



**FIJI**  
AIRWAYS

**2023**  
ANNUAL REPORT

# THE STORY OF OUR TETEVA

## BIG CIRCLE 'FOUR CROSSES AT FOUR CORNERS'

Reflects interconnection just  
as Fiji Airways connects  
people of the Fiji Islands

OPEN CIRCLE  
Reflects the spiritual values  
of the Fijian People

SMALLER CIRCLE  
Reflects the Fijian people  
friendly and welcoming  
nature to all visitors

## INNER CIRCLE SIXTEEN PETAL SHAPE

Reflects people working hand-in-  
hand to create a stronger nation

## INNERMOST PART DIAMOND

Represents the love that  
Fiji Airways has for Fiji and  
all the customers it is  
privileged to serve



# OUR VISION

To be the Most Loved, Most Flown and  
Most Profitable National Airline

# OUR COMMON PURPOSE

We Fly for Fiji

# OUR VALUES & BEHAVIORS

**A**

## **200% Accountability**

The foundation of world-class service

**I**

## **Integrity**

Honesty – the foundation of trust,  
psychological safety and excellence

**R**

## **Respect**

Love and care – the secret of our success







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# CHAIRMAN'S ADDRESS

**Bula Vinaka,**

It is with immense pride and honour that I share with you the 2023 Annual Report for Fiji Airways. The 2023 performance holds a special place in our history.

This year's report is particularly special as it is our first publication in thirteen years, encapsulating the remarkable achievements and progress of Fiji Airways. Our entire team has worked tirelessly to elevate our airline to new heights, ensuring we continue to deliver exceptional Fijian service and experiences to our passengers.

## Financial Results

We are delighted to report that in 2023, Fiji Airways posted a historic, record-breaking operating revenue of \$1.8 billion, an increase of \$729 million from 2022. This is the highest earnings posted by our national airline in its 70-year history.

We achieved an operational profit of \$113.2 million, marking the largest financial turnaround from a loss of \$175 million in 2022.

These achievements would not have been possible without the unwavering commitment and dedication of every Fiji Airways employee. Their professionalism and passion for excellence have driven and continue to drive the success of the airline.

With the Group's record breaking financial performance, the Board of Directors are glad to recommend the resumption of dividend payments and approved at a Directors meeting on 6 May 2024, an interim dividend payment of \$15 million.

## Modernizing Our Fleet: Driving Future Growth

As part of our Fleet Modernization program, 2023 witnessed a transformative phase in our journey. In 2023, we secured two additional Airbus A350-900 aircraft that are modern and technologically advanced commercial aircraft in the world today. We are proud to be able to showcase these aircraft in our fleet in an environment globally where there is high demand for them. The acquisition of these additional aircraft have allowed us to look at new opportunities and destinations.

These new aircraft have contributed to growing our annual seat capacity to an all-time high of 2.8 million seats, a growth of 47% from 2022.

## Strengthening Fiji's Economy through Strategic Investments

Our investment strategy has focused on expanding our reach and enhancing our service offerings through strategic partnerships and joint ventures. These investments are not only essential for our long-term growth and success as a business but signifies our commitment to the Fijian economy.

In 2023, we have increased our ownership in the Award-Winning Sofitel Fiji Resort & Spa by an additional 11.25%, an investment of \$24.8 million, which has taken us up to a 50% ownership in the resort.

Furthermore, we have commenced on a proud joint venture partnership with BSP Life (Fiji) Limited to develop a new 190-room resort on Denarau Island, to be called Vatu Talei - The Jewel, managed by Richmond Pte Limited and valued at over \$230 million. This project will commence operations in late 2026, diversifying our investments and enhancing Fiji's tourism landscape.

## Elevating Fiji: The Economic Impact of Fiji Airways

Fiji Airways has played and continues to play a pivotal role in the economic growth of our nation. As the leading carrier in Fiji, we carry up to 70% of all visitors into the country and are a significant contributor to our Gross Domestic Product (GDP). In 2023, Fiji Airways achieved a historic milestone by carrying 2.2 million passengers, surpassing the 2 million mark for the first time in the airline's history.

Our impact extends beyond aviation where we drive economic development and provide critical infrastructure that supports the overall growth of Fiji. Our airline supports farmers and exporters throughout Fiji in getting their good and products out into the global markets. We do this through our Cargo and Freight operations.

## Charting the Path Ahead: Outlook for 2024 and Beyond

The year 2023 was marked by strong financial performance, reflecting our strategic initiatives and the resilience of our team. We are already seeing a more challenging and competitive landscape for 2024, not only for the airline but for Fiji as a destination.

We have continued to adjust and adapt to keep the business needs in harmony and our commitment to deliver our exceptional service to our valued passengers. Fiji Airways continues to adopt new tools and technologies to help maintain our competitive edge and ensuring continued excellence in everything we do.





With economic uncertainty in key markets, geopolitical tensions and conflicts globally, heightened competition within the aviation sector, fluctuating fuel prices impacting operational expenses, inflation-driven costs alongside ongoing wage inflation, and the influence of a stronger US dollar on our financial operations, 2024 will be a very different year to 2023. Despite these challenges, we remain optimistic about our ability to overcome them. These will have an impact on customer demand, airfares, hotel pricing and more however, we have a team that is ready for the challenge.

Under the visionary leadership of Andre Viljoen and the Executive Leadership team at Fiji Airways, we are committed to achieving sustainable growth and creating long-term value for our shareholders, customers, and the communities we serve. Our strategic initiatives will ensure that Fiji Airways remains resilient and adaptive, capable of thriving in an ever-evolving travel landscape.

This report is a testament to our resilience, commitment, and the unwavering support of each and every one of our stakeholders. As we navigate the evolving landscape of the aviation industry, we remain focused on innovation, sustainability, and excellence. Our purpose is clear: **We Fly for Fiji**. I invite you to explore this report and join us in celebrating the successes of Fiji Airways.

### Thank you

On behalf of the Board of Directors, I extend my heartfelt appreciation to our Managing Director & CEO, Andre Viljoen, the Executive Leadership team and each and every employee at Fiji Airways, who have worked and continue to work on building the Fiji Airways brand to where it is today. The 2023 Annual Report stands as a testament of your commitment and dedication to the brand. I also extend my gratitude to all our valued customers.

**"United by dedication, fueled by passion, together we soar to new heights. As Chairman, it is my honour to witness the resilience and drive that propels us forward, ensuring we chart a course of excellence, guiding Fiji Airways towards new horizons of success."**

- Nalin Patel.

I would also like to extend my deepest gratitude and appreciation to the Fiji Government for their unwavering support and commitment. We look forward to continuing our collaborative efforts to strengthen Fiji's tourism industry and contribute to the nation's economic growth.

Vinaka Vakalevu for your continued support and trust in our journey. Together, we will soar to even greater heights.

Vinaka Vakalevu, - Thank You



**Nalin Patel**  
Chairman, Fiji Airways





# MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER'S REPORT



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**“We believe it’s our Future-Fit-Thinking approach, our agility and our relentless pursuit of excellence that have enabled us to make such outstanding achievements throughout the most challenging of times.”**

- Andre Viljoen.

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Bula Vinaka,

I am delighted and honoured to present the Fiji Airways Annual Report for 2023. This year holds special significance as it marks our first full year of flying since the COVID pandemic. The resilience and dedication of our entire team have been nothing short of inspirational, and I am proud to share the remarkable progress we have made.

The year 2023 marks a triumphant return to profitability after three years of significant losses during COVID. In addition, Fiji Airways has experienced an extraordinarily successful year of remarkable achievements throughout the business. We benefited from pent-up travel demand and high yields in a limited capacity environment as airlines globally were still ramping up operations.

#### **Historic Financial Performance**

Emerging from the challenges of COVID, Fiji Airways has achieved an extraordinary success by reporting a historic record-breaking profit before income tax of \$131.8 million. This significant milestone highlights our ability to overcome adversity, arising from a daunting total comprehensive loss of over \$578.8 million incurred during COVID (from 2020 to 2022). It is a testament of our resilience and strategic prowess.

But the achievements don’t stop there. Fiji Airways has reached new heights with a record revenue of \$1.8 billion, a remarkable 67% growth from 2022, and unprecedented receipts of \$1.9 billion, marking a 58% increase compared to 2022. This is the highest earnings posted by our national airline in its 70-year history.

These outstanding results not only demonstrate our remarkable growth in 2023 but also surpass our pre-COVID performance, setting a new benchmark for our future endeavours.

As a result of the measures taken during COVID, where new loans were taken along with aircraft lease payment deferrals, this will impact us for years to come. The debt reached to \$793.9 million by the end of 2021, almost double from pre-COVID levels. Nonetheless, during the year 2023, we have managed to pay back \$100.4m in loans and refinanced \$94.9 million of offshore debt with domestic borrowings. We also invested \$109 million in capital projects, with key allocations including \$49 million for Phase 2 of the Fiji Airways Aviation Academy, \$34 million for the aircraft maintenance program and the balance towards new equipment and systems to fund our strategic transformation initiatives.



## Our performance in 2023 extends beyond revenue and profit to several critical benchmarks



We increased our equity to \$266 million, 50% recovered from pre-COVID levels.



We reduced our debt level by \$100 million to \$682 million.



We earned \$99 million in cargo revenue.



We carried 2.2 million passengers, up from 1.4 million in 2022 and 1.7 million in 2019.



We grew our seat capacity by 47% to 2.8 million.



We operated 26,586 international, regional and domestic flights in 2023, representing a 40% growth from 2022.



We added two additional state-of-the-art Airbus A350-900 to our fleet, taking our total to 11 aircraft.



We added Canberra and Noumea to our network, expanding our international destinations to 26.



We commenced Phase 2 construction of the Fiji Airways Aviation Academy, costing \$130 million, with \$49 million spent in 2023.



We acquired additional shares in Richmond Pte Limited, increasing our shareholding to 50%.



We acquired shares in Vatu Talei Pte Limited, a 190-room resort development estimated at over \$230 million, expected to commence operations in late 2026.



Our total staff numbers at the end of 2023 stood at 2,051.



**Safety Remains Paramount at Fiji Airways**

We are focused on ensuring the safety, health, and wellbeing of our people and customers while maintaining our high service standards. To strengthen our commitment to safety, we have enhanced our safety function by appointing a dedicated Executive Manager for Group Safety & Quality and supported by a team of 15 experts. Our unwavering dedication to safety and quality drives Fiji Airways to meet the global standards and our customers can fly assured that we have their safety and wellbeing as our highest priority.

We emphasize on four key pillars: Policies, Risk Management, Assurance, and Promotions. These pillars uphold our safety standards and keep us at the forefront of aviation, reaffirming our commitment to excellence.

During the peak of COVID, we achieved the Diamond certification, the highest rating in the audit conducted by APEX Health Safety powered by SimpliFlying. Fiji Airways was the first airline of its size to attain this certification, joining renowned airlines like United Airlines, Etihad Airways, and Singapore Airlines.

**Continuous Organisational and Leadership Culture Transformation**

In 2023, we achieved unprecedented success for an airline of our size. Using the Systemic Development framework for our organisational and leadership culture transformation, we changed our mindset to the magic of Thinking Big. We simultaneously focused on Future-Fit-Thinking and strengthened our GRIT (resilience, persistence and adaptability) which enabled us to constantly punch above our weight.

While others struggled, our GRIT and tenacity brought us from the brink of COVID to the pinnacle of success. We have invested substantially in our leadership development using cognitive psychology frameworks such as the Enneagram, Neuro Linguistic Programming (NLP) and Vertical Growth. Today we have a powerful team who constantly work on improving their behaviour and performance.

We have embodied a 'growth and Future-Fit' mindset and through daily rituals driving the culture change to embody our three values - **200% Accountability, Integrity and Respect**. These are our core values and behaviours. This mindset has enabled our executive leadership team to adopt an aggressive approach, entering the post-COVID market dynamically and competitively using Future-Fit-Thinking to always be READY to THRIVE.

**Adaptability and Innovation**

We are proud of our adaptability and innovation, a success that is a testament to the dedication and hard work of the entire team, from the boardroom to the frontlines. We have invested in process improvements, software, and systems in our drive to improve operational efficiency and reduce costs. Whether it's our pilots ensuring flight safety, our cabin crew delivering exceptional service, or our ground staff facilitating seamless operations, each member of the Fiji Airways Vuvale (family) plays a crucial role in our achievements.

**Our New Way of Selling – Fly Your Way**

In 2023, we launched Branded Fares (Fly Your Way) to give our customers improved fare options and added value when booking their flights. We introduced four new options - Lite, Value, Comfort and Plus. These different levels of fares offered our customers the freedom to choose fares that fit their travel needs. This enhancement has boosted our revenue generation and allowed us to compete with low cost carriers in the market.

**Fleet Modernization**

In 2023, we acquired two additional state-of-the-art Airbus A350-900 aircraft, secured on attractive lease terms. These aircraft have boosted our capacity, enabling us to offer more flights and support more routes. With a total of 21 aircraft, Fiji Airways now boasts one of the youngest and most modern fleets in the world.

**Network Expansion**

As part of our global expansion, we added Canberra, the Australian capital, and Noumea, New Caledonia's capital, to our international network this year. Both services have performed steadily since their launch. We also resumed services to Adelaide, Narita (Tokyo), and Hong Kong, and increased services to key markets such as Melbourne, Christchurch, and Wellington.

**Recruitment Drive**

Travel ramped up faster than anticipated post-COVID, prompting us to embark on a rapid recruitment drive, adding over 1,000 personnel over the last 2 years. The resurgence in travel demand allowed us to rehire 384 (51%) of the 758 staff who had lost their jobs in early 2020 and the balance who were not interested in returning were paid a lump sum compensation. In 2023 alone, we recruited 816 new employees. Fiji Airways is now one of the largest employers in the country, with a workforce of more than 2,000 personnel.

### **People Strategies and Learning & Development**

To retain skilled labour, we conducted a comprehensive review of all staff remuneration, aligning salaries with the Hays Salary Guide 2023, and upgraded our staff benefits to match industry best practices. These enhancements ensure our compensation packages remain competitive and attractive.

We partnered with local universities to attract new talent and strengthened the Graduate Trainee Program, creating a pipeline for future leaders and succession planning within our organisation. Additionally, we implemented a Learning Management System (LMS) and operational systems to facilitate the continuous development and upskilling of our staff. These systems offer a range of training modules and educational resources, empowering employees to advance their careers and stay abreast of industry trends.

These initiatives have enabled us to build a strong, dedicated workforce capable of meeting the increasing demands of our expanding operations. Our commitment to learning and development not only enhances employee satisfaction and retention but also ensures that Fiji Airways remains at the forefront of industry standards and innovation.

### **Operational Excellence**

With the rapid increase in capacity, we recognized the need to ensure operational excellence. A key focus was addressing the capabilities of our operational partners, such as ground handling at destination airports. To enhance service delivery, we introduced an innovative 'hybrid model' in Australia, where Fiji Airways staff managed check-in and gate services while contracted handlers performed ramp activities. This successful model emphasizes our commitment to delivering genuine Fijian experiences and supports our goal of moving towards self-handling in the future.

Throughout the year, we collaborated with key partners, including global airports, terminal services, and catering suppliers, to continuously improve the services delivered to our valued customers. These efforts underscore our dedication to maintaining high operational standards and exceptional customer service as we continue to grow and thrive in the post-pandemic landscape.

### **Promoting Our World-Class Aviation Academy**

The state-of-the-art Fiji Airways Aviation Academy (FJAA), equipped with Airbus A330 and Boeing 737 MAX full-flight simulators, has been a game-changer for the company since its inception three years ago. The academy has significantly enhanced our capabilities in pilot certification, type rating, and career progression, while also providing substantial third-party revenue.

All pilot competency and promotional training is now performed locally, saving us more than US\$10 million in training costs, shortening training timelines, and raising pilot competency standards. This significant cost-saving measure has allowed the airline to reinvest in other critical areas of our operations, further enhancing our overall efficiency and performance. Pilot training is further enhanced by our adoption of ICAO Competency-Based Training and Assessment (CBTA) and Specialized Upset Prevention and Recovery Training (UPRT).

FJAA is critical to our current and future national pilot progression plans. Since being granted approval to conduct type ratings, Fiji Airways has completed 62 promotional movements for our national pilot group, with additional courses in progress.

We are also proud to highlight that our team now includes 15 accomplished female pilots. This milestone reflects our commitment to fostering diversity and inclusion within our workforce. By empowering talented women to pursue and excel in aviation careers, we are not only enriching our team but also setting a positive example for the industry.

We are implementing the Phase 2 expansion of the Academy at a cost of \$130m, which includes the acquisition of an Airbus A350 full-flight simulator and ATR full-flight simulator.

Our investment in the Fiji Airways Aviation Academy underscores our dedication to maintaining high training and competency levels for our pilots and cabin crew, ensuring we meet the highest standards of safety and operational excellence.

### **Customer Experience**

Enhancing the customer experience has been at the heart of our mission, embodying the warm, caring and welcoming spirit of Fijian hospitality. We continue to innovate and seek new ways to delight our customers and welcome them to our home. We have revitalized our meals in both economy and business class, infusing Fijian-inspired ingredients like "nama" (sea grapes) and kava into our desserts. Our Inflight Entertainment system now offers an expanded selection of movies, TV shows, and music to enrich the travel experience.

Additionally, we have broadened our resort check-in services to also include the Sheraton and the Hilton, providing our guests with greater convenience and seamless travel experiences. Our investment in digital technologies has streamlined the booking process, offering passengers more personalized services and a smoother journey from start to finish.

### Customer Service, Awards, and Recognition

Our commitment to nurturing a remarkable service culture rooted in Fijian warmth and customer service excellence has borne significant fruit in 2023.

Back in 2015, we were ranked 100th in the World Top 100 Airlines and rated by SKYTRAX as 2.5-star airline. Through unwavering dedication and strategic focus, we have ascended to an impressive 15th place in the World Top 100 Airlines with a 4-star rating. This remarkable rise highlights our relentless pursuit of service excellence and customer satisfaction. Our ongoing service culture improvements from our Up Your Service program, that was relentlessly followed since 2017, led the airline to continue receiving both local and international awards in 2023, of which we are extremely proud.

At the SKYTRAX 2023 World Airline Awards, Fiji Airways was honoured with accolades for Best Airline, Best Airline Staff, and Best Airline Services in Australia and the Pacific. We also proudly achieved 16th place in the World Top Cleanest Airline Rankings and 12th in the World Top 20 Cabin Crew Rankings. Additionally, we received the APEX Five Star Major Airline Award for the second consecutive year and earned a Gold award at the Hashtag Asia Awards. These recognitions reflect our ongoing dedication to delivering an exceptional travel experience infused with the heart and soul of Fiji.

### Sustainability Initiatives

We achieved key milestones in our sustainability efforts in 2023. In August, Fiji Airways operated a flight using Sustainable Aviation Fuel (SAF) for the first time with the arrival of our new A350. SAFs are produced from sustainable materials and produce up to 80% less carbon emissions than conventional jet fuel. By using sustainable fuels, Fiji Airways and all airlines can make a significant contribution to the fight against climate change. Additionally, we have launched several initiatives aimed at reducing our environmental impact such as planting one tree for every take-off and landing, including reducing single-use plastics and increasing recycling efforts. Our commitment to sustainability meets the growing demand from environmentally conscious travellers.

### Outlook and Positioning Ourselves for Growth

Whilst 2023 was a strong financial year, we anticipate continued strength in customer demand across key markets in 2024, albeit at lower yields as capacity is gradually restored. The year ahead presents several challenges, including an uncertain economic environment in key markets, geopolitical tensions, the ongoing war in Ukraine, the conflict between Israel and HAMAS, increased competition, volatile fuel prices, operational costs driven by inflation, ongoing wage inflation, and a stronger US dollar.

Despite these challenges, we remain optimistic about our ability to navigate and overcome them. With a talented team, a solid strategy, and a clear vision for the future, we are confident that we will continue to achieve sustainable growth and create long-term value for our shareholders, customers, and the communities we serve. Our focus is on delivering strategic initiatives that will keep our national carrier resilient and adaptive in the face of adversity.

### Thank You Note

I would like to extend my heartfelt gratitude to everyone who contributed to Fiji Airways' success in 2023.

#### *To Our Staff:*

Your unwavering dedication and hard work have been the backbone of our achievements. Whether it's our pilots ensuring flight safety, our cabin crew delivering exceptional service, or our ground staff facilitating seamless operations, each member of the Fiji Airways Vuvale (family) has played a crucial role in our success. Thank you for your commitment and excellence.

#### *To the Management and Executive Leadership Team:*

Your leadership has been instrumental in guiding us through a challenging year and positioning us for continued growth. Your efforts in navigating the complexities of the industry and making critical decisions have been pivotal to our success. Thank you for your outstanding leadership.

#### *To the Chairman and the Board of Directors:*

We are deeply grateful for your guidance and support throughout the year. Your insights and direction have been invaluable in steering Fiji Airways towards a brighter future. Thank you for your steadfast commitment and wisdom.

#### *To Our Shareholders and the Fiji Government:*

Your unwavering support has been crucial for our national carrier. The confidence you have shown in our vision and operations has been a cornerstone of our success.

