

# ANNUAL REPORT 2017



Fiji  
Broadcasting  
Corporation



YOU'RE NO. 1 WITH US



OUR FIJI



KEEPING FIJIANS CONNECTED



EVERY SPORT COUNTS



STUDIO 69

**RADIO  
FIJI ONE**  
NA DOMOVITI

**GOLD**  
Only the Greatest Hits

**MIRCHI FM**  
Of a different kind

**2DAY fm**  
The new sound of Fiji

**BULA fm**  
Make Your Own Story

**RADIO  
FIJI TWO**  
Desh ki Dhadkan



## < 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



## BOARD CHAIR'S REPORT



As Fiji's National broadcaster, the Fiji Broadcasting Corporation is responsible for providing the effective dissemination of relevant new media, Radio and Television news, entertainment and information services in our country's three major languages.

The Fiji Broadcasting Corporation today operates a network of six radio stations; two each in 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 commercial and public broadcast radio services, the FBC is also responsible for producing local television programmes.

Although most of the current English and Hindi music and programmes are purchased, all of the I-taukei music and programmes are written and produced either locally or in-house by the FBC. Despite Fiji now having 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 not so cost-effective Public Service Broadcast-AM transmission service. However, our reach to this population on the AM service is critical especially during times of natural disasters.

Whilst the PSB fee for this work offsets some of the production and transmission costs, the continuously increasing costs associated with higher standards of production, broadcast and rising electricity charges for transmission power are offset with income generated from commercial advertising.

The FBC produces local radio and TV programs with the intention to inform and educate the Fijian public. In essence the fee under the PSB contract is paid to the FBC for the production and broadcast and transmission of specific local radio and TV programs that are beneficial for all Fijians.

The FBC is trail blazing ahead and continues to produce more unique PSB programs for both radio and TV with a focus on nation building. The value of our PSB Radio programs now stands at \$16,549,152.00. The value of our TV programs now stands at \$7,690,800.00. (Total Radio + TV - \$24,239,952.00).

In addition to this, the FBC launched a new free to air and commercial free channel, FBC 2, in November 2017. As per the government's directive, this channel is solely for the purposes of informing and educating the Fijian public at no cost. We acknowledge





## BOARD CHAIR'S report (cont'd)

and appreciate the fact that keeping in mind the nature and focus of this channel, the Fijian government has given an undertaking not to charge transmission rental for this channel on the Walesi platform. However, the FBC does incur other costs for the operation of this national channel in way of electricity power costs for transmission, manpower costs and some program acquisition and program delivery costs amounting to more than \$2,000,000.00 annually.

Taking also into consideration the added expenses of maintenance and running cost of the newly completed AM tower in Naulu, Nakasi, the total value of the FBC's PSB service now stands at a total of \$27,039,952.00.

This translates to a shortfall of \$15,762,552.00 in PSB fees that the FBC doesn't receive in return for these PSB services.

In addition to this the FBC on an annual average provides 800-thousand dollars worth of advertising to charitable organizations as part of its corporate social obligations. (CSR)

We are extremely popular and rated as the number one TV and news service in Fiji because of our ability to constantly create unique local programs that not only educate, entertain and inform but also engage and unite the people of Fiji.

But to continue to actively promote patriotism, language, culture, traditions and a sense of belonging requires sustained fees to offset some of the costs of such a substantial operation.

The latest survey by an Australian group proves that the FBC in a few short years has powered its way to the number one spot by effectively connecting with the common Fijians.

We have managed to successfully capture the majority Fijian audience for our TV and Radio services because of our focus towards producing a record number of excellent radio and TV programs that resonates with all Fijians.

The FBC has achieved this fantastic result in record time despite competing against established monopolistic head starts by other commercial broadcasters many years before we became fully functional commercially.

The Bainimarama governments continued understanding of our added PSB responsibilities will certainly assist the FBC to not only meet its PSB agreement obligations but to also forge ahead like other national broadcasters around the world in our quest to produce more quality local programs that will greatly benefit the public and assist in the development of our nation.

We believe because of the recent high standards and massively positive viewer survey results achieved by the FBC, the level of competition in the industry has increased. The acquisition cost of programmes of national interest is becoming extremely high with advertising rates being slashed drastically by our competitors in order to keep up. Despite this the FBC remains very much committed to maintaining high quality programming.





## BOARD CHAIR'S report (cont'd)

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

You are invited to read our audited financial statements for the year ending 31st December 2017 which is self-explanatory, prepared in compliance with International Financial Reporting Standards and clearly showing all of our annual financial transactions including the projected profitability, continuing increase in sales revenue and increasing profit for yet another year.

The Chief Executive Officer, Mr. Riyaz Sayed-Khaiyum with his dedicated team FBC and a committed management team continues to work extremely hard to deliver high quality services for all Fijians.

I take this opportunity to thank our dedicated board member Mr Aren Baoa for his commitment and sound advice. We look forward to a much brighter year for the FBC and our shareholders, the government of Fiji, in 2018.

Vinaka.



