ANNUAL REPORT 2018

Fiji Broadcasting Corporation

FBC TV — YOU'RE No. 1 WITH US

FBC 2 — OUR FIJI

FBC PLUS

FBC NEWS — KEEPING FIJIANS CONNECTED

FBC SPORTS — EVERY SPORT COUNTS

STUDIO 69

RADIO FIJI ONE — NA DOMOIVITI

GOLD fm

MIRCHI FM

2DAY fm

BULA fm

RADIO FIJI TWO — Desh ki Dhadkan

Parliamentary Paper Number 42 of 2019

< 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 county'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 programs.

Although most of the current English and Hindi music and programs are purchased, all of the i-taukei music and programs 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.

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.

In addition to this the FBC on an annual average provides more than 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

BOARD CHAIR'S report (cont'd)

requires sustained fees to offset some of the costs of such a substantial operation.

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.

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.

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

You are invited to read our audited financial statements for the year ending 31st December 2018, which is self-explanatory, prepared in compliance with International Financial Reporting Standards and clearly showing all our annual financial transactions including the projected profitability, continuing increase in sales revenue and increasing profit for yet another year.

The profit after income tax for the financial year was $4,736,769 (2017: $6,750,508) after providing the income tax expense of $991,016 (2017: $183,611).

Gross Income recorded for the financial year was $26,452,606 (2017: $23,406,774). The total staff numbers increased to 224 this year (2017: 212 staff).

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 members Mr Aren Baoa and Ms Glenys Andrews for their commitment and sound advice.

We look forward to a much brighter year for the FBC and our shareholders, the Government of Fiji in 2019 financial year.

Vinaka.

MR. SASHI SINGH
BOARD CHAIR

BOARD OF DIRECTORS

Fiji
Broadcasting
Corporation

MR. SASHI SINGH
BOARD CHAIR

MR. AREN BAOA
DIRECTOR

MS. GLENYS ANDREWS
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


ZIYAD PARVEZ
GERALDINE SEN
JAMIE TORO
JACQUELINE SPEIGHT
SHAMMI LOCHAN
KARALAINI KOROI
2018 FIJIAN GENERAL ELECTION
14th -15th November 2018
FBC NEWS
KEEPING FIJIANS CONNECTED
FBC TV
YOU'RE Nº. 1 WITH US
BIGGEST TEAM
BEST COVERAGE
MORE ANALYSIS & INTERVIEWS
CONSISTENT RESULT UPDATES
LIVE ON FBC TV, ALL FBC FACEBOOK PAGES, FBC 6 RADIO STATIONS

ENTITY PROFILE

Fiji Broadcasting Corporation

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

Fiji
Broadcasting
Corporation

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

Fiji Broadcasting Corporation

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

FIJI BROADCASTING CORPORATION LIMITED

FINANCIAL STATEMENTS 31 DECEMBER 2018

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing

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

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

File: 1248

3 June 2019

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

Dear Mr. Sayed-Khaiyum

FIJI BROADCASTING CORPORATION LIMITED
AUDITED FINANCIAL STATEMENTS
31 DECEMBER 2018

The audit of the financial statements of Fiji Broadcasting Corporation Limited for the year ended 31 December 2018 together with my audit report on them are enclosed.

Particulars of the errors and omission arising from the audit have been forwarded to the management of the Company for necessary action.

Yours sincerely

Ajay Nand
AUDITOR-GENERAL

Encl.

< CONTENTS >

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 2018. Financial comparisons used in this report are of results for the year ended 31 December 2018 compared with the year ended 31 December 2017.

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 broadcasting services.

Review and Results of Operations

The profit after income tax for the financial year was $4,736,769 (2017: $6,750,508) after providing the income tax expense of $991,016 (2017: $183,611).

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; and
- 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 224 this year (2017: 212 staff).

Gross Income recorded for the financial year was $26,452,606 (2016: $23,406,774).

DIRECTORS' REPORT [CONT'D]

The Future

To be the premier Broadcaster in Fiji and the region.

Dividends

No dividends were declared or paid during the year (2017: 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 2018.

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 - Chairperson
Aren Baoa
Glenys Andrews (appointed: 16/03/18)

Details of Directors' shareholdings in the Company as at 31 December 2018 are shown in the table below:

Director	Number of Shares held
Sashi Singh	Nil
Aren Baoa	Nil
Glenys Andrews	Nil

Board meeting attendance

Details of the number of meetings held by the Board during the financial year ended 31 December 2018, and attendance by Board members, are set out below:

Directors	Board Meetings	
	Number of meetings held	Number of meetings attended
Sashi Singh	3	3
Aren Baoa	3	3
Glenys Andrews	3	3

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.

DIRECTORS' REPORT [CONT'D]

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 impairment loss. In the opinion of directors, adequate allowance has been made for impairment loss.

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 impairment loss 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.

Other Circumstances (Cont'd)

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

Directors' Benefits

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

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

Dated this 27TH day of May 2019.

Director

Director

DIRECTORS' DECLARATION

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

The directors of the 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 2018:

- **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 2018 and of the performance and cash flows of the Company for the year ended 31 December 2018; and

- **ii.** have been prepared in accordance with the Companies Act, 2015;

b) The directors have received independence declaration by auditors as required by Section 395 of the Companies Act, 2015; and

c) 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 27TH day of May 2019.

Director

Director

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

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

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements of Fiji Broadcasting Corporation Limited

Opinion

I have audited the financial statements of Fiji Broadcasting Corporation Limited (the 'Company'), which comprise the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 3(k) and Note 23 (c) 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's decision in 2012, and from 8 March 2016 were treated as revenue based on the Cabinet's decision in 2016 to align the accounting treatment to IFRS.

Responsibilities of the Management and Directors for the Financial Statements

The Directors and management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the Companies Act 2015 and the Public Enterprise Act 1996 and for such internal control as the Directors and 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, the Directors and management are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Directors' and management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with Directors and management 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.

I communicate with Directors and management 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:

a) proper books of account have been kept by the Company, so far as it appears from my examination of those books,

b) the accompanying financial statements:

   a. are in agreement with the books of account; and

   b. 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.