Vinaka Vakalevu - Thank You

**Andre Viljoen**  
Managing Director & CEO, Fiji Airways



# 2023

## YEAR IN REFLECTION



PROUDLY FLYING FIJIANS  
SAFELY SINCE

# 1951



# 15TH

IN THE  
WORLD

HIGHEST EVER SKYTRAX RANKING



# SKYTRAX BEST AIRLINE

IN AUSTRALIA/PACIFIC  
AT THE 2023 SKYTRAX WORLD AIRLINE AWARDS



# SUPREME AWARD

- BUSINESS OF THE YEAR
  - EXCELLENCE IN SERVICE AWARD
  - EXECUTIVE OF THE YEAR
- *Andre Viljoen*  
AT THE PRIME MINISTER'S BUSINESS AWARD



# OCEANIA'S YOUNGEST AIRCRAFT FLEET



# \$1.8 BILLION

HIGHEST EVER REVENUE



# \$131.8 MILLION

HIGHEST EVER PROFIT  
BEFORE INCOME TAX



# \$1.9 BILLION

HIGHEST EVER RECEIPTS



# 2.2 MILLION

HIGHEST EVER  
PASSENGERS FLOWN



# HIGHEST

EVER PROFIT SHARE PAYOUT



## 2 MORE AIRBUS A350-900

AIRCRAFT WELCOMED INTO OUR FLEET



## 26,920

FLIGHTS FLOWN ACROSS OUR  
GLOBAL NETWORK



MORE THAN

## \$70 MILLION

SPENT ON MARKETING DESTINATION FIJI



SUCCESSFUL

## REPATRIATION

FLIGHT FROM TEL AVIV WITH  
257 FIJI AND FOREIGN NATIONALS  
REQUIRING REPATRIATION  
FROM ISRAEL



## 816

NEW EMPLOYEES RECRUITED



## 14,000

MANGROVE TREES  
PLANTED, OVER 75,000  
PLANTED SINCE 2019



OVER

## 23,000KG

WASTE RECYCLED



INAUGURAL

## SUSTAINABLE AVIATION FUEL

(SAF) BLEND-POWERED FLIGHT  
FROM SINGAPORE TO FIJI



OVER

## 29,000

TONNES OF CARGO CARRIED  
INTO AND OUT OF FIJI



## SPORTS PARTNERSHIPS

WITH LA GALAXY,  
NRL VEGAS ROUND,  
MELBOURNE STORM AND  
KAIVITI SILKTAILS









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# OUR CORPORATE STRATEGY





# OUR COMMON PURPOSE:

## WE FLY FOR FIJI

As Fiji's National Airline, we are only too aware of the fact that our existence is predicated around a larger purpose. We have a responsibility to serve Fiji's national interest. For us, national interest and profitability are not mutually exclusive. We focus on balancing profitability aligned to national interests. In fact, we are one of only a few national carriers who successfully manage to do both.

There is clarity of strategic purpose among the shareholders, the Board of Directors and Management. This sets the framework and guides our team of professionals to work as one to take the next Step UP for the Company, the Customers and ultimately the Country.

### FIJI AIRWAYS IS FIJI'S BRIDGE TO THE WORLD

A crucial pillar in the backbone of the Fijian economy. Tourist arrivals to Fiji since 2014 had an increase commensurate with our growth in passenger numbers, meaning when we do well, the country does well. We don't only understand our purpose; we take pride in living it.

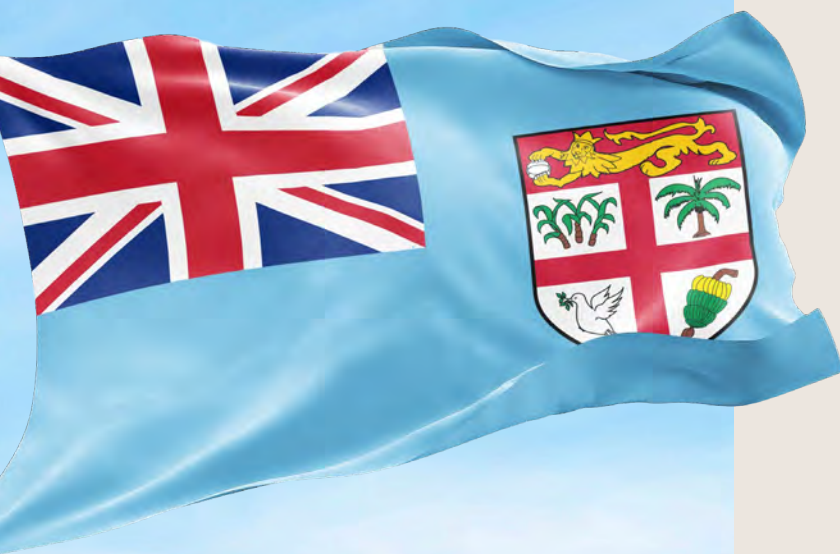
We provide critical air services to countries like Tuvalu and Kiribati and provide connections between Asia, North America and South Pacific countries, such as Samoa, Tonga, Vanuatu and Solomon Islands.

### CATALYST FOR TOURISM & ECONOMIC DEVELOPMENT

As the leading carrier into Fiji, Fiji Airways welcomes over 70% of all visitors arriving by air, playing a pivotal role in the tourism industry, which constitutes to around 45% of our Gross Domestic Product. Our efforts are not just limited to transportation; we are committed to increasing our global footprint and expanding our marketing endeavours to continuously develop and enhance Fiji's tourism industry and overall economy.

### MARKETING OUR PARADISE

Fiji Airways spends around FJ\$70m annually promoting Destination Fiji. This investment surpasses that of Tourism Fiji and reflects our deep commitment to showcasing the wonders of our islands. Each ticket sold to international passengers brings foreign currency into our economy, underscoring our crucial role in fostering national economic growth.



## THE STRATEGIC ROLE OF FIJI AIRWAYS IS TO BE A PROFITABLE NATIONAL AIRLINE



**One of only few National Carriers who successfully manage to do both**

### CONTRIBUTING TO NATIONAL PROSPERITY

Not only are we sustainably profitable, but we are also thriving as an airline and delivering significant returns to the nation across multiple areas.

As an entity that is 82.6% locally owned, dividends paid to shareholders directly infuse capital back into the local economy, including benefiting members of the Fijian National Provident Fund (FNPF).



**51.00%**



**30.02%**



**1.58%**

We have strategically refinanced our overseas borrowings incurred during the COVID pandemic with domestic loans. This move ensures that financial returns are reinvested within the local economy, providing further stimulus and support for national economic development. Through these efforts, we are committed to fostering sustainable growth and contributing to the economic resilience of our nation.

### INVESTING IN FIJIANS: NURTURING LOCAL TALENT AND OPPORTUNITIES

Fiji Airways is committed to creating meaningful opportunities for the people of Fiji and enhancing their quality of life. Over 90% of our more than

2,000 employees are from Fiji. We take pride in the increasing number of executive roles now held by local talent, reflecting our dedication to nurturing and empowering local professionals.

### PRESERVING FIJI'S BEAUTY THROUGH SUSTAINABLE AVIATION

Moreover, Fiji Airways is dedicated to sustainable practices and initiatives that preserve our environment and culture. We strive to provide exceptional service, ensuring that every visitor that flies with Fiji Airways experiences the unique warmth and charm of Fiji. Through innovation and excellence, we aim to set new standards in aviation, contributing to a brighter and more prosperous future for our nation.

As one of the world's most sought after tourism destinations, we are blessed with a lot of natural beauty, a pristine environment and above all, some of the friendliest people in the world. While we have much to gain from our geographic position, we're also very dependent upon aviation to unlock our economy through tourism and investment.

Our robust financial position has empowered us to set ambitious targets for growth, spearhead innovative initiatives, and enhance our operational infrastructure, not just for our benefit but for the prosperity of Fiji as a whole.

The journey to where we are today was not without its fair share of turbulences. Fiji Airways overcame these challenges largely thanks to the unwavering support of the Fiji Government, led by the Honourable Prime Minister and our Line Minister, the Honourable Minister of Finance, Strategic Planning, National Development, and Statistics of the Republic of Fiji, along with the enthusiastic loyalty of the people of Fiji.



# OUR STRATEGY

## Our Monumental Challenge

Fiji Airways, a small national airline in an industry of giants, faces significant challenges.

We are a far-away destination serving markets ranging from three to 10 hours' flight time to Fiji. Longer flights mean higher fares, deterring price-sensitive holidaymakers who make up 94% of our customer base.

Our small fleet of 21 aircraft, comprising five different types, incurs higher unit costs and faces scale disadvantages compared to competitors with over 100 aircraft. We are also vulnerable to currency volatility, with most of our revenue in Australian and New Zealand dollars and costs in US dollars.

Offering just one destination limits our appeal compared to larger airlines with multiple destinations, which gain significant loyalty from travel agents and wholesalers. As a second-tier leisure airline, we follow prices rather than set them.

Over the past 15 years, more than 100 small airlines, including many national carriers, have either collapsed or consolidated.

## But we are still here, and we are thriving.

Six game-changer strategies have empowered us to compete successfully, and they continue to guide us. These strategies are devised in the boardroom but are brought to life by our dedicated team across the organisation and enhanced by the use of eCaps methodology.

---

**“Do not judge me by my successes,  
judge me by how many times I fell  
down and got back up again”**

– Nelson Mandela.

---



# SIX GAME CHANGER STRATEGIES

1



## **Capitalize on our people**

We leverage our GRIT, resilience, persistence and adaptability by investing in leadership and cultural transformation programs and cognitive psychology framework to outperform our size, by developing a **Think Big Mindset**.

2



## **Relentlessly drive our strategic purpose**

Every employee embraces our purpose that **We Fly for Fiji**, taking immense pride in being the national airline.

3



## **Be Future-Fit**

A Future-Fit-Thinking approach to always be **READY** to restart enabled us to survive and thrive post-COVID, unlike many other small airlines, includes our continuous benchmarking against the best.

4



## **Modernise our fleet**

Operating high-performance, fuel-efficient aircraft helps offset our challenging business model.

5



## **Build remarkable service quality**

We follow Ron Kaufman's principles of customer service, focusing on **Building a Service Culture to Deliver Value Through Every Action**.

6



## **Invest in our world-class Aviation Academy**

Featuring the world's most modern aviation academy and simulators, we train our pilots locally, reduce downtime and offer training to other airlines.

# CRITICAL SUCCESS FACTORS



## SAFETY & SECURITY

Uncompromising safety-first & security regime.



## NETWORK GROWTH & CONNECTIVITY

Ensure profitable network and connectivity growth and maximize profit.



## INNOVATION

Drive business transformation through a digital first approach.



## ENVIRONMENTAL, SOCIAL & GOVERNANCE

Embedded in everything we do.



## CUSTOMER: BRAND, MARKETING, SERVICE QUALITY

Consistently delight our customers by providing unique travel experiences in a genuine Fijian way.



## FINANCIAL PERFORMANCE

Acquire and manage financial and operational resources and implement appropriate financial discipline to maximize profits, equity and cash.



## PEOPLE & PERFORMANCE

Select, develop, engage, reward & retain a high performing team.



## OPERATIONS

Achieve World Class operational excellence and integrity.



## STRATEGIC PARTNERSHIPS

Forge strong and meaningful partnerships to improve long term profitability.



## REVENUE MANAGEMENT, SALES, DISTRIBUTION

Maximize revenue, improve sales and grow a profitable customer base in all channels and markets.



## LEADERSHIP DEVELOPMENT

Develop future fit leaders.



# OUR STORY

PROUDLY FLYING FIJIANS SINCE 1951



# OVER SEVEN DECADES IN THE AIR

Fiji Airways, formerly known as Air Pacific, has been soaring the skies for more than 70 years. As the prime carrier in the South Pacific, it is renowned for its exceptional Fijian hospitality and abundance of warm smiles.

For a small airline, Fiji Airways has always punched above its weight.

## OUR COLOURFUL HISTORY



### 1940's

Founded by Harold George Gatty in 1947, Fiji Airways was initially named Katafaga Estates.



### 1950 – 1960's

On 1 September 1951, a 7-seater De Havilland Dragon Rapide took off from Fiji's Nausori Airport to Drasa Airport near Lautoka, on the west coast of the main island.

With this first commercial flight, our national airline was born. Gatty, a distinguished navigator and innovator, renamed it Fiji Airways the same month. After Gatty's death in 1958, Qantas acquired the airline.

## 1970's

In 1971, Qantas rebranded the airline to Air Pacific with hopes of it becoming a regional carrier.

By the early 1970s, up to seven Pacific Island governments, some of them still under British rule, held shares in the airline, including Qantas, New Zealand's TEAL (which became Air New Zealand) and BOAC (the British Overseas Airways Corporation, which became British Airways). But the regional airline idea fizzled as other governments bailed out, leaving Fiji as the majority shareholder in the airline.

On 1 June 1973, Air Pacific's first international flight landed in Brisbane.



## 1980's

Early in the 1980s, it pioneered the code-share concept with Qantas. Today, code-sharing is an accepted airline practice the world over.



## 1990 - 2000's

The 1990s saw the airline relocate its headquarters from Suva to Nadi, home to the main international airport.

In 2007, Air Pacific acquired Sun Air and renamed it Pacific Sun.



# REBIRTH OF FIJI AIRWAYS



## 2012 – 2014

After reporting losses in 2009 and 2010, the airline was rebranded to Fiji Airways in 2013 to better promote the island nation. In 2014, Pacific Sun was renamed to Fiji Link. Both brands invested in a young, modern fleet, with shiny Airbus A330s replacing the Boeing B747s and new ATR72/42s replacing the ageing BN-2 Islanders.



## 2015 – 2017

Three years of consecutive record profits followed: FJ\$70.2 million in 2015, FJ\$84.5 million in 2016 and FJ\$95.8 million in 2017.

In 2017, Fiji Airways added 4 new DHC G-400 series (Twin Otters) aircraft to the domestic fleet.





## 2018

In 2018, Fiji Airways was announced as a **oneworld** Connect member.

In the same year, Fiji Airways replaced 4 Boeing 737-800 NG's with 5 new Boeing 737 Max 8 aircraft.



## 2019

In 2019, it acquired two new flagship Airbus A350-900 aircraft and earned a SKYTRAX Four Star rating, making it a historic moment for the airline.





# COVID-19

## OUR BIGGEST TEST

The global aviation industry faced unprecedented challenges with COVID-19 in early 2020. Fiji Airways as the national airline of Fiji was no exception. The airline was forced to ground close to 100% of its fleet and this had a major impact to its business and customers. The grounding of its fleet resulted in significant revenue losses and major operational disruptions.

With the airline able to go through almost two years of little to no flying was a remarkable achievement and a testament of the strong leadership, Future-Fit Thinking, resilience, and innovation it had.

Here are some of the key actions and highlights during this very challenging period.

---

**"Our strategy was simple:  
work together to survive  
and be ready to thrive.  
Being Travel Ready was key."**  
- Andre Viljoen.

---



### Fiji Closes Its International Borders

Fiji Airways suspended 95% of its international flights

The almost complete shutdown of all international flights was necessary as borders and the world closed for the better part of two years. The restricted border control measures globally made it nearly impossible for Fiji Airways or any airline to continue scheduled operations.

For Fiji Airways, here are some of the impacts it had on our business:



Revenue dropping from \$1 billion to almost zero



A recurring monthly fixed cost of \$39 million



Limited cash reserves



Uncertainty about the duration of border closures and the return of travel demand



## Our COVID Plan and Actions

The COVID Pandemic was widely described as an 'uncontrollable occurrence' i.e. CHAOS. Businesses needed a 'strategy' to follow to cope and handle the CHAOS.

Fiji Airways had the perfect strategy – our Emergency Procedures our pilots are trained for ... **Aviate, Navigate and Communicate.**



### A. Aviate – Maintain Control

As a leadership team, we reframed our mindsets and thinking – to adapt to Future-Fit-Thinking. We embarked on further leadership transformation by developing 7 leadership learnings that were shared widely with the entire Fiji Airways team. This made adapting easier and assisted in developing our Future-Fit-Leadership.

We Co-created a Shared Common Purpose **“Work as One to ensure Fiji Airways Survives and is READY to Thrive”**

We implemented immediate actions to preserve cash

- Reduced costs across the board (where possible)
- Put our aircraft into a storage programme
- Arranged deferrals and reduction of property rentals
- Negotiated supplier payment deferrals and reduction in charges
- Arranged insurance premium adjustments and deferrals
- All non-essential projects were frozen
- Reduced employment costs
  - Senior management took a 35% pay cut
  - Implemented a four-week Leave Without Pay period for all employees over 3 months



### B. Navigate–Making sense of the situation and taking action

In May 2020, as the picture became clearer that the pandemic was going to last a lot longer, we had to take further drastic measures to survive.

- Terminated 51% of employees, including 79 expatriate pilots and eight expatriate executives
- Implemented a 20% permanent salary reduction for retained employees from June 1, 2020
- Negotiated with lessors, suppliers, and financiers to defer payments and restructure agreements

Fiji Airways remained READY to resume international flights throughout the almost two years of the pandemic. The leadership team was divided into three groups to help us through it – Financial Team, READY Team and Revamp Team.

#### 1. Financial Team:

Maintaining Solvency

#### 2. READY Team:

Keeping Airline Alive and Ready

#### 3. Revamp Team:

Working on Infrastructure improvements

## B. Navigate—Making sense of the situation and taking action – Cont'd



### 1. Financial Team:

#### Ensured liquidity and equity

Fiji Airways faced an uphill battle as financiers were not certain the airline would survive the pandemic. With the expertise of BNP Paribas, a French international bank that specializes in aviation financial advisory, we developed a seven-year monthly model that provided monthly income statements, cash flows and balance sheets. This enabled us to assess whether the airline would be able to meet its debt obligations, the types of funding needed, and which re-profiling was needed for the existing debts.

The model became a crucial tool as it demonstrated the airline's ability to repay the debt based on different scenarios of the borders reopening and operations ramping up. There were more than 30 different scenarios developed for financiers.

Financing was raised with the assistance of Sovereign Government Debt Guarantees to support the urgent COVID financing, enabling Fiji Airways to secure \$561.4 million in initiatives to bolster its cash reserves.

#### Key financing actions undertaken:

- New loan facilities of over \$380m raised - US\$65 million from the Asian Development Bank and further domestic borrowings, repayable over long periods ranging from 7 to 15 years.
- Loan capital repayment deferrals for 4 years (all loans)
- Aircraft lease rental deferrals for 9 months repaid over 6 years as new loans (included in new loan facilities above)
- 7 year extension of repayment terms of all existing loans

#### Key solvency actions undertaken:

On 16 August 2021, the Company's shareholders in a special general meeting approved an equity capital raising of FJ\$200 million via the issue of up to 47,393,365 ordinary shares at an issue price of FJ\$4.22 per share which represents a 74% discount of the share price at the end of 2019.

In October 2021, the Republic of Fiji participated in the capital raise and contributed FJ\$101.9 million new equity in exchange for 24,170,428 new ordinary shares.

The balance of the Company's existing shareholders declined to participate in the capital raise, and the board of directors resolved to offer the remaining shares to the Fiji National Provident Fund and the Unit Trust of Fiji.

In June 2022, the Fiji National Provident Fund acquired 22,061,790 ordinary shares (equating to 30.02% of the total ordinary shares on issue) in exchange for equity of FJ\$93.1 million, and the Unit Trust of Fiji acquired 1,161,147 ordinary shares (equating to 1.58% of the total ordinary shares on issue) in exchange for equity of \$4.9 million.



### 2. READY Team:

Maintained operational readiness for when borders reopened

#### A. Refocusing Operational Focus

During the pandemic, Fiji Airways shifted to cargo operations, utilizing its fleet to transport essential goods, medical supplies, and cargo. This shift helped generate some revenue and kept parts of the fleet operational. The airline also conducted repatriation flights, bringing stranded Fijians home and evacuating foreign nationals..

#### Key Highlights:



Operated first evacuation flights from Los Angeles, Sydney, and Brisbane starting in April 2020, safely bringing back Fijians and evacuating foreign nationals

**523 Repatriation flights from 20th March 2020 to 30th November 2021**



Began freight flights on April 4, 2020 to carry fresh produce and supporting local growers and exporters

**17,339 tonnes of export from 4th April 2020 to 31st December 2021**



Assisted the Fijian Ministry of Health by transporting medical equipment, including temperature screening tents donated by UNICEF and COVID-19 vaccinations

**486 tonnes of essential medical supplies carried from 20th March 2020 to 31st December 2021**





### FIJI Inc.

As part of the re-opening of Fiji's borders, Fiji Airways took the lead in bringing together all the relevant stakeholders to work on the strategies and mechanics for a safe yet successful opening. Recognizing our crucial role in the Fijian economy and tourism, Fiji Airways spearheaded the initiative, bringing together various arms of the government including the ministries of Health, Tourism and Finance, Tourism Fiji and other tourism partners, major hotel and resort operators, and other stakeholders. This unique and highly effective country collaboration has received accolades from many international organisations. Without this initiative, Fiji would not have opened its borders on the first of December, 2021.

### Fiji's Open

Travel Ready Campaign: Launched on June 16, 2020 to ensure the medical safety and wellbeing of passengers and staff, the airline created a number of innovative initiatives to safely transport our guests while also ensuring the health and safety of the people of Fiji.

This included employing qualified nurses as wellness champions onboard and on the ground to ensure that the health and safety measures were maintained. In February 2021, Fiji Airways received the Diamond Certification for travel safeguards from APEX and SimpliFlying, becoming the first airline of its size to attain this certification.

### Bula Bubble Campaign

As part of Fiji Inc., Fiji Airways brought in Tourism Fiji and all major hotel and resort partners to put together the Fiji's Open Campaign, the biggest ever marketing campaign for destination Fiji. As a group, we facilitated the return of visitors to Fiji with a \$40 million Recovery Rebate package offered by the Government of Fiji for the first 100,000 customers who booked a Fully Inclusive holiday package to Fiji.

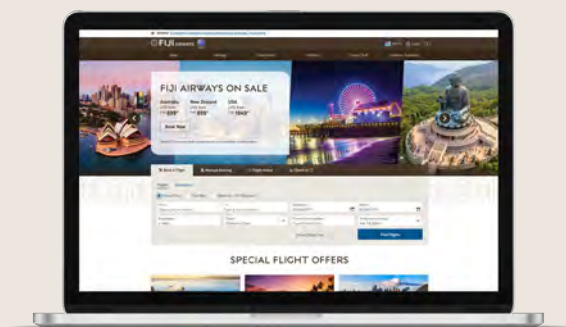
### Luxury VIP Lane

Another major initiative was the "Luxury VIP Lane" which during the height of COVID, we created safe quarantine lanes for high net worth individuals and groups that allowed them to book our business class with flights from the US to Fiji under full 'quarantine arrangements'. They would then book out full resorts during their stays in Fiji.

