



FIJIAN
BROADCASTING
CORPORATION

ANNUAL REPORT 2020



YOU'RE NO. 1 WITH US



OUR FIJI



KEEPING FIJIANS CONNECTED



EVERY SPORT COUNTS





FIJIAN BROADCASTING CORPORATION

OUR VISION

To be the premier Broadcaster in Fiji and the region.

OUR MISSION

To inform, educate and entertain through the highest standards of Digital Media, Radio and Television. To be the most responsible and dynamic broadcaster with the widest coverage, 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 all Fijians.

Our professional and dedicated staff are united by common values and our strong corporate culture is the driving force for our success.

BOARD CHAIR'S REPORT



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

The Fijian 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 contents are purchased, all the i-taukei music and programs are written and produced either locally or in-house by the FBC's talented and multi-skilled staff.

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 Public Service Broadcast-AM transmission service. Our

reach to this population on the AM service platform is vital 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.

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.

BOARD CHAIR'S report (cont'd)

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 programs of national interest is becoming extremely high with advertising rates being slashed drastically by our competitors to keep up. Despite this the FBC remains very much committed to maintaining high quality programming.

Staff training is the 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 2020, which is self-explanatory, prepared in compliance with International Financial Reporting Standards and clearly showing all our annual financial transactions including profitability, sales revenue, and profit after tax for yet another year.

The profit after income tax for the financial year was \$2,638,073 (2019: \$2,033,660) after providing the income tax expense of \$644,273 (2019: \$572,709).

Gross Income recorded for the financial year was \$19,887,578 (2019: \$23,522,969). The total staff numbers decreased to 203 this year (2019: 239 staff).

The novel coronavirus (COVID-19) outbreak developed during the latter part of 2019 presents a significant challenge for Fiji and many countries including main trading partners of Fiji. The impact of COVID-19 outbreak on public life and the economy in Fiji and globally has started to affect the overall operations of the company including its liquidity and cash flows for the financial year.

The company's revenue has been affected since January 2020 due to restrictions, lockdowns, business closures and significant disruptions to the ways in which entities would normally operate. All businesses significantly reduced their marketing budget for the year, thus leading to reduced advertising revenue for the year.

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

I take this opportunity to thank our dedicated board members Mr. Aren Baa, Ms. Glenys Andrews, Mr. Sakiusa Bolaira and Mr. Shivendra Deo 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 the 2021 financial year.

Vinaka.



MR. SASHI SINGH
BOARD CHAIR

CODE OF CONDUCT

- We exhibit exemplary behaviour to positively influence and inspire people around us.
- We are professional in everything we do.
- We lead and empower our people at every opportunity and focus on upskilling ourselves to be the very best in everything FBC.
- We learn from our mistakes and don't repeat them.
- We challenge everything we do in our pursuit of ongoing excellence and growth.
- We maintain clarity and transparency across the organisation.
- We discuss, debate and communicate deliberately, effectively and regularly throughout the organisation.
- We make clear, precise and informed decisions based on the highest ethical standards.
- Honesty and integrity are central to how we operate.
- We are responsible and accountable to our team, our leaders, stake-holders and all Fijians by engaging with them as much as possible.
- We show ownership and take deep pride in our organisation and work consistently and diligently for it's ongoing success.
- We are positive, optimistic leaders consistently encouraging and striving towards a solution based can-do attitude.
- We have fun and celebrate success.
- We treat everyone equally.
- We are all Fijians.

STATEMENT OF EXPECTATIONS

AS INDIVIDUALS WE EXPECT

- Each one of us to be professional and give our very best in our roles every day as a valued ambassador of team FBC.
- To be competent at all times in our jobs striving to proactively solve problems for the team and our organisation as quickly as possible.
- To offer the best quality broadcasting experience to all Fijians, irrespective of our role or level of responsibility within the FBC.
- We will share information and ask for assistance if we don't know the answer to something.
- We will deliver all projects on time, every time, without being reminded of deadlines.
- Everyone will attend company functions, actively contribute in all meetings and be proactive in everything we do.
- All of us to be honest, loyal and respect confidentiality at all times.
- To be led by reliable, competent leaders who exemplify positive, inspirational and inclusive behaviour.

AS TEAM MEMBERS WE EXPECT

- Each member of team FBC to take ownership of our work by being reliable and dependable in everything we do.
- Everyone to be aware of and follow company rules and policies at all times.
- Everyone to work as a team and create the most effective and creative media solutions for our clients and all Fijians.
- All team members to be the best we can be by working consistently to deliver the best quality FBC Digital Media, Radio and Television experience for all Fijians.

AS AN ORGANISATION WE EXPECT

- Each member of team FBC to be responsible for making the FBC a positive and fun place to work.
- Our organisation to be filled with loyal, motivated, passionate and dedicated contributors.
- All of us to consistently reach our goals by focusing on meeting deadlines and providing quality outcomes to increase revenue.
- Everyone to consciously help create a deliberate Organisational culture that seeks to help each other (support) by working together to find solutions to meet our goals (achievements) and successes.



KEEPING FIJIANS CONNECTED

DECLARATION

As the National broadcaster, FBC NEWS is dedicated to and promotes the following ideals:

1. **National Unity.**
2. **A common identity** - We are all Fijians.
3. **Equality** - Equal rights under the law for every Fijian.
4. **Safety** - a nation free from civil and domestic violence and abuse.
5. **Progress** - for the betterment of the nation at all levels through emphasis on development journalism.
6. **Dignity** - a society free from racial & religious discrimination & vilification.

We build in support of those ideals:

1. **Clarity** - balanced and unbiased information clearly explained.
2. **Veracity** - We have the facts to support our reports.
3. **Credibility** - We can be believed and respected for what we do.
4. **Fairness** - Balanced coverage and the opportunity to reply.
5. **Understanding, background and analysis** - We ask probing questions designed to highlight and reveal consequences of news stories to enlighten the public and show relevance of their lives.

We prohibit the broadcast of anything that falls under the category of hate speech.

We encourage the expression of our national languages and cultures and respect the sensitivity of their customs.

We respect the authority of the Fijian government, law and the courts as set out by the Fijian constitution and seek a peaceful course to a better future for all Fijians.

We respect the anguish of those in immediate grief and those who have lost a loved one and their right to privacy at such moments.

We will scrutinize relevant online media reports with the aim of identifying and excluding fake news from verified factual information.