AUDITOR-GENERAL
FIJI

Ajay Nand
AUDITOR-GENERAL

Suva, Fiji
3 June, 2019

FIJI BROADCASTING CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 $	2017 $
Revenue	6	24,800,706	22,332,621
Other operating revenue	7	1,376,229	999,264
Finance income		275,671	74,889
		26,452,606	23,406,774
Administration and operating expenses		(17,985,569)	(13,120,352)
Impairment loss on trade and other receivables		(264)	-
Marketing expenses		(2,036,719)	(2,534,853)
Finance costs		(702,269)	(817,450)
Profit before income tax		5,727,785	6,934,119
Income tax expense	9(a)	(991,016)	(183,611)
Profit after income tax		**4,736,769**	**6,750,508**
Other comprehensive income		-	-
Total comprehensive income for the year		**4,736,769**	**6,750,508**

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 2018

	Notes	2018 $	2017 $
Current assets			
Cash	20	1,600,022	8,933,748
Trade and other receivables	10	2,513,574	2,116,149
Other assets	11	1,381,934	640,906
Held-to-maturity investments	12	-	2,363,944
Other investments	12	11,240,169	-
Income tax receivable	9(b)	247,675	20,705
Total current assets		16,983,374	14,075,452
Non-current assets			
Property, plant and equipment	13	31,886,415	17,547,021
Deferred tax assets	9(c)	62,204	37,286
Total non-current assets		31,948,619	17,584,307
Total assets		48,931,993	31,659,759
Current liabilities			
Trade and other payables	14	1,631,003	1,973,254
Employee entitlements	16	287,039	162,711
Deferred income	17	2,010,408	-
Interest bearing borrowings	15	2,257,220	2,075,278
Total current liabilities		6,185,670	4,211,243
Non-current liabilities			
Interest bearing borrowings	15	9,518,816	11,752,325
Deferred income	17	12,663,090	19,032
Deferred tax liability	9(d)	697,117	546,627
Total non-current liabilities		22,879,023	12,317,984
Total liabilities		29,064,693	16,529,227
Net assets		19,867,300	15,130,532
Shareholders' equity			
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		(6,076,967)	(10,813,735)
Total shareholders' equity		19,867,300	15,130,532

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
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Capital	Accumulated Losses	Asset Revaluation Reserve	Capital Contribution	Total
	$	$		$	$
Balance as at 1 January 2017	4,113,357	(17,564,243)	3,341,214	18,489,696	8,380,024
Total comprehensive income					
Profit for the year	-	6,750,508	-	-	6,750,508
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	6,750,508	-	-	6,750,508
Transactions with owners of the Company	-	-	-	-	-
Balance as at 31 December 2017	**4,113,357**	**(10,813,735)**	**3,341,214**	**18,489,696**	**15,130,532**
Total comprehensive income					
Profit for the year	-	4,736,769	-	-	4,736,769
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	4,736,769	-	-	4,736,769
Transactions with owners of the Company	-	-	-	-	-
Balance as at 31 December 2018	**4,113,357**	**(6,076,967)**	**3,341,214**	**18,489,696**	**19,867,300**

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
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 $	2017 $
Cash flow from operating activities			
Receipts from customers and PSB fee income		24,693,304	23,032,344
Payments to suppliers and employees		(17,393,560)	(13,810,494)
Cash generated by operations		7,299,744	9,221,850
Interest paid		(702,269)	(817,450)
Income tax paid		(1,092,413)	-
Income tax refund, net		-	1,635
Interest received		275,671	74,889
Net cash generated by operating activities		5,780,733	8,480,924
Cash flow from investing activities			
Proceeds from disposal of property, plant and equipment		67,477	-
Payments for held – to – maturity investments		-	(2,003,338)
Payments for other investments		(8,876,225)	-
Payments for property, plant and equipment		(2,254,144)	(1,817,363)
Net cash used in investing activities		(11,062,892)	(3,820,701)
Cash flows from financing activities			
Repayment of term loans		(2,051,567)	(1,931,580)
Net cash provided by financing activities		(2,051,567)	(1,931,580)
Net increase /(decrease) in cash and cash equivalents during the year		(7,333,726)	2,728,643
Cash and cash equivalents at the beginning of the year		8,933,748	6,205,105
Cash and cash equivalents at the end of the year	20	1,600,022	8,933,748

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

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 27/05/ 2019.

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 have 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.

2 BASIS OF PREPARATION (CONT'D)

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

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

New Standards Applied by the Entity – IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers

A. IFRS 9 - Financial Instruments

The Company has adopted IFRS 9 *Financial Instruments* issued in July 2014 with a date of initial application of 1 January 2018. The requirements of IFRS 9 represent a significant change from IAS 39 *Financial Instruments: Recognition and Measurement.*

The nature and effects of the key changes to the Company's accounting policies resulting from its adoption of IFRS 9 are summarised below:

As a result of the adoption of IFRS 9, the Company adopted consequential amendments to IAS 1 *Presentation of Financial Statements* which requires impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income (OCI). Previously, the Company's approach was to include the impairment of trade receivables in operating expenses. Additionally, the Company adopted consequential amendments to IFRS 7 *Financial Instruments: Disclosures* that are applied to disclosures about 2018 but generally have not been applied to comparative information.

i. Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. The impact of transition of instruments in these categories is detailed in note 3(e), and note 2(e)A(iii) and 2(e)A(iv).

For an explanation of how the Company classifies and measures financial assets and accounts for related gains and losses under IFRS 9, refer Note 3(e).

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies for financial liabilities.

ii. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets, debt investments at FVOCI and loan commitments issued, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39 – refer Note 3(e).

2 BASIS OF PREPARATION (CONT'D)

e) Changes in Accounting Policies (Cont'd)

A. IFRS 9 - Financial Instruments (Cont'd)

iii. Transition

Changes in accounting policies resulting from the adoption of IFRS 9 (2014) have been applied retrospectively, except as described below:

- Comparative periods have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9.

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

  - The determination of the business model within which a financial asset is held.
  - If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the Company assumed that the credit risk on the asset had not increased significantly since its initial recognition.