### 3. Revamp Team:

Using the unique advantage of everything closing down to undertake more than 65 infrastructure improvements:

- Launch of our new website
- New Fuel Monitoring Software - Open Airlines Skybreathe Software
- New Cargo Operations & Accounting System - Cargospot (CHAMP)
- New EFB Solution for Cabin Crew/Pilots - AVIOBOOK
- New Revenue Management System - Amadeus Altea Segment Revenue Management System (ASRM)
- New Revenue Accounting System - Amadeus Revenue Accounting (ARA)



Openairlines

amadeus





**Our competitors were trying to get aircraft back in action and train crew. We were ready to go and we were able to capture a lot of that revenge travel.**

### **Border Reopening on December 1st 2021**

As soon as borders closed and the Fiji Airways fleet was grounded, Fiji Airways relentlessly pursued its common purpose: to survive the COVID pandemic and be READY to Thrive. As an airline, we would always be ready once borders reopened and international passenger services resumed.

Fiji officially welcomed the arrival of inbound tourists from Sydney, Australia, for the first time in 20 months on the first of December, 2021 marking the exciting resumption of international tourism.

From Fiji's main gateway in Nadi, passengers were then transported to one of over 200 hotels and resorts certified by the Care Fiji Commitment Programme, which ensured these properties upheld globally benchmarked COVID-safety practices that were approved by the World Health Organisation and recognized by the World Travel and Tourism Council.

### **C. Communicate**

The starting point of our Future-Fit strategy during COVID was to transform our vision into a Common Purpose. We conducted workshops, engaging every employee to co-create our COMMON PURPOSE: 'Work As One to ensure Fiji Airways Survives and Thrives.'

To achieve Fiji Airways' common purpose, effective communication was paramount. Keeping our staff and stakeholders continuously informed was crucial for maintaining transparency and alignment at every stage. This approach fostered a culture of trust and collaboration, enabling us to address challenges swiftly and ensure everyone was working towards the same goals.

#### **Internal communication:**

1. Weekly executive meetings to align leadership, facilitate effective decision-making, and ensure cohesive direction for the company.
2. Daily Deep Dive meetings with executive and senior management to address immediate challenges and operational updates.
3. Regular podcasts and live video updates to keep all staff informed of the latest developments and company news.
4. Talanoa sessions for open and inclusive discussions with staff to foster a culture of transparency and collaboration.
5. Weekly internal e-newsletters, Andre Mail and Tail Winds, sent to all staff to share developments in the business.

#### **External Communication**

Weekly Sessions with Covid Response Mitigation Taskforce (CRMT), Government, and Stakeholders:

1. Collaborative Meetings: Regular discussions with CRMT, government ministers and officials, and key stakeholders to ensure alignment on health and safety protocols.
2. Stakeholder Engagement: Continuous communication to keep all parties informed and engaged in the decision-making process.

Fiji Airways' journey through the COVID pandemic is a testament to its resilience and adaptability. By implementing strategic operational adjustments, managing costs, ensuring health and safety, and embracing innovation, Fiji Airways navigated the challenges of the pandemic while preparing for a stronger future. The airline's unwavering commitment to its passengers, staff, and the environment set a strong foundation for recovery and growth in the post-pandemic era.





## 2021 DECEMBER

### Markets Restored

Melbourne  
Sydney  
Singapore  
Los Angeles  
Honolulu  
San Francisco

## 2022

### Markets Restored

#### JANUARY

Brisbane  
Kiribati

#### FEBRUARY

Tonga

#### MARCH

Auckland  
Apia

#### APRIL

Christchurch  
Wellington

#### JULY

Adelaide  
Tarawa  
Port Vila

#### September

Funafuti

#### November

Honiara  
Vancouver

## 2023

### Markets Restored

#### APRIL

Hong Kong  
Narita

#### MAY

Christmas Island

#### JULY

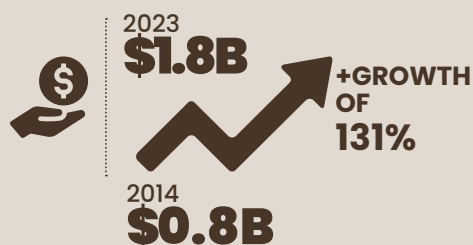
Canberra

#### November

Noumea

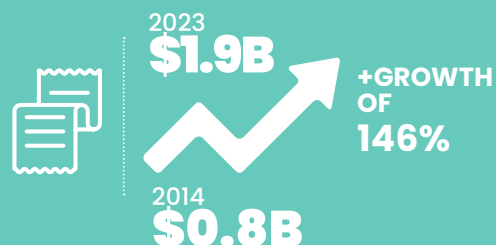
## BUSINESS GROWTH IN THE LAST

### REVENUE

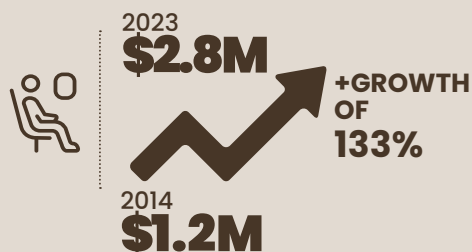


## 10 YEARS

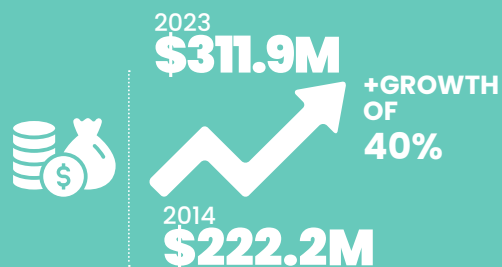
### RECEIPTS



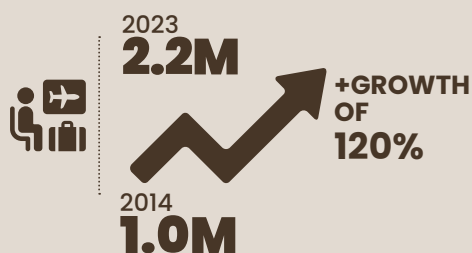
### AVAILABLE SEATS



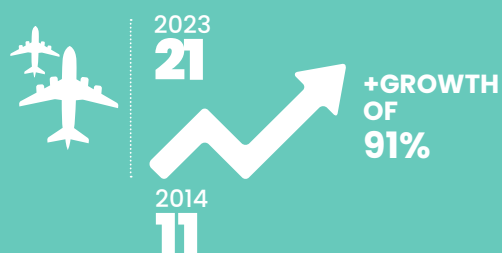
### CASH



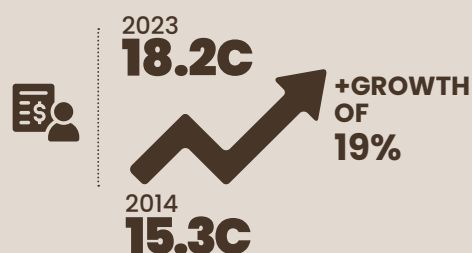
### PASSENGER CARRIED



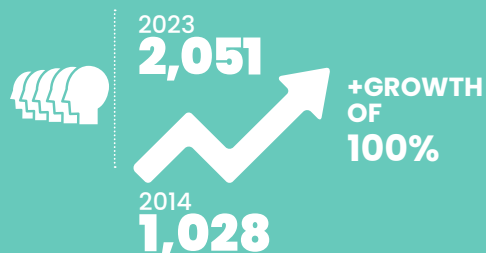
### FLEET



### REVENUE PER AVAILABLE SEAT KILOMETRE (RASK)



### HEADCOUNT





## Ten Year Statistical Summary

Operational Overview		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Capacity	millions	1.2	1.7	1.9	2.0	2.2	2.3	N/A	N/A	1.9	2.8
Available Seat Kilometres (ASK)	millions	5,134.6	5,453.2	6,399.2	6,956.8	7,656.7	7,880.5	N/A	N/A	6,647.9	9,782.6
Passengers Carried	millions	1.0	1.3	1.4	1.6	1.7	1.7	N/A	N/A	1.4	2.2
Revenue Passenger Kilometres (RPK)	millions	4,290.2	4,554.1	4,857.9	5,451.8	5,909.3	6,082.9	N/A	N/A	4,791.4	7,701.4
Load factor	RPK/ASK	83.6%	83.5%	75.9%	78.4%	77.2%	77.2%	N/A	N/A	72.1%	78.7%
Aircraft at end of period		11	12	15	18	21	21	20	20	19	21
Headcount		1,028	1,144	1,246	1,335	1,436	1,561	835	1,018	1,495	2,051
Year end FX Rate	USD/FJD	1.98	2.14	2.13	2.08	2.12	2.15	2.05	2.12	2.22	2.19
Fuel Price	US\$/BBL	117	67	51	65	85	77	61	87	129	105

N/A - No data provided for 2020 & 2021 due to closure of borders and nil scheduled passenger flights caused by the COVID-19 pandemic.

Financial Overview		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	millions	767.4	815.3	825.7	928.0	1,018.7	1,114.6	295.2	214.6	1,062.4	1,775.6
Operating Profit before Depreciation, Finance Cost, JCE & Income Tax (EBITDA)	millions	152.1	173.8	154.3	154.4	105.0	205.9	(138.0)	(94.5)	137.0	370.6
EBITDA Margin		19.8%	21.3%	18.7%	16.6%	10.3%	18.5%	(46.7)%	(44.0)%	12.9%	20.9%
Operating Profit / (Loss) before , JCE & Income Tax	millions	58.5	66.9	80.4	91.0	50.1	58.9	(294.7)	(373.0)	(174.8)	113.2
Profit / (Loss) before income tax	millions	60.8	70.2	84.5	95.8	55.3	61.2	(297.0)	(375.3)	(164.3)	131.8
Profit / (Loss) after income tax	millions	52.9	57.5	72.6	77.7	47.0	51.7	(237.0)	(298.5)	(130.9)	134.8
Profit Margin		6.9%	7.0%	8.8%	8.4%	4.6%	4.6%	(80.3)%	(139.1)%	(12.3)%	7.6%
Total Comprehensive Income / (Loss)	millions	52.9	57.5	72.6	77.7	39.9	52.9	(234.8)	(294.7)	(49.3)	139.4
Total Cash	millions	222.2	297.4	314.2	358.4	311.0	282.5	180.2	235.0	375.9	311.8
Receipts from operations	millions	783.7	800.8	787.2	931.9	1,067.4	1,071.3	312.2	294.6	1,215.0	1,925.7
Total Debt *	millions	632.8	601.4	540.3	475.8	425.1	417.3	584.7	793.9	782.4	682.0

\* Total Debt = Interest bearing borrowings + deferred leases + finance leases.

N/A - No data provided for 2020 & 2021 due to closure of borders and nil scheduled passenger flights caused by the COVID-19 pandemic.







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# FIJI AIRWAYS

## A CLOSER LOOK

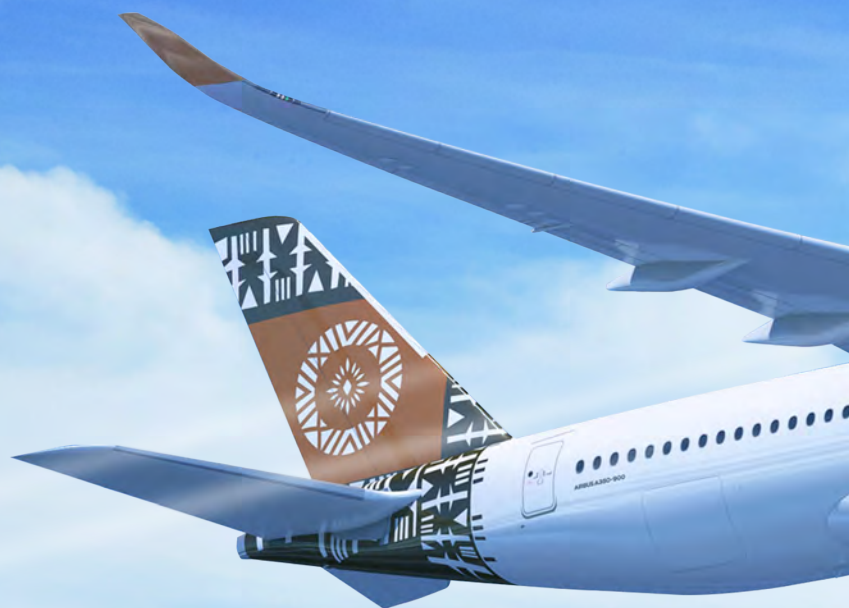
# WE FLY FOR FIJI

BRIDGING FIJI TO THE WORLD







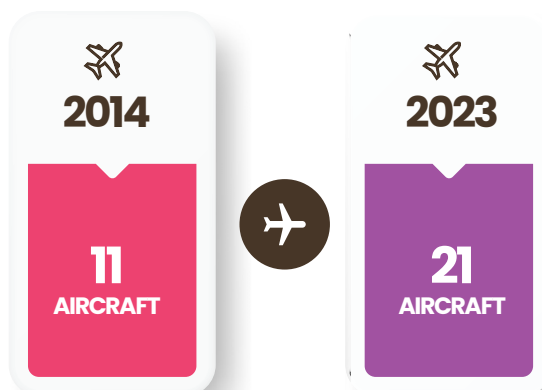


# INVESTMENT IN AIRCRAFT FLEET MODERNISATION

Fiji Airways continues to invest in its valued customers as it enhanced its fleet with a groundbreaking lease deal for two additional state-of-the-art Airbus A350-900 aircraft.



## TOTAL FLEET 2014 VS 2023





The Airbus A350-900 with its superior cabin, significant fuel savings and substantial cargo capacity has fast become the pride of our airline and the joy of our passengers.

Airbus A350-900 combines the very latest aerodynamics, new generation engines and use of lightweight materials, to bring a 25% advantage in fuel burn, carbon dioxide (CO2) emissions and operating costs compared to previous generation aircraft.



EXPLORE  
OUR FLEET



**AIRBUS A350-900 (x4)**  
**SEATS**  
BUSINESS 33  
BULA SPACE 39  
ECONOMY 262



**BOEING 737 MAX 8 (x5)**  
**SEATS**  
BUSINESS 8  
ECONOMY 162



**AIRBUS 330-300 (x1)**  
**SEATS**  
BUSINESS 24  
ECONOMY 289



**BOEING 737-800 NG (x1)**  
**SEATS**  
BUSINESS 8  
ECONOMY 162



**AIRBUS 330-200 (x3)**  
**SEATS**  
BUSINESS 24  
ECONOMY 236-249



**ATR 72-600 (x2)**  
**SEATS**  
BUSINESS 8  
ECONOMY 60



**ATR 42-600 (x1)**  
**SEATS**  
BUSINESS N/A  
ECONOMY 42



**DHC6-400 (x4)**  
**SEATS**  
BUSINESS N/A  
ECONOMY 16



## LOUNGE

Our flagship Fiji Airways Premier Lounge at Nadi International Airport offers our guests a world-class lounge experience, complete with unique features, and topped only by our Fijian hospitality and led by our local executive chef.



Resort Check-in



Premier & Priority Check-in



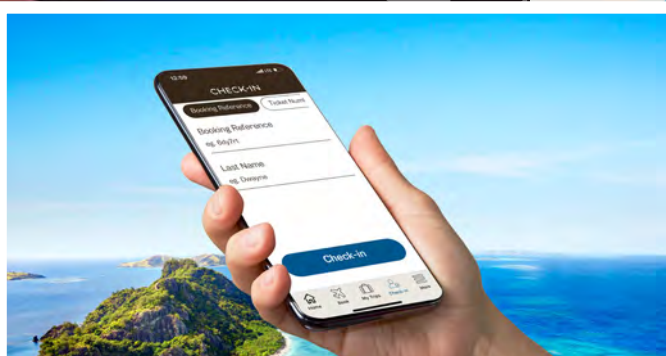


# CUSTOMER EXPERIENCE

## ON THE GROUND

Effortless Check-in Options with Fiji Airways:

- *Resort Check-in:*  
Conveniently located at Sofitel, Sheraton, Hilton, and Intercontinental.
- *Dedicated Premier and Priority Check-in:*  
Seamless service at Nadi International Airport.
- *Online Check-in:*  
Hassle-free option available for most international flights.
- *Kiosk Self Check-in:*  
Quick and easy at Nadi International Airport.



Online Check-in

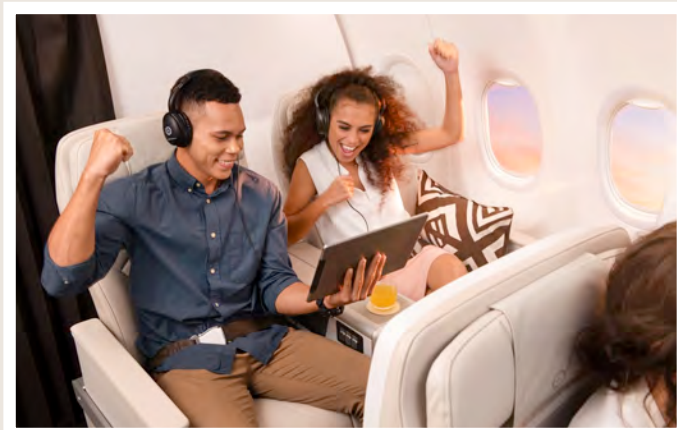


Kiosk

# CUSTOMER EXPERIENCE

## IN THE AIR

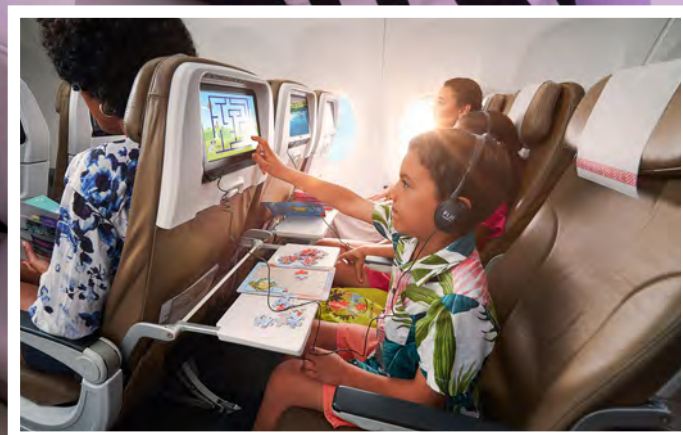
- Free Onboard Wi-Fi in Business Class for the entire journey
- Free 15mins Onboard Wi-Fi in Economy Class
- Catering to new heights with innovative cooking techniques
- Signature Ice Creams: Indulge in gourmet flavors in Business Class.
- Economy Class Delights: A third hot meal option for long-haul journeys.
- Fresh Side Dishes: Elevating taste in Economy Class
- Watch Live Sports on the Boeing B737 Max-8
- ATR AirFi: Modernised inflight entertainment for regional and long domestic flights.





## BUSINESS CLASS

ELEGANT CABIN,  
SUPERIOR COMFORT AND  
EXCEPTIONAL SERVICE



# TRANSFORMING SERVICE: OUR AWARD WINNING JOURNEY

For many years, Fiji Airways had been placed at the 100th position or worse in the SKYTRAX World Airline Rankings, as well as a 2.5 star rating. The SKYTRAX World Airline Ranking is a global rating system classifying airlines by the quality of their product and staff service standards.

## 2017-2018

Fiji Airways took on a massive undertaking to make history for Fiji by elevating our world rankings positioning alongside major airline brands such as Emirates, Lufthansa, Qantas and Air New Zealand.



In 2017, we launched our **“Work as One Service Culture Programme”**. Spearheading our programme was world-leading expert Ron Kaufman and the company he established in Singapore - Uplifting Service.

With the Service Vision – **“Work as One to Take the Next Step UP!”** our company-wide service culture

development programme was launched, breathing life into Fiji Airways’ unique Service Personality. With a fresh perspective on service, a new service language, and a deeper understanding of our part to play, the programme changed the game on our products and services at Fiji Airways as we knew it, and empowered our staff to step up and go the extra mile for our guests.

## 2019

The results spoke for themselves. In June 2019 we achieved the 4 Star SKYTRAX Ranking, our highest ever ranking.

Having achieved what we set out to, it was time to cast a new Vision for our Service Culture Programme. Following our 4 Star SKYTRAX Achievement, **“Work as One to Make Every Moment Better”** was launched late 2019, which was then disrupted by COVID in early 2020.



## 2017-2018

Launched our Service Culture Programme, Educating 1200 employees founded on 5 Service Principles.



## 2019

Evolved Service Vision as we took our Next Step UP in our Service Culture Programme, focused on making “Every Moment Better”



## 2020-2022

With the closure of international borders and the grounding of our fleet, we found ourselves in a completely unfamiliar territory with a unique set of financial challenges and a very daunting and uncertain future ahead of us. A Common Purpose was born with a singular focus **“To ensure Fiji Airways Survives and is READY to Thrive”**. This was incorporated into our Service Culture programme and swiftly became our obsession. We also for the first time included models of the NLP cognitive psychology framework to transform mindsets to **“Your Thinking drives your Behaviour”** i.e. improve your thinking, improve your behaviour.

During COVID with a completely different guest sentiment to travel, our Service Vision also evolved to **“Work As One to Make Every Moment Better With Care”**. After a thorough review of all guest touch points, a new initiative called *Travel Ready* was created and incorporated into our Service Culture Programme.

Our relentless focus on survival and care for our guests led to many innovative services, onboard practices and new policies the aviation industry had never seen before, such as our onboard Customer Wellness Champions, Credit Extension Policy to 2023 and Transferable Credit Policy.

In 2021, we were rewarded with the SKYTRAX 5 Star COVID Safety Rating, APEX Diamond Health and Safety Rating. Later that year Fiji announced borders were open 01 Dec 2021 and Fiji Airways was Travel Ready.