BOARD OF DIRECTORS



MR. SASHI SINGH
BOARD CHAIR



MR. AREN BAOA
DIRECTOR



MS. GLENYS ANDREWS
DIRECTOR



MR. SAKIUSA BOLAIRA
DIRECTOR



MR. SHIVENDRA DEO
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 VIJENDRA KUMAR
DIRECTOR
SALES & MARKETING



MR NITENDRA PRASAD
DIRECTOR
TECHNICAL OPERATIONS



MR INDRA SINGH
MANAGER
NEWS & SPORTS



WEAR A MASK TO
PROTECT YOURSELF AND OTHERS



Your mask helps protect those around you. Masks are a simple barrier to help prevent your respiratory droplets from reaching others. Studies show that masks reduce the spray of droplets when worn over the nose and mouth.
You should wear a mask, even if you do not feel sick.



#FJUnited

RADIO FIJI TWO
Dash to Divalan

WHY DID YOU CHOOSE TO
GET VACCINATED FOR COVID-19

Send us a short video up to 45 seconds explaining your reasons for choosing to get vaccinated.

#RadioFiJiTWO

#TogetherWeCanDoThis

106.0FM 104.8FM 105.2FM 105.4FM

RADIO FIJI ONE
NA DOMOVITI!

WHY DID YOU CHOOSE TO
GET VACCINATED FOR COVID-19

Send us a short video up to 45 seconds explaining your reasons for choosing to get vaccinated.

#RadioFiJiOne

#TogetherWeCanDoThis

93.0FM 92.8FM 93.2FM 93.4FM 558KHz

MIRCHI FM
Uti Uti

WHY DID YOU CHOOSE TO
GET VACCINATED FOR COVID-19

Send us a short video up to 45 seconds explaining your reasons for choosing to get vaccinated.

#MirchiFM

#TogetherWeCanDoThis

97.8FM 97.6FM 98.0FM 98.2FM

2DAY fm
2 Day

WHY DID YOU CHOOSE TO
GET VACCINATED FOR COVID-19

Send us a short video up to 45 seconds explaining your reasons for choosing to get vaccinated.

#2DayFM

#TogetherWeCanDoThis

95.4FM 95.2FM 95.6FM 95.8FM

GOLD fm
The Regional

WHY DID YOU CHOOSE TO
GET VACCINATED FOR COVID-19

Send us a short video up to 45 seconds explaining your reasons for choosing to get vaccinated.

#GoldFM

#TogetherWeCanDoThis

100.2FM 100.0FM 100.4FM 100.6FM 990KHz

BULA fm
Alia Alia the Best

WHY DID YOU CHOOSE TO
GET VACCINATED FOR COVID-19

Send us a short video up to 45 seconds explaining your reasons for choosing to get vaccinated.

#BulaFM

#TogetherWeCanDoThis

102.6FM 102.4FM 102.8FM 103.0FM



ENTITY PROFILE



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

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

Radio Fiji One and Radio Fiji Two are classified as public service broadcast

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

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





ENTITY PROFILE



The FBC Pledge

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

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

Commercial Radio

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

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





PUBLIC SERVICE BROADCAST



Radio:

Currently FBC has two radio stations that broadcast programmes targeting mainly national development taking into consideration ethnic, cultural and religious diversity. These programmes are sold to Government under the Public Service Broadcast (PSB) contract which is tendered every three years.

These stations are Radio Fiji One (i-Taukei Language) and the Radio Fiji Two (Hindustani Language). These stations have national coverage via AM transmitters and supplemented in some areas by FM transmitters. The company is required to comply with requirements of the terms as stipulated under the PSB contract.

FBC TV:

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

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





PUBLIC SERVICE BROADCAST AM SERVICES

In the absence of AM services, FM service was extended to maritime Islands eg Lau and Rotuma that used to be serviced by AM. This was made available via co-site agreement with another Telco's. The Government of Fiji also assisted FBC to secure funding from a donor country to restart a nationwide AM signal at FBC's Naulu AM transmitting site. This FJ\$15m JICA funded project was completed in August 2017 and now broadcasts 2 stations; one in i-taukei (Radio Fiji One) and another one is English (Gold FM).

The Japanese Government through JICA signed an agreement with the Government of Fiji for the facilitation of the rehabilitation of medium wave Radio transmission project, which is now complete. This is a public service broadcast project for a natural disaster management system which will be mostly beneficial to all Fijians in the maritime islands and in rural areas during times of natural disasters and will also be available whilst FM signal is interrupted.

In the meantime, PSB programs continue to be provided to the widest possible audience through enhanced FM service which has satisfied listeners throughout the country.



Benefits of this AM Project:

- This project has immensely improved the quality of radio coverage for all Fijians, especially in remote and maritime islands. The new transmission system has improved coverage around the country especially in the interior parts of Vanua Levu and Viti Levu. Also, highly improved coverage in the Lau and Lomaiviti group.
- As a Pacific Island Country, Fiji is vulnerable to sudden and unpredictable climatic changes resulting in cyclones, flooding, and droughts. Through this upgrade, the FBC has been able to provide immediate, clear and regular messages to all Fijians especially those in the maritime areas.





PUBLIC SERVICE BROADCAST AM SERVICES

- FBC TV viewership and Radio listenership numbers continue to increase rapidly and has grown exponentially with this new and improved AM services at the FBC AM transmitting site. Unlike before when AM services included Radio Fiji One and Radio Fiji 2, this new AM service now has Radio Fiji One (I-taukei) and Gold FM (English).
- The reason for this is that English is the official language of communication for all Fijians. This is of great importance to hundreds and thousands of English-speaking tourists who visit Fiji annually and are kept informed and updated in cases of natural disasters. Unlike before when the old AM services had Radio Fiji One (i-taukei) and Radio Fiji 2 (Hindustani).
- Fiji now has access to the top-of-the-line equipment and technology provided by the Japanese Government. Not only Fiji is getting technology capable of reaching the furthest reaches of the country but has provided the entire nation with a reliable service.
- Government and the FBC pursued AM transmission purely for public purpose to ensure that important Government program awareness and weather messages reach Fijians in all the maritime islands. Through the implementation of this project the FBC has achieved 100% radio network coverage.
- By increasing access to information for all Fijians, there is greater transparency and greater transparency brings greater trust between Government and the people.
- It has saved lives when FBC boosts disaster and emergency readiness by broadcasting national warnings of natural disasters.
- It has helped to close the gap between those living in remote parts of Fiji and the big islands and has promoted greater economic opportunities by putting them on equal footing.
- This project has improved the quality of our education by bringing everyone the latest technical and scientific information and it is an important tool in enabling Fiji to reach its true potential.