MR. SASHI SINGH  
BOARD CHAIR





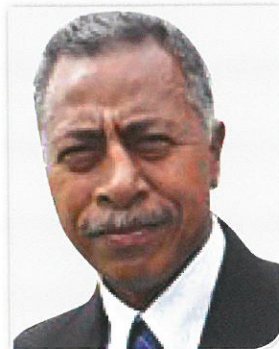
## BOARD OF DIRECTORS



Fiji  
Broadcasting  
Corporation



MR. SASHI SINGH  
BOARD CHAIR



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

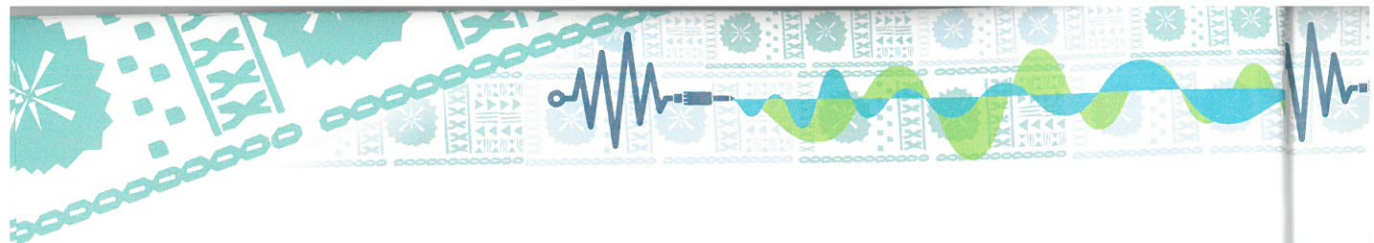


MR NITENDRA PRASAD  
DIRECTOR  
TECHNICAL OPERATIONS



MR INDRA SINGH  
MANAGER  
NEWS & SPORTS





Best Picture | Sound | Coverage

**FBC**  
**SPORTS**

*EVERY SPORT COUNTS*

Richard Math  
BUSINESS

Janelle Toro  
SPORTS ANCHOR

Jacques Spotlight  
MEN'S ANCHOR

Angelika Sharma  
WOMEN'S ANCHOR

*Facts & Events  
that  
Truly Matter*

**FBC**  
**NEWS**

*KEEPING FIJIAN'S CONNECTED*

Your Total News Team **FBC** *NEWS* **EVENINGS AT 7**

SIMULCAST ON **GOLD**



## ENTITY PROFILE



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.





## ENTITY PROFILE



### 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 40 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 40 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 BROADCAST



### 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.

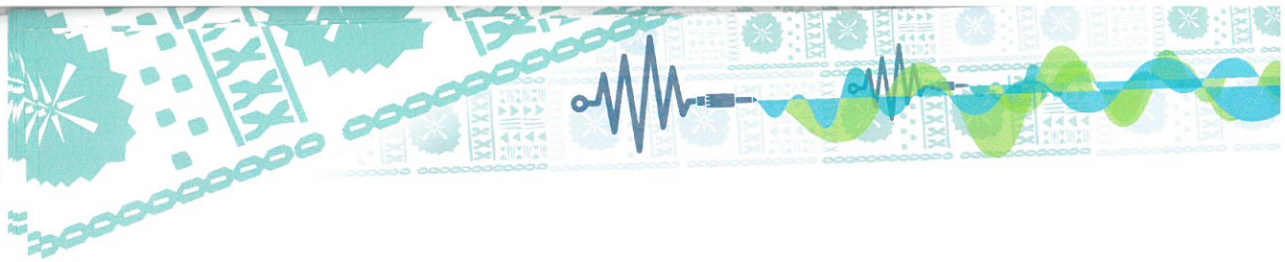
### FBC TV:

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 2017



**RADIO**  
**FIJI ONE**  
NA DOMOVITI

**GOLD**

**MIRCH**

**20/20**

**BULA**

**RADIO**  
**FIJI TWO**  
Share the Goodness

**FBC**  
**TV**  
YOU'RE THE ONLY ONE LIKE US

**FBC**  
**2**  
OUR FIVE

**FBC**  
**PLUS**

**FBC**  
**NEWS**  
INSPIRING PLACES CONNECTED

**FBC**  
**SPORTS**  
EVERY SPORT COLOR

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

**OFFICE OF THE AUDITOR GENERAL**

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Website: <http://www.oag.gov.fj>



File: 1248

21 June 2018

The Chairman of the Board  
Fiji Broadcasting Corporation Limited  
PO Box 334  
SUVA

Dear Sir

**FIJI BROADCASTING CORPORATION LIMITED**  
**AUDITED FINANCIAL STATEMENTS - 31 DECEMBER 2017**

Enclosed, please find three copies of the audited financial statements for the Fiji Broadcasting Corporation Limited for the year ended 31 December 2017 together with three copies of my audit report on them.

Particulars of the any errors and omissions arising from the audit have been forwarded to the management of the Corporation for actions.

Yours sincerely

Ajay Nand  
**AUDITOR-GENERAL**

Encl.



# FIJI BROADCASTING CORPORATION LIMITED

## FINANCIAL STATEMENTS

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**FIJI BROADCASTING CORPORATION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**DIRECTORS' REPORT**

In accordance with a resolution of the Board, the Directors present their report on Fiji Broadcasting Corporation Limited ("the Company") for the year 31 December 2017. Financial comparisons used in this report are of results for the year ended 31 December 2017 compared with the year ended 31 December 2016.

The historical financial information included in this Directors' Report has been extracted from the Audited Financial Statements accompanying this Directors' Report.

Information in this Directors' Report is provided to enable shareholders to make an informed assessment of the operations, financial position, performance and other aspects of the Company, and whether the Company is a going concern.

**Principal Activities**

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

**Review and Results of Operations**

The profit after income tax for the financial year was \$6,750,508 (2016: \$4,082,622) after providing the income tax expense of \$183,611 (2016: \$180,147).

**Our Values**

At the Fiji Broadcasting Corporation, we have four key values that are the core of our business:

- 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 all Fijians;
- Our driving force and success factors are our professional and dedicated staff united by common values and a strong corporate culture.

**Our Strategy**

Our strategy is focused on driving shareholder value.

**Our Priorities This Year**

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.

**Key Statistics**

The total staff numbers increased to 212 this year (2016: 181 staff).

Gross Income recorded for the financial year was \$23,406,774 (2016: \$19,621,033).

**The Future**

To be the premier Broadcaster in Fiji and the region.