There has been no impact of transition to IFRS 9 on reserves and retained earnings at 1 January 2018.

iv. Classification of financial assets and financial liabilities on the date of initial application of IFRS 9

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 January 2018:

	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 ($)	New carrying amount under IFRS 9 ($)
Financial assets					
Other investments		Held to maturity	Amortised cost	2,363,944	2,363,944
Trade and other receivables		Loans and receivables	Amortised cost	2,116,149	2,116,149
Cash on hand and at bank		Loans and receivables	Amortised cost	8,933,748	8,933,748
Other assets		Loans and receivables	Amortised cost	124,800	124,800
Total financial assets				**13,538,641**	**13,538,641**
Financial liabilities					
Trade and other payables		Other financial liabilities	Other financial liabilities	1,973,254	1,973,254
Interest bearing borrowings		Other financial liabilities	Other financial liabilities	13,827,603	13,827,603
Total financial liabilities				**15,800,857**	**15,800,857**

2 BASIS OF PREPARATION (CONT'D)

e) Changes in Accounting Policies (Cont'd)

A. IFRS 9 - Financial Instruments (Cont'd)

iv. Classification of financial assets and financial liabilities on the date of initial application of IFRS 9 (Cont'd)

The company's accounting policies on the classification of financial instruments under IFRS 9 are set out in Note 3(e). The application of these policies resulted in the reclassifications set out in the table above and explained below:

a. Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost.

b. Debt securities that were previously classified as held-to-maturity are now classified at amortised cost. The Company intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 on transition to IFRS 9 on 1 January 2018:

	IAS 39 carrying amount at 31 December 2017 ($)	Re-Classification ($)	Re-measurement ($)	IFRS 9 carrying amount at 1 January 2018 ($)
Financial assets				
Amortised cost				
Cash on hand and at bank				
Brought forward: Loans and receivables	8,933,748			
Carried forward: Amortised cost				8,933,748
Trade and other receivables				
Brought forward: Loans and receivables	2,116,149			
Carried forward: Amortised cost				2,116,149
Other investments				
Brought forward: Held to maturity	2,363,944			
Carried forward: Amortised cost				2,363,944
Other assets				
Brought forward: Loans and receivables	124,800			
Carried forward: Amortised cost				124,800
Total amortised cost	**13,538,641**			**13,538,641**

There has been no impact of transition to IFRS 9 on the opening ECL allowance determined in accordance with IFRS 9 as at 1 January 2018.

2 BASIS OF PREPARATION (CONT'D)

e) Changes in Accounting Policies (Cont'd)

B. IFRS 15 - Revenue from Contracts with Customers

The Company adopted IFRS 15 *Revenue from Contracts with Customers* issued in May 2014 with a date of initial application of 1 January 2018. As a result, the Company has changed its accounting policy for revenue recognition as detailed below.

The Company applied IFRS 15 using the cumulative effect method – i.e. by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 January 2018. Therefore, the comparative information has not been restated and continues to be reported under IAS 18. There was no quantitative impact of the changes in accounting policies from the adoption of IFRS 15.

New standards, interpretations and amendments not yet effective

The Company has progressed its projects dealing with the implementation of the key new accounting standard and is able to provide the following information regarding their likely impact:

IFRS 16 Leases

Adoption of IFRS 16 will result in the Company recognising right-of-use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Company does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

The directors have decided it will apply the modified retrospective adoption method in IFRS 16, and, therefore, will only recognise leases on balance sheet as at 1 January 2019. In addition, it has decided to measure right-of-use assets by reference to the measurement of the lease liability on that date. This will ensure there is no immediate impact to net assets on that date.

Instead of recognising an operating expense for its operating lease payments, the Company will instead recognise interest on its lease liabilities and amortisation on its right-of-use assets. This will increase reported EBITDA by the amount of its current operating lease cost.

IFRIC 23 Uncertainty over Income Tax Positions

IFRIC 23 clarifies how to recognise and measure current and deferred income tax assets and liabilities when there is uncertainty over income tax treatments.

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statements of 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.

c) Cash and Cash Equivalents

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

d) 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 and sick leave bonus

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. Sick leave bonus equivalent to 10 days of sick leave is paid to staff who do not take any sick leave within the calendar year.

Defined contribution plans

Contributions to Fiji National Provident Fund are expensed when incurred.

e) Financial Instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets – Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Financial Instruments (Cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets – Policy applicable from 1 January 2018 (cont'd)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment – Policy applicable from 1 January 2018

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Financial assets: Business model assessment – Policy applicable from 1 January 2018

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Financial Instruments (Cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 January 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets: Reclassifications– Policy applicable from 1 January 2018

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 January 2018

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of comprehensive income. Any gain or loss on derecognition is recognised in the statement of comprehensive income.

Financial assets – Policy applicable before 1 January 2018

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

Held-to-maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to- maturity when the Company has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income as finance costs.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Financial Instruments (Cont'd)

(ii) Classification and subsequent measurement (Cont'd)

Loans and Receivables

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, which are classified as non-current assets. The Company's receivables comprise 'trade and other receivables' and other assets disclosed in the statement of financial position (note 10 and 11). Bad debts are written off during the period in which they are identified.

Trade receivables and other receivables are recorded at amortised cost less impairment.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment loss. An allowance for impairment loss 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. Allowance is raised on a specific debtor level. Significant financial difficulties of the debtors and default or delinquency in payments are considered indicators that a specific debtor balance is impaired. Impairment assessed at a collective level is based on past experience and data in relation to actual write-offs.

Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of comprehensive income.

(iv) Modifications of financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (3(e)(iii))) and a new financial asset is recognised at fair value.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Financial Instruments (Cont'd)

(iv) Modifications of financial assets (cont'd)

Policy applicable from 1 January 2018

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of comprehensive income. If such a modification is carried out because of financial difficulties of the borrower (see (3(f)),then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income (see (3(t)).

Policy applicable before 1 January 2018

If the terms of a financial asset were modified because of financial difficulties of the borrower and the asset was not derecognised, then impairment of the asset was measured using the pre-modification interest rate (see (3(f)).

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(f) Impairment of Financial Instruments

Policy applicable from 1 January 2018

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost. No impairment loss is recognised on equity investment.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment of Financial Instruments (Cont'd)

Policy applicable from 1 January 2018 (cont'd)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive); and

- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment of Financial Instruments (Cont'd)

Policy applicable before 1 January 2018

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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 comprehensive income as part of allowance for impairment loss. 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 against allowance for impairment loss of trade receivables. The Company establishes an allowance for any impairment loss of trade receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the period when they are identified.

(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 comprehensive income 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Income Tax (Cont'd)

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 statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

Capital Gains Tax

Capital Gains Tax (CGT) is applicable on capital gains realised on disposal of certain 'non-depreciable capital assets' as set out in the Income Tax Act. Accordingly, where these capital assets are stated at fair value, a corresponding deferred tax liability is recognised on surplus / gain on valuation of non-depreciable capital assets at the rate of 10%.

(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:

	2018	**2017**
Leasehold land and buildings	Term of lease or 2%	Term of lease or 2%
Transmitter sites	1 – 2%	1 – 2%
Plant and equipment, and vehicles	5 - 33%	5 - 33%
Furniture and fittings	10%	10%

*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 the statement of comprehensive income 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(k) Contribution by the Government of Fiji

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

Effective from 8 March 2016 and based on the Cabinet's decision in 2016, grants and / or special funding (now referred to as Broadcast Service Fee) 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, PSB Fee paid by the Government of Fiji after 8 March 2016 has been recognized in the statement of comprehensive income as operating revenue.