Commitment from the FBC:

- FBC exists to serve the Fijian people and radio is a vital tool in nation building crucial and it is important that it reaches extends to every corner of the nation.
- Also, this is one of the many initiatives that FBC has undertaken to strengthen cultural identity as a nation.
- A wider group of people will enjoy relevant cultural and local programs such as talk back shows and community programs that are not only highly entertaining and also promotes national unity and pride.



FIJIAN BROADCASTING CORPORATION PTE LIMITED FINANCIAL STATEMENTS 31 DECEMBER 2020



FIJIAN BROADCASTING CORPORATION PTE LIMITED
FINANCIAL STATEMENTS

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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Suva, Fiji

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



File: 1251

30 November 2021

Mr. Sashi Singh
The Chairman
Fijian Broadcasting Corporation Pte Limited
69 Gladstone Road
SUVA

Dear Mr. Singh

FIJIAN BROADCASTING CORPORATION PTE LIMITED
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The audited financial statements for Fijian Broadcasting Corporation Pte Limited for the year ended 31 December 2020 together with my audit report on them are enclosed.

Particulars of 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:

cc: Mr. Riyaz Sayed-Khaiyum - Chief Executive Officer, Fijian Broadcasting Corporation Pte Limited.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
FINANCIAL STATEMENTS

< CONTENTS >

Directors' report	15-18
Directors' declaration	19
Auditor's Independence Declaration	20-21
Independent audit report	22
Statement of profit or loss and other comprehensive income	23
Statement of financial position	24
Statement of changes in equity	25
Statement of cash flows	26-47
Notes to and forming part of the financial statements	48
Supplementary information: Detailed statement of profit or loss and other comprehensive income	49-51

**FIJIAN BROADCASTING CORPORATION PTE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS' REPORT

In accordance with a resolution of the Board, the Directors present their report on Fijian Broadcasting Corporation Pte Limited ("the Company") for the year 31 December 2020. Financial comparisons used in this report are of results for the year ended 31 December 2020 compared with the year ended 31 December 2019.

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 \$2,638,073 (2019: \$2,033,660) after providing the income tax expense of \$644,273 (2019: \$572,709).

Our Values

At the Fijian 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 decreased to 203 this year (2019: 239 staff).

Gross Income recorded for the financial year was \$19,887,578 (2019: \$23,522,969).

**FIJIAN BROADCASTING CORPORATION PTE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
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 (2019: \$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 2020.

Directors

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

Sashi Singh - Chairperson
Aren Baoa
Glenys Andrews
Sakiusa Bolaira
Shivendra Deo

Details of Directors' shareholdings in the Company as at 31 December 2020 are shown in the table below:

Director	Number of Shares held
Sashi Singh	Nil
Aren Baoa	Nil
Glenys Andrews	Nil
Sakiusa Bolaira	Nil
Shivendra Deo	Nil

Board meeting attendance

Details of the number of meetings held by the Board during the financial year ended 31 December 2020, and attendance by Board members, are set out below:

Directors	Board Meetings		
	Appointment Date	Number of meetings held	Number of meetings attended
Sashi Singh	21/02/2020 (term: 1 year)	5	5
Aren Baoa	22/02/2020 (term: 3 years)	5	5
Glenys Andrews	16/03/2018 (term: 3 years)	5	3
Sakiusa Bolaira	18/08/2020 (term: 3 years)	2	2
Shivendra Deo	18/08/2020 (term: 3 years)	2	2

Further to the above board meeting dates, various zoom meetings and conference calls were initiated, taking into consideration the lockdown and Covid-19 pandemic restrictions.

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.

**FIJIAN BROADCASTING CORPORATION PTE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

Significant Events During the Year

The novel coronavirus (COVID-19) outbreak developed during the latter part of 2019 presents a significant challenge for Fiji and many countries including main trading partners of Fiji. The impact of COVID-19 outbreak on public life and the economy in Fiji and globally has started to affect the overall operations of the company including its liquidity and cash flows for the financial year.

The company's revenue has been affected since January 2020 due to restrictions, lockdowns, business closures and significant disruptions to ways in which entities would normally operate. All businesses significantly reduced their marketing budget for the year, thus leading to reduced advertising revenue for the year.

The company has implemented cost-cutting measures to reduce the expenditure. Furthermore, Fiji Development Bank has approved a minimal repayment of \$193,000 (principal plus interest) monthly for the remaining term of the loan effective from June 2020. Also, the company continues to monitor and assess its business operations progressively, and will undertake further actions as appropriate.

The management and directors believe that with the plans and strategies, the company can manage the future impact of the COVID-19 outbreak on the overall operations and performance of the company.

**FIJIAN BROADCASTING CORPORATION PTE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS' REPORT [CONT'D]

Events Subsequent to Balance Date

- a) Subsequent to the end of the financial year, on 25 April 2021, in response to the 2nd wave of COVID-19 outbreak in Fiji, the Government announced a number of measures including lockdown of certain containment areas within the country. Under the lockdown restrictions, all non-essential businesses were required to be closed unless the workplace was deemed part of a permitted essential industry as set out by the Ministry of Health and the Ministry of Commerce Trade Tourism and Transport. The introduction of these restrictions have not had a material effect on the Company's Financial Statements as at 31 December 2020. However, prolonged effects of COVID-19 pandemic resulted to a significant decline in advertising revenue in the financial year 2021.
- b) On 30 June 2021, the Company made the final settlement of \$6,793,833 to Fiji Development Bank 3 years prior to the end of loan term. The loan was undertaken in year 2009 for the refurbishment of the Broadcasting House, the upgrade of six radio studios and the overhauling of transmission services throughout the country including the setup of free-to-air channel FBC TV.

Apart from the exception above, no other 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 or cash flows of those operations, or the state of affairs of the Company in future financial years.

Other Circumstances

As at the date of this report:

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

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

Directors' Benefits

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

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

Dated this 25th day of November 2021.


.....
Director


.....
Director

FIJIAN BROADCASTING CORPORATION PTE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

DIRECTORS' DECLARATION

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

The directors of the Fijian Broadcasting Corporation Pte 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 2020:
 - 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 2020 and of the performance and cash flows of the Company for the year ended 31 December 2020; 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 25TH day of November 2021.