**FIJI BROADCASTING CORPORATION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**DIRECTORS' REPORT [CONT'D]**

**Dividends**

No dividends were declared or paid during the year (2016: Nil).

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of our Company during the year ended 31 December 2017.

**Events occurring after the end of the financial year**

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that, in their opinion, has significantly affected, or may significantly affect in the future years, the Company's operations and the expected results of those operations or the state of the Company's affairs.

**Directors**

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

Sashi Singh – Chairman  
 Aren Baosa

Details of Directors' shareholdings in the Company as at 31 December 2017 are shown in the table below:

Director	Number of shares held
Sashi Singh	Nil
Aren Baosa	Nil

**Board meeting attendance**

Details of the number of meetings held by the Board during the financial year ended 31 December 2017, and attendance by Board members, are set out below:

Directors	Board meetings	
	Number of meetings held	Number of meetings attended
Sashi Singh	4	4
Aren Baosa	4	4

**Basis of Accounting - Going Concern**

The financial statements of the Company have been prepared on a going concern basis. We consider the application of the going concern principle to be appropriate in the preparation of these financial statements as we believe that the Company has adequate funds to meet its liabilities as and when they fall due over the next twelve months.

**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.

**FIJI BROADCASTING CORPORATION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**DIRECTORS' REPORT [CONT'D]**

**Bad and Doubtful Debts [cont'd]**

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.

**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**

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.



**FIJI BROADCASTING CORPORATION LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**DIRECTORS' REPORT [CONT'D]**

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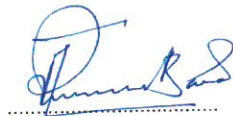
**Directors' Benefits**

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 20<sup>TH</sup> day of JUNE 2018.

  
.....  
Director

  
.....  
Director

**FIJI BROADCASTING CORPORATION LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**DIRECTORS DECLARATION**

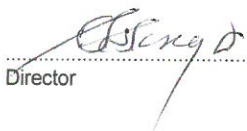
The declaration by directors is required by the Companies Act, 2015.

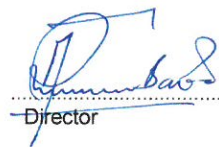
The directors of Fiji Broadcasting Corporation Limited ("the Company") have made a resolution that declares:

- a) In the opinion of the directors, the financial statements of the Company for the financial year ended 31 December 2017:
  - i. comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the Company as at 31 December 2017 and of the performance and cash flows of the Company for the year ended 31 December 2017; and
  - ii. have been prepared in accordance with the Companies Act, 2015;
- b) At the date of this declaration, in the opinion of the directors, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dated this 20<sup>th</sup> day of JUNE 2018.

  
Director

  
Director



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Website: <http://www.oag.gov.fj>



## INDEPENDENT AUDITOR'S REPORT

### Report on the Audit of the Financial Statements of Fiji Broadcasting Corporations Limited

#### Opinion

I have audited the accompanying financial statements of Fiji Broadcasting Corporation Limited ("the Company"), which comprise the statement of financial position as at 31 December 2017, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

#### Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditors' 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 Accountants' 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 my 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.

#### Emphasis of Matter

I draw attention to Note 3(l) of the financial statements which states that grants and/or special funding from Government up to 7 March 2016 were treated as capital contribution in accordance with Cabinet Decision No. 357 of 2012.

#### Responsibilities of Management and those Charged with Governance for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, Companies Act 2015 and for such internal control as 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### Auditors' 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 auditors' 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 these financial statements.

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



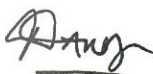
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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 the 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 Management's use of the 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 auditors' 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 auditors' 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 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 Companies Act 2015 and the Public Enterprise Act 1996, in my opinion:

- proper books of account have been kept by the Company, so far as it appears from my examination of those books; and
- the accompanying financial statements:
  - are in agreement with the books of account; and
  - To the best of my information and according to the explanations given to me, give the information required by the Companies Act 2015 and the Public Enterprise Act 1996 in the manner so required.



Ajay Nand  
**AUDITOR-GENERAL**



Suva, Fiji  
21 June 2018



**FII BROADCASTING CORPORATION LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 \$	2016 \$ Restated*
Revenue	6	22,332,621	19,202,108
Other operating revenue	7	999,264	411,921
Finance income		<u>74,889</u>	<u>7,004</u>
		23,406,774	19,621,033
Administration and operating expenses		(13,120,352)	(12,272,541)
Marketing expenses		(2,534,853)	(2,163,728)
Finance costs		<u>(817,450)</u>	<u>(921,995)</u>
<b>Profit before income tax</b>		6,934,119	4,262,769
Income tax expense	9(a)	<u>(183,611)</u>	<u>(180,147)</u>
<b>Profit after income tax</b>		<b>6,750,508</b>	<b>4,082,622</b>
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<b><u>6,750,508</u></b>	<b><u>4,082,622</u></b>

\*Certain amounts shown here do not correspond to the 2016 financial statements and reflect adjustments made as described in note 27.