(l) 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.

(m) 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) 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.

(o) Trade and Other Payables

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

(p) Trade and Other Receivables

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

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income 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 comprehensive income.

(q) 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.

(r) Revenue

The Company applied IFRS 15 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS 18. There was no quantitative impact of the changes in accounting policies from the adoption of IFRS 15.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Revenue (cont'd)

Policy Applicable from 1 January 2018

The Company recognises revenue from services to customers at an amount that reflects the consideration to which it expects to be entitled in exchange for those services. Revenue is recognised at an amount that reflects the consideration that the Company is expected to be entitled to in exchange for transferring services to a customer, using a five-step model for each revenue stream as prescribed in IFRS 15. The five-step model is as follows:

- Identification of the contract;
- Identification of separate performance obligations for each good or service;
- Determination of the transaction price;
- Allocation of the price to performance obligations; and
- Recognition of revenue.

Revenue recognition with respect to the Company's specific business activities are as follows:

Revenue from services

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.

Interest Income

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

Public Service Broadcast Fee

Public Service Broadcast Fee paid by the Government of Fiji for services rendered has been recognized in the statement of comprehensive income as operating revenue in the year of receipt.

Policy Applicable before 1 January 2018

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with services and the amount of revenue can be measured reliably. Revenue is measured net of returns and discounts.

(s) 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 of 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 in the statement of comprehensive income in the period in which they are incurred.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Finance income and finance costs

The Company's finance income and finance costs include:

- bank and loan administration charges;
- Interest expense on borrowings; and
- impairment losses (and reversals) on investments in debt securities carried at amortised cost.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(u) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in the statement of comprehensive income on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

4 FINANCIAL RISK MANAGEMENT

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.

a) 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.

b) Interest rate risk

The Company has significant interest-bearing borrowing from FDB. The interest on the borrowing is negotiated at every 2 year intervals. This exposes the Company to interest rate risk. These risks are managed closely by the directors and the management within the approved policy parameters. For additional borrowings, the Company negotiates an appropriate interest rate with banks and other lenders with the board approval and borrows from banks and other financial institutions which offers the overall favourable terms, including the interest rate.

The carrying amounts of the company's financial instruments that are exposed to interest rate risk as at 31 December 2018 and 2017 are summarized below:

Financial Instruments	Less than 1 year ($)	1 year and over ($)	Total ($)
At 31 December 2018			
Financial liabilities:			
Bank loans	2,257,220	9,518,816	11,776,036
At 31 December 2017			
Financial liabilities:			
Bank loans	2,075,278	11,752,325	13,827,603

4 FINANCIAL RISK MANAGEMENT (CONT'D)

Financial Risk Management Objectives (Cont'd)

c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only 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.

Trade accounts receivable consist of a large number of customers, spread across geographical areas. Ongoing credit evaluations are performed on the financial condition of accounts receivables.

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

Impairment losses on financial assets recognised in the statement of comprehensive income were as follows.

		2018
Impairment loss on trade and other receivables	$	264

Trade and other receivables

Expected credit loss assessment for trade and other receivables as at 1 January 2018 and 31 December 2018

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Loss rates are based on actual credit loss experience over the past two years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the company's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast GDP.

4 FINANCIAL RISK MANAGEMENT (CONT'D)

c) Credit risk (cont'd)

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

Balance at 31 December 2017 per IAS 39	$	23,717
Adjustment on initial application of IFRS 9		-
Balance at 1 January 2018 as per IFRS 9		23,717
Amounts written off		-
Allowance for impairment loss during the year		264
Balance at 31 December	$	23,981

Cash on hand and at bank

The Company held cash of $1,600,022 at 31 December 2018 (2017: $8,933,748). Cash are held with bank and financial institution counterparties, which have sound credit ratings.

The Company considers that its cash have low credit risk based on the external credit ratings of the counterparties.

On initial application of IFRS 9, the Company recognised $Nil impairment allowance as at 1 January 2018.

Debt securities

The Company limits its exposure to credit risk by investing only in liquid debt securities. The Company monitors changes in credit risk by reviewing available press and regulatory information about issuers.

Impairment on debt securities has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its debt securities have low credit risk based on the available press and regulatory information about issuers.

The Company did not have any debt securities that were past due but not impaired at 31 December 2018.

An impairment allowance of $Nil (2017: $Nil) in respect of debt securities and advances at amortised cost (2017: held to maturity and advances) was recognised. The Company has no collateral in respect of these investments.

d) 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.

4. FINANCIAL RISK MANAGEMENT (CONT'D)

d) Liquidity Risk Management (Cont'd)

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

31 December 2018	Carrying amount $	Contractual cash flows $	Less than 1 year $	More than 1 year $
Trade and other payables	1,631,003	1,631,003	1,631,003	-
Interest bearing borrowings	11,776,036	-	2,257,220	9,518,816
	13,407,039	1,631,003	3,888,223	9,518,816
31 December 2017				
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
	15,800,857	1,973,254	4,048,532	11,752,325

e) 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.

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 judgements, 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 recognized 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 critical judgements and assumptions made in applying the accounting policies of the company have been disclosed under following notes to the financial statements:

Note 3(h) - Deferred tax assets
Note 3 (i) - Impairment of property, plant and equipment
Note 3 (e) - Allowance for doubtful debts

6 REVENUE

	2018 $	2017 $
Advertising:		
- Radio	1,788,051	1,831,208
- Television	2,767,125	3,076,571
Paid programmes:		
- Radio	1,596,406	1,312,899
- Television	1,731,787	1,818,324
Special events:		
- Radio	71,200	65,727
- Television	50,211	74,990
Sports:		
- Radio	477,447	244,872
- Television	2,078,514	1,396,612
Elections:		
- Radio	452,598	-
- Television	462,938	-
Commercial outside broadcast	1,145,487	931,640
Public service broadcast revenue	11,277,400	11,277,400
Others	901,542	302,378
Total revenue	24,800,706	22,332,621

7 OTHER OPERATING INCOME

	2018 $	2017 $
Gain on sale of land and building	61,970	-
Income from gifted assets	1,024,236	20,000
Rent	44,694	42,000
Communication	64,320	55,026
Other income	181,009	882,238
Total other operating revenue	1,376,229	999,264