.....
Director


.....
Director

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

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FIJIAN BROADCASTING CORPORATION PTE LIMITED

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF FIJIAN BROADCASTING CORPORATION PTE LIMITED

As auditor for the audit of Fijian Broadcasting Corporation Pte Limited for the financial year 31 December 2020, I declare to the best of my knowledge and belief that there have been:

- (a) No contravention of the auditor independence requirements of the Companies Act, 2015 in relation to the audit; and
- (b) No contravention of any applicable code of conduct in relation to the audit.

This declaration is in respect to Fijian Broadcasting Corporation Pte Limited during the year.

Ajay Nand
AUDITOR-GENERAL

OFFICE OF THE AUDITOR GENERAL

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INDEPENDENT AUDITORS' REPORT

Fijian Broadcasting Corporation Pte Limited

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Fijian Broadcasting Corporation Pte Limited ("the Company") which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance 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 (ISAs). 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 Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to the following matters:

1. Note 26 of the financial statements which notes the 2nd wave of COVID-19 outbreak subsequent to 31 December 2020 and how this has been considered by the Directors in the preparation of the financial statements. As set out in Note 26, no adjustment have been made to the financial statements as at 31 December 2020 for the impacts of COVID-19.
2. Note 3(l) and Note 25(c) of the financial statements which states that Broadcast Service Fee received from Government up to 7 March 2016 were treated a 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.

My opinion is not modified in respect of these matters.

Other information

The Directors are responsible for the other information. The other information comprises the Annual report but does not include the financial statements and the auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the Financial Statements

The management and Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the management and Directors determine 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 management and Directors 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 management and Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud and 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 judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements (con't)

- Conclude on the appropriateness of the Directors' and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that 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.

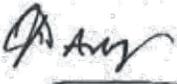
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2015 in all material respects, and;

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Company has kept financial records sufficient to enable the financial statements to be prepared and audited.


Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
30 November 2021

FIJIAN BROADCASTING CORPORATION PTE LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
Revenue	6	17,049,893	20,940,174
Other operating revenue	7	2,410,788	2,208,915
Finance income		426,897	373,880
		19,887,578	23,522,969
Administration and operating expenses		(15,448,953)	(19,138,742)
ECL Rent concession COVID-19		(30,000)	-
Impairment loss on trade and other receivables		(31,913)	-
Marketing expenses		(591,463)	(1,190,310)
Finance costs		(502,903)	(587,548)
Profit before income tax		3,282,346	2,606,369
Income tax expense	9(a)	(644,273)	(572,709)
Profit after income tax		2,638,073	2,033,660
Other comprehensive income		-	-
Total comprehensive income for the year		2,638,073	2,033,660

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

FIJIAN BROADCASTING CORPORATION PTE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
Current assets			
Cash	22	8,149,069	6,163,600
Trade and other receivables	10	1,627,821	6,235,883
Other assets	11	1,267,280	1,556,976
Other investments	12	10,089,231	5,087,649
Income tax receivable	9(b)	78,254	262,770
Total current assets		<u>21,211,655</u>	<u>19,306,878</u>
Non-current assets			
Property, plant and equipment	13	24,309,612	28,156,145
Right-of-use asset	14	519,740	533,456
Deferred tax assets	9(c)	42,790	57,215
Total non-current assets		<u>24,872,142</u>	<u>28,746,816</u>
Total assets		<u>46,083,797</u>	<u>48,053,694</u>
Current liabilities			
Trade and other payables	15	889,706	1,234,619
Income received in advance	16	1,081,152	1,023,733
Lease liability	14	22,601	29,485
Employee entitlements	18	161,493	254,050
Deferred income	19	2,010,408	2,010,408
Interest bearing borrowings	17	1,949,119	2,315,241
Total current liabilities		<u>6,114,479</u>	<u>6,867,536</u>
Non-current liabilities			
Interest bearing borrowings	17	5,605,941	7,258,292
Lease liability	14	508,444	512,013
Deferred income	19	8,642,274	10,652,682
Deferred tax liability	9(d)	673,626	862,211
Total non-current liabilities		<u>15,430,285</u>	<u>19,285,198</u>
Total liabilities		<u>21,544,764</u>	<u>26,152,734</u>
Net assets		<u>24,539,033</u>	<u>21,900,960</u>
Shareholders' equity			
Share capital	20	4,113,357	4,113,357
Capital contribution	21(a)	18,489,696	18,489,696
Asset Revaluation Reserve	21(b)	3,341,214	3,341,214
Accumulated losses		(1,405,234)	(4,043,307)
Total shareholders' equity		<u>24,539,033</u>	<u>21,900,960</u>

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

FIJIAN BROADCASTING CORPORATION PTE LIMITED
STATEMENT OF CHANGES OF EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share Capital	Accumulated Losses	Asset Revaluation Reserve	Capital Contribution	Total
	\$	\$		\$	\$
Balance as at 1 January 2019	4,113,357	(6,076,967)	3,341,214	18,489,696	19,867,300
Total comprehensive income					
Profit for the year	-	2,033,660	-	-	2,033,660
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	2,033,660	-	-	2,033,660
Transactions with owners of the Company	-	-	-	-	-
Balance as at 31 December 2019	4,113,357	(4,043,307)	3,341,214	18,489,696	21,900,960
Total comprehensive income					
Profit for the year	-	2,638,073	-	-	2,638,073
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	2,638,073	-	-	2,638,073
Transactions with owners of the Company	-	-	-	-	-
Balance as at 31 December 2020	4,113,357	(1,405,234)	3,341,214	18,489,696	24,539,033

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

FIJIAN BROADCASTING CORPORATION PTE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Cash flow from operating activities			
Receipts from customers and PSB fee income		22,023,599	17,416,371
Payments to suppliers and employees		(11,212,541)	(15,044,851)
Cash generated by operations		10,811,058	2,371,520
Interest paid		(472,649)	(587,548)
Income and other taxes paid		(633,917)	(417,721)
Interest received		426,897	373,880
Net cash generated by operating activities		10,131,389	1,740,131
Cash flow from investing activities			
Proceeds from other investments		-	6,152,520
Payments for other investments		(5,001,582)	-
Payments for property, plant and equipment		(1,059,037)	(1,055,007)
Net cash provided by / (used in) investing activities		(6,060,619)	5,097,513
Cash flows from financing activities			
Repayment for lease liabilities		(66,828)	(71,563)
Repayment of term loans		(2,018,473)	(2,202,503)
Net cash used in financing activities		(2,085,301)	(2,274,066)
Net increase /(decrease) in cash and cash equivalents during the year		1,985,469	4,563,578
Cash and cash equivalents at the beginning of the year		6,163,600	1,600,022
Cash and cash equivalents at the end of the year	22	8,149,069	6,163,600

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

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 GENERAL INFORMATION

Effective 7 November 2019, Fiji Broadcasting Corporation Limited changed its company name to Fijian Broadcasting Corporation Pte Limited.

