<u>17,581,734</u>

(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:

<u>Government of Fiji</u>		
Capital contribution	2,075,785	2,910,000
Revenue contribution	<u>9,201,615</u>	<u>-</u>
	<u>11,277,400</u>	<u>2,910,000</u>

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

Effective from 8 March 2016 and based on the Cabinet's decision in 2016, grants and / or special funding from the Government of Fiji, as the shareholder, is treated as operating revenue. This is to align the accounting treatment for all State Owned Entities (SOEs) in accordance with International Financial Reporting Standards (IFRS). As such, grants and/ or special funding by the Government of Fiji received after 8 March 2016 have been recognized in the statement of profit or loss as operating revenue and grants received up to 8 March 2016 have been treated as a capital contribution.

**FIJI BROADCASTING CORPORATION LIMITED**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**23 RELATED PARTY DISCLOSURES - Continued**

	2016	2015
	\$	\$
Fiji Development Bank		
Bank service charge	39,454	44,584
Loan repayments	(2,784,000)	(2,784,000)
Interest on loan	<u>921,995</u>	<u>1,016,285</u>
	<u>(1,822,551)</u>	<u>(1,723,131)</u>

(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.

<u>Name</u>	<u>Title</u>
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:

	2016	2015
	\$	\$
Short-term benefits	<u>358,813</u>	<u>302,380</u>

**24 EVENTS SUBSEQUENT TO BALANCE DATE**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**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.



**FIJI BROADCASTING CORPORATION LIMITED**  
**DETAILED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 \$	2015 \$
<b>Revenue</b>		
Income from advertising, programs and special events	10,000,493	8,174,598
Public service broadcast revenue	9,201,615	-
	<u>19,202,108</u>	<u>8,174,598</u>
<b>Add: Other Operating Revenue</b>		
Gain on sale of land & building	24,859	-
Income from gifted assets	40,222	66,334
Interest Income	7,004	35,746
Other income	346,840	257,399
	<u>418,925</u>	<u>359,479</u>
Total revenue	<u>19,621,033</u>	<u>8,534,077</u>
<b>Less: Expenses</b>		
Administration and operating expenses	(12,272,541)	(10,101,865)
Marketing expenses	(2,163,728)	(777,685)
Finance costs	(921,995)	(1,016,285)
	<u>(15,358,264)</u>	<u>(11,895,835)</u>
Operating profit/ (loss) before income tax	<u>4,262,769</u>	<u>(3,361,758)</u>





**FIJI BROADCASTING CORPORATION LIMITED**  
**DETAILED INCOME STATEMENT (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>Administration and Operating Expenses</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Accounting and taxation fees	3,485	20,000
Audit fees	20,734	12,515
Bad debts	-	15,529
Bank charges	41,961	47,014
Cleaning services	21,126	16,562
Computer charges	359,549	254,581
Consultancy fees	167,528	67,619
Copyright fee	76,127	85,218
Depreciation	1,979,132	1,774,016
Depreciation – gifted asset	40,222	66,334
Directors' fees	19,000	14,000
Doubtful debts	-	21,823
Entertainment	11,580	7,353
FNPF (employer's contribution)	349,414	289,990
Training levy	35,134	28,836
General expenses	119,226	18,963
Insurance	236,592	161,091
Legal fees	3,880	2,925
Licences and permits	1,403,844	817,002
Library resources	25,621	32,065
Local travelling	63,572	19,904
Motor vehicle expenses	215,722	235,704
Overseas travelling	97,294	50,885
Power and transmission	638,246	591,782
Program expenses	1,768,095	1,900,904
Production expenses	20,059	25,208
Printing and stationery	36,533	35,282
Rent and rates (includes land rentals)	138,114	125,907
Repairs and maintenance	402,740	129,880
Sports coverage expenses	289,615	184,450
Staff costs	119,991	59,073
Subscriptions	53,005	15,049
Telephone	115,962	88,344
Training	28,223	3,097
Wages and salaries	3,368,465	2,880,210
Water	2,750	2,750
<b>Total administration and operating expenses</b>	<u>12,272,541</u>	<u>10,101,865</u>

**FIJI BROADCASTING CORPORATION LIMITED**

**DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**(CONT'D)**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	\$	\$
<b>Marketing Expenses</b>		
Advertising campaign expenses	290,171	188,439
Special event expenses	761,550	266,977
Promotion and public relations	816,313	161,072
Commercial Outside Broadcast expenses	77,295	37,719
SMS promotion expenses	11,825	8,250
Public Service Broadcast expenses	1,063	13,536
Commission and discount	<u>205,511</u>	<u>101,692</u>
<b>Total marketing expenses</b>	<u>2,163,728</u>	<u>777,685</u>
<b>Finance Costs</b>		
Interest expenses	<u>921,995</u>	<u>1,016,285</u>
<b>Total finance costs</b>	<u>921,995</u>	<u>1,016,285</u>







**RADIO  
FIJI ONE**  
NA DOMOIVITI

**RADIO  
FIJI TWO**  
*Desh ki Dhadkan*



EVERY SPORT COUNTS

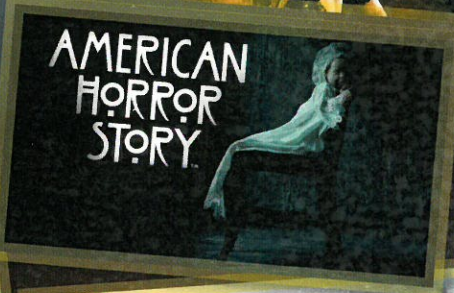
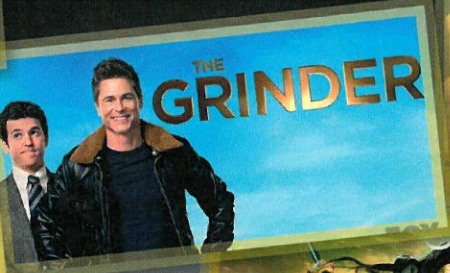
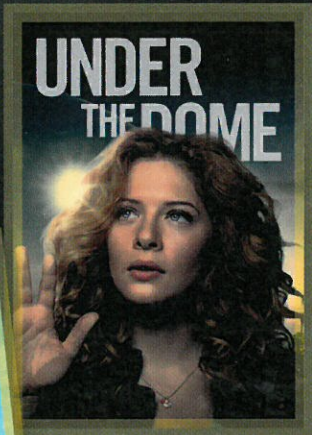
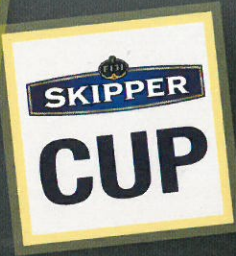


YOU'RE NO. 1 WITH US



KEEPING FIJIANS CONNECTED









[www.fbc.com.fj](http://www.fbc.com.fj)