In Oct 2022, we were delighted to receive for the first time the APEX 5 Star Major Airline Rating.

At this point a pivotal moment had been reached, and we recognized we were stepping well past Survive and swiftly into Thrive.



## 2020-2022

As part of our COVID response, we incorporated the necessary element of CARE into our Service Vision given guest sentiments to travel.

## 2023

In readiness for 2023 a new Service Vision was created **“Work As One to Consistently Deliver Exceptional Fijian Experiences”**, underpinned by 6 new Principles forged by the spirit of Fijian Service, which have set the bar on our Service Standards and is further encapsulated by our Hospitality Ethos **“Here For You”** and finally the establishment of our new Common Purpose **“We fly for Fiji”**.

**In 2023, we were thrilled to achieve several firsts for Fiji Airways.**

**In the SKYTRAX 2023 Awards:**

- Best Airline , Best Airline Staff and Best Airline Services in Australia/Pacific.
- 15th in Global top 100 Airline Rankings
- 16th in Global Top Cleanest Airline Rankings
- 12 in Global Top 20 Cabin Crew Rankings
- APEX 5 Star Major Airline Award – 2nd year running.
- Gold Award – Best Selling/Commerce Campaign at Hashtag Asia awards
- Winner of Fiji’s Prime Ministers International Business awards

It is our Future-Fit-Thinking approach, our agility, GRIT and relentless pursuit of excellence amplified through our Service Culture Programmes that we have been able to advance and achieve all that we have even through the most trying times in the history of the Aviation Industry.



## 2023

A year since borders opened, a new Service Vision appropriate to our pursuit of excellence and commitment to unique Fijian Experiences with 6 Refreshed Service Principles.



## OUR AWARDS

**2019**

- Skytrax 4-Star rating, Skytrax World Airline Awards 2019
- Best Airline Staff in Australia/Pacific, Skytrax World Airline Awards 2019
- APEX 4 Star Major Airline Rating

**2021**

- Skytrax 5-Star COVID-19 Airline Safety Rating
- Highest Diamond “Hospital-Grade” Airline Certification by APEX Health Safety powered by SimpliFlying

**2022**

- Skytrax World Airline Awards Most Improved Airline in Australia/Pacific
- Skytrax World Airline Awards Best Airline Staff Service in Australia/Pacific
- 2nd Most Improved Airline Globally
- Top 20 World Best Airline Cabin Crew
- Top 10 Best World’s Best Airline Cabin Cleanliness
- Top 20 World Best Airport Services
- Best Onboard Amenity for the Our Ocean, Our Life Kids activity packs, APEX IFSA Award
- Best for Wellbeing Onboard, Onboard Hospitality Awards
- Best for Kids Kits Onboard, Onboard Hospitality Awards



**2023**

- Best Airline in Australia/Pacific, Skytrax World Airline Awards 2023
- Best Airline Staff in Australia/Pacific, Skytrax World Airline Awards 2023
- 15th in Top Global 100 Ranking
- Five Star Major Airline in the 2023 APEX Official Airline Ratings™
- Apex 4 Star Major Airline
- Best Inflight Entertainment in South Pacific
- Best Seat Comfort in South Pacific at the APEX Passenger Choice Awards
- Best Food and Beverage in the South Pacific at the APEX Passenger Choice Awards
- Best for Wellbeing Onboard, Onboard Hospitality Awards
- Best for Kids Kits Onboard, Onboard Hospitality Awards
- Investment Fiji Prime Ministers Business Awards
  - Supreme Award – Business of the Year
  - Executive of the Year for Mr. Andre Viljoen
  - Service Excellence Award
- Fiji Excellence in Tourism Awards (FETA)-Visionary Award for Mr. Andre Viljoen
- Best Selling/Commerce Campaign at the 2023 Hashtag Asia Awards
- Third Best Cabin Crew, USA Today 10 Best Readers’ Choice Awards 2023
- Sixth Best Economy Class, USA Today 10 Best Readers’ Choice Awards 2023



**Prime Minister's  
International  
Business Awards**



## FIJI AIRWAYS SKYTRAX RANKING JOURNEY

● **2023**  
**15**

● **2022**  
**36**

● **2021**  
**54**

● **2020**  
**NO RATING COVID-19**

● **2019**  
**45**

● **2018**  
**65**

● **2017**  
**75**

● **2016**  
**91**

● **2015**  
**100**

# NETWORK GROWTH CONNECTIVITY, AND STRATEGIC PARTNERSHIPS

Fiji Airways aims to grow our network in a sustainable way to maximize profit. For us, expansion means more weekly services (flights), new routes, new markets and new airline partnerships where we can add value. In 2022, we launched flights to Vancouver. In 2023, we began services to Canberra in Australia and Noumea in New Caledonia, we resumed services to Adelaide, Narita (Tokyo) and Hong Kong, and we increased services to key markets such as Melbourne, Christchurch and Wellington.

Enhancing connectivity is an effective way to support and boost our current routes without adding new markets. For instance, we introduced overnight trips to Samoa and Tonga, increasing connectivity through Nadi to Australia and New Zealand. This propelled our market share on the Samoa and Tonga routes from 2% to 12%, generating \$13 million in revenue.

Improved connections also facilitate new markets. Canberra and Adelaide are too small to support non-stop services to Fiji, so we've enhanced connections to enable travel to other destinations, such as North America. We have forged strong and meaningful alliances to improve long-term profitability.

This includes new partnerships with JetBlue, providing connectivity between Los Angeles and the US East Coast, and Porter Airlines, connecting Vancouver with the rest of Canada and the US Northeast. We anticipate these partnerships will boost traffic on our North America routes.

**We want to be the pre-eminent carrier in the South Pacific. We want to spread our network through new one-stop connections to new countries and new destinations through our airline partners. We want to build loyalty to Fiji Airways on a global scale.**

## KEY ACHIEVEMENTS

### New Markets

#### Vancouver, Canada:

launched Nov 2022 2x weekly  
(3x weekly in the peak)



#### Canberra, Australia:

launched July 2023 (3x weekly)

#### Noumea, New Caledonia:

launched November 2023  
(2x weekly)

### Restored the 2019 Network (pre-COVID19 network)

#### Narita, Japan:

April 2023, (2x weekly)



#### Hong Kong:

April 2023, (4x weekly )

### Full year services for routes restored in 2022 with borders re-opening:

Australia, New Zealand, Tonga,  
Samoa, Vanuatu, Solomon  
Islands, Tuvalu and Kiribati



### Enhanced Connectivity and Development of Nadi Hub:

Restructured the schedules for  
Tonga and Samoa to open up  
connectivity to/from Australia  
and New Zealand



### Build our charter business:

Record charter revenue  
including the Pacific Games  
and supporting countries like  
Vanuatu, Tonga and Tuvalu







BULA VANCOUVER



BULA CANBERRA



BULA NOUMEA



BULA JAPAN



BULA HONG KONG

## STRATEGIC PARTNERSHIPS

Forge strong and meaningful partnerships to improve long term profitability.



# SALES & MARKETING

## BRAND & MARKETING

The Brand and Marketing department spearheads the promotion and marketing of the airline's brand and Fiji globally. It achieves this through innovative campaigns, sponsorships, strategic partnerships, and targeted initiatives, that reinforce the brand positioning, enhance visibility, and foster customer engagement to ultimately drive revenue growth. As it leverages market insights and creative strategies, its primary goal is to ensure Fiji Airways retains its position as a premier choice for travellers considering Fiji.

## DIGITAL & E-COMMERCE

The Digital department is instrumental in driving the airline's Direct Channel success, with centralized management of E-commerce and global Digital Marketing operations from our headquarters. This includes understanding how our customers behave to ultimately present them with personalised offers and interactions. We refine the digital customer journey across all touch-points, ensuring a seamless and immersive experience from initial contact to post-flight interactions.

## SALES

The Global Sales team continues its pivotal role in driving revenue growth and expanding our market presence through out the world. Through strategic partnerships, innovative sales techniques, and tailored customer solutions, they maximize sales opportunities across diverse channels with a focus on customer satisfaction and market responsiveness.

## FIJI AIRWAYS HOLIDAYS

The Holidays team streamlines travel planning by offering holiday and vacation packages to Fiji and other destinations that Fiji Airways serves. They seamlessly integrate flights, accommodation and activities as it enhances customer satisfaction and drives revenue for the airline.

## GLOBAL SPONSORSHIPS

At Fiji Airways, we believe in the unifying power of sports to transcend boundaries, fostering unity and shared experiences globally. Our sponsorships strategically target audiences aligning with our brand profile, promoting Fiji Airways to captivate our identified buyers.

## KEY ACHIEVEMENTS



### Fiji Airways Marketing Investment:

Allocated \$70M+ marketing budget for global Fiji destination marketing becoming the top global promoter of destination Fiji.



### Digital & E-Commerce:

Website Users in 2023: 10 Million  
Up 51.5% from 2022

Web E-commerce: Revenue Driver,  
Up 127% from 2022



### Sales Campaigns 2023:

Production, execution and roll out of 4 key global sales campaigns.

### "Fly Your Way"

Introduction and launch of a branded fare concept for customer choice & flexibility.



### Ancillary Revenue:

Business Class Bula Bid revenue improved by 54% from 2022

Excess baggage revenue improved by 93% from 2022

Seat selection revenue improved by 83% from 2022





## GLOBAL SPONSORSHIPS

At Fiji Airways, we firmly believe that sports transcends geographical boundaries, fostering unity and shared experiences that overcome cultural and linguistic barriers - bringing the world closer together through the unifying power of athletic competition.



### New Partnerships

This year, Fiji Airways announced new strategic partnerships with LA Galaxy, Melbourne Storm, NRL Vegas Round, Brumbies, Kaiviti Silktails, and Spartan Fiji Trifecta. These collaborations enhance our presence in the sports arena, drive brand awareness, create pathways for talent development, and celebrate historical events that underscore our commitment to supporting community engagement.

### Strengthening Partnerships

Fiji Airways is proud to further expand our partnerships with the Fiji Drua, Fiji Rugby Union, and the Crusaders. These strengthened alliances not only enhance our visibility but also reaffirm our dedication to fostering the growth of the sport and bring more exciting opportunities and events to our fans and stakeholder.

**Our sponsorships drive high visibility and exposure for our brand to millions of consumers globally**



# FIJI AIRWAYS AVIATION ACADEMY WINGS OF TOMORROW

**Fiji Airways Aviation Academy (FJAA) is a fully-integrated Training Center providing world class training to Fiji Airways flight and cabin crew.**

Opened in December 2019, the Fiji Airways Aviation Academy is a state-of-the-art facility and the birthplace of the next generation of Fijian aviators. It houses two full-flight simulators, an Airbus A330 and a Boeing 737-8 Max, along with fixed training devices, available to airlines and aircraft operators globally.

The academy offers comprehensive pilot training, including foundational ab initio training, type rating courses for specific aircraft, and recurrent training, ensuring our pilots stay up-to-date with mandatory requirements to maintain their licences.

Our in-house training programs facilitate pilot promotions, such as advancing from First Officer to Captain, and allow pilots to transition between different aircraft types. Before establishing this facility, our crew had to travel abroad to countries like Australia, New Zealand, Singapore, and Thailand for their training. Now, having local training facilities reduces inefficiencies and costs, allows for immediate additional training and certification upgrades when needed, significantly enhancing work-life balance for our pilots and cabin crew.

Moreover, having our own academy provides valuable insights into our pilots' performances, enabling us to offer targeted remedial training, which reaffirms our commitment to safety and sets a benchmark for excellence in aviation.

As the aviation industry continues to evolve globally, the Fiji Airways Aviation Academy is at the forefront, continuously innovating and expanding its horizons. With plans for new programs, advanced technologies, and a commitment to sustainability, the academy is poised to shape the future of aviation training, ensuring we remain leaders in this ever-changing industry.

## Phase 1 (Completed):

- **Two CAE full flight simulators (for the Airbus A330 and Boeing B737 MAX aircraft types)**
- **Two Fixed Base Training Devices (Airbus A330 and Twin Otter aircraft types)**
- **Airbus A350 door trainer and escape slide**

## Phase 2 (In Progress):

- **Expansion of existing building**
- **Two additional CAE full flight simulators (Airbus A350 and ATR72-600 aircraft types)**
- **Two CAE Integrated Procedure Trainers (Boeing B737 MAX and Airbus A330 aircraft types)**





## KEY ACHIEVEMENTS



The FJAA Phase 1 investment stands at **\$83.7 million**, with an additional **\$49.3 million** already invested in Phase 2 expansion in 2023.



Cost savings of more than **US\$10M** per annum



The simulator holds certifications from both the European Union Aviation Safety Agency (EASA), the Civil Aviation Authority of Fiji (CAAF) and Civil Aviation Safety Authority (CASA)



Local Pilots Promoted: **34**



Significant growth in interest from international airlines.

**Qantas | Flair Airlines | Airalin | Lulutai Airlines**



Generated third party airline customer revenue in 2023.



**SCAN HERE TO  
EXPERIENCE MORE**





# SAFETY OUR TOP PRIORITY

Safety and proactive risk management is paramount at Fiji Airways, reflected in our over 70-year safety record. The recent restructuring of our safety function, endorsed by the Civil Aviation Authority of Fiji (CAAF), enhances our focus on safety.

Investments in cutting-edge technology, like L3Harris for flight data management, and our Just Culture Framework, ensures we maintain industry-leading safety standards and promote continuous improvement.

The addition of a dedicated Executive Manager for Group Safety & Quality, supported by a team of 15 experts, reinforces our commitment to safety and quality through four key pillars: Policies, Risk Management, Assurance, and Promotions. These pillars uphold our safety standards and keep us at the forefront of the aviation industry.

Fiji Airways integrates these advancements to reaffirm our commitment to safety and set a benchmark for excellence in aviation.

## KEY ACHIEVEMENTS



**Zero Fatal Accidents:**  
Maintained throughout our history.



**Air Operators Certificate (AOC):**  
Awarded by CAAF in July 2023, valid until July 2025.



**Enhanced Safety and Quality Management Systems:**  
Reduction in safety risks with the revamping of the Safety and Quality management systems.



**100% Compliance:**  
With Flight Safety Performance Indicators.



**Increased Employee Engagement:**  
53% increase in safety reporting and managed through our Safety Management System.



# FLIGHT OPERATIONS

At Fiji Airways, our flight operations are a cornerstone of our commitment to excellence and safety.

Utilizing advanced technology and rigorous training programs, our teams ensure precise navigation and efficient operations.

This meticulous attention to detail not only enhances operational efficiency but also elevates the passenger experience, reflecting our unwavering dedication to delivering superior Fijian experiences.

At the centre of Flight Operations, Fiji Airways' Operation Integrity Department is responsible for maintaining schedule integrity and ensuring all flights operate safely and securely.

## KEY ACHIEVEMENTS



### Pilot Training and Development:

International Civil Aviation Organisation Competency Based Training and Assessment Program (CBTA), Local Pilot Progression and Localisation, Fiji Link Secondment Program, new Pilot Psychological and aptitude assessment software (Symbiotics).



### Technology:

Introduction of electronic training records, and Vistair Document Management System.



### Cabin Service Department Operations:

Returnee Cabin Crew training program, Purser Engagement & Development Program, and Cabin Crew Progression Pathway.



### On Time Performance:

Group On-time Arrival Performance: 82%



### Upset Prevention and Recovery Training (UPRT):

The program addresses the leading cause of aircraft-related fatalities, which is Loss of Control Inflight (LOC-I). This training significantly enhances the safety standards of pilots by improving their ability to recover from upset aircraft and avoid fatal accidents.

**Our progression pathway from Fiji Link's turboprop aircraft to Fiji Airways' jet aircraft ensures our national pilots are highly experienced aviation professionals with well-developed manual flight skills and exceptional airmanship.**

## PILOT RECRUITMENT

### MINIMUM REQUIREMENTS - FIJI AIRWAYS

FIRST OFFICER B737	FIRST OFFICER A330	FIRST OFFICER A350	CAPTAIN B737	CAPTAIN A330	CAPTAIN A350
1500 HRS + 100PIC	2800 HRS, must include 1500 Jet Time	1000 HRS	3500 HRS, must include 2000 Jet Time	5000 HRS, 3000 Jet Command	1000 HRS

## PILOT RECRUITMENT

### MINIMUM REQUIREMENTS - FIJI LINK

FIRST OFFICER DHC8	FIRST OFFICER ATR	CAPTAIN DHC6	CAPTAIN ATR
200 HRS/ 100PIC	500 HRS/ 100PIC	1000 HRS/ 250 HRS PIC with 500 hRS DHC6 time	1500 HRS/ 250 HRS PIC with 1250 multi engine turboprop & 500 HRS on type



## CARGO OPERATIONS

Our dynamic cargo business offers freight services to and from Fiji, playing a vital role in bolstering the nation's economy. With our fleet, including the newly acquired Airbus A350-900, we have enhanced cargo capacity and operational efficiencies, further strengthening our ability to serve our customers and expand our reach.

Leveraging the airline's extensive network across Asia, Australia, New Zealand, North America, and the Pacific Islands, the cargo division handles a diverse range of shipments, including general air cargo products, perishable goods, and live animals. These shipments range from computer equipment and machinery to fresh meat, seafood, flowers, medicines, and live animals, with specialised facilities to maintain optimal conditions for perishable consignments, meeting the needs of Fiji producers serving growth markets globally.

By facilitating trade and commerce, Fiji Airways Cargo supports local businesses, promotes economic growth, and contributes significantly to the Fijian economy.

## KEY ACHIEVEMENTS



### Shortlisted for Best Cargo Carrier Oceania:

Recognition at the 2023 Asian Freight, Logistic and Supply Chain Awards.



### Real-time Track and Trace:

Providing customers with real-time visibility of their shipments.



### Cargo Handling and Management Platform (CHAMP):

Improving cargo handling efficiency across the network, centralized and automated billing processes for improved efficiency



### Development of Tuna Industry Exports:

Expanding opportunities and strengthening partnerships.



### Development of Trade Lane from Toronto to Australia and New Zealand:

Enhancing connectivity and accessibility.



### Winning Business and Deepening Relationships with Key Global Accounts:

Strengthening partnerships and positioning Fiji as a strategic transshipment hub.



### Largest Agricultural Export by Airfreight:

Turmeric exports to North America – 100 tons per week.





## ENGINEERING EXCELLENCE

Our engineering team ensures the precision, safety, and reliability of every flight. With consecutive APEX Five Star Major Airline awards, our dedication to delivering world-class service is evident. Through partnerships like the Tertiary Scholarships and Loans Scheme (TSLS), we nurture local talent, solidifying our position as a beacon of Fijian pride in the aviation industry.

Fiji Airways in-house maintenance personnel are trained using aircraft manufacturer training modules and holds international maintenance accreditations from, Federal Aviation Administration (FAA), European Union Aviation Safety Agency (EASA), the Civil Aviation Authority of Australia in addition to Civil Aviation Authority of Fiji (CAAF) approvals and accreditations.

Leveraging this extensive expertise and accreditation, Fiji Airways also provides maintenance services to Qantas, ensuring the highest standards of safety and quality for one of the world's leading airlines.

## KEY ACHIEVEMENTS



### **Part 145C Approved Local Engineering and Maintenance Organisation:**

Recognition of excellence in aviation maintenance and safety.



### **Continued Airworthiness Assurance:**

Fiji Airways Base and Line maintenance and Engineering support models are internationally recognized by holding an IATA Operational Safety Audit ("IOSA") accreditation in addition to local CAAF approvals and accreditations.



### **Line Maintenance Services:**

Fiji Airways utilizes an in-house line (airport) maintenance model in Fiji and utilizes an outsource maintenance support model at destination airports, with maintenance organisations that support flag carriers in those ports.



### **Base Maintenance:**

Fiji Airways utilizes an in-house maintenance model in Fiji for the Airbus A350-900, A330, B737 MAX / NG, ATR 42/72 and Viking 400 aircraft. This covers routine maintenance up to A checks and defect rectification. Fiji Airways & Fiji Link Technical Despatch Reliability is consistently above the world fleet.



# GLOBAL AIRPORT OPERATIONS

Fiji Airways' global airport operations are integral to our mission of delivering superior travel experiences. Anchored by our primary hub at Nadi International Airport, we ensure efficient and secure passenger handling across all touchpoints.

Our collaborative efforts with international airport partners enable us to maintain high standards in passenger services.

These efforts were acknowledged when we received the Best Airport Services in Australia/Pacific at the 2023 Skytrax World Airline Awards.

As we continue to expand our global network, our focus remains on operational excellence, safety, and customer satisfaction, ensuring every journey with Fiji Airways is exceptional.

## KEY ACHIEVEMENTS



### Station Start-up at Noumea:

Begins December 2023, expanding operations significantly.



### Hybrid Ground Handling Model:

Adoption in Australia and New Zealand, ensuring efficient and high-quality ground handling.



### Enhancement to Transfer Baggage Handling:

Improvements made to enhance efficiency and reliability.



### Facial Biometric Technology at Honolulu International Airport:

Implementation for efficient and secure boarding process.



### World Tracer Web Training:

Completion for staff proficiency in baggage tracing.



### Highest Ancillary Revenue for Airports:

Demonstrating success and growth in ancillary services.



### Hub Airports Services:

Providing Fixed Base services to itinerants and business jets.

# FIJI LINK

Through its dedication to excellence and sustainability, Fiji Link continues to enhance the travel experience in the Pacific region, making the magic of the Fiji Islands and beyond accessible to all.

A wholly-owned subsidiary of Fiji Airways, Fiji Link is the official domestic carrier of Fiji, offering domestic flights to twelve exciting destinations in Fiji and the South Pacific Region.

Fiji Link plays a pivotal role in the economic and social landscape of Fiji and the Pacific region. By providing reliable and frequent services, the airline supports local businesses, enables trade, and enhances tourism. It also offers essential connectivity for remote communities, ensuring access to healthcare, education, and other critical services.