Fijian Broadcasting Corporation Pte Limited ("the Company") is a Government owned entity incorporated under the Companies Act, 2015 and a Government Commercial Company under the Public Enterprises Act of 2019, 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 25/11/2021.

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.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

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) 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.

f) Changes in Accounting Policies

i) New standards, interpretations and amendments effective during the year

New standards impacting the company that have been adopted in the annual financial statements for the year ended 31 December 2020 are:

- Amendments to IFRS 16 *COVID-19 Related Rent Concessions*;

Other new and amended standards that have been adopted in the annual financial statements for the year ended 31 December 2020, but have not had a significant effect on the company are:

- Amendments to IFRS 9, IAS 39 and IFRS 7 *Interest Rate Benchmark Reform – IBOR 'phase 2'*;
- IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Disclosure Initiative - Definition of Material)*; and
- *Revisions to the Conceptual Framework for Financial Reporting*.

ii) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the company has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2022:

- Amendments to IAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*;
- Amendments to IAS 16 *Property, Plant and Equipment: Proceeds before Intended Use*;
- Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 *Annual Improvements to IFRS Standards 2018-2020*; and
- Amendments to IFRS 3 *References to Conceptual Framework*.

The company is currently assessing the impact of these new accounting standards and amendments. The company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the company.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Foreign currency translation

Transactions and balances

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

b) Borrowings

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

No dividends were declared or paid during the year (2019: \$Nil).

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

e) Employee Benefits

Wages and salaries

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

Annual leave

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

Defined contribution plans

Contributions to Fiji National Provident Fund are expensed when incurred.

f) Financial 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

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.

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.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Financial assets

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

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.

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.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

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).

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) 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 (cont'd)

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

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

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 profit or loss and other comprehensive income. Any gain or loss on derecognition is recognised in the statement of profit or loss and other 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 profit or loss and other 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.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Financial Instruments (Cont'd)

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

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 profit or loss and other 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))).

(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.

(g) Impairment of Financial Instruments

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.

**FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

(g) Impairment of Financial Instruments (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.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

Coronavirus (COVID-19) Pandemic – Allowance for expected credit loss

The Company provided rental concession during the year to property tenant in line with COVID-19 impact on businesses. Concession in the form of rent discount of 50% was provided to the property tenant. The discount of 50% on rental payable by the tenant were recognised through provision for ECL.

The movement in expected credit loss allowance is in note 10.

(h) Impairment of Non-Financial Assets

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

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

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

(i) Income Tax

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

Current Tax

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

Deferred Tax

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

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

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and other 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.

22

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

(i) Income Tax (Cont'd)

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%.

(j) Property, Plant and Equipment

Plant and equipment are stated at revalued amount 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:

	2020	2019
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%
Intangible assets	20 – 24%	20 – 24%

Gains and losses on disposal of property, plant and equipment are taken into the statement of profit or loss and other 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.

(k) Provisions

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

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

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

(l) 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.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

(l) Contribution by the Government of Fiji (Cont'd)

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 profit or loss and other comprehensive income as operating revenue.

(m) Deferred Income

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

(n) Leased Assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

(n) Leased Assets (Cont'd)

Policy applicable as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position (refer note 14).

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

(n) Leased Assets (Cont'd)

Policy applicable as a lessee (Cont'd)

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Assets held under other leases were classified as operating leases and were not recognised in the Company and the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Policy applicable as a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS 15 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16. However, when the Company was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

(o) Share Capital

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

(p) Trade and Other Payables

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

(q) Trade and Other Receivables

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

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

(r) Value Added Tax (VAT)

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

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

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

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

(s) Revenue

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.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

(s) Revenue (con't)

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 profit or loss and other comprehensive income as operating revenue in the year of receipt. Radio Fiji One and Radio Fiji Two are the two public service radio stations and FBC TV – Television station that receive a service fee as per the Public Service Broadcast contracts by the Government of Fiji.

Television Programming

Television program rights are recognized as prepayments from commencement of the rights period and are amortized in accordance with the terms of the contract. Programs produced using FBCL's own facilities the Studio 69 production unit are expensed.

(t) 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 profit or loss and other comprehensive income in the period in which they are incurred.

(u) 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.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

(u) Finance income and finance costs (Cont'd)

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.

(v) 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 profit or loss and other 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.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

4 RISK MANAGEMENT

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.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

4 RISK MANAGEMENT (CONT'D)

Risk Management Objectives (Cont'd)

(b) Interest rate risk (Cont'd)

The carrying amounts of the Company's financial instruments that are exposed to interest rate risk as at 31 December 2020 and 2019 are summarized below:

Financial Instruments	Less than 1 year (\$)	1 year and over (\$)	Total (\$)
At 31 December 2020			
Financial liabilities:			
Bank loans	1,949,119	5,605,941	7,555,060
At 31 December 2019			
Financial liabilities:			
Bank loans	2,315,241	7,258,292	9,573,533

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.

Trade and other receivables

Expected credit loss assessment for trade and other receivables as at 1 January 2020 and 31 December 2020.

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

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

4 RISK MANAGEMENT (CONT'D)

Risk Management Objectives (Cont'd)

c) Credit risk (cont'd)

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.

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 1 January 2020 as per IFRS 9	23,981
Allowance for impairment loss during the year	<u>7,932</u>
Balance at 31 December 2020	\$ <u>31,913</u>

Cash on hand and at bank

The Company held cash of \$8,149,069 at 31 December 2020 (2019: \$6,163,600). 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.

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 2020.

An impairment allowance of \$Nil (2019: \$Nil) in respect of debt securities and advances at amortised cost was recognised. The Company has no collateral in respect of these investments.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

4 RISK MANAGEMENT (CONT'D)

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.

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.