8 PROFIT BEFORE INCOME TAX

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

	2018 $	2017 $
Auditor's remuneration for audit fees	16,000	22,936
Accounting and taxation fees	6,000	22,000
Consultancy fees	115,479	122,988
Depreciation	2,563,708	2,188,703
Depreciation of gifted asset	1,024,236	20,000
Directors' fees	15,500	15,500
FNPF (employer's contribution)	542,093	392,582
Insurance	278,715	285,067
Interest expenses	702,269	817,450
Licences and permits	1,737,437	1,427,782
Motor vehicle expenses	189,712	202,719
Power and transmission	579,671	644,401
Program expenses	3,246,767	1,841,011
Rent and rates (including land rentals)	101,611	126,131
Sports coverage expenses	171,488	205,355
Telephone	133,437	108,274
Wages, salaries, and training levy	5,472,825	3,920,638

9 INCOME TAX

	2018 $	2017 $
(a) Income tax expense		
The income tax expense on profit before income tax is reconciled as follows:		
Profit before income tax	5,727,785	6,934,118
Prima facie tax benefit thereon at 20%	1,145,557	1,386,824
Tax effect of:		
Non-deductible expenses	54,777	42,349
Utilisation of tax losses previously not recognised	(209,318)	(1,245,562)
Income tax expense attributable to operating loss	991,016	183,611
(b) Income tax receivable		
Opening balance	20,705	22,340
Refunds during the year	-	(16,393)
Income tax paid	1,033,737	-
Transfer from statement of VAT account	28,148	-
RWT on interest paid on term deposits	15,864	1,134
15% Provisional tax deducted on sales invoices	14,665	13,624
Tax liability for the current year	(865,444)	-
	247,675	20,705
(c) Deferred tax assets		
Provision for doubtful debts	4,796	4,744
Employee benefit liability	57,408	32,542
	62,204	37,286
(d) Deferred tax liabilities		
Deferred income tax liability at 31 December relates to the following:		
Accelerated depreciation for tax purposes	697,117	546,627

(e) Benefit of income tax losses not brought to account

As at 31 December 2018, the Company has fully utilized its available carried forward tax losses.

10 TRADE AND OTHER RECEIVABLES

	2018	2017
Trade accounts receivable	2,232,245	1,881,259
Provision for impairment of trade receivables	(23,981)	(6,775)
	2,208,264	1,874,484
Other receivables	305,309	258,607
Provision for impairment of other receivables	-	(16,942)
	305,309	241,665
Total trade and other receivables, net	2,513,574	2,116,149

10 TRADE AND OTHER RECEIVABLES (CONT'D)

	2018 $	2017 $
The aging analysis of these trade receivables is as follows:		
0 to 60 days	1,960,721	1,741,885
61 to 90 days	143,840	28,982
Over 90 days	127,684	345,282

As of 31 December 2018, trade receivables of $23,981 (2017: $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 loss of trade receivables are as follows:

	2018 $	2017 $
At 1 January	23,717	19,825
Allowance for impairment loss of receivables	264	3,892
At 31 December	23,981	23,717

Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

11 OTHER ASSETS

	2018 $	2017 $
Prepayments	1,229,486	498,202
Deposits	130,674	124,800
Fuel	21,774	17,904
	1,381,934	640,906

12 FINANCIAL ASSETS

Held to maturity investment

	2018 $	2017 $
Term deposit	-	2,363,944

Other investments

	2018 $	2017 $
Term deposit	11,240,169	-

The term deposits earn interest at interest rate between 1% and 4% per annum and mature between January 2019 and December 2022. Interest is added to the principal amount at maturity.

13 PROPERTY, PLANT AND EQUIPMENT

	2018 $	2017 $
Leasehold land and buildings – *at deemed cost*	8,283,144	8,283,144
Less: accumulated depreciation	(1,202,123)	(1,020,936)
	7,081,021	7,262,208
Transmitter sites – at deemed cost	2,720,275	2,501,896
Less: accumulated depreciation	(363,819)	(318,264)
	2,356,456	2,183,632
Plant and equipment, and vehicles – *at deemed cost*	43,104,165	24,674,098
Less: accumulated depreciation	(21,496,457)	(18,452,448)
	21,607,708	6,221,650
Furniture and fittings – *at deemed cost*	475,724	363,477
Less: accumulated depreciation	(256,473)	229,793
	219,251	133,684
Capital Work in Progress	621,979	1,745,847
Total property, plant and equipment, net	31,886,415	17,547,021

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Movements in Carrying Amounts:

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

	Leasehold land and buildings	Transmitter Sites	Plant and equipment, and vehicles	Furniture and fittings	Capital work in progress	Total 2018	Total 2017
	$		$	$		$	$
Balance as at 1 January	7,262,208	2,183,632	6,221,650	133,684	1,745,847	17,547,021	17,938,361
Additions	-	-	17,134,331	112,246	701,614	17,948,191	1,817,363
Transfers	-	218,379	1,607,103	-	(1,825,482)	-	-
Disposals	-		(311,369)	-	-	(311,369)	-
Depreciation expense	(181,187)	(45,555)	(3,334,524)	(26,679)	-	(3,587,945)	(2,208,703)
Depreciation expense-disposal	-	-	290,517	-	-	290,517	-
Balance as at 31 December	7,081,021	2,356,456	21,607,708	219,251	621,979	31,886,415	17,547,021

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.

14 TRADE AND OTHER PAYABLES

	2018	2017
	$	$
Trade accounts payable	462,250	412,597
Income received in advance	65,287	959,991
Other payables and accruals	976,626	543,469
VAT payable	126,840	57,197
Total trade and other payables	1,631,003	1,973,254

15 INTEREST BEARING BORROWINGS

Current

Term loan	2,257,220	2,075,278

Non-Current

Term loan	9,518,816	11,752,325

15 INTEREST BEARING BORROWINGS (CONT'D)

(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 4.9% (reduced from 5.5% effective from 5 December 2018) per annum. The loan is repayable by monthly instalments of $232,000 (2017: $232,000), including principal and interest. The loan is secured by:

(i) First registered mortgage debenture by Company over all its assets and undertakings including its uncalled and unpaid capital;
(ii) First registered party mortgage by Company over crown lease no CL 2748 situated at 69 Gladstone Road with improvements thereon;
(iii) First registered party mortgage by Company over native lease no NL 10575 situated at Naulu, Nakasi with improvements thereon;
(iv) Bill of Sale over entire radio and TV equipment;
(v) Bill of Sale over Transmission Towers and Antennas;
(vi) Guarantee by the Government amounting to $21,594,693; and
(vii) Mortgage over transmission sites.