**Fiji Link is more than just an airline; it is a lifeline for the islands, fostering connectivity, economic vitality, and cultural exchange.**



Charter partnership with Lulutai Airline Limited to provide domestic services in Tonga from January to May 2023. This further strengthened collaboration between Fiji Link and the Tongan Government / Lulutai Airlines.



Go Cashless at Nadi, Suva, Savusavu, Taveuni and Labasa. Seamless and secure payment methods at our domestic airports.



In-house Ground Handling Services at Labasa Airport.



Cooperation with Lulutai Airlines to train their new DHC6-400 Pilots.



Disabled Passenger Lift (DPL) deployment - DPL99 Specialist Access Lift enables the safe, efficient, reliable and dignified boarding and disembarking by persons with limited mobility.



Flight Operations restructured to enhance Fiji Links focus on Safety.



New ATR AirFi Inflight Entertainment enabling guest to access preloaded content (movies, TV series, music) on their personal devices.





# OUR PEOPLE

## THE HEART OF FIJI AIRWAYS

At Fiji Airways, our commitment to providing an exceptional employee environment and conditions is unwavering. We passionately invest in the welfare of Our People, prioritizing their growth through dedicated training and development. Alongside this, we embrace cutting-edge digital technologies to empower our talented workforce and ensure they thrive in an innovative and supportive environment.

### Supporting all Fijians

Fiji Airways stands as one of the nation's top employers. Our workforce is proudly composed of around 60% Fijian pilots and over 90% Fijian staff in other roles. Women total 43% of our workforce.

### Accelerating our talent

The Human Resources team has successfully hired and onboarded 816 new employees across our global operations in 2022 and 2023. The HR team was restructured to ensure the recruitment of talent in the organisation is not halted.

### Future Fit Talent

Fiji Airways believes that the continuous upskilling of its staff is key to remaining competitive and resilient. We focused on developing agile mindsets among its people, equipping them with the relevant skills critical for a future-ready workforce.

The HR team trained over 1,331 employees across the network with 270 sessions delivered.

## KEY ACHIEVEMENTS



- Total Employees: 2,051 vs 1,028 in 2014
- Locations: Employees across 12 countries
- Trainings Conducted: 279
- Average workforce age of 34



5 expatriates at the executive level and 16 within our team of more than 2,000.



Biggest recruitment drive in the country.



- Implementation of a new Learning Management System
- Service Standards Alignment Workshop for all cabin crew Line Trainers held quarterly
- Cabin Crew Service Improvement Workshop development and roll-out
- Global Airport World Class Service Education development and roll-out
- Graduate trainee programs have been introduced to upskill new talents.



### Diversity and Gender Equality

The International Air Transport Association (IATA) aims to improve diversity, equity and inclusion (DEI) by pushing member airlines to have at least 25% female representation by 2025. Fiji Airways is proud to lead the way with 44% female representation among general staff and 34% within our Executive Leadership Team.

But we want to do even better. On International Women's Day in March, MDCEO Andre Viljoen announced an Inclusion Action Plan. This sets out policies to give opportunities for women in future recruitment and/or promotions provided they meet the minimum required competencies, and to ensure every recruitment or promotion panel includes at least one woman.

### Reward and Recognition

During the year, we completed the systematic review of our employee compensation and benefits delivering substantially enhanced 'staff travel' benefits for all our group employees, establishing us as one of the leaders in enhancing our employee value proposition.

All non-management staff were awarded a 2023 profit share of \$5,000, as a part of recognition for their handwork for the record breaking financial results.

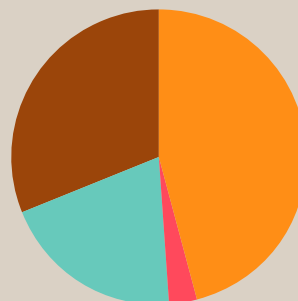
We launched a People Performance Management (PPM) system across the organisation

### Ensuring our employees' wellbeing

We want our crew, both on the ground and in the air, to be physically and mentally well, so they can take care of themselves, each other and our customers

Our corporate wellness programme offers an all-encompassing wellness programme featuring on-site healthcare services, mindfulness resources, health screening camps. Fiji Airways also provides subsidized insurance schemes to all employees.

### Staff Demographics



- 3%**  
Baby Boomers  
1946 - 1964
- 20%**  
Generation X  
1965 - 1980
- 46%**  
Generation Y (Millennial)  
1981 - 1996
- 31%**  
Generation Z  
1997 - 2012

- Released a new online staff travel booking system to support the new staff travel entitlements – iFly
- Local and International flight benefits
- Cargo rebate benefits

In July 2023, Fiji Airways announced the return of Cabin Crew who were let go during the challenging times caused by the COVID pandemic.



# ENVIRONMENT, SOCIAL AND GOVERNANCE

**Fiji Airways is here for Fiji and the Planet – working towards Net Zero Emissions by 2050!**

A newly formed cross-functional sustainability working group has been established to formulate and drive the Company’s sustainability vision and strategy.

In consultation with the Company’s Executive Leadership Team, the following key focus areas have been established:



**Vision:**  
To be a role model for environmentally and socially responsible aviation for small island developing states, and to be recognised as a leading global sustainable airline.



**Mission:**  
Every flight is fueled by our passion to do better for our planet, our people and our communities.

We are working as one to make sustainability part of everything we do, in the air and on the ground, to ensure a brighter future for Fiji and the world.

## KEY ACHIEVEMENTS

- JAN** Establishment of ESG Committee
- FEB** ESG Vision and Mission approved by Executive team
- MAR** IATA training on Sustainability
- APR** Establishment of SAF Committee
- MAY** Launch of office waste recycling program
- JUN** Sustainability introduced in the training module for cabin crew
- JUL** Mental health awareness sessions
- AUG** First SAF flight
- SEP** We participated in the ICAO workshop on State Action Plan for Small Islands
- OCT** Introduction of eco friendly cups in staff cafeteria
- NOV** Removal of plastic cutlery in cafeteria
- DEC** Launched the Reuse Blanket Project

## ENVIRONMENTAL

At Fiji Airways, environmental sustainability is at the heart of our operations. In 2023, we advanced our green initiatives by introducing additional fuel-efficient aircraft and enhancing waste management practices, significantly reducing single-use plastics onboard.

Fiji Airways' flagship aircraft is the Airbus A350-900, and our short-medium haul workhorse is the Boeing 737 MAX-8, both of which deliver an approximate 25% fuel saving compared to previous generation aircraft.

On 26 August, 2023, Fiji Airways took delivery of its fourth Airbus A350-900 aircraft, and the ferry flight from Singapore to Nadi was powered by a 30-40% sustainable aviation fuel (SAF) blend, with a carbon saving of around 46,768 kg (47t). As a small island national carrier, we are very proud of this historic flight.

For the remainder of 2023, each flight from Singapore to Nadi operated using a small (2- 3%) SAF component.

Additionally, we expanded our mangrove planting initiative to protect and restore Fiji's coastal ecosystems. Our commitment to sustainable practices ensures we lead by example in the aviation industry, fostering a greener future for all.



## OUR INITIATIVES

- Fiji Airways has four Airbus A350-900 aircraft and five Boeing 737 Max 8 in its fleet, which are among the most fuel-efficient aircraft in the world.

- The new generation technology aircraft have been a primary focus to reduce emissions – SkyBreathe software has been integrated to allow more transparent reporting of Fuel usage trends and carbon dioxide emissions. It also introduced best practice monitoring for our pilots.

- With the Department of Forestry, "Every take-off, One tree" initiative has soared with the planting of over 75,000 mangroves serenely nestled along Fiji's coastal havens.

- Amenity kits now use sustainable paper and wood-based packaging and products, further reducing use of plastics onboard. This switch will result in millions of single use plastic items being progressively eliminated from our supply chain. Replacing plastic cutlery with Forest Stewardship Council (FSC) accredited wooden cutlery packs.

- We launched an office waste recycling program, segregating waste into four streams, three of which are recycled. This has diverted 25% of our office waste from landfills, and the percentage is growing.

- We have reduced our carbon footprint by minimizing portable water uplift onboard to 50% capacity for long haul flights, and 25% for medium haul flights.

- We have taken a significant step towards environmental sustainability by calculating our Scope 1 and Scope 2 greenhouse gas (GHG) emissions, using the GHG Protocol Accounting Methodology.



## SOCIAL

Fiji Airways is committed to making a positive impact through various social responsibility initiatives. Our efforts this year have focused on community development, supporting underprivileged and needy children living in homes, enhancing employee wellness, and other key areas.

Below are some of the notable initiatives we have undertaken:



## OUR INITIATIVES

- Disable Passenger Lift (DPL) deployment - DPL99 Specialist Access Lift enables the safe, efficient, reliable and dignified boarding and disembarking by persons with limited mobility.
- The Sunshine Special School Sheltered Workshop has established an Individual Transition Plan focusing on work readiness skills for senior students with disabilities aged 18 to 30, to gain real-life experience. These talented students with special needs, are involved in maintenance and packaging of headsets on board Fiji Airways aircraft.
- “Art of Caring” themed Christmas – Pledge to Care .
- Customised returnee Crew Service Education development and roll-out/ 180 personnel educated.
- Fiji Airways cabin crew set out to serve the community as part of its training, which helps the team to develop skills in serving people and understanding individual needs while also benefiting others..
- Conducted company-wide mental health roundtable event.
- Our ‘Blankets’ project represents a transformative effort aimed at repurposing discarded blankets from our aircraft. We have allocated these blankets to various establishments, including single mothers’ homes, orphanages, and homeless shelters across the Western region.

## GOVERNANCE

Fiji Airways is dedicated to upholding the highest standards of corporate governance, ensuring accountability, transparency, and integrity. Our Board of Directors provides strategic oversight, supported by comprehensive policies and procedures that guide our daily operations. We emphasize ethical conduct, regulatory compliance, and robust risk management to protect stakeholder interests. These practices foster sustainable growth, enhance corporate performance, and build trust with our stakeholders.

This year, we have focused on the following governance initiatives:



## OUR INITIATIVES

### • CORPORATE POLICY SUITE

We are updating our corporate policies to align with best practices, particularly focusing on ESG and sustainability.

### • ENTERPRISE RISK MANAGEMENT FRAMEWORK

We are revising our Enterprise Risk Management (ERM) Framework to go beyond the typical constraints of a small national airline, ensuring Fiji Airways Group meets its strategic objectives.

### • SUPPLIER CODE OF CONDUCT

Empowering change: Introducing our Supplier Code of Conduct for ethical and sustainable partnerships.

### • TECHNOLOGY AND CYBERSECURITY

We have made substantial investments in infrastructure and technology upgrades over the past three years, with a significant portion dedicated to annual cybersecurity spending to protect staff and customer data.



# OUR NON-AIRLINE INVESTMENTS

Fiji Airways has diversified its investments to encompass a range of strategic ventures that enhance its business operations and contribute to the broader economic landscape of Fiji.

Among these investments are the Sofitel Fiji Beach Resort, Pacific Centrecom, and Vatu Talei. Each of these ventures plays a significant role in bolstering Fiji Airways' portfolio and supporting the tourism and service industries in Fiji.

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**These investment also signifies Fiji Airways' commitment to the local economy by supporting the tourism infrastructure, creating employment opportunities, and fostering economic growth.**

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## **Sofitel Fiji Beach Resort: A Detailed Insight**

Sofitel Fiji Beach Resort, located on the picturesque Denarau Island, is a premier beachfront property that embodies the epitome of luxury and sophistication. This resort, part of the internationally renowned Sofitel brand, combines French elegance with the warm hospitality of Fiji, creating an unparalleled guest experience.

The resort's world-class amenities, combined with its focus on sustainability and community engagement, ensure that it remains a preferred choice for discerning travellers.

The resort ownership is held by Richmond Pte Limited.

In December 2023, Fiji Airways invested an additional \$24.8m for 11.25% shareholding in Richmond Pte Limited from BSP Life (Fiji) Limited to increase the shareholding to 50% making it a joint venture with BSP Life.



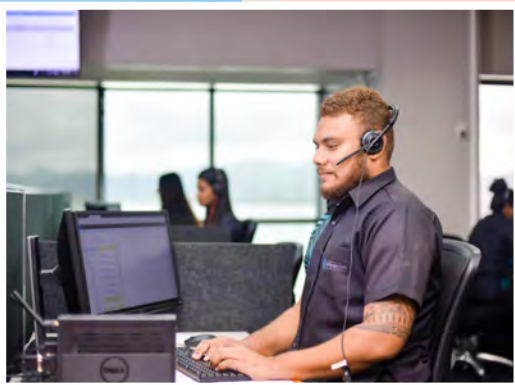


### **Centrecom Pte Limited**

Based in Nadi, Fiji, Pacific Centrecom specializes in providing contact center services, IT solutions, and back-office operations for the aviation industry and beyond.

A joint venture with Centrecom Pacific Pte Ltd, Centrecom is a key player in the airline's strategy to enhance operational efficiency and customer service. This investment underscores Fiji Airways' commitment to leveraging technology and outsourcing to optimise its services and expand its business capabilities.

Pacific Centercom Fiji has been honoured with the prestigious Excellence in Outsourcing award at the Annual Prime Minister's International Business Awards 2023.



### **Vatu Talei – The Jewel**

Set to be a great addition to the Denarau Island landscape, offering a sustainable luxury living experience. This mixed-use development combines resort and apartment living, drawing inspiration from the breathtaking beauty of the nearby Sleeping Giant mountain range.

Another joint venture with BSP Life (Fiji) Limited, this new development pledges to deliver an extraordinary luxurious experience to guests, while fostering remarkable benefits for the tourism industry at large. The 190 room resort development is estimated to cost over \$230.0 million and expected to commence operations in late 2026.

Vatu Talei is a significant real estate development project in Fiji, representing a key investment by Fiji Airways and BSP Life (Fiji) Limited.









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# BOARD OF DIRECTORS AND EXECUTIVE TEAM



# BOARD OF DIRECTORS



**NALIN PATEL**  
**CHAIRMAN**  
**APPOINTED: AUGUST 2023**

Nalin Patel is a Chartered Accountant and Managing Partner at BDO Chartered Accountants Fiji. With over 45 years of professional experience, he has provided advisory services to numerous multinational and local clients across sectors including retail, telecommunications, manufacturing, hospitality, insurance, financial institutions and non-profit organisations.

Nalin holds a Bachelor's and a Master of Commerce degree from The University of Auckland and is a Registered Tax Agent with the Fiji Revenue and Customs Service.

A past president of the Fiji Institute of Chartered Accountants, Nalin has served on various boards. He is also the Honorary Consul-General for the Government of Mexico in Fiji, and a member of the Rotary Club of Suva since 1984.



**ANDRE VILJOEN**  
**DIRECTOR**  
**APPOINTED: OCTOBER 2015**

Andre Viljoen is a seasoned airline executive with over 52 years of leadership experience in CEO and CFO roles. He holds Honors degrees in Accounting and Commerce and is a Chartered Accountant. Andre has led numerous successful business turnarounds, demonstrating his leadership and financial acumen, as well as his exceptional customer service skills.

He has held airline CFO and CEO roles at Comair, South African Airways, Air Mauritius and now at Fiji Airways. Andre has also served as Group CEO of Cullinan Holdings, a large African travel operator.

He has completed multiple programs in cognitive psychology development, such as Enneagram, NLP, Vertical Growth and is passionate about leadership development with a 'growth' mindset.



**DAKSESH PATEL**  
**DIRECTOR**  
**APPOINTED: JUNE 2022**

Daksesh Patel is a respected businessman, leader and entrepreneur with extensive experience in the Australian steel industry. He served as the InfraBuild CEO and Managing Director from October 2019 to July 2021 and interim CEO/Managing Director from June 2022 to October 2023. Currently, he is a Non-Executive Director of InfraBuild and a director of Australasia Progressive Group.

Daksesh holds senior leadership roles in businesses throughout the Oceania region and serves as Chairman of the Executive Board of Vinod Patel Group, Fiji National Provident Fund and Vodafone PNG. He has also served as Chairman and Director of Electricity Fiji.

As the owner and operator of a diverse portfolio of businesses in manufacturing, distribution and building products, including the steel industry, Daksesh employs over 2,500 people.



**ATTAR SINGH**  
**DIRECTOR**  
**APPOINTED: APRIL 2023**

Attar Singh is a respected trade unionist and leader with over 40 years' experience. Since 2019, he has served as the Industrial Relations Advisor for the National Union of Municipal Workers and the Fiji Airline Pilots Association, as well as the General Secretary for the Fiji Longshoremen and Staff Association.

Attar previously held the position of General Secretary for various unions in Fiji, including the Fiji Mineworkers and Staff Union; Communication, Mining and General Workers Union; Transport Workers Union; Fiji Aviation Workers Association; and Air Pacific Employees Association. He has also served as the president of the Fiji Cane Growers Association.

He's also trained as a Licensed Aircraft Maintenance Engineer and worked for Air Pacific. Attar also holds a Diploma in Industrial Relations from Victoria University of Wellington in New Zealand.



**SEINI NABOU**  
**DIRECTOR**  
**APPOINTED: AUGUST 2023**

Seini Nabou is a distinguished media commentator and consultant specializing in environmental and political issues. She holds postgraduate qualifications in Educational Technology from the University of Southern Queensland and in International Relations and Diplomacy from the University of the South Pacific.

Seini's dynamic career has spanned significant roles, including Promotions Manager for the Fiji Human Rights Commission at the University of the South Pacific, consultant for Change Factory Fiji, Political Advisor for the Pacific with Greenpeace, while she's also a board member at Fiji Television.

Seini has contributed to multilateral negotiations on environmental issues, strategic communications and regulatory compliance. Passionate about catalysing positive change, she is committed to helping others realise their potential and is a prominent figure in driving societal and environmental progress.



**HIMMAT LODHIA**  
**DIRECTOR**  
**APPOINTED: FEBRUARY 2024**

Himmat Lodhia is the Managing Director of the 75-year-old family jewellery firm, Lords Jewellers, based in Suva. He is a past president of the Rotary Clubs of Nadi and Suva and has been a Rotary member for 53 years. Himmat was also the founding President of the Fiji Retailers Association for 30 years.

Himmat has served on the boards of various organisations, including Fiji National Provident Fund (FNPF), Amalgamated Telecom Holdings (ATH), Telecom Fiji, Grand Pacific Hotel (GPH), Land Transport Authority (LTA) and National Fire Authority (NFA). He is also a trustee for numerous NGOs in Fiji, and a past senator and minister of the Fijian Government.

Currently, Himmat is the Honorary Consul for Georgia in Fiji.

#### **Ceased Directorship**

Mr. Rajesh Punja (Chairman) :  
Mr. Sanjay Lal Kaba :  
Mr. Avinesh Raju :  
Mr. Shaheen Ali :  
Mr. Shiri Krishna Gounder :

**20 July 2023**  
**18 January 2023**  
**20 July 2023**  
**16 February 2024**  
**15 April 2024**



# EXECUTIVE LEADERSHIP TEAM

## **Andre Viljoen**

### **Managing Director and Chief Executive Officer**

Andre Viljoen is a seasoned airline executive with over 52 years of leadership experience in airline CEO and CFO roles. He holds Honors degrees in Accounting and Commerce and is a Chartered Accountant. Andre has led numerous successful airline and tourism industry business turnarounds, demonstrating his leadership and financial acumen, as well as his exceptional customer service skills.



Beginning his career with British Airways (Comair) in South Africa in the late 1980s, Andre advanced to Group CFO and Group Commercial Director. He later served as COO of South African Express Airways, Executive Vice President and CFO at South African Airways (SAA) in 2000, and subsequently President and CEO of SAA in 2002. From 2006, he was Group CEO of Cullinan Holdings, who own and operate the iconic travel brand, Thompson Tours and Holidays, Pentravel and Ross Tours. In 2009, he was appointed CFO at Air Mauritius and then CEO in 2010. In 2015, he became Managing Director and CEO of Fiji Airways.

Andre is passionate about customer service quality and has implemented Ron Kaufman's Uplifting Service culture-building program at SAA, Air Mauritius and Fiji Airways, with all three airlines earning SKYTRAX Four Star ratings and multiple service awards.

A skilled communicator and educator, Andre has introduced leadership transformation programs at SAA, Air Mauritius and Fiji Airways, which have helped many employees rise to key leadership roles. He values agility and execution in leadership and enjoys working with motivated and talented teams to achieve strategic objectives. Andre holds chairman and directorship roles in various organisations including Fiji Airways, Fiji Airlines, Richmond, Pacific Call Comm and Tourism Fiji.

He has held the Chairman role of Tourism Fiji from 2016 to date.



**Naomi Vuibureta**  
**Chief Financial Officer**

Naomi Vuibureta made history as the first Fijian woman to be appointed CFO of Fiji Airways Group, which she is immensely proud of.

With over 22 years of experience in accounting and management, Naomi has previously worked at KPMG Suva, Fiji Broadcasting Corporation Limited, Digicel (Fiji) and Digicel (Vanuatu). Naomi joined Fiji Airways in 2012 as a Senior Manager of Financial Planning, and steadily advanced through various roles, including General Manager of Corporate Finance and Group Financial Officer, before becoming CFO in January 2020.

Her appointment came just before one of the most financially challenging periods in the airline's history. Fiji Airways' impressive recovery from the COVID-19 pandemic to record profits within three years highlights her strategic acumen and financial management expertise. Naomi is a qualified Certified Practicing Accountant (CPA) with CPA Australia. She holds a Bachelor of Arts in Accounting, Financial Management, and Economics from the University of the South Pacific in Suva.



**Peter Seares**  
**Chief Legal and Sustainability Officer, Company Secretary**

Peter Seares was appointed Executive General Counsel and Company Secretary of Fiji Airways in August 2016. He leads an in-house legal team managing the group's legal affairs, corporate governance and compliance, industrial relations and insurance. Recently, Peter has also taken on responsibility for leading the company's Sustainability/ESG strategy. Before joining Fiji Airways, he practiced commercial law in Australia and served as associate to a Justice of Appeal at the Supreme Court of Western Australia.