The statement of 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 2017**

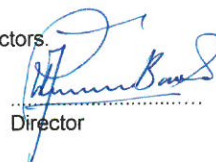
	Notes	2017 \$	2016 \$ Restated*
<b>Current assets</b>			
Cash	20	8,933,748	6,205,105
Trade and other receivables	10	2,116,149	1,836,608
Other assets	11	640,906	671,851
Held-to-maturity investments	12	2,363,944	360,606
Income tax receivable	9(b)	20,705	22,340
<b>Total current assets</b>		<b>14,075,452</b>	<b>9,096,510</b>
<b>Non-current assets</b>			
Property, plant and equipment	13	17,547,021	17,938,361
Deferred tax asset	9(c)	37,286	33,395
<b>Total non-current assets</b>		<b>17,584,307</b>	<b>17,971,756</b>
<b>Total assets</b>		<b>31,659,759</b>	<b>27,068,266</b>
<b>Current liabilities</b>			
Trade and other payables	14	1,973,254	2,383,751
Employee entitlements	16	162,711	147,151
Deferred income	17	-	20,000
Interest bearing borrowings	15	2,075,278	1,966,321
<b>Total current liabilities</b>		<b>4,211,243</b>	<b>4,517,223</b>
<b>Non-current liabilities</b>			
Interest bearing borrowings	15	11,752,325	13,792,862
Deferred income	17	19,032	19,032
Deferred tax liability	9(d)	546,627	359,125
<b>Total non-current liabilities</b>		<b>12,317,984</b>	<b>14,171,019</b>
<b>Total liabilities</b>		<b>16,529,227</b>	<b>18,688,242</b>
<b>Net assets</b>		<b>15,130,532</b>	<b>8,380,024</b>
<b>Shareholders' equity</b>			
Share capital	18	4,113,357	4,113,357
Capital contribution	19(a)	18,489,696	18,489,696
Asset Revaluation Reserve	19(b)	3,341,214	3,341,214
Accumulated losses		(10,813,735)	(17,564,243)
<b>Total shareholders' equity</b>		<b>15,130,532</b>	<b>8,380,024</b>

\*Certain amounts shown here do not correspond to the 2016 financial statements and reflect adjustments made as described in note 27.

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





**FIJI BROADCASTING CORPORATION LIMITED**  
**STATEMENT OF CHANGES OF EQUITY**  
**YEAR ENDED 31 DECEMBER 2017**

	Share Capital	Share Premium Reserve	Accumulated Losses Restated*	Asset Revaluation Reserve	Capital Contribution	Total
	\$	\$	\$	\$	\$	\$
<b>Balance as at 1 January 2016</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>
Profit for the year	-	-	4,082,622	-	-	4,082,622
Prior period error	-	-	689,720	-	-	689,720
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>(17,564,243)</b>	<b>3,341,214</b>	<b>18,489,696</b>	<b>8,380,024</b>
Profit for the year	-	-	6,750,508	-	-	6,750,508
<b>Balance as at 31 December 2017</b>	<b>4,113,357</b>	<b>-</b>	<b>(10,813,735)</b>	<b>3,341,214</b>	<b>18,489,696</b>	<b>15,130,532</b>

\*Certain amounts shown here do not correspond to the 2016 financial statements and reflect adjustments made as described in note 27.

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 2017**

	Note	2017 \$	2016 \$
<b>Cash flow from operating activities</b>			
Receipts from customers and grant income		23,032,344	19,466,911
Payments to suppliers and employees		(13,810,494)	(11,413,957)
Cash generated by operations		9,221,850	8,052,954
Interest paid		(817,450)	(921,995)
Income tax paid		-	(12,734)
Income tax refund, net		1,635	-
Interest received		74,889	7,005
Net cash generated by operating activities		8,480,924	7,125,230
<b>Cash flow from investing activities</b>			
Proceeds from disposal of land and buildings		-	69,424
Payments for term deposits		(2,003,338)	-
Payments for property, plant and equipment		(1,817,363)	(2,101,355)
Capital gain tax paid		-	(7,500)
Net cash used in investing activities		(3,820,701)	(2,039,431)
<b>Cash flows from financing activities</b>			
Proceeds from capital contribution by the shareholders	23(c)	-	2,075,785
Repayment of term loans, net		(1,931,580)	(1,822,551)
Net cash (used in)/provided by financing activities		(1,931,580)	253,234
<b>Net increase in cash and cash equivalents during the year</b>		2,728,643	5,339,033
Cash and cash equivalents at the beginning of the year		6,205,105	866,072
<b>Cash and cash equivalents at the end of the year</b>	20	8,933,748	6,205,105

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.



**FJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1 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 20TH JUNE 2018.

**2 BASIS OF PREPARATION**

**a) Basis of preparation**

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

**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.

**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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**

**Amendments to standards and annual improvements effective from 1 January 2017**

A number of amendments to standards and annual improvements are effective for the first time for periods beginning on (or after) 1 January 2017. None of the amendments have a material effect on the Company's annual financial statements.

Amendments which are relevant to the entity are summarised below:

**IAS 7: Amendment – Disclosure Initiative**

These amendments are effective from 1 January 2017 and aim to improve information about an entity's debt, including movements in that debt. Disclosures are required to enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

**New standards, amendments, annual improvements and interpretation that have been issued but are not mandatorily effective as at 31 December 2017.**

Certain new standards, amendments, annual improvements and interpretation 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.

Amendments which are applicable to the entity are:

**IAS 40: Amendment – Transfers of Investment Property**

This amendment is effective from 1 January 2018 and clarifies that transfer of a property to, or from investment property is made when, and only when, there is a change in use.



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**2 BASIS OF PREPARATION – Continued**

**(e) Changes in accounting policies (cont'd)**

**New standards, amendments, annual improvements and interpretation that have been issued but are not mandatorily effective as at 31 December 2017 (cont'd)**

Annual improvements and interpretation applicable to the entity are:

**IFRIC Interpretation 22: Foreign Currency Transactions and Advance Consideration**

IFRIC interpretation 22 is effective from 1 January 2018 and addresses how to determine the date of transaction for the purpose of determining the spot exchange rate used to translate foreign currency transactions on initial recognition in circumstances when an entity pays or receives some or all of the foreign currency in advance of the recognition of the related asset, expense or income.

New Standards which are applicable to the entity are:

**IFRS 9 - Financial Instruments**

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

**IFRS 15 - Revenue from Contracts with Customers**

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**2 BASIS OF PREPARATION – Continued**

**(e) Changes in accounting policies (cont'd)**

**New standards, amendments, annual improvements and interpretation that have been issued but are not mandatorily effective as at 31 December 2017 (cont'd)**

**IFRS 16 - Leases**

IFRS 16 Leases, which supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17. Under IFRS 16, leases are recorded on the balance sheet by recognising a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of the lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities.