Financial Assets

31 December 2020	Carrying amount \$	Less than one year \$	2 to 5 years \$	More than 5 year \$
Short term deposit (Note 12)	10,089,231	5,089,231	5,000,000	-
Receivables (Note 10)	1,627,821	1,627,821	-	-
	<u>11,717,052</u>	<u>6,717,052</u>	<u>5,000,000</u>	<u>-</u>
31 December 2019				
Short term deposit (Note 12)	5,087,649	3,087,649	2,000,000	-
Receivables (Note 10)	6,235,883	6,235,883	-	-
	<u>11,323,532</u>	<u>9,323,532</u>	<u>2,000,000</u>	<u>-</u>

Financial Liabilities

31 December 2020	Carrying amount \$	Contractual cash flows \$	Less than 1 year \$	More than 1 year \$
Trade and other payables (Note 15)	889,706	889,706	889,706	-
Interest bearing borrowings (Note 17)	7,555,060	-	1,949,119	5,605,941
	<u>8,444,766</u>	<u>889,706</u>	<u>2,838,825</u>	<u>5,605,941</u>
31 December 2019				
Trade and other payables (Note 15)	1,234,619	1,234,619	1,234,619	-
Interest bearing borrowings (Note 17)	9,573,533	-	2,315,241	7,258,292
	<u>10,808,152</u>	<u>1,234,619</u>	<u>3,549,860</u>	<u>7,258,292</u>

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

4 RISK MANAGEMENT (CONT'D)

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.

f) Fair Value Estimation

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates of their fair values.

g) Operational Risk

Operational risk is the risk of loss arising from systems failure, human error and fraud. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The company cannot expect to eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the company is able to manage risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment procedures.

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(i) - Deferred tax assets

Note 3 (j) - Impairment of property, plant and equipment

Note 3 (f) - Allowance for doubtful debts

Note 2 (f) and 3(n) – Application of IFRS - Leases

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

6 REVENUE	2020 \$	2019 \$
Advertising:		
- Radio	1,089,293	1,615,366
- Television	1,383,237	2,445,468
Paid programmes:		
- Radio	941,996	1,443,588
- Television	686,441	1,103,031
Special events:		
- Radio	47,059	125,992
- Television	15,635	6,711
Sports:		
- Radio	200,953	280,091
- Television	500,817	1,126,041
Commercial outside broadcast	606,274	1,130,352
Public service broadcast revenue	11,277,400	11,277,400
Others	300,788	386,134
Total revenue	<u>17,049,893</u>	<u>20,940,174</u>
7 OTHER OPERATING INCOME		
Income from gifted assets	2,010,408	2,010,408
Rent	62,250	59,806
Communication	63,858	69,730
Other income	274,272	68,971
Total other operating revenue	<u>2,410,788</u>	<u>2,208,915</u>
8 PROFIT BEFORE INCOME TAX		
Profit before income tax has been determined after charging the following expenses:		
Auditor's remuneration for audit fees	12,789	14,295
Accounting and taxation fees	5,500	5,500
Consultancy fees	33,632	119,477
Depreciation	2,888,651	2,774,868
Depreciation of gifted asset	2,010,408	2,010,408
Directors' fees	18,000	15,500
FNPF (employer's contribution)	341,310	555,854
Insurance	480,105	305,295
Interest expenses	502,903	587,548
Licenses and permits	991,536	1,252,297
Motor vehicle expenses	145,321	188,270
Power and transmission	527,356	546,852
Program expenses	1,141,271	3,390,818
Rent and rates (including land rentals)	65,235	36,148
Sports coverage expenses	474,871	254,987
Telephone	130,767	146,196
Wages, salaries, and training levy	<u>4,904,931</u>	<u>5,676,323</u>

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

9 INCOME TAX	2020 \$	2019 \$
(a) Income tax expense		
The income tax expense on profit before income tax is reconciled as follows:		
Profit before income tax	3,282,346	2,606,369
Prima facie tax benefit thereon at 20%	656,469	521,274
Tax effect of:		
Items treated as permanent difference	(12,196)	51,435
Income tax expense attributable to operating profit	644,273	572,709
(b) Income tax receivable		
Opening balance	262,770	247,675
Income tax paid	594,165	361,061
RWT on interest paid on term deposits	34,435	53,338
15% Provisional tax deducted on sales invoices	5,318	3,321
Tax liability for the current year	(818,434)	(402,625)
	78,254	262,770
(c) Deferred tax assets		
Difference between right-of-use assets and lease liabilities	4,108	1,609
Provision for doubtful debts	6,383	4,796
Employee benefit liability	32,299	50,810
	42,790	57,215
(d) Deferred tax liabilities		
Deferred income tax liability at 31 December relates to the following:		
Accelerated depreciation for tax purposes	673,626	862,211
(e) Benefit of income tax losses not brought to account		
As at 31 December 2020, the Company has fully utilized its available carried forward tax losses.		
10 TRADE AND OTHER RECEIVABLES		
Trade accounts receivable	1,481,014	2,383,084
Provision for impairment of trade receivables	(31,913)	(23,981)
	1,449,101	2,359,103
Other receivables	178,720	3,876,780
Provision for impairment of other receivables	-	-
	178,720	3,876,780
Total trade and other receivables, net	1,627,821	6,235,883

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

10 TRADE AND OTHER RECEIVABLES (CONT'D)	2020 \$	2019 \$
The aging analysis of these trade receivables is as follows:		
0 to 60 days	1,100,985	1,823,616
61 to 90 days	69,241	113,143
Over 90 days	310,788	446,325

As of 31 December 2020, trade receivables of \$31,913 (2019: \$23,981) 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:

At 1 January	23,981	23,981
Allowance for impairment loss of receivables	7,932	-
At 31 December	31,913	23,981

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

11 OTHER ASSETS

Prepayments	1,036,373	1,314,611
Deposits	216,161	228,363
Fuel	14,746	14,002
	1,267,280	1,556,976

12 FINANCIAL ASSETS

Other investments

Term deposit	10,089,231	5,087,649
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The term deposits earn interest at interest rate between 2% and 4.6% per annum and mature between July 2021 and December 2022. Interest is added to the principal amount at maturity.