Peter holds a Bachelor of Laws (with distinction) and a Bachelor of Arts (Asian Studies) from The University of Western Australia and is admitted as a barrister and solicitor in Western Australia, New South Wales and Fiji. He is also a member of the Aviation Law Association of Australia and New Zealand.



**Thomas Robinson**  
**Chief Technical Officer**

With over 34 years of experience in the aviation industry, Thomas Robinson serves as our Chief Technical Officer. Starting as a licensed aircraft maintenance engineer at Fiji Airways, he has risen through the company by emphasizing technical safety, airworthiness and operational excellence. Thomas has held roles such as Maintenance Manager and Senior Executive, focusing on workforce optimization and business resilience.

He has played a key role in major projects like introducing the B747-400 aircraft. Thomas is dedicated to maintaining the highest safety standards and operational efficiency in the aviation sector, and has cemented his reputation as a dynamic leader in the aviation industry. Thomas holds a Post Graduate Diploma in Business and a Certificate in Airline Management.



**Akuila Batiweti**  
**Chief Marketing and Sales Officer**

With over 16 years of experience in sales, marketing, digital, e-commerce and customer experience, Akuila Batiweti originally joined Fiji Airways as manager of Global Online Marketing in 2014 before leaving the company and rejoining again in 2020 as general manager of Fiji Airways Holidays.

He was promoted to Chief Marketing and Sales Officer in February 2024. Akuila previously worked for the Fijian Government and the University of the South Pacific, playing integral roles in digital and e-commerce transformations.

He holds a Bachelor's degree in Business Administration and Management from the University of the South Pacific.





**Athil Narayan**

**Chief Operating Officer, Fiji Link and Cargo Operations**

Athil Narayan was appointed COO for Fiji Link and Cargo Operations in January 2020. He previously served as Executive General Manager of Airport and Cargo Operations and a general manager for Fiji Link. Athil oversees all cargo sales and cargo operations for Fiji Airways and provides executive oversight for all Fiji Link turboprop operations throughout Fiji and the region.

With extensive experience in aviation and banking, he holds a Master's degree in Business and Technology from the University of New South Wales, majoring in Aviation Law, Airline Operations and Strategy. He also has a Bachelor's degree in Economics and Management from the University of the South Pacific. Athil has held senior executive positions at various organisations, including Starwood Hotels, ANZ, Westpac and Wormald Fire and Security.



**John Checketts**

**Chief Strategy Officer**

John Checketts joined Fiji Airways after 14 years at JetBlue Airways in New York, where he served as Vice President of Network Planning.

Since joining Fiji Airways in 2018, John has expanded the airline's global network, enhanced schedules and executed strategic partnerships with other airlines. Having overseen significant growth and strategic development within Fiji Airways, he was promoted to Chief Strategy Officer in 2023.

John holds a Bachelor of Science in Economics from the University of Utah.



**Aaron Dean**

**Chief Flight Operations Officer**

Captain Aaron Dean was appointed Chief Flight Operations Officer in January 2017. A distinguished aviation professional from Fiji, Captain Dean joined Fiji Airways as a first officer on the B737 fleet in 2000, and later served as a first officer on the B747.

He became captain on the B737 in 2007 and was subsequently appointed B737 fleet captain in 2011. Captain Dean then led as the pioneering fleet captain for the Airbus A330/A350 and remains a check and training captain on these aircraft. With over 16,000 flight hours, Captain Dean holds multiple IATA and University of Southern California aviation qualifications.



**Gordon Penfold**

**Chief Airports and FJAA Operations Officer**

With more than 25 years of experience with prominent full-service carriers, Gordon Penfold joined Fiji Airways in May 2016 as executive general manager of Information Technology. He has held roles as executive manager of Shared Business Services and chief shared services officer.

In September 2023, he took on the interim role of COO, overseeing day-to-day operations including flight operations, engineering, airports, aviation and physical security, and the Fiji Airways Aviation Academy. In his current role as Chief of Airports and FJAA Operations Officer, Gordon has renewed his focus on airports, aviation and physical security, and the Aviation Academy.



**Rowan Chalmers**

**Chief Transformation Officer**

Rowan Chalmers has over 30 years of experience with major airlines and airports worldwide. He brings expertise in strategy setting, operations, workforce optimization, business resilience, industry thought leadership, delivery of new customer experiences as well as innovation and change implementation. Rowan is passionate about reimagining the airline and airport environment and delivering genuine transformation across the industry.

He rejoined Fiji Airways in 2022 after leading the Aviation practice for Accenture/Seabury across the Middle East, Asia/Pacific and Latin America. Previously, he held senior leadership positions at Qatar Airways, Perth Airport and Qantas, and also worked for American Airlines, Western Sydney Airport and Virgin Atlantic. He was promoted to Chief Transformation Officer of Fiji Airways in 2024.



**Shalendra Nair**

**Chief Revenue Officer**

Shalendra Nair is a long-serving employee of Fiji Airways with 28 years' experience in various commercial and revenue roles. Appointed as Chief Revenue Officer in 2023, he has extensive expertise in revenue management, pricing, business analysis, alliance accounting and revenue accounting. Shalendra drives revenue management and pricing strategies and is responsible for the development of business intelligence.

He holds a Master's in Business Administration from the University of South Australia, a National Diploma in Business, a Diploma in Accounting Studies and an Advanced Certificate in Information Technology from the University of the South Pacific.









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# FINANCIAL INFORMATION



**\$370.6M**  
EBITDA

**\$131.8M**  
PROFIT BEFORE  
INCOME TAX

**\$265.7M**  
EQUITY

# FINANCIAL COMMENTARY

## Total Revenue: \$1.8 Billion

We are pleased to report a significant increase in total revenue for the year 2023, reaching \$1.8 billion. This marks a substantial growth of \$0.7 billion, or 67%, compared to the previous year. This impressive rise is attributed to the return to full-year flying since the COVID pandemic and the robust demand for passenger travel in a capacity-constrained environment.



In 2023, we successfully carried 2.2 million passengers, a notable increase from 1.4 million in 2022 and 1.7 million in 2019. Our seat capacity grew by 47%, expanding to 2.8 million seats. This increase in capacity was met with strong demand, reflecting the resilience and recovery of the travel industry.



The Revenue Per Available Seat Kilometre (RASK) experienced a positive trajectory, rising by 13% compared to 2022 and showing a significant 30% increase compared to pre-COVID levels. This indicates a strong revenue performance per seat kilometre available, driven by effective capacity management and high demand.



Cargo revenue for the year was \$99 million, representing a 24% decline. This decrease was due to lower yields, which reflected the heightened competition as airlines resumed international flights.



Other revenue streams contributed \$36 million, marking a 75% increase. This growth was largely driven by the Fiji Airways Aviation Academy, which saw a rise in revenue from the sale of simulator time and an increase in charter revenue. The Academy's revenue performance is in addition to the cost savings and operational efficiencies from having our own training facilities.

## Expenses

Operating expenses for the year amounted to \$1.4 billion, showing a significant increase driven by the rise in flying activity. Costs increased across all areas as the national carrier restored its network and enhanced operational resilience.



Aircraft operations costs were \$529 million, up 58% from the prior year. This increase was primarily driven by the increase in flying activity and inflationary cost pressures.



Fuel costs for the year were \$504 million, up by 34% compared to the prior year. This increase was due to higher levels of consumption driven by increased flying, lower fuel prices, and a stronger US dollar.



Sales and marketing expenses amounted to \$210 million, reflecting a 75% increase. This rise was driven by higher commissions on increased revenue, higher distribution costs due to higher passenger numbers, and an overall boost in market development, sponsorship, and brand activities to generate sales and revenue.



Labour costs totaled \$130 million, driven by an increase in headcount. This was primarily due to the rise in operational staff needed to support the significant increase in flying activity. The reopening of global markets led to high demand for specialized personnel, such as pilots, engineers, and cabin crew. Additionally, the high migration from Fiji resulted in a staff shortage in the labour market. To retain skilled labour, a comprehensive review of all staff remuneration was conducted to properly align salaries with the Hay grading scale.



Other expenses increased by \$26.7 million, driven by one-off costs. These includes provisions for the 2023 staff profit share and compensation payments for the staff terminated in 2020.

## Operating Profit before depreciation, finance cost, Jointly Controlled Entities and taxation (EBITDA)

EBITDA presented significant improvement to \$370.6m, an increase of \$233.7m from the previous year. This improvement is a reflection of the drive in revenue generation innovation and cost efficiency measures implemented by the Group.

## Ownership costs

Ownership costs for the year amounted to \$257 million, representing a decrease of 45% compared to the previous year. This reduction is primarily attributed to a significant decrease in net finance costs, driven by the favorable impact of foreign exchange rate changes on the year-end revaluation of debt and assets, resulting in an unrealised foreign exchange gain of \$85 million.

Excluding the impact of unrealised foreign exchange movement, the ownership costs were \$278 million, increase of 58% compared to the previous year. The increase is driven by the depreciation costs associated with the delivery of new Airbus A350-900 aircraft and investments in new systems and equipment as part of our process improvement initiative.



Additionally, increased interest income from higher levels of cash and debt repayments contributed to a 8 percent reduction in net interest costs. These savings partially offset the negative impact of net foreign currency hedge costs.







### Share of Net Profit in Jointly Controlled Entities

The share of net profits in jointly controlled entities was \$18.7 million, an increase of \$8.1 million compared to the previous year. This growth is driven by the strong business performance and the strategic importance of Richmond Pte Limited, which operates the Sofitel Fiji Resort and Spa.



### Statement of Other Comprehensive Income

Other comprehensive income amounted to \$4.6 million, a decrease of \$77 million compared to the previous year. During the 2022 financial year, the Group adopted a policy change in the measurement method of land and buildings, transitioning from the Cost model to the Revaluation model.

In 2023, this method was applied to the accounts of Richmond Pte Limited, resulting in the restatement of the FY 2022 financials. The combined benefit to other comprehensive income in FY 2022 as a result of this policy change was \$81.7 million.



### Profit share payout to all eligible non-management employees

In recognition of the record-breaking financial performance, the Fiji Airways Board of Directors has endorsed and paid a Profit Share payout for all eligible non-management employees. This decision highlights the Board's appreciation for the hard work and dedication demonstrated by the staff.



### Interim dividend of \$15 million

Additionally, the Board of Directors has approved the payment of an interim dividend of \$15 million. This dividend reflects the company's strong financial position and commitment to delivering value to its shareholders.



## Cashflow and Financial Position

At the end of the financial year, the Group's total cash held was \$311.2 million, a decrease of 17% compared to the previous year. This includes \$216 million in operating cash and \$95.2 million in secured term deposits, which serve as collateral against standby letters of credit facilities.

During the year, the Group generated a record cash receipts from operations \$1.9 billion, marking an impressive increase of \$710 million from the previous year.

## Strategic Investments and Debt Restructuring

Throughout the financial year, the Group has undertaken significant strategic investments and restructured its debt to strengthen its financial position:



- **Capital Projects**

The Group invested \$109 million in capital projects, including \$49.3 million for Phase 2 of the Fiji Airways Aviation Academy, \$34 million for the aircraft maintenance program, and additional funding for new systems and equipment as part of our strategic process improvement initiative.

- **Acquisition of Additional Shares**

The Group acquired an additional 11.25% of shares in Richmond Pte Limited for \$24.8 million, increasing our total shareholding to 50%.

- **Debt Refinancing**

The Group refinanced \$94.9 million of debt, including a US\$32 million ADB loan and US\$10.2 million in deferred leases for Dubai Aerospace Enterprise. This was achieved through a \$90.0 million borrowing from BRED Bank, aimed at reducing interest costs and foreign exchange exposures.

- **Overall Debt Reduction**

The Group successfully reduced its overall debt by \$100.4 million during the year.



## Future Plans

Looking ahead to 2024, the Group plans to refinance the Fiji Airways Aviation Academy with \$150 million to further solidify its financial foundation and support continued growth and development.



## Equity

The financial year has been marked by a substantial recovery in our equity position, with shareholders' equity closing at \$265.7 million. This represents a notable achievement, recovering to 50% of pre-pandemic levels. This strong balance sheet underscores the resilience of our financial strategies and the effectiveness of our recovery initiatives.







# CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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A smiling man with dark hair, wearing a blue and white patterned short-sleeved shirt, stands next to the open door of a white airplane. He is looking upwards and to the right. The background is a clear blue sky. The airplane's fuselage and wing are visible. The text 'DIRECTORS' REPORT' is overlaid on a teal background in the upper right. The text 'BULA WELCOME ABOARD' is on the side of the airplane. The text 'PAGE 81' is in the bottom left corner.

# DIRECTORS' REPORT

**BULA**  
WELCOME ABOARD





# Directors' Report

## For the Year Ended 31 December 2023

The Directors of Air Pacific Limited trading as Fiji Airways, (the "Company") present their report together with the financial statements of the Group, being the Company and its subsidiaries and jointly controlled entities for the year ended 31 December 2023 as set out on pages 93 to 147 and the auditor's report thereon in accordance with the Companies Act, 2015.

### 1 Directors

The Directors of the Company during the financial year and up to the date of this report were:

- Mr. Nalin Kumar Patel - Chairman (Appointed: 1 August 2023)
- Mr. Rajesh Punja - Chairman (Ceased Directorship: 20 July 2023)
- Mr. Andries Nathaniel Viljoen
- Mr. Daksesh Patel
- Mr. Attar Singh (Appointed: 18 April 2023)
- Ms. Leba Seni Lutu Nabou (Appointed: 1 August 2023)
- Mr. Himmat Lodhia (Appointed: 15 February 2024)
- Mr. Sanjay Lal Kaba (Ceased Directorship: 18 January 2023)
- Mr. Avinash Raju (Ceased Directorship: 20 July 2023)
- Mr. Shaheen Ali (Ceased Directorship: 16 February 2024)
- Mr. Shiri Krishna Gounder (Ceased Directorship: 15 April 2024)

### 2 Principal activities

The principal activities of the Group during the year were the provision of international and domestic air transportation and ancillary services, provision of cargo freight services, sale of holiday packages inclusive of air tickets, accommodation and hotel activities.

Pacific Call Comm Pte Limited, a subsidiary of Air Pacific Limited, does not carry on business and was set up as a special purpose vehicle to hold the Company's 50% interest in Centrecom Pte Limited (formerly Pacific Centrecom (Fiji) Pte Limited). The principal activities of Centrecom Pte Limited were the provision of contact centre and back office processing services.

The Company has 50% interest in Richmond Pte Limited trading as Sofitel Fiji Resort and Spa. The principal activities of Richmond Pte Limited were the provision of hotel accommodation, food and beverage and other related services.

The Company has 50% interest in Vatu Talei Pte Limited. The principal activities of Vatu Talei Pte Limited during the reporting period has been the construction and development of the resort. The intended principal activities upon completion are provision of hotel accommodation, food and beverage and other related services.

# Directors' Report

## For the Year Ended 31 December 2023

### Fiji Airways' Journey of Recovery and Growth in 2022-2023

The financial year 2022 marked a significant phase of post-pandemic recovery for Fiji Airways. With borders having reopened on 1 December 2021, the Group reinstated commercial passenger services first to Australia and the United States of America, followed by a gradual re-introduction across our entire network. Throughout the course of 2022, the continued relaxation of border restrictions around the world enabled the progressive restoration of services to the remaining destinations in the network. Australia, New Zealand and Singapore re-opened in Quarter 1 of 2022, followed by Pacific Island nations in Quarter 3. Other Asian markets, including Hong Kong and Japan, remained closed due to stringent travel and quarantine requirements. The Group introduced a new route to Vancouver in November 2022. Fiji Airways capacity (seats) offered in 2022, compared to 2019, was 67% in Quarter 1, 81% in Quarter 2, 89% in Quarter 3, and in excess of 100% in November and December 2022. The full year average capacity at the end of 2022 was 84% compared to 2019.

2023 marked a transformative year for Fiji Airways, characterized by a full-scale ramp-up in operations and unprecedented growth. The financial year marked the complete reopening of international markets and full restoration of the Group's 2019 network. Fiji Airways resumed flights to its Asian markets (Hong Kong and Japan) from Quarter 2 2023, which had remained closed in 2022 due to stringent travel and quarantine requirements. The Group also introduced new routes to Canberra (Australia) and Noumea (New Caledonia) in July and November 2023 respectively.

In Quarter 3 of 2023, the Group enhanced its fleet with the lease of two additional new state-of-the-art Airbus A350 XWB aircraft. These aircraft have significantly increased capacity (seats), enabling a boost to the operational capabilities. As a result, Fiji Airways was well-positioned to offer more flights, support the introduction of new routes and meeting rising demand as well as improving service delivery.

Following the complete restoration of the Group's network, the introduction of new routes, and the acquisition of two additional Airbus A350 XWB aircraft, Fiji Airways has successfully exceeded its previous benchmarks, achieving a full year 2023 average capacity of 124% of its 2019 capacity (seats). This represents a significant increase from the 84% full year average capacity recorded in 2022; a 47% growth in capacity in its first full year of operations following the COVID-19 Pandemic. This growth in the Group's capacity is reflected through increases in the operational revenues and its related operational costs.

### 3 Results

The operating profit of the Group for the year was \$113.2 million (2022 operating loss: \$174.8 million). The profit after tax for the Group for the year was \$134.8 million (2022 loss after tax: \$130.9 million) after income tax benefit of \$3.0 million (2022: \$33.3 million). The net comprehensive profit of the Group for the year was \$139.4 million (2022 net comprehensive loss: \$49.3 million).

The operating profit of the Company for the year was \$112.9 million (2022 operating loss: \$157.3 million). The profit after tax for the Company was \$114.7 million (2022 loss after tax: \$126.7 million) after income tax benefit of \$1.7 million (2022: \$30.7 million). The net comprehensive income of the Company for the year was \$109.6 million (2022 net comprehensive loss: \$95.6 million).

### 4 Reserves

The Directors recommend that no amounts be transferred to reserves in respect for the year ended 31 December 2023 (2022: \$Nil).

### 5 Dividends

The Directors recommend that no amounts be paid out by way of dividends (2022: \$Nil).

### 6 Current and Non-Current assets

Prior to the completion of the Group and the Company's financial statements, the Directors took reasonable steps to ascertain whether any current and non-current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group. 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.

The Directors undertook impairment testing to ensure the carrying value of the Group's assets are appropriate. The carrying value of the assets were tested for impairment as part of the Group's Cash Generating Unit (CGU), using a Value In Use (VIU) discounted cash flow model. The Group assesses the Group's operation as a single CGU, incorporating corporate assets for the financial year.



# Directors' Report

## For the Year Ended 31 December 2023

### 6 Current and Non-Current assets (continued)

The discounted cash flow model for the CGU confirmed that there was no impairment to the assets at the balance date. As in the opinion of the Directors, the recoverable value from VIU exceeded the carrying value of the assets, based on the Directors' current assessment of the Group's forecast and operational levels.

The Directors took reasonable steps before Company's and the Group's financial statements were prepared to ascertain that all known bad debts were written off and adequate allowance was made for expected credit loss.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributable to the current and non-current assets in the financial statements misleading.

### 7 Basis of preparation

The consolidated financial statements of the Group and the Company have been drawn up in accordance with the International Financial Reporting Standards and Fiji Companies Act 2015. The financial statements have been prepared under the historical cost convention.

### 8 Significant events during the year

The following significant events occurred during the year ended 31 December 2023:

#### Delivery of new Airbus A350 XWB aircraft

In February 2023, the Company executed a term sheet with GOAL German Operating Aircraft Leasing GmbH & Co. KG for the lease of two (2) new Airbus A350 XWB aircraft. The Company received delivery of the two aircraft in August 2023.

#### Expansion of the Fiji Airways Aviation Academy

In February 2023, the Group has commenced the second phase expansion of the Fiji Airways Aviation Academy to accommodate additional A350 and ATR-72 full flight simulators, fixed training devices and cabin crew training facilities, expected to be fully completed in 2026. The Group anticipates an expenditure of \$137.0 million for the second phase expansion project and has invested \$49.3 million as at 31 December 2023.

#### Legal claim settlement

The Company had been defending claims in the Employment Relations Tribunal brought by some 219 former cabin crew whose employment was terminated during the Pandemic. In May 2023, the Company reached a settlement with the 219 claimants, pursuant to which the claimants were offered re-employment with the Company, or a compensation package. The compensation packages have been paid out during the year totalling \$10.0 million.

#### Financing Activities

In 2022, the Board approved an early repayment of the fifty percent (50%) or US\$32.5 million, of a US\$65.0 million liquidity support facility by the Asian Development Bank. The early prepayment amount of US\$32.5 million (FJ\$71.2 million) was refinanced through new domestic borrowings of FJ\$100.0 million.

During the course of the 2023 financial year, the Company refinanced debt of US\$42.5 million (FJ\$94.9 million), comprised of the outstanding balance of the Asian Development Bank loan of US\$32.5 million and outstanding amount of US\$10.2 million to Dubai Aerospace Enterprise for aircraft lease rental payments which were deferred during the Pandemic. This was funded via new domestic borrowings of FJ\$90.0 million and available cash. These financing actions have reduced the Company's interest costs, due to lower prevailing interest rates in Fiji, and have decreased foreign exchange exposure.

#### Acquisition of Additional Shares in Richmond Pte Limited

On 12 December 2023, the Company purchased an additional 11.25% shareholding (5,203,064 shares) in Richmond Pte Limited from BSP Life (Fiji) Limited for a consideration of \$24.8 million. The additional shares increased the Company's shareholding from 38.75% to 50% upon completion of the transfer.

#### Acquisition of Shares in Vatu Talei Limited

In December 2023, the Company acquired initial shares at \$1 in Vatu Talei Pte Limited with the remaining shares to be issued later during the 2024 financial year. Vatu Talei is a new project undertaken by the management of Richmond Pte Limited as a joint venture between Air Pacific Limited and BSP Life Pte Limited. The 190 room resort development is estimated to cost over \$230.0 million and expected to commence operations in late 2026.