Reconciliation of movement of liabilities to cash flows from financing activities

	Borrowings ($)	Total ($)
Balance at 1 January 2018	13,827,603	13,827,603
Changes from financing cash flows		
Repayment of borrowings	(2,051,567)	(2,051,567)
Total changes from financing cash flows	**(2,051,567)**	**(2,051,567)**
Other changes – Liability related		
Interest expense	702,269	702,269
Interest paid	(702,269)	(702,269)
Total liability related other changes	-	-
Balance at 31 December 2018	**11,776,036**	**11,776,036**

16 EMPLOYEE ENTITLEMENTS

	2018 $	2017 $
Employee entitlements	287,039	162,711

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 2018

17 DEFERRED INCOME

	2018 $	2017 $
Deferred income	16,263,968	585,266
Less: accumulated amortisation (a)	(1,590,470)	(566,234)
Total deferred income, net	14,673,498	19,032
Represented by:		
Current	2,010,408	-
Non-current	12,663,090	19,032
	14,673,498	19,032

a) Movement in the accumulated amortisation are as follows:

	2018 $	2017 $
As at 1 January	566,233	546,233
Amortisation charge for the year	1,024,236	20,000
As at 31 December	1,590,469	566,233

18 SHARE CAPITAL

	2018 $	2017 $
Issued and paid up capital 10,000,000 ordinary shares	4,113,357	4,113,357

Shares of the 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

	2018 $	2017 $
a) Capital contribution	18,489,696	18,489,696
b) Asset revaluation reserves	3,341,214	3,341,214

The asset revaluation reserves reflect the impact of changes in the market value of property. Refer note 13.

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:

	2018 $	2017 $
Cash on hand	15,700	15,700
Cash at bank	1,584,322	8,918,048
	1,600,022	8,933,748

21 COMMITMENTS

		2018 $	2017 $
(a)	Capital expenditure - Approved by the board and committed	9,757,475	8,516,578

(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:

	2018 $	2017 $
Not later than one year	26,770	26,770
Later than one year but not later than two years	26,770	26,770
Later than two years but not later than five years	80,310	80,310
Later than five years	1,542,774	1,569,544
	1,676,624	1,703,394

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 2018 (2017: $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 – Chairperson
Aren Baoa
Glenys Andrews (appointed: 16/03/18)

The total emolument to director's is as follows:

	2018 $	2017 $
Directors fees	15,500	15,500

23 RELATED PARTY DISCLOSURES (CONT'D)

(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:	2018 $	2017 $
Fiji Development Bank	11,776,036	13,827,603

(c) Transactions with Related Parties

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

Government of Fiji		
Revenue contribution	11,277,400	11,277,400

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

Effective from 8 March 2016 and based on the Cabinet's decision in 2016, grants and / or special funding (now referred to as Broadcast Service Fee) paid by 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, Broadcast Service Fee paid by the Government of Fiji after 8 March 2016 has been recognized in the statement of comprehensive income as operating revenue.

Other Related Entities

Fiji Development Bank		
Bank Service Charge	30,164	34,970
Loan repayments	(2,784,000)	(2,784,000)
Interest on loan	702,269	817,450
	(2,051,567)	(1,931,580)

(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.

23 RELATED PARTY DISCLOSURES (CONT'D)

(c) Key management personnel (cont'd)

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

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

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

	2018 $	2017 $
Short-term benefits	408,962	408,962

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 ACTIVITES

The principal activities of the Company during the year were that of providing commercial and public radio and television 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
DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018

	2018 $	2017 $
Revenue		
Income from advertising, programs and special events	13,523,306	11,055,221
Public service broadcast revenue	11,277,400	11,277,400
	24,800,706	22,332,621
Add: **Other Operating Revenue**		
Gain on sale of fixed assets	61,970	-
Income from gifted assets	1,024,236	20,000
Interest Income	275,671	74,889
Other income	290,023	979,264
	1,651,900	1,074,153
Total revenue	26,452,606	23,406,774
Less: **Expenses**		
Administration and operating expenses	17,985,569	13,120,352
Impairment loss on trade and other receivables	264	-
Marketing expenses	2,036,719	2,534,853
Finance costs	702,269	817,450
	20,724,821	16,472,655
Operating profit before income tax	5,727,785	6,934,119

FIJI BROADCASTING CORPORATION LIMITED
DETAILED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

Administration and Operating Expenses	2018 $	2017 $
Accounting and taxation fees	6,000	22,000
Audit fees	16,000	22,936
Bad debts	-	1,739
Bank charges	33,026	37,682
Cleaning services	21,109	20,775
Computer charges	469,030	361,122
Consultancy fees	115,479	122,988
Copyright fee	74,228	66,491
Depreciation	2,563,709	2,188,703
Depreciation – gifted asset	1,024,236	20,000
Directors' fees	15,500	15,500
Doubtful debts	16,943	3,893
Entertainment	26,318	62,757
FNPF (employer's contribution)	542,093	392,582
Training levy	53,790	39,111
General expenses	182,812	114,514
Insurance	278,715	285,067
Legal fees	20,000	50,000
Licences and permits	1,737,437	1,427,782
Library resources	51,079	41,698
Local travelling	29,579	31,726
Motor vehicle expenses	189,712	202,719
Overseas travelling	122,505	84,890
Power and transmission	579,671	644,401
Program expenses	3,246,767	1,841,011
Production expenses	64,177	104,847
Printing and stationery	60,568	45,880
Rent and rates (includes land rentals)	101,611	126,131
Repairs and maintenance	321,521	394,644
Sports coverage expenses	171,488	205,355
Staff costs	127,276	86,690
Subscriptions	65,978	31,974
Telephone	133,437	108,274
Training	96,980	29,664
Wages and salaries	5,419,035	3,881,527
Water	7,760	3,279
Total administration and operating expenses	17,985,569	13,120,352

FIJI BROADCASTING CORPORATION LIMITED
DETAILED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

Marketing Expenses	2018 $	2017 $
Advertising campaign expenses	173,675	224,263
Special event expenses	314,243	417,539
Promotion and public relations	1,081,724	1,526,008
Commercial outside broadcast expenses	121,430	135,913
SMS promotion expenses	6,625	9,625
Public Service Broadcast expenses	8,104	10,968
Commission and discount	330,918	210,537
Total marketing expenses	2,036,719	2,534,853

Finance Costs		
Interest expenses	702,269	817,450
Total finance costs	702,269	817,450

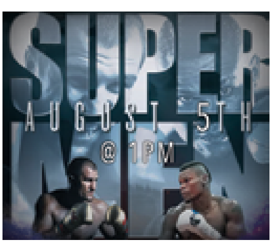

FBC NEWS
"NOW" WEEKDAYS 1PM
KEEPING FIJIANS CONNECTED
FIJI'S NUMBER ONE NEWS SERVICE
AS VOTED BY ALL FIJIANS
COVERAGE YOU CAN COUNT ON
BEST PICTURE . SOUND . COVERAGE