IFRS 16 applies to annual periods commencing on or after 1 January 2019. Earlier adoption is permitted, but only IFRS 15 Revenue from Contracts with Customers is also adopted. The Company is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

**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 comprehensive income 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 statement of comprehensive income 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.



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

**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 comprehensive income 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 at bank.

**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 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.

**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

**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.

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 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.



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

**h) Income Tax (Cont'd)**

*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 Income Tax Act. 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**

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:

	<b>2017</b>	<b>2016</b>
	Term of lease	Term of lease
Leasehold land	2%	2%
Building	1 – 2%	1 – 2%
Transmitter sites	5 – 33%	10 – 50%
Plant and equipment*	10%	10%
Furniture and fittings	20%	15 – 20%
Motor vehicles	20 – 24%	20 – 24%
Computer equipment		

\*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.

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 2017**

**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.

From 8 March 2016 and based on the Cabinet's decision in 2016, any recent 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 comprehensive income 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) 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.

**o) 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.

**p) Trade and Other Payables**

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

**q) 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.



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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

**q) Trade and Other Receivables (cont'd)**

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.

**r) 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.

**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.

**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**4 FINANCIAL RISK MANAGEMENT – Continued**

**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:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	8,918,048	6,189,605
Trade receivables	1,881,259	1,731,013
Other receivables	258,607	125,420
Held-to-maturity investments	2,363,944	360,606
Other assets, excluding prepayments	124,800	122,314
	<u>13,546,658</u>	<u>8,528,958</u>



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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.

<b>31 December 2017</b>	<b>Carrying amount \$</b>	<b>Contractual cash flows \$</b>	<b>Less than 1 year \$</b>	<b>More than 1 year \$</b>
Trade and other payables	1,973,254	1,973,254	1,973,254	-
Interest bearing borrowings	13,827,603	-	2,075,278	11,752,325
	<u>15,800,857</u>	<u>1,973,254</u>	<u>4,048,532</u>	<u>11,752,325</u>
<b>31 December 2016</b>				
Trade and other payables	2,383,751	2,383,751	2,383,751	-
Interest bearing borrowings	15,759,183	-	1,966,321	13,792,862
	<u>18,142,934</u>	<u>2,383,751</u>	<u>4,350,072</u>	<u>13,792,862</u>

**f) Regulatory Risk**

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

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

**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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.

**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 2017, 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.



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>6 REVENUE</b>	<b>2017 \$</b>	<b>2016 \$</b>
Advertising:		
- Radio	1,831,208	1,553,043
- Television	3,076,571	2,334,353
Paid programmes:		
- Radio	1,312,899	1,149,496
- Television	1,818,324	2,031,704
Special events:		
- Radio	65,727	310,198
- Television	74,990	105,807
Sports:		
- Radio	244,872	188,134
- Television	1,396,612	1,328,216
Commercial outside broadcast	931,640	634,395
Public service broadcast revenue	11,277,400	9,201,615
Others	302,378	365,147
<b>Total revenue</b>	<b>22,332,621</b>	<b>19,202,108</b>

**7 OTHER OPERATING INCOME**

Gain on sale of land and building	-	24,859
Income from gifted assets	20,000	40,222
Rent	42,000	42,000
Communication	55,026	111,541
Other income	882,238	193,299
<b>Total other operating revenue</b>	<b>999,264</b>	<b>411,921</b>

**8 PROFIT BEFORE INCOME TAX**

Profit before income tax has been determined after charging the following expenses:

Auditors' remuneration for audit fees	22,936	20,734
Accounting and taxation fees	22,000	3,485
Consultancy fees	122,988	167,528
Depreciation	2,188,703	1,979,132
Depreciation of gifted asset	20,000	40,222
Directors' fees	15,500	19,000
FNPF (employer's contribution)	392,582	349,414
Insurance	285,067	236,592
Interest expenses	817,450	921,995
Licences and permits	1,427,782	1,403,844
Motor vehicle expenses	202,719	215,722
Power and transmission	644,401	638,246
Program expenses	1,841,011	1,768,095
Rent and rates (including land rentals)	126,131	138,114
Sports coverage expenses	205,355	289,615
Telephone	108,274	115,962
Wages, salaries, and training levy	3,920,638	3,430,599

**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>9</b>	<b>INCOME TAX</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
<b>(a)</b>	<b>Income tax expense</b>		
A reconciliation between income tax expense and the product of accounting profit multiplied by the tax rate for the year ended 31 December 2017 and 31 December 2016 is as follows:			
	Accounting profit before income tax	6,934,118	4,262,769
	Prima facie income tax thereon the Fiji rate of 20% on the operating profit	1,386,824	852,554
	Other non-deductible expenses	42,349	(1,611)
	Tax losses utilised	(1,245,562)	(670,796)
	Income tax expense reported in the statement of comprehensive income	183,611	180,147
<b>(b)</b>	<b>Income tax receivable</b>		
	Opening balance	22,340	9,606
	Refunds during the year	(16,393)	-
	RWT on interest paid on term deposits	1,134	448
	15% Provisional tax deducted on sales invoices	13,624	12,286
		20,705	22,340
<b>(c)</b>	<b>Deferred tax asset</b>		
Deferred income tax asset at 31 December relates to the following:			
	Provision for doubtful debts	4,744	3,965
	Employee benefit liability	32,542	29,430
		37,286	33,395
<b>(d)</b>	<b>Deferred tax liability</b>		
Deferred income tax liability at 31 December relates to the following:			
	Accelerated depreciation for tax purposes	546,627	359,125
<b>(e)</b>	<b>Benefit of income tax losses not brought to account</b>		

As at 31 December 2017, the Company had unrecouped income tax losses of \$1,046,589 (2016: \$7,274,398) available to offset against future years' taxable income. The benefit of these losses at the future income tax rate of 20% amounting \$209,318 (2016: \$1,454,880) 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;
- the Company continues to comply with the conditions for deductibility imposed by the law; and



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**9 INCOME TAX – Continued**

**(e) Benefit of income tax losses not brought to account –(Cont'd)**

(iii) no changes in tax legislation adversely affect the Company in realizing the benefit from the deductions for the losses.