# Directors' Report

## For the Year Ended 31 December 2023

### 9 Events subsequent to balance date

The following significant events occurred after the year ended 31 December 2023:

#### Refinancing of Fiji Airways Aviation Academy investment

The Fiji Airways Aviation Academy's Phase 1, which was commissioned in December 2019, includes a purpose-built building housing two full-flight simulators; an A330 and a 737-8 Max, along with fixed training devices, was financed through the Group's operational cash flow at a cost of \$83.7 million.

For Phase 2, the Group anticipates an additional expenditure of \$137.0 million to expand the current building structure, to include two new full flight simulators for the A350 and ATR-72 aircraft, more fixed training devices, and the development of fully equipped safety and service training facilities. As at the end of the financial year, the Group has already invested \$49.3 million in Phase 2.

Management is seeking to refinance the Fiji Airways Aviation Academy through domestic loans amounting to \$150.0 million.

No charge on the assets of the Group and Company has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No other contingent liability has arisen since the end of the financial year to the date of this report.

No other contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and the Company to meet its obligations when they fall due, other than those that have been included and disclosed in the financial statements.

### 10 Other circumstances

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which render any amounts stated in the financial statements misleading.

### 11 Unusual transactions

The results of the Group and the Company's operations during the financial year have not in the opinion of the Directors been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

### 12 Directors Benefits

No Director of the Group and the Company has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by Directors as shown in the Group and the Company's financial statements) by reason of contract made by the Company or related corporation with the Director or with a firm of which he/she is a member, or with a Company in which he/she has substantial financial interest.

### 13 Related Parties Transaction

In the opinion of the Directors all related parties transactions have been adequately recorded in the books of the Company and subsidiaries and reflected in the attached financial statements.

### 14 Going Concern

The Directors consider the Group and the Company to be a going concern. The Directors believe that the basis of preparation of the financial statement is appropriate and the Group and the Company will be able to continue in operation for at least 12 months from the date of this report.

Dated this 6th day of May 2024.

Signed in accordance with a resolution of the Directors.

  
\_\_\_\_\_  
DIRECTOR

  
\_\_\_\_\_  
DIRECTOR



## Directors' Declaration

### For the Year Ended 31 December 2023

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

The Directors of the Group and the Company have made a resolution that declares:

- a) In the opinion of the directors, the financial statements of the Group and Company for the financial year ended 31 December 2023:
  - (i) comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the Group and the Company as at 31 December 2023 and of the performance, changes in equity and cash flows of the Group and the Company for the year ended 31 December 2023; and
  - (ii) have been prepared in accordance with the Companies Act, 2015.
- b) The Directors have received independence declaration by the external 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 Group and the Company will be able to pay its debts as and when they become due and payable.

For and on behalf of the Board of Directors, by authority of a resolution of the Directors, this 6th day of May 2024.



DIRECTOR



DIRECTOR



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# INDEPENDENT AUDITOR'S REPORT





**AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF AIR PACIFIC LIMITED TRADING AS FIJI AIRWAYS**

As group auditor for Air Pacific Limited trading as Fiji Airways for the financial year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Air Pacific Limited trading as Fiji Airways and the entities it controlled during the financial year ended 31 December 2023.

PricewaterhouseCoopers  
Chartered Accountants

A stylized, handwritten signature of the PricewaterhouseCoopers firm, rendered in blue ink.

by

A handwritten signature in blue ink, belonging to Kaushick Chandra.

Kaushick Chandra  
Partner

6 May 2024

PricewaterhouseCoopers, 52 Narara Parade, Lautoka, Fiji.  
PO Box 54, Lautoka, Fiji.  
T: (679) 666 0400 / 6661055

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## Independent Auditor's Report

To the Shareholders of Air Pacific Limited trading as Fiji Airways

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the accompanying financial statements of Air Pacific Limited trading as Fiji Airways (the 'Company') and the consolidated financial statements of the Company and its subsidiaries (together the 'Group'), which comprise the statements of financial position of the Company and the Group as at 31 December 2023, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and Group as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Group in accordance with the ethical requirements of the International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants* (IESBA Code) that are relevant to our audit of the financial statements in Fiji, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

#### *Other Information*

Directors and management are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our auditor's report thereon.

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

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

*Responsibilities of Directors and Management for the Financial Statements*

Directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, 2015, and for such internal control as the directors and management 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 directors and management are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors and management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors and management are responsible for overseeing the Group's financial reporting process.

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

Our 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 our 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 or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our 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 Group's internal control.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors and management.
- Conclude on the appropriateness of the director's 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

#### **Report on Other Legal and Regulatory Requirements**

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

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



#### **Restriction on Use**

This report is made solely to the Company's shareholders, as a body, in accordance with Section 396(1) of the Companies Act 2015. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink that reads "PricewaterhouseCoopers".

**PricewaterhouseCoopers**  
**Chartered Accountants**

A handwritten signature in blue ink, likely belonging to Kaushick Chandra.

**Kaushick Chandra**  
**Partner**

**6 May 2024**  
**Lautoka, Fiji**

# STATEMENTS OF PROFIT OR LOSS





# Statements of Profit or Loss

## For the Year Ended 31 December 2023

	Notes	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Operating Revenue</b>					
Passenger Revenue		1,640,310	911,336	1,577,530	867,214
Cargo Revenue		99,012	130,316	97,935	129,432
Other Revenue		36,260	20,709	59,131	46,065
		<b>1,775,582</b>	<b>1,062,361</b>	<b>1,734,596</b>	<b>1,042,711</b>
<b>Operating Expenditure</b>					
Fuel		(504,214)	(377,249)	(491,143)	(366,500)
Aircraft Operations		(528,565)	(334,451)	(524,545)	(325,197)
Sales and Marketing		(210,196)	(120,384)	(203,393)	(115,269)
Labour Cost		(129,751)	(87,775)	(120,275)	(80,911)
Other Expenses		(32,222)	(5,536)	(31,706)	(6,061)
		<b>(1,404,948)</b>	<b>(925,395)</b>	<b>(1,371,062)</b>	<b>(893,938)</b>
<b>Operating Profit (excluding items below)</b>		<b>370,634</b>	<b>136,966</b>	<b>363,534</b>	<b>148,773</b>
Depreciation - Right-of-use Assets	13 (b) (i)	(135,031)	(120,979)	(135,031)	(120,979)
Depreciation and Amortisation - Owned Assets	12	(67,087)	(57,739)	(61,089)	(52,803)
<b>Operating Profit / (Loss) Before Finance Costs, Jointly Controlled Entities and Taxation</b>		<b>168,516</b>	<b>(41,752)</b>	<b>167,414</b>	<b>(25,009)</b>
Finance Income	5 (a)	41,299	17,502	42,161	18,156
Finance Cost	5 (b)	(96,638)	(150,574)	(96,640)	(150,469)
<b>Finance Cost - Net</b>		<b>(55,339)</b>	<b>(133,072)</b>	<b>(54,479)</b>	<b>(132,313)</b>
<b>Operating Profit / (Loss)</b>		<b>113,177</b>	<b>(174,824)</b>	<b>112,935</b>	<b>(157,322)</b>
Share of Net Profit in Jointly Controlled Entities	16 (b)	18,654	10,559	-	-
<b>Profit / (Loss) Before Income Tax</b>		<b>131,831</b>	<b>(164,265)</b>	<b>112,935</b>	<b>(157,322)</b>
Income Tax Benefit	6 (a)	2,990	33,324	1,742	30,669
<b>Profit / (Loss) After Income Tax</b>		<b>134,821</b>	<b>(130,941)</b>	<b>114,677</b>	<b>(126,653)</b>
<b>Earnings per share from continuing operations attributable to the equity holders of the company during the year</b>					
Basic Earnings Per Share	18	<b>\$1.83</b>	<b>(\$1.78)</b>	<b>\$1.56</b>	<b>(\$1.72)</b>

The Statements of Profit or Loss are to be read in conjunction with the Notes to the Financial Statements set out on pages 105 - 147.

A photograph of a young couple sitting in airplane seats. The woman is on the left, wearing a white short-sleeved shirt and dark green pants, smiling at the camera. The man is on the right, wearing a dark blue long-sleeved shirt and tan pants, looking out the window. The background shows the interior of an airplane with overhead storage bins and a window.

# STATEMENTS OF OTHER COMPREHENSIVE INCOME

## Statements of Other Comprehensive Income

### For the Year Ended 31 December 2023

	Notes	Group		Company	
		2023	2022 <i>Restated</i>	2023	2022
		\$'000	\$'000	\$'000	\$'000
<b>Profit / (Loss) After Income Tax</b>		<b>134,821</b>	(130,941)	<b>114,677</b>	(126,653)
<b>Other comprehensive income</b>					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Cash flow hedges - effective portion of changes in fair value	17 (b)	(13,481)	(11,606)	(13,481)	(11,606)
Related tax	17 (b)	3,951	2,321	3,951	2,321
<i>Items that will not be reclassified to profit or loss</i>					
Revaluation of land and buildings - Company and Subsidiary Owned	12	9,675	53,830	9,262	50,477
Related tax	6 (b)	(5,110)	(10,766)	(4,839)	(10,095)
Revaluation of land and buildings - Jointly Controlled Entity Owned (net of tax)	16 (b)	9,556	47,873	-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>4,591</b>	81,652	<b>(5,107)</b>	31,097
<b>Total Comprehensive Income / (Loss) for the year</b>		<b>139,412</b>	(49,289)	<b>109,570</b>	(95,556)

The Statements of Other Comprehensive Income are to be read in conjunction with the Notes to the Financial Statements set out on pages 105 - 147.



A woman in a Fiji Airways uniform and high-visibility vest is working on an aircraft's wiring harness. She is holding a flashlight and a tablet, looking up at the harness with a smile. The background shows the interior of an aircraft with various wires and components.

## STATEMENT OF CHANGES IN EQUITY

# Statement of Changes In Equity

## For the Year Ended 31 December 2023

Group	Share Capital \$'000	Retained Earnings \$'000	Hedging Reserve \$'000	Asset Revaluation Reserve \$'000	Total \$'000
<b>Balance at 1 January 2022</b>	128,092	(50,558)	-	-	77,534
<i>Comprehensive income</i>					
Loss for the year	-	(130,941)	-	-	(130,941)
Other comprehensive income	-	-	(9,285)	43,064	33,779
<b>Total comprehensive income for the year</b>	-	(130,941)	(9,285)	43,064	(97,162)
<i>Transactions with owners of the Company</i>					
Issue of ordinary shares	98,001	-	-	-	98,001
<b>Total transactions with owners of the Company</b>	98,001	-	-	-	98,001
<b>Balance at 31 December 2022</b>	<b>226,093</b>	<b>(181,499)</b>	<b>(9,285)</b>	<b>43,064</b>	<b>78,373</b>
Restatement - impact of policy alignment	-	-	-	47,873	47,873
<b>Restated balance at 31 December 2022</b>	<b>226,093</b>	<b>(181,499)</b>	<b>(9,285)</b>	<b>90,937</b>	<b>126,246</b>
<i>Comprehensive income</i>					
Profit for the year	-	134,821	-	-	134,821
Other comprehensive (loss) / income	-	-	(9,530)	14,121	4,591
Transfer excess depreciation to Revaluation Reserve	-	3,586	-	(3,586)	-
<b>Total comprehensive income for the year</b>	-	138,407	(9,530)	10,535	139,412
<b>Balance at 31 December 2023</b>	<b>226,093</b>	<b>(43,092)</b>	<b>(18,815)</b>	<b>101,472</b>	<b>265,658</b>

The Statements of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements set out on pages 105 - 147.



# Statement of Changes In Equity

## For the Year Ended 31 December 2023

Company	Share Capital \$'000	Retained Earnings \$'000	Hedging Reserve \$'000	Asset Revaluation Reserve \$'000	Total \$'000
<b>Balance at 1 January 2022</b>	128,092	(62,310)	-	-	65,782
<i>Comprehensive income</i>					
Loss for the year	-	(126,653)	-	-	(126,653)
Other comprehensive income	-	-	(9,285)	40,382	31,097
<b>Total comprehensive income for the year</b>	-	(126,653)	(9,285)	40,382	(95,556)
<i>Transactions with owners of the Company</i>					
Issue of ordinary shares	98,001	-	-	-	98,001
<b>Total transactions with owners of the Company</b>	98,001	-	-	-	98,001
<b>Balance at 31 December 2022</b>	<b>226,093</b>	<b>(188,963)</b>	<b>(9,285)</b>	<b>40,382</b>	<b>68,227</b>
<i>Comprehensive income</i>					
Profit for the year	-	114,677	-	-	114,677
Other comprehensive (loss) / income	-	-	(9,530)	4,423	(5,107)
Transfer excess depreciation to Revaluation Reserve	-	3,476	-	(3,476)	-
<b>Total comprehensive income for the year</b>	-	118,153	(9,530)	947	109,570
<b>Balance at 31 December 2023</b>	<b>226,093</b>	<b>(70,810)</b>	<b>(18,815)</b>	<b>41,329</b>	<b>177,797</b>

The Statements of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements set out on pages 105 - 147.





## STATEMENTS OF FINANCIAL POSITION

# Statements of Financial Position

## As at 31 December 2023

	Notes	Group		Company	
		2023	2022	2023	2022
			<i>Restated</i>		
		\$'000	\$'000	\$'000	\$'000
<b>Non-Current Assets</b>					
Aircraft, Property, Plant & Equipment	12	808,596	736,385	775,815	718,434
Right-of-use Assets	13 (b) (i)	1,337,918	972,039	1,337,918	972,039
Aircraft Deposits		16,281	8,284	16,281	8,284
Trade and Other Receivables	9	53,975	65,414	53,975	65,414
Receivable from Related Parties	11 (a)	-	-	49,754	40,381
Investment in Subsidiaries	16 (a)	-	-	2,250	2,250
Investment in Jointly Controlled Entities	16 (b)	134,014	84,922	42,672	17,915
Deferred Tax Assets	6 (c) (i)	568,142	406,752	560,257	398,906
<b>Total Non-Current Assets</b>		<b>2,918,926</b>	<b>2,273,796</b>	<b>2,838,922</b>	<b>2,223,623</b>
<b>Current Assets</b>					
Cash and Cash Equivalents	7	216,545	303,162	215,948	302,835
Term Deposits	7	95,240	72,741	95,240	72,741
Derivatives	8	12,451	11,678	12,451	11,678
Trade and Other Receivables	9	180,517	146,585	178,904	145,374
Income Tax Refund	6 (d)	285	1,277	234	1,226
Inventories	10	58,906	52,758	49,099	43,446
<b>Total Current Assets</b>		<b>563,944</b>	<b>588,201</b>	<b>551,876</b>	<b>577,300</b>
<b>Total Assets</b>		<b>3,482,870</b>	<b>2,861,997</b>	<b>3,390,798</b>	<b>2,800,923</b>

The Statements of Financial Position are to be read in conjunction with the Notes to the Financial Statements set out on pages 105 - 147.



# Statements of Financial Position

## As at 31 December 2023

	Notes	Group		Company	
		2023	2022	2023	2022
			<i>Restated</i>		
		\$'000	\$'000	\$'000	\$'000
<b>Shareholders' Equity</b>					
Share Capital	17 (a)	226,093	226,093	226,093	226,093
Reserves	17 (b)	82,657	81,652	22,514	31,097
Accumulated Losses		(43,092)	(181,499)	(70,810)	(188,963)
<b>Total Shareholders' Equity</b>		<b>265,658</b>	<b>126,246</b>	<b>177,797</b>	<b>68,227</b>
<b>Non-Current Liabilities</b>					
Borrowings	19	539,463	487,394	539,463	487,394
Lease Liabilities - Owned Aircraft	13 (a)	23,187	98,737	23,187	98,737
Lease Liabilities - Right-of-Use Assets	13 (b) (ii)	1,262,712	944,925	1,262,712	944,925
Deferred Lease	13 (b) (ii)	7,912	10,758	7,912	10,758
Payable to Related Parties	11 (b)	-	-	618	615
Deferred Tax Liabilities	6 (c) (ii)	455,740	296,181	457,084	296,587
Employee Benefits	22	2,367	1,074	2,367	1,074
Provisions	23	27,621	18,620	27,621	18,620
<b>Total Non-Current Liabilities</b>		<b>2,319,002</b>	<b>1,857,689</b>	<b>2,320,964</b>	<b>1,858,710</b>
<b>Current Liabilities</b>					
Borrowings	19	34,406	74,404	34,406	74,404
Lease Liabilities - Owned Aircraft	13 (a)	74,331	83,796	74,331	83,796
Lease Liabilities - Right-of-Use Assets	13 (b) (ii)	152,160	115,769	152,160	115,769
Deferred Lease	13 (b) (ii)	2,713	27,317	2,713	27,317
Trade Creditors and Accrued Expenses	14	211,899	157,429	206,889	154,040
Revenue Received in Advance	15	383,462	399,128	383,462	399,128
Employee Benefits	22	27,840	11,338	26,677	10,651
Provisions	23	11,399	8,881	11,399	8,881
<b>Total Current Liabilities</b>		<b>898,210</b>	<b>878,062</b>	<b>892,037</b>	<b>873,986</b>
<b>Total Liabilities</b>		<b>3,217,212</b>	<b>2,735,751</b>	<b>3,213,001</b>	<b>2,732,696</b>
<b>Total Equity and Liabilities</b>		<b>3,482,870</b>	<b>2,861,997</b>	<b>3,390,798</b>	<b>2,800,923</b>

Signed in accordance with a resolution of the Board.

DIRECTOR



DIRECTOR



The Statements of Financial Position are to be read in conjunction with the Notes to the Financial Statements set out on pages 105 - 147.





## STATEMENTS OF CASH FLOWS

# Statements of Cash Flows

## For the Year Ended 31 December 2023

	Notes	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>					
Receipts in the Course of Operations		1,925,697	1,215,026	1,880,836	1,191,726
Payments in the Course of Operations		(1,595,734)	(928,508)	(1,548,627)	(911,875)
Income Taxes Refunded		-	600	-	600
<b>Net cash from operating activities</b>		<b>329,963</b>	<b>287,118</b>	<b>332,209</b>	<b>280,451</b>
<b>Cash flows from investing activities</b>					
Interest Received		9,900	1,068	9,900	1,068
Advance To - Fiji Airlines Pte Limited trading as Fiji Link		-	-	(9,130)	(4,040)
Payment of Aircraft Deposits		(8,132)	-	(8,132)	-
Dividend Received - Richmond Pte Limited		3,875	3,875	3,875	3,875
Investment in Richmond Pte Limited		(24,757)	-	(24,757)	-
Transfer of Funds to Term Deposits		(22,987)	(14,833)	(22,987)	(14,833)
Payments for Aircraft, Property, Plant & Equipment		(109,467)	(39,976)	(102,853)	(29,153)
Proceeds from Disposal of Property, Plant & Equipment		204	-	204	-
<b>Net cash used in investing activities</b>		<b>(151,364)</b>	<b>(49,866)</b>	<b>(153,880)</b>	<b>(43,083)</b>
<b>Cash flows from financing activities</b>					
Proceeds from Borrowings		90,000	100,000	90,000	100,000
Principal repayment of Borrowings		(78,051)	(73,046)	(78,051)	(73,046)
Principal repayment of Lease Liabilities - Owned Assets		(84,581)	(64,734)	(84,581)	(64,734)
Principal repayment of Lease Liabilities - Right-of-Use Assets		(130,268)	(114,105)	(130,268)	(114,105)
Interest paid - Borrowings		(28,952)	(27,025)	(28,952)	(27,025)
Interest paid - Owned assets		(4,828)	(7,173)	(4,828)	(7,173)
Interest paid - Right-of-use assets		(26,765)	(21,559)	(26,765)	(21,559)
Interest paid - Deferred lease		(1,771)	(1,837)	(1,771)	(1,837)
Proceeds from issue of shares		-	98,001	-	98,001
<b>Net cash used in financing activities</b>		<b>(265,216)</b>	<b>(111,478)</b>	<b>(265,216)</b>	<b>(111,478)</b>
Net (decrease) / increase in cash and cash equivalents		(86,617)	125,774	(86,887)	125,890
Cash and cash equivalents at the beginning of the financial year		303,162	177,388	302,835	176,945
<b>Cash and cash equivalents at the end of the financial year</b>	7	<b>216,545</b>	<b>303,162</b>	<b>215,948</b>	<b>302,835</b>

The Statements of Financial Position are to be read in conjunction with the Notes to the Financial Statements set out on pages 105 - 147





# NOTES TO THE FINANCIAL STATEMENTS



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 1 GENERAL INFORMATION

Air Pacific Limited (the “Company”) is a Company domiciled in Fiji. The address of the Company’s registered office is Air Pacific Maintenance & Administration Centre, Naisoso Road, Nadi, Fiji Islands. The consolidated financial statements of the Company for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in jointly controlled entities. The financial statements of the Group and the Company for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 6 May 2024.

The principal activities of the Group during the year were the provision of international and domestic air transportation and ancillary services, provision of cargo freight services, sale of holiday packages inclusive of air tickets, accommodation and hotel activities.

Fiji Airlines Pte Limited (trading as Fiji Link) and Pacific Call Comm Pte Limited are wholly owned subsidiaries of the Company.

The principal activity of Fiji Airlines Pte Limited (trading as Fiji link) is the provision of domestic air transport services, comprising of scheduled passenger, baggage, charter and cargo services within Fiji.

Pacific Call Comm Pte Limited does not carry on business and was set up as a special purpose vehicle to hold the Company’s 50% interest in Centrecom Pte Limited (formerly Pacific Centrecom (Fiji) Pte Limited). The principal activity of Centrecom Pte Limited were the provision of contact centre and back office processing services.