VOREQE BAINIMARAMA
FIJIFIRST Party Leader
SITIVENI RABUKA
SODELPA Party Leader
THE DEBATE FIJI HAS BEEN WAITING FOR
live on
RADIO FIJI ONE
Na Vakekeli
BULA
LIVE RADIO DEBATE
TODAY
1PM - 3PM
LIVE VIDEO STREAM
DELAYED
WATCH IT ON DEMAND
MALAKAI QAQACOVA


Gold Coast 2018
XXI Commonwealth Games
QUEENSLAND
WEDNESDAY 4TH APRIL
@ 10.00PM
LIVE & FREE ON
FBC TV
BEST PICTURE . SOUND . COVERAGE


2018/19
NATIONAL
BUDGET
TOMORROW 28TH JUNE
BUILD UP SHOW
6:30PM
LIVE
7:30PM
POST SHOW
9:30PM


FBC
Fiji Broadcasting Corporation
FLOOD
APPEAL DRIVE
for clothes for recent flood victims in western division.
Drop Any Time Of The Day And Night At
Nakasi Rups Mega Complex from 9am to 9pm.

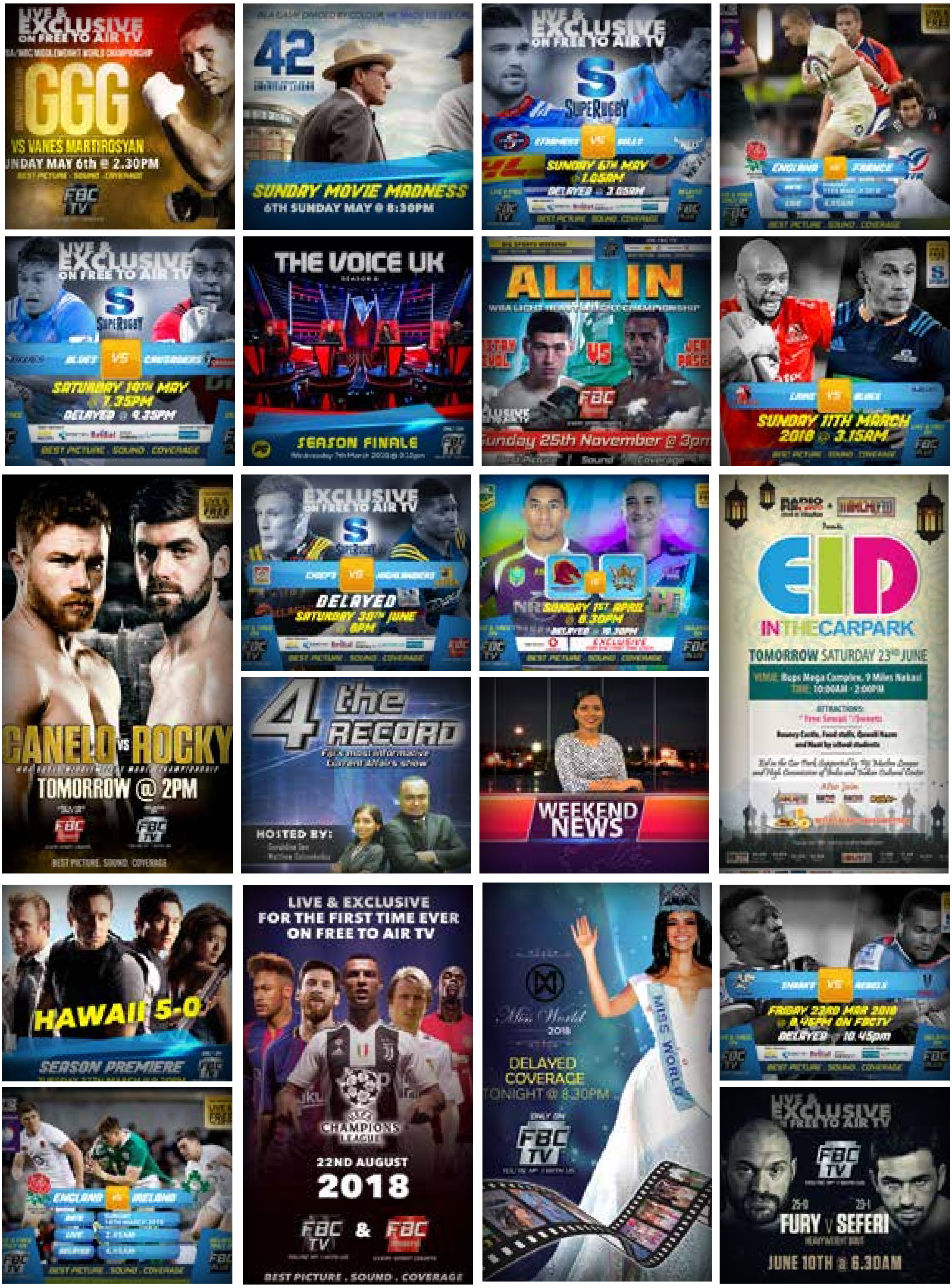

SUPER MEN
AUGUST 5TH
@ 1PM


SUPERNATURAL
SEASON 4
SEASON PREMIERE
WEDNESDAY 29TH AUG @ 8.15PM


FRIDAY 20TH APRIL
@ 9.50PM
BEST PICTURE . SOUND . COVERAGE


CRUSADERS VS SUNWOLVES
SATURDAY 21ST APRIL
@ 7.35PM
BEST PICTURE . SOUND . COVERAGE

60

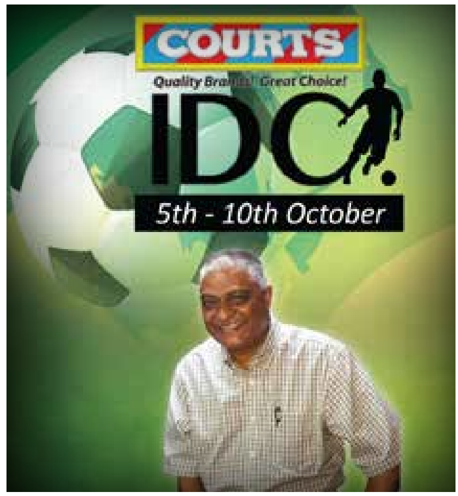

LIVE & EXCLUSIVE ON FREE TO AIR TV
GGG
VS VANES MARTIROSYAN
UNDAY MAY 6th @ 2.30PM
42
SUNDAY MOVIE MADNESS
6TH SUNDAY MAY @ 8:30PM
LIVE & EXCLUSIVE ON FREE TO AIR TV
SUPERRUGBY
SUNDAY 6TH MAY
BEST PICTURE . SOUND . COVERAGE
ENGLAND VS FRANCE
LIVE & EXCLUSIVE ON FREE TO AIR TV
SUPERRUGBY
BLUES VS CRUSADERS
SATURDAY 19TH MAY @ 7.35PM
DELAYED @ 9.35PM
BEST PICTURE . SOUND . COVERAGE
THE VOICE UK
SEASON FINALE
ALL IN
Sunday 25th November @ 3pm
LIONS VS BLUES
SUNDAY 11TH MARCH 2018 @ 3.15AM
CANELO VS ROCKY
TOMORROW @ 2PM
BEST PICTURE. SOUND. COVERAGE
EXCLUSIVE ON FREE TO AIR TV
SUPERRUGBY
CHIEFS VS HIGHLANDERS
DELAYED
SATURDAY 30TH JUNE @ 8PM
BEST PICTURE . SOUND . COVERAGE
SUNDAY 1ST APRIL @ 8.30PM
EXCLUSIVE
EID
IN THE CARPARK
TOMORROW SATURDAY 23RD JUNE
4 the RECORD
Fiji's most informative Current Affairs show
HOSTED BY:
WEEKEND NEWS
HAWAII 5-0
SEASON PREMIERE
LIVE & EXCLUSIVE
FOR THE FIRST TIME EVER
ON FREE TO AIR TV
CHAMPIONS LEAGUE
22ND AUGUST
2018
FBC TV & FBC Sports
BEST PICTURE . SOUND . COVERAGE
Miss World 2018
DELAYED COVERAGE
TONIGHT @ 8.30PM
ONLY ON FBC TV
SHARKS VS REBELS
FRIDAY 23RD MAR 2018 @ 8.45PM ON FBCTV
DELAYED @ 10.45pm
ENGLAND VS IRELAND
LIVE & EXCLUSIVE ON FREE TO AIR TV
FBC TV
FURY V SEFERI
JUNE 10TH @ 6.30AM


LIVE & EXCLUSIVE ON FREE-TO-AIR TV
TARANAKI VS WELLINGTON
LIVE COVERAGE
TODAY @ 6:35PM