The tax loss of \$1,046,589 relates to loss incurred during 2015 which will be expiring in 2019.

<b>10 TRADE AND OTHER RECEIVABLES</b>	<b>2017 \$</b>	<b>2016 \$</b>
Trade accounts receivable	1,881,259	1,731,013
Provision for impairment of trade receivables	<u>(6,775)</u>	<u>(6,775)</u>
	<u>1,874,484</u>	<u>1,724,238</u>
Other receivables	258,607	125,420
Provision for impairment of other receivables	<u>(16,942)</u>	<u>(13,050)</u>
	<u>241,665</u>	<u>112,370</u>
Total trade and other receivables, net	<u>2,116,149</u>	<u>1,836,608</u>

The aging analysis of these trade receivables is as follows:

0 to 60 days	1,741,885	1,624,091
61 to 90 days	28,982	79,852
Over 90 days	345,282	132,665

As of 31 December 2017, trade receivables of \$6,775 (2016: \$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:

At 1 January	19,825	20,425
Allowance for impairment of receivables/ (Unused amount reversed)	<u>3,892</u>	<u>(601)</u>
At 31 December	<u>23,717</u>	<u>19,824</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	498,202	523,953
Deposits	124,800	122,314
Fuel	<u>17,904</u>	<u>25,584</u>
	<u>640,906</u>	<u>671,851</u>

**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**12 HELD-TO-MATURITY INVESTMENTS**

	2017 \$	2016 \$
Term deposits	2,363,944	360,606

The term deposits earn interest at interest rate between 1% and 4.25% per annum and mature between April 2018 and December 2018. Interest is added to the principle amount at maturity.

**13 PROPERTY, PLANT AND EQUIPMENT**

Land and buildings – <i>at deemed cost</i>	8,283,144	8,283,144
Less: accumulated depreciation	(1,020,936)	(839,750)
	<u>7,262,208</u>	<u>7,443,394</u>
Transmitter sites – <i>at deemed cost</i>	2,501,896	2,501,896
Less: accumulated depreciation	(318,264)	(275,439)
	<u>2,183,632</u>	<u>2,226,457</u>
Plant and equipment, and vehicles – <i>at deemed cost</i>	24,674,098	23,088,931
Less: accumulated depreciation	(18,452,448)	(16,488,752)
	<u>6,221,650</u>	<u>6,600,179</u>
Furniture and fittings – <i>at deemed cost</i>	363,477	325,392
Less: accumulated depreciation	229,793	(208,798)
	<u>133,684</u>	<u>116,594</u>
Capital Work in Progress	1,745,847	1,551,737
Total property, plant and equipment, net	<u>17,547,021</u>	<u>17,938,361</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:

	Land and buildings	Transmitter sites	Plant and equipment, and vehicles	Furniture and fittings	Capital Work in Progress	Total 2017	Total 2016
			\$	\$	\$	\$	\$
Balance as at 1 January	7,443,394	2,226,457	6,600,179	116,594	1,551,737	17,938,361	17,428,331
Additions	-	-	1,585,168	38,085	194,110	1,817,363	2,566,449
Disposals	-	-	-	-	-	-	(47,765)
Depreciation expense	(181,186)	(42,825)	(1,963,697)	(20,995)	-	(2,208,703)	(2,019,354)
Depreciation expense-disposal	-	-	-	-	-	-	10,700
Balance as at 31 December	7,262,208	2,183,632	6,221,650	133,684	1,745,847	17,547,021	17,938,361



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**13 PROPERTY, PLANT AND EQUIPMENT – Continued**

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.

<b>14 TRADE AND OTHER PAYABLES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Trade accounts payable	412,597	321,697
Income received in advance	959,991	1,041,347
Other payables and accruals	543,469	1,003,515
Value Added Tax payable	57,197	17,192
<b>Total trade and other payables</b>	<b>1,973,254</b>	<b>2,383,751</b>

**15 INTEREST BEARING BORROWINGS**

**Current**

Term loan	<u>2,075,278</u>	<u>1,966,321</u>
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**Non-Current**

Term loan	<u>11,752,325</u>	<u>13,792,862</u>
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- (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 (2016: \$232,000), including principal and interest. The loan is secured by:
- (i) 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, Nasinu 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.

**16 EMPLOYEE ENTITLEMENTS**

Employee entitlements	<u>162,711</u>	<u>147,151</u>
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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.

**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>17 DEFERRED INCOME</b>	<b>2017 \$</b>	<b>2016 \$</b>
Deferred income	585,266	585,266
Less: accumulated amortisation (a)	(566,234)	(546,234)
<b>Total deferred income, net</b>	<b>19,032</b>	<b>39,032</b>
Represented by:		
Current	-	20,000
Non-current	19,032	19,032
	<b>19,032</b>	<b>39,032</b>

a) Movement in the accumulated amortisation are as follows:

As at 1 January	546,233	506,011
Amortisation charge for the year	20,000	40,222
<b>As at 31 December</b>	<b>566,233</b>	<b>546,233</b>

**18 SHARE CAPITAL**

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

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) Capital contribution	18,489,696	18,489,696
Balance as at 1 January 2017	18,489,696	16,413,911
Contribution during the year by shareholders 23(c)	-	2,075,785
<b>Balance as at 31 December 2017</b>	<b>18,489,696</b>	<b>18,489,696</b>

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 Companies Act 2015, share premium reserve can no longer be established or maintained, hence has been reclassified to issued share capital as at 31 December 2016.

b) Asset revaluation reserves	3,341,214	3,341,214
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The asset revaluation reserves reflect the impact of changes in the market value of property. Refer note 13.