13 PROPERTY, PLANT AND EQUIPMENT

Leasehold land and buildings – <i>at revalued cost</i>	9,501,991	9,193,166
Less: accumulated depreciation	(1,588,903)	(1,386,342)
	7,913,088	7,806,824
Transmitter sites – <i>at deemed cost</i>	2,856,651	2,720,275
Less: accumulated depreciation	(462,781)	(412,104)
	2,393,870	2,308,171
*Plant and equipment, and vehicles – <i>at deemed cost</i>	42,728,487	42,203,629
Less: accumulated depreciation	(29,136,020)	(24,624,437)
	13,592,467	17,579,192
Furniture and fittings – <i>at deemed cost</i>	395,542	532,278
Less: accumulated depreciation	(177,166)	(291,781)
	218,376	240,497
Intangible assets – <i>at deemed cost</i>	665,151	674,118
Less: accumulated depreciation	(547,925)	(458,657)
	117,226	215,461
Capital Work in Progress	74,585	6,000
Total property, plant and equipment, net	24,309,612	28,156,145

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

* Plant and equipment includes gifted assets relating to the AM Project valued at \$15,678,702.45 with a written down value of \$10,652,681.50. These assets were transferred to the Company in July, 2018 and reported in 2018 Financial Statements.

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	Intangible assets	Capital work in progress	Total 2020	Total 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 January	7,806,824	2,308,171	17,579,192	240,497	215,461	6,000	28,156,145	31,886,415
Additions	-	-	524,859	16,758	3,633	513,787	1,059,037	1,055,006
Transfers	308,826	136,376	-	-	-	(445,202)	-	-
Disposals	-	-	-	(153,494)	(12,600)	-	(166,094)	(930,827)
Depreciation expense	(202,562)	(50,677)	(4,511,584)	(38,879)	(95,358)	-	(4,899,060)	(4,785,276)
Depreciation expense- disposal	-	-	-	153,494	6,090	-	159,584	930,827
Balance as at 31 December	7,913,088	2,393,870	13,592,467	218,376	117,226	74,585	24,309,612	28,156,145

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 LEASES

2020

2019

\$

\$

As a lessee

The Company leases land and building. Information about leases for which the Company is a lessee is presented below:

Right-of-use assets

Balance at 1 January	533,456	582,066
Additions for the year	35,357	-
Depreciation charge for the year	(49,073)	(48,610)
Balance at 31 December	519,740	533,456

Additions to the right-of-use assets during 2019 were \$Nil.

Lease liabilities

Maturity analysis – contractual undiscounted cash flows

Less than one year	47,340	58,313
One to five years	119,420	121,071
More than five years	1,703,181	1,733,118
Total undiscounted lease liabilities at 31 December	1,869,941	1,912,502

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

14 LEASES (CONT'D)	2020 \$	2019 \$
Lease liabilities included in the statement of financial position at 31 December		
Current	22,601	29,485
Non-current	508,444	512,013
	<u>531,045</u>	<u>541,498</u>
Amounts recognised in profit or loss		
Interest on lease liabilities	<u>30,254</u>	<u>30,995</u>
Amounts recognised in the statement of cash flows		
Total cash outflow for leases	<u>(66,828)</u>	<u>(71,563)</u>
15 TRADE AND OTHER PAYABLES		
Trade accounts payable	305,075	388,747
Other payables and accruals	528,746	806,767
VAT payable	55,885	39,105
Total trade and other payables	<u>889,706</u>	<u>1,234,619</u>
16 INCOME RECEIVED IN ADVANCE		
Income received in advance	<u>1,081,152</u>	<u>1,023,733</u>
Income received in advance largely relates to the Public Service Broadcast Fee received in advance from the Government of Fiji (i.e. Ministry of Economy) for the month of January 2021, an amount of \$939,783 (2019: \$939,783). Rest of the income received in advance account is made up of trade customer account balances who have paid in advance for various advertising campaigns which will be utilized at a later date.		
17 INTEREST BEARING BORROWINGS		
Current		
Term loan	<u>1,949,119</u>	<u>2,315,241</u>
Non-Current		
Term loan	<u>5,605,941</u>	<u>7,258,292</u>

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

17 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 5.5% (increased from 4.9% effective from 1 July 2019) per annum. The loan is repayable by monthly instalments of \$193,000 from June (2019 till May 2020: \$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 (\$)	Lease Liabilities (\$)	Total (\$)
Balance at 1 January 2020	9,573,533	541,498	10,115,031
Changes from financing cash flows			
Repayment of borrowings	(2,018,473)	(36,574)	(2,055,047)
Total changes from financing cash flows	7,555,060	504,924	8,059,984
Other changes – Liability related			
Interest expense	472,649	30,254	502,903
Interest paid	(472,649)	(30,254)	(502,903)
Total liability related other changes	-	-	-
Balance at 31 December 2020	7,555,060	504,924	8,059,984

18 EMPLOYEE ENTITLEMENTS

	2020 \$	2019 \$
Employee entitlements	161,493	254,050

Employee entitlements relate to annual leave and long service 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.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

19 DEFERRED INCOME	2020 \$	2019 \$
Deferred income	15,905,191	15,905,191
Less: accumulated amortisation	<u>(5,252,509)</u>	<u>(3,242,101)</u>
Total deferred income, net	<u>10,652,682</u>	<u>12,663,090</u>
Represented by:		
Current	2,010,408	2,010,408
Non-current	<u>8,642,274</u>	<u>10,652,682</u>
	<u>10,652,682</u>	<u>12,663,090</u>

Movement in the accumulated amortisation are as follows:

As at 1 January	3,242,101	1,590,469
Amortisation charge for the year	2,010,408	2,010,408
Accumulated amortisation charge on disposed assets	-	<u>(358,776)</u>
As at 31 December	<u>5,252,509</u>	<u>3,242,101</u>

20 SHARE CAPITAL

Issued and paid up capital 10,000,000 ordinary shares	<u>4,113,357</u>	<u>4,113,357</u>
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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.

21 RESERVES

a) Capital contribution	<u>18,489,696</u>	<u>18,489,696</u>
b) Asset revaluation reserves	<u>3,341,214</u>	<u>3,341,214</u>

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

**FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020**

22 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:

	2020 \$	2019 \$
Cash on hand	15,700	15,700
Cash at bank	<u>8,133,369</u>	<u>6,147,900</u>
	<u>8,149,069</u>	<u>6,163,600</u>

23 COMMITMENTS

Capital expenditure - Approved by the board and committed	<u>7,583,283</u>	<u>7,638,517</u>
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24 CONTINGENT LIABILITIES

Contingent liabilities in respect of security bonds and guarantees amounted to \$Nil as at 31 December 2020 (2019: \$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.