BIG SPORTS WEEKEND
BEST PICTURE . SOUND . COVERAGE


Melbourne Cup
2018


HEROS DON'T ALWAYS COME IN UNIFORM
RAID
PG


Win this!!


COURTS
IDC
5th - 10th October


LIVE & EXCLUSIVE ON FREE TO AIR TV
CRUSADERS VS REBELS
FRIDAY 4TH MAY
@ 9.45PM
DELAYED @ 11.45PM
BEST PICTURE . SOUND . COVERAGE


LIVE & EXCLUSIVE ON FREE TO AIR TV
CANELO VS GGG 2
MIDDLEWEIGHT WORLD CHAMPIONSHIP
TOMORROW SEPTEMBER 16TH @ 12PM
FBC TV
FBC SPORTS
BEST PICTURE . SOUND . COVERAGE


2018
FIFA WORLD CUP
RUSSIA TM
OPENING
FRI 15TH, JUNE @ 2.30AM
LIVE ON
FBC TV
DELAYED ON
FBC SPORTS
EVERY SPORT COUNTS
RUSSIA 2018


FIRST TIME EVER
IN LABASA
Diwali MELA
SANGAM PRIMARY SCHOOL, DELAI LABASA
SATURDAY 10TH NOVEMBER | FROM 3PM - 10PM
Diwali Thali Judging Competition from 3pm - 4pm

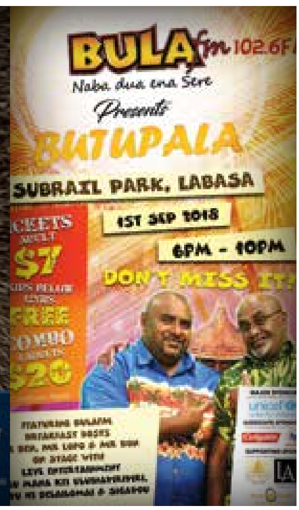

"GIVE BACK TO FIJI"
FIJI DAY CELEBRATION!
FREE CONCERT
Bring the whole family, friends and your mat to celebrate Fiji Day with fellow Fijians from all walks of life
Wed 10th Oct | Albert Park, Suva | 3pm - 10pm
An evening of fun, music and patriotism with LIVE Bands, Dance Groups, Food Stalls, Rides and Face Painting with lots of giveaways


STILETTO'S RELAY RACE for Cancer
On an average there are approximately 700 deaths due to cancer annually in Fiji.
Every year, the Ministry of Health records over 1100 new cases of cancer.
2dayFM is back with Fiji's 2nd Stiletto's Race for Cancer.
Register your teams of four, 2 males and 2 females now and let's help raise funds for the fight against Cancer in Fiji's only Stiletto's Relay Race.
Register Online on https://2dayfm.com.fj/race/ and lets Stand Together Against Cancer
#StandWith2dayFM #StilettoRaceForCancer #Love2dayFM
95.4FM
95.2FM
95.6FM
95.8FM


LIVE & EXCLUSIVE ON FREE TO AIR TV
TURDAY 19TH MAY @ 9.35PM
DELAYED @ 11.35PM
BEST PICTURE . SOUND . COVERAGE


TRAINING DAY
SEASON PREMIERE
TUESDAY 18TH SEPT @ 9.15PM


ZOO
SEASON FINALE
MONDAY 10TH SEPT @ 9.15PM
ONLY ON
FBC TV


BULA fm 102.6FM
Naba dua ena Sere
Presents
BUTUPALA
SUBRAIL PARK, LABASA
1ST SEP 2018
6PM - 10PM
DON'T MISS IT!
$7
FREE
$20


Coca-Cola GAMES
2018 COVERAGE
LIVE COVERAGE
FACEBOOK UPDATES
RADIO UPDATES
PROUDLY SPONSORED BY:
BEST PICTURE . SOUND . COVERAGE
FBC TV
FBC PLUS


LIVE & EXCLUSIVE ON FREE TO AIR TV
SUPERRUGBY
CRUSADERS VS REBELS
FRIDAY 4TH MAY
@ 9.45PM
DELAYED @ 11.45PM

Fiji
Broadcasting
Corporation