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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:

	2017 \$	2016 \$
Cash on hand	15,700	15,500
Cash at bank	8,918,048	6,189,605
	<u>8,933,748</u>	<u>6,205,105</u>

**21 COMMITMENTS**

(a) Capital expenditure - Approved by the board and committed	<u>8,516,578</u>	<u>6,901,376</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	26,770	26,270
Later than one year but not later than two years	26,770	26,270
Later than two years but not later than five years	80,310	78,810
Later than five years	<u>1,569,544</u>	<u>1,552,284</u>
	<u>1,703,394</u>	<u>1,683,634</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 bonds and guarantees amounted to \$Nil as at 31 December 2017 (2016: \$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.

**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  
Aren Baqa

The total emolument to Directors is as follows:

Directors fees	<u>15,500</u>	<u>19,000</u>
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**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**23 RELATED PARTY DISCLOSURES - Continued**

(b) Identity of Related Parties

The Company is a private enterprise which is wholly owned by the Government of Fiji.

Amounts payable to related parties:	2017 \$	2016 \$
Fiji Development Bank	13,827,603	15,759,183

(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
Revenue contribution	11,277,400	9,201,615
	<u>11,277,400</u>	<u>11,277,400</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.

From 8 March 2016 and based on the Cabinet's decision in 2016, any recent 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, recent 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 7 March 2016 have been treated as a capital contribution.

(c) Transactions with Related Parties

Fiji Development Bank		
Bank Service Charge	34,970	39,454
Loan repayments	(2,784,000)	(2,784,000)
Interest on loan	817,450	921,995
	<u>(1,931,580)</u>	<u>(1,822,551)</u>



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**23 RELATED PARTY DISCLOSURES - Continued**

(d) 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:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Short-term benefits	<u>408,962</u>	<u>358,813</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.

**25 PRINCIPAL ACTIVITIES**

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

**26 COMPANY DETAILS**

**Company Incorporation**

The Company was incorporated in Fiji under the Fiji Companies Act, 1983.

**Registered Office and Principal Place of Business**

The registered office and principal place of business of the Company is located at 69 Gladstone Road, Suva, Fiji.

**Other Offices:**

1st Floor, Airport Central Building, Namaka, Nadi.  
 Basha Building, Level 2, Labasa Town.

**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**27 PRIOR YEAR RESTATEMENT**

The Company carried forward tax losses, which may be offset against future tax payable. So tax provisions may be reduced by carried forward tax losses, provided conditions for offset are met. However, the Company still recognises deferred tax assets (DTA) and deferred tax liabilities (DTL) for some items, such as depreciation difference between accounting and tax fixed assets register (FAR), provision for doubtful debts and provision for annual leave.

Prior period error in deferred tax asset and liability balances amounting to \$509,574 was adjusted as prior period adjustment resulting in recognition of tax expense for 2016 amounting to \$180,147 and residual error adjusted to opening retained earnings.



**FIJI BROADCASTING CORPORATION LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**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 STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Income from advertising, programs and special events	11,055,221	10,000,493
Public service broadcast revenue	<u>11,277,400</u>	<u>9,201,615</u>
	<u>22,332,621</u>	<u>19,202,108</u>
 <b>Add: Other Operating Revenue</b>		
Gain on sale of land & building	-	24,859
Income from gifted assets	20,000	40,222
Interest Income	74,889	7,004
Other income	<u>979,264</u>	<u>346,840</u>
	<u>1,074,153</u>	<u>418,925</u>
 <b>Total revenue</b>	<u>23,406,774</u>	<u>19,621,033</u>
 <b>Less: Expenses</b>		
Administration and operating expenses	(13,120,352)	(12,272,541)
Marketing expenses	(2,534,853)	(2,163,728)
Finance costs	<u>(817,450)</u>	<u>(921,995)</u>
	<u>16,472,655</u>	<u>(15,358,264)</u>
 <b>Operating profit before income tax</b>	<u>6,934,119</u>	<u>4,262,769</u>



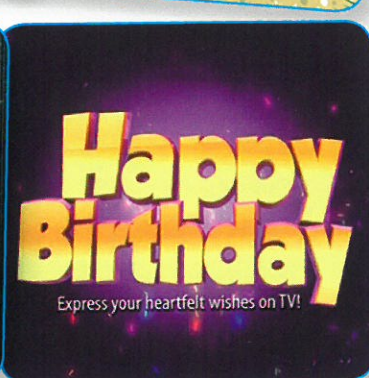
**FIJI BROADCASTING CORPORATION LIMITED**  
**DETAILED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>Administration and Operating Expenses</b>	<b>2017 \$</b>	<b>2016 \$</b>
Accounting and taxation fees	22,000	3,485
Audit fees	22,936	20,734
Bad debts	1,739	-
Bank charges	37,682	41,961
Cleaning services	20,775	21,126
Computer charges	361,122	359,549
Consultancy fees	122,988	167,528
Copyright fee	66,491	76,127
Depreciation	2,188,703	1,979,132
Depreciation – gifted asset	20,000	40,222
Directors' fees	15,500	19,000
Doubtful debts	3,893	-
Entertainment	62,757	11,580
FNPF (employer's contribution)	392,582	349,414
Training levy	39,111	35,134
General expenses	114,514	119,226
Insurance	285,067	236,592
Legal fees	50,000	3,880
Licences and permits	1,427,782	1,403,844
Library resources	41,698	25,621
Local travelling	31,726	63,572
Motor vehicle expenses	202,719	215,722
Overseas travelling	84,890	97,294
Power and transmission	644,401	638,246
Program expenses	1,841,011	1,768,095
Production expenses	104,847	20,059
Printing and stationery	45,880	36,533
Rent and rates (includes land rentals)	126,131	138,114
Repairs and maintenance	394,644	402,740
Sports coverage expenses	205,355	289,615
Staff costs	86,690	119,991
Subscriptions	31,974	53,005
Telephone	108,274	115,962
Training	29,664	28,223
Wages and salaries	3,881,527	3,368,465
Water	3,279	2,750
<b>Total administration and operating expenses</b>	<b>13,120,352</b>	<b>12,272,541</b>