25 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 Baqa
Glenys Andrews
Sakiusa Bolaira (appointed: 18/08/20)
Shivendra Deo (appointed: 18/08/20)

The total emolument to directors' is as follows:

Directors' fees	<u>18,000</u>	<u>15,500</u>
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FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

25 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:	2020 \$	2019 \$
Fiji Development Bank:	<u>7,555,060</u>	<u>9,573,533</u>

(c) Transactions with Related Parties

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

Government of Fiji

Revenue contribution	<u>11,277,400</u>	<u>11,277,400</u>
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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 profit or loss and other comprehensive income as operating revenue.

Other Related Entities

<u>Fiji Development Bank</u>		
Bank Service Charge	19,878	24,944
Loan repayments	(2,511,000)	(2,784,000)
Interest on loan	<u>472,649</u>	<u>556,553</u>
	<u>(2,018,473)</u>	<u>(2,202,503)</u>

(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.

**FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020**

25 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.

<u>Name</u>	<u>Title</u>
Riyaz Sayed-Khaiyum	Chief Executive Officer
Vimlesh Sagar	Chief Financial Officer

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

	2020	2019
	\$	\$
Short-term benefits	<u>446,815</u>	<u>418,905</u>

26 EVENTS SUBSEQUENT TO BALANCE DATE

- a) Subsequent to the end of the financial year, on 25 April 2021, in response to the 2nd wave of COVID-19 outbreak in Fiji, the Government announced a number of measures including lockdown of certain containment areas within the country. Under the lockdown restrictions, all non-essential businesses were required to be closed unless the workplace was deemed part of a permitted essential industry as set out by the Ministry of Health and the Ministry of Commerce Trade Tourism and Transport. The introduction of these restrictions have not had a material effect on the Company's Financial Statements as at 31 December 2020. However, prolonged effects of COVID-19 pandemic resulted to a significant decline in advertising revenue in the financial year 2021.
- b) On 30 June 2021, the Company made the final settlement of \$6,793,833 to Fiji Development Bank 3 years prior to the end of loan term. The loan was undertaken in year 2009 for the refurbishment of the Broadcasting House, the upgrade of six radio studios and the overhauling of transmission services throughout the country including the setup of free-to-air channel FBC TV.

Apart from the exception above, no other 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 or cash flows of those operations, or the state of affairs of the Company in future financial years.

27 PRINCIPAL ACTIVITIES

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

FIJIAN BROADCASTING CORPORATION PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

28 COMPANY DETAILS

Company Incorporation

The Company was incorporated in Fiji under the Fiji Companies Act, 2015.

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.

FIJIAN BROADCASTING CORPORATION PTE LIMITED
DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

Revenue	2020 \$	2019 \$
Income from advertising, programs and special events	5,772,493	9,662,774
Public service broadcast revenue	11,277,400	11,277,400
	<u>17,049,893</u>	<u>20,940,174</u>
Add: Other Operating Revenue		
Income from gifted assets	2,010,408	2,010,408
Interest Income	426,897	373,880
Other income	400,380	198,507
	<u>2,837,685</u>	<u>2,582,795</u>
Total revenue	<u>19,887,578</u>	<u>23,522,969</u>
Less: Expenses		
Administration and operating expenses (page 47)	15,448,953	19,138,742
ECL Rent concession COVID-19	30,000	-
Impairment loss on trade and other receivables	31,913	-
Marketing expenses (page 48)	591,463	1,190,310
Finance costs (page 48)	502,903	587,548
	<u>16,605,232</u>	<u>20,916,600</u>
Operating profit before income tax	<u>3,282,346</u>	<u>2,606,369</u>

FIJIAN BROADCASTING CORPORATION PTE LIMITED
DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

Administration and Operating Expenses	2020 \$	2019 \$
Accounting and taxation fees	5,500	5,500
Audit fees	12,789	14,295
Bank charges	22,429	27,839
Cleaning services	6,852	8,045
Computer charges	398,668	415,307
Consultancy fees	33,632	119,477
Copyright fee	22,565	50,443
Depreciation	2,888,651	2,774,868
Depreciation – gifted asset	2,010,408	2,010,408
Depreciation – leases	49,073	48,610
Directors' fees	18,000	15,500
Entertainment	9,891	34,615
FNPF (employer's contribution)	341,310	555,854
Training levy	49,506	57,428
General expenses	160,449	148,838
Insurance	480,105	305,295
Legal fees	36,368	29,798
Licences and permits	991,536	1,252,297
Library resources	16,442	41,789
Local travelling	19,160	33,424
Motor vehicle expenses	145,321	188,270
Overseas travelling	4,651	169,563
Power and transmission	527,356	546,852
Program expenses	1,141,271	3,390,818
Production expenses	56,813	66,574
Printing and stationery	32,550	40,546
Rent and rates	65,235	36,148
Repairs and maintenance	257,285	331,861
Sports coverage expenses	474,871	254,987
Staff costs	106,490	223,612
Subscriptions	59,550	64,036
Telephone	130,767	146,196
Training	15,606	106,872
Wages and salaries	4,855,425	5,618,895
Water	2,428	3,882
Total administration and operating expenses	15,448,953	19,138,742

FIJIAN BROADCASTING CORPORATION PTE LIMITED
DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 \$	2019 \$
Marketing Expenses		
Advertising campaign expenses	38,506	115,179
Special event expenses	69,180	235,957
Promotion and public relations	401,777	651,476
Commercial outside broadcast expenses	60,616	126,071
SMS promotion expenses	-	6,267
Public Service Broadcast expenses	2,984	7,861
Commission and discount	18,400	47,499
Total marketing expenses	<u>591,463</u>	<u>1,190,310</u>
Finance Costs		
Interest expenses	472,649	556,553
Interest expenses – leases	30,254	30,995
Total finance costs	<u>502,903</u>	<u>587,548</u>

PG

YAADON KI BAARAAT

Only on **FBC TV**
YOU'RE #1 WITH US

SATURDAYS
FIRST SATURDAY OF THE MONTH
AFTER BOLLYWOOD MOVIE

PG

4 THE RECORD

Only on **FBC TV**
YOU'RE #1 WITH US

SUNDAYS
@ **7:45PM**

MA

B&B

THE BOLD AND THE BEAUTIFUL

Only on **FBC TV**
YOU'RE #1 WITH US

MONDAY TO THURSDAY
@ **12:30PM**

PG

JUKE World

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FRIDAYS
@ **6:30PM**

G

CRIME STOPPERS

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SUNDAYS
@ **6:55PM**

G

GOLD 97.5

Only The Classic Hits

Speak Your Mind

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TUESDAYS
@ **11:15PM**



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