**FIJI BROADCASTING CORPORATION LIMITED**  
**DETAILED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Marketing Expenses</b>		
Advertising campaign expenses	224,263	290,171
Special event expenses	417,539	761,550
Promotion and public relations	1,526,008	816,313
Commercial Outside Broadcast expenses	135,913	77,295
SMS promotion expenses	9,625	11,825
Public Service Broadcast expenses	10,968	1,063
Commission and discount	210,537	205,511
<b>Total marketing expenses</b>	<b>2,534,853</b>	<b>2,163,728</b>
<b>Finance Costs</b>		
Interest expenses	817,450	921,995
<b>Total finance costs</b>	<b>817,450</b>	<b>921,995</b>





RADIO FIJIONE NA DONOVITI

GOLD

MIRCHI FM

2045 FM

BULA FM

RADIO FIJIONE 2045 FM

FBC TV

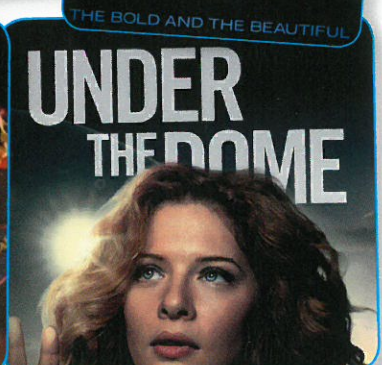
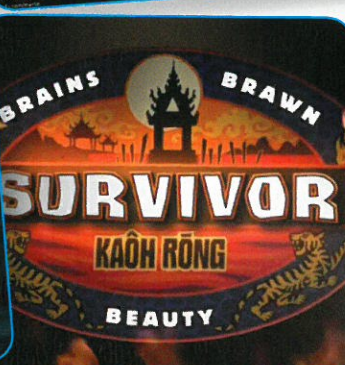
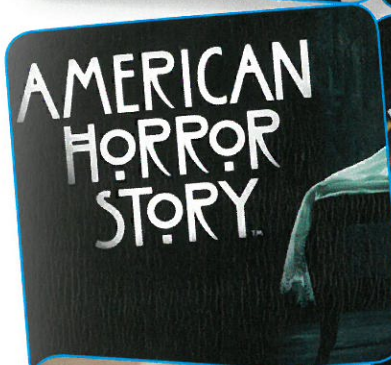
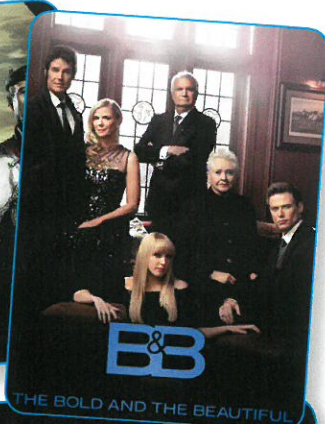
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FBC NEWS

FBC SPORTS





RADIO  
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MIRCHI FM

204 FM

BULA

RADIO  
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TV

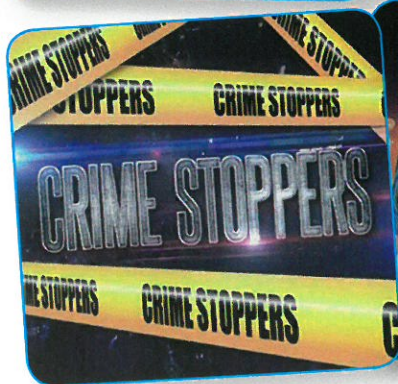
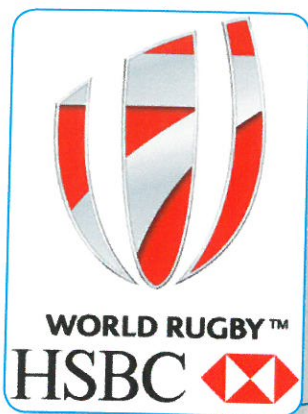
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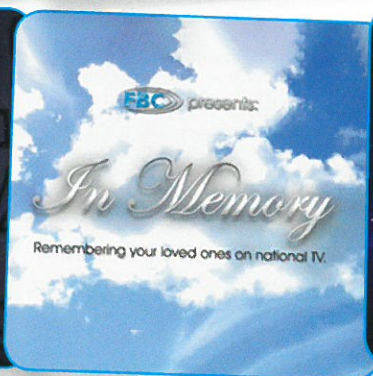
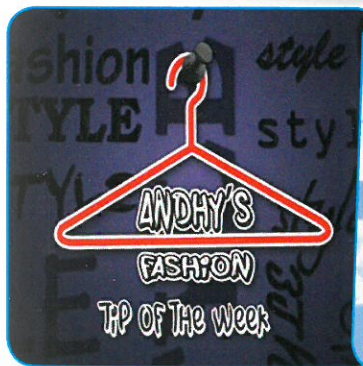
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NEWS

FBC  
SPORTS













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