The Company has 50% interest in Richmond Pte Limited trading as Sofitel Fiji Resort and Spa. The principal activities of Richmond Pte Limited were the provision of hotel accommodation, food and beverage and other related services.

The Company has 50% interest in Vatu Talei Pte Limited. The principal activities of Vatu Talei Pte Limited during the reporting period has been the construction and development of the resort. The intended principal activities upon completion are provision of hotel accommodation, food and beverage and other related services.

### 2 BASIS OF PREPARATION

The Group and the Company’s financial statements have been prepared on a going concern basis and in accordance with the provisions of the Companies Act, 2015 and International Financial Reporting Standards (“IFRS”) adopted by the Fiji Institute of Accountants.

The Group and the Company’s financial statements have been prepared under historical cost basis, except where stated.

#### (a) Going Concern

The Directors consider the Group and the Company to be a going concern. The Directors believe that the basis of preparation of the financial statement is appropriate and the Group and the Company will be able to continue in operation for at least 12 months from the date of this report.

#### (b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2023 and not early adopted

A number of new standards and amendments to standards and interpretations are available for early adoption for annual periods beginning on or after 1 January 2023, and have not been applied in preparing these financial statements. None of these are expected to have a material impact on the Group and the Company.

##### (i) Amendment to IAS 1 – Non-current liabilities with covenants (effective from 1 January 2024)

The amendments aim to clarify the requirements on determining whether a liability is current or non-current and require new disclosures for non-current liabilities that are subject to future covenants.

##### (ii) Amendment to IFRS 16 – Leases on sale and leaseback (effective from 1 January 2024)

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

##### (iii) IFRS S1 - General requirements for disclosure of sustainability-related financial information (effective from 1 January 2024)

The standard sets out the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity’s value chain.

##### (iv) IFRS S2 - Climate-related disclosures (effective from 1 January 2024)

The standard sets out requirements for entities to disclose information about climate-related risks and opportunities.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities, unless stated otherwise.

#### (a) Basis of Consolidation

##### (i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statement of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. The accounting policies of subsidiaries have been changed, where necessary, to align them with the policies adopted by the Group.

##### (ii) Investment in jointly controlled entities (equity-accounted investees)

Investment in a jointly controlled entity is accounted for using the equity method (equity-accounted investees) and is initially recognised at cost. The cost of the investment includes transaction costs.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 16.

The Company recognises investment in joint controlled entity at cost.

##### (iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

#### (b) Foreign currency transactions

##### (i) Functional and presentation currency

The consolidated financial statements are presented in Fiji dollars, which is the Group's and the Company's functional and presentation currency, unless stated otherwise.

All financial information presented in Fiji dollars has been rounded to the nearest thousand dollars.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

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 profit or loss within 'finance income or costs'.

#### (c) Changes in significant accounting policies

##### Policy alignment of Revaluation Model for Associates and Joint Ventures

During the 2022 financial year, the Group adopted a policy change in the measurement method of land and buildings, transitioning from the Cost to the Revaluation model. IAS 28 Investments in Associates and Joint Ventures requires the Group to use uniform accounting policies for like transactions and other events in similar circumstances.

Subsequently during the 2023 financial year, the Group has applied revaluation model for land and building in the accounts of Richmond Pte Limited for the preparation of the Group's consolidated financial statements.

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group has restated the comparative figures for the prior period to align the measurement at the date of adoption of the Revaluation Model.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (c) Changes in significant accounting policies (continued)

Policy alignment of Revaluation Model for Associates and Joint Ventures (continued)

The following adjustments have been made to the Group comparative financial statements:

- a) The carrying amount of the Group's interest in joint ventures as previously reported has been adjusted to reflect the fair value of land and building at the date of Revaluation model transition (31 December 2022).

	31 December 2022
	\$'000
Fair value of Richmond's leasehold land and buildings as of 31 December 2022	220,000
Carrying amount of leasehold land and buildings in Richmond's financial statements	65,557
Gross increment	154,443
Less: 20% deferred tax impact	(30,889)
Net increment from Revaluation model	123,554
<b>Net increment attributable to the Group at 38.75% shareholding</b>	<b>47,873</b>

- b) Corresponding adjustments have been made to reflect the cumulative effect of this alignment in the comparative period.

The below table summarises the impacts on the Group's consolidated financial statements.

	2022 December As previously reported \$'000	Alignment \$'000	2022 December Restated \$'000
<b>Consolidated Statement of Financial Position (extract)</b>			
<b>Non-Current Assets</b>			
Investment in Jointly Controlled Entities	37,049	47,873	84,922
<b>Shareholders' Equity</b>			
Reserves	33,779	47,873	81,652

	2022 December As previously reported \$'000	Alignment \$'000	2022 December Restated \$'000
<b>Consolidated Statements of Other Comprehensive Income</b>			
<b>Other Comprehensive Income</b>			
Revaluation of land and buildings - Jointly Controlled Entity Owned (net of tax)	-	47,873	47,873

#### (d) Financial instruments

##### (i) Financial assets

Financial assets are classified and measured at amortised cost or Fair Value through Other Comprehensive Income (FVOCI).

A financial asset is measured at amortised cost if it meets both of the following conditions:

- 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.

Financial assets that are measured at amortised costs 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 profit or loss. Any gain or loss on derecognition is recognised in profit or loss.



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Financial instruments (continued)

##### (i) Financial assets (continued)

The Group and the Company recognises derivative financial instruments and hedging activities through FVOCI as described below.

##### Trade receivables

Trade receivables are initially recognised when they are originated. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

##### Cash & cash equivalents and Term Deposits

Cash and cash equivalents comprise cash balances, cash at call, short-term money market securities and term deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### Derivative financial instruments and hedging activities - FVOCI

The Group and the Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group and the Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The Group and the Company designates its hedging derivatives as cash flow hedge. A cash flow hedge is a hedge of the exposure to variability in cash flows associated with a recognised asset or liability or a highly probable forecast transaction that is attributable to a particular risk and could affect profit or loss. The Group and the Company's hedging instruments are fuel and foreign currency as described below.

##### *Fuel Hedge*

The Group and the Company use swaps, participating swaps, call options, collar options and swaptions on jet kerosene and brent crude to hedge USD price exposure on aviation fuel. The Group and the Company considers brent crude as a separately identifiable and measurable component of aviation fuel and considers long-term correlation between brent crude hedge instruments to jet kerosene. Hedging is conducted in accordance with the Company hedge policy and parameters with any hedging outside these parameters requiring Board approval. Fuel consumption is hedged as per below terms:

- Term 1 - mandatory for immediate 15 months, the approved volume is a minimum of 50% and a maximum of 75% of total expected exposures.
- Term 2 - for next 16 to 27 months, the approved volume is a minimum of 0% and a maximum of 25% of total expected exposure.

##### *Foreign Currency Hedge*

The Group and the Company use forward exchange contracts, participating swaps, call options and swaptions to hedge against extreme volatility in foreign currency payments. Hedging is conducted in accordance with the Company hedge policy and parameters with any hedging outside these parameters requiring Board approval. Foreign currency is hedged as per below terms:

- Term 1 - mandatory for immediate 15 months, the approved volume is a minimum of 50% and a maximum of 75% of total expected exposures.
- Term 2 - for next 16 to 27 months, the approved volume is a minimum of 0% and a maximum of 25% of total expected exposure.

##### *Hedging Reserve*

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedging contract matures.

The effective portion of changes in the fair value of derivatives is recognised in other comprehensive income and accumulated in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Financial instruments (continued)

##### (ii) Financial liabilities

Financial liabilities are classified and measured at amortised cost. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gains or loss on derecognition is also recognised in profit or loss.

##### Borrowings

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

##### Trade payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, if the effect of discounting is material.

##### (iii) Derecognition

##### Financial assets

The Group and 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.

##### Financial liabilities

The Group and the Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial asset or 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 profit or loss.

##### (iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and 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.

#### (e) Capital and other reserves

##### Ordinary shares

Ordinary shares are classified as equity at the nominal (par) value of shares that have been issued.

##### Asset revaluation reserve

Asset revaluation reserve comprises of the fair value gains (losses) arising from the revaluation of land and buildings through other comprehensive income.

##### Hedging reserve

The hedging reserve comprises of the effective portion of the cumulative net change in the fair value of cash flow hedging instruments and the cumulative change in fair value arising from the time value of options related to future forecast transactions.

##### Retained earnings

Retained earnings includes all current and prior period retained profits (losses) for the Group and Company.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (f) Aircraft, Property, Plant and Equipment

##### (i) Recognition and measurement

##### Aircraft, property, plant and equipment

Aircraft, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the parts and restoring the site on which they are located and capitalised borrowing costs. Borrowing costs associated with the acquisition of qualifying assets such as aircraft and the acquisition are capitalised as part of the cost of the asset to which they relate. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When aircraft, property, plant and equipment have different useful lives, they are accounted for as separate components of aircraft, property, plant and equipment.

The gain or loss on disposal of aircraft, property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the aircraft, property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

##### Land and building

Land and buildings are measured and recognised with reference to its fair value as at that date. Revalued amounts are fair values based on appraisals prepared by external professional valuers once every three years or more frequently if market factors indicate a material change in fair value. Any revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income.

Downward revaluations of land and building are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

##### (ii) Subsequent costs

The cost of replacing a component of aircraft property, plant and equipment is recognised in the carrying amount of the aircraft property, plant and equipment if it is probable that the future economic benefits embodied within the component will flow to the Group and the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of aircraft, property, plant and equipment are recognised in profit or loss as incurred.

##### (iii) Revaluation and Depreciation

Land and buildings are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus is credited to the Asset Revaluation Reserve in shareholders' equity. All other property, plant and equipment is recognised at historical cost less depreciation.

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of aircraft, property, plant and equipment or the lease term, whichever is shorter.

The principal asset depreciation periods and estimated residual value percentages are:

##### Aircraft and Spares:

- Aircraft and spares : 20 years. Residual value being 10% of cost
- Maintenance and overhaul : Period to next scheduled maintenance

##### Others:

- Plant and equipment : 10 years
- Motor vehicles : 4 years
- Buildings : 40 years
- Computer and communication : 4 years
- Simulators and related software : 20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (g) Leases

##### (i) As a lessee

As a lessee, the Group and the Company leases aircraft, land, office spaces and aircraft engines. The Group and 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 and plus any initial direct costs incurred and estimate of costs to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement 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, and the Group and the Company's incremental borrowing rate. The interest rate used are as follows:

- Aircraft	: 1.68% to 2.76%
- Land	: 4.50%
- Office spaces	: 4.50%
- Aircraft engine	: 1.68%

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

- fixed payments, including in-substance fixed payments;
- amounts expected to be payable under a residual value guarantee; and
- lease payments in an optional renewal period if the Group and the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group and 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 Group and the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Group and the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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 Group and the Company presents right-of-use assets and lease liabilities separately in the statement of financial position.

##### (ii) As a lessor

When the Group and 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 Group and 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 Group and the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group and the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately.

The Group and the Company recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of "other revenue".

For the 2023 financial period, three (3) ATR and four (4) DHC aircraft have been leased by the Company to its subsidiary, Fiji Airlines Pte Limited trading as Fiji Link.

#### (h) Inventories

Inventories include mainly engineering expendables and consumable stores measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (i) Impairment

##### (i) Non-derivative financial assets

At each reporting date, the Group and the Company assesses whether financial assets carried at amortised cost are credit impaired in accordance with IFRS 9 *Financial Instruments*. The Group and the Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Group and the Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured at 12-month ECL (for which the credit risk has not changed significantly since initial recognition):

- cash and cash equivalents;
- trade and other receivables; and
- receivable from related parties.

This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

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 Group and the Company is exposed to credit risk. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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.

##### (ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (j) Employee benefits

##### (i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

##### (ii) Fiji National Provident Fund (FNPF)

Contributions to FNPF are recognised as an employee benefit expense in the periods they are incurred.

##### (iii) Profit-sharing and management incentive plans (MIP)

The Group operates an annual incentive program that consists of two key components: a Profit Sharing Scheme for non-management employees and a Management Incentive Plan (MIP) for management personnel.

The payment of these incentives is evaluated after the conclusion of the fiscal year and depends on the achievement of the Corporate target for Underlying Profit Before Tax (PBT), as outlined in the annual Budgeted PBT.

The program is subject to audit by the Group's external auditors and is approved by the Board. The Group recognizes a liability and an expense for profit-sharing and management incentives.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (j) Employee benefits (continued)

##### (iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

Outstanding annual leave and long service liabilities due to employees at balance date are brought to account based on current legal and contractual obligations. Provision is made for the future expected retirement based on current contractual obligations.

#### (k) Provisions

Where a commitment exists to maintain aircraft held under lease arrangements, a provision is made for the future expected cost of major airframe and engineering overhauls equal to the expected cost per flight hour of such overhauls in respect of flight hours since acquisition or the previous overhaul.

For owned aircraft, costs incurred in respect of heavy maintenance and overhaul of aircraft engines and airframes are capitalised and depreciated over the period to the next scheduled maintenance.

#### (l) Finance Income & Expenses

Finance income & expenses comprise interest income on funds invested, interest on borrowings and lease liabilities and foreign exchange gains and losses.

#### (m) Revenue

Passenger (including excess baggage) and cargo sales are recognised as revenue when each performance obligation for the transportation service is fulfilled and is presented net of discounts and taxes. The transaction price is allocated to each performance obligation based on the relative stand-alone selling price related to each performance obligation. Revenue documents (e.g. tickets or airway bills) sold but unused are held in the consolidated statement of financial position under current liabilities as passenger and cargo sales in advance within 'Revenue Received in Advance'.

Where the Group and the Company acts as an agent between the service provider and the end customer, the net commission is recognised as revenue on satisfaction of the performance obligation (which typically is the date of sale).

Unused tickets are recognised as revenue using estimates based on the terms and conditions of the ticket, experience, historical and expected future trends. The assumptions for the revenue writeback are reviewed annually and aligned to the latest market conditions and trends.

The Company leases out its ATR 42, ATR 72 and DHC aircraft to Fiji Link. Sublease revenue is booked in accordance with IFRS 16 Leases.

The Group and the Company records subsidy for services provided to Christmas Island, Koro Island, Cicia, Rotuma, Lakeba, Kadavu and Vanua Balavu in accordance with IAS 20.

#### (n) Income tax

Income tax expense / benefit comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Critical accounting estimates and judgements

Estimates and judgements 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. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### (a) Measurement of fair values

The fair value of financial instruments are determined by external, independent valuers, having the appropriate recognised professional qualifications and recent experience in the location and category of the assets being valued. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the IFRS 13 *Fair Value Measurement*. When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- *Level 1* : The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.
- *Level 2* : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
- *Level 3* : If one or more of the significant inputs is not based on observable market data (unobservable inputs), the instrument is included in Level 3.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group and Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Measurement of fair values are recognised for the following instruments:

- Fair value of land and buildings (refer Note 12 (a) (i));
- Fair value of owned aircraft (refer Note 12 (b) (i)); and
- Hedging instruments (refer Note 17 (b) (i)).

##### (b) Depreciation

On acquiring an asset, management determines the most reasonable length of time it expects the Group and the Company to maintain that asset with reference to characteristics of similar assets or classes of assets presently held by the Group and the Company or in the past. Where there is no reference available to assets or classes of assets held at present or in the past, reference is made to industry benchmarks. Each year management assess the carrying value of assets to determine whether they are impaired.

Appropriate revisions to the policies are made, if necessary, or any significant impairment losses are accounted for in the financial statements as a corrective measure. Appropriate disclosure would normally follow.

##### (c) Restoration cost on leased aircraft

The Group and the Company record restoration costs for lease aircraft in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Restoration of the aircraft are expected at the expiry of the lease period. An estimate is made on the restoration cost to be incurred at the end of the lease period. Management determine the restoration costs with reference to the conditions as per the lease agreements and the costs incurred for restoration costs for similar aircraft in the past. Each year, management reassess the restoration costs required to be build-up.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.1 Critical accounting estimates and judgements (continued)

(d) Provisions and Accruals

Provisions and accruals are measured at management's best estimates an expenditure to be incurred to settle a present obligation at balance date. Market situations are often used to estimate provisions. Changes in market situations will create a difference between provisions with the recorded figures. Whilst the fact remains that uncertain issues such as legal and bad debts exist, management as a benchmark makes adequate provisions based on past record and the foreseeable future. The provisions and accruals are aligned once the final outcome is known.

(e) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(f) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised.

(g) Determination of incremental borrowing rate

On recognition of operating leases, liabilities are measured at the present value of the remaining lease payments and restoration costs, discounted at the Group and the Company's incremental borrowing rate as the recognition date and dependent on the lease period.

The Group and Company determines the incremental borrowing rate by obtaining the basic rate of interest for lending reflecting the term and the nature of the asset being leased.

### 4 DETERMINATION OF FAIR VALUES

Where applicable, further information about the measurement and assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>5 FINANCE COST</b>				
(a) Finance Income				
Interest Income				
Related Parties				
- Fiji Airlines Pte Limited trading as Fiji Link (controlled entity)	-	-	909	658
Other Parties	11,726	3,188	11,724	3,184
Unrealised Exchange Gains	20,905	-	20,860	-
Forex Hedge Exchange Gains	8,668	14,314	8,668	14,314
<b>Total Finance Income</b>	<b>41,299</b>	<b>17,502</b>	<b>42,161</b>	<b>18,156</b>

Accruals of \$2.5m (2022: \$1.1m) is recorded in interest income from other parties.

### (b) Finance Cost

Interest Expense - Borrowings, Owned Aircraft Leases and Deferred Leases	(34,786)	(36,945)	(34,786)	(36,945)
Interest Expense - Lease Liabilities	(26,765)	(21,558)	(26,765)	(21,558)
Prepaid Finance Cost Amortisation	(12,606)	(12,606)	(12,606)	(12,606)
Unrealised Exchange Losses	-	(63,973)	-	(63,864)
Net Realised Exchange Losses	(6,921)	(7,581)	(6,923)	(7,585)
Forex Hedge Premium Cost	(15,560)	(7,911)	(15,560)	(7,911)
<b>Total Finance Cost</b>	<b>(96,638)</b>	<b>(150,574)</b>	<b>(96,640)</b>	<b>(150,469)</b>

## 6 INCOME TAX

### (a) Income tax expense recognised in the Statements of Profit or Loss

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current tax expense	-	-	-	-
Deferred tax benefit	(2,990)	(33,324)	(1,742)	(30,669)
	<b>(2,990)</b>	<b>(33,324)</b>	<b>(1,742)</b>	<b>(30,669)</b>

### Reconciliation of effective tax rate

Profit / (Loss) before income tax	131,831	(164,265)	112,935	(157,322)
Prima facie income tax expense / (benefit) at 25% (2022: 20%)	32,958	(32,853)	28,234	(31,464)
Impact of equity accounted profit	(3,695)	(1,337)	-	-
Net allowable deductions and allowances	(1,343)	(1,847)	(1,327)	(1,827)
(Under) / over provision in prior years - deferred tax	(927)	2,711	(900)	2,622
Effect of change in tax rate	(29,986)	-	(27,749)	-
Tax losses not brought to account	3	2	-	-
	<b>(2,990)</b>	<b>(33,324)</b>	<b>(1,742)</b>	<b>(30,669)</b>

Following amendments to the income tax regulations in effect from 1 August 2023, the corporate income tax rate has increased from 20% to 25%. The new tax rate is effective for the financial year beginning 1 January 2023. The change in tax rates has resulted in a gain of \$30.0m related to the remeasurement of deferred tax assets and liabilities recognised.



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 6 INCOME TAX (continued)

#### (b) Income tax expense recognised in the Other Comprehensive Income

	2023			2022		
	\$'000			\$'000		
Group	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Items that are or may be reclassified subsequently to profit or loss						
Cash flow hedges: Effective portion of changes in fair value	(13,481)	3,951	(9,530)	(11,606)	2,321	(9,285)
Items that will not be reclassified to profit or loss						
Revaluation of land and buildings - Company and Subsidiary Owned	9,674	(5,110)	4,564	53,830	(10,766)	43,064
Company						
Items that are or may be reclassified subsequently to profit or loss						
Cash flow hedges: Effective portion of changes in fair value	(13,481)	3,951	(9,530)	(11,606)	2,321	(9,285)
Items that will not be reclassified to profit or loss						
Revaluation of land and buildings - Company and Subsidiary Owned	9,262	(4,839)	4,423	50,477	(10,095)	40,382

#### (c) Deferred tax

##### (i) Recognised Deferred Tax Assets

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Employee Benefits	4,302	2,482	4,011	2,345
Allowance for Uncollectability	371	297	342	273
Provisions - Aircraft	9,755	1,475	9,755	1,475
Provisions - Obsolete Spares	792	575	759	549
Unrealised Exchange Loss	-	2,634	-	2,606
Lease liability	353,721	212,288	353,721	212,288
Tax losses carried forward	192,929	184,082	185,397	176,456
Derivatives	6,272	2,321	6,272	2,321
Liabilities greater than 365 days	-	598	-	593
	568,142	406,752	560,257	398,906

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 6 INCOME TAX (continued)

#### (c) Deferred tax (continued)

#### (ii) Recognised Deferred Tax Liabilities

Aircraft, Property, Plant &amp; Equipment

Right-of-use assets

Asset Revaluation Reserve

Unrealised Exchange Gain

#### Net Deferred Tax Asset

Group		Company	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
(106,376)	(90,890)	(108,625)	(91,967)
(334,481)	(194,525)	(334,481)	(194,525)
(14,681)	(10,766)	(13,776)	(10,095)
(202)	-	(202)	-
(455,740)	(296,181)	(457,084)	(296,587)
112,402	110,571	103,173	102,319

#### (iii) Movement in temporary difference during the year

#### Group

Employee Benefits

Allowance for Uncollectability

Provisions - Aircraft

Provisions - Obsolete Spares

Unrealised Exchange Loss / (Gain)

Lease liability

Tax losses carried forward

Derivatives

Liabilities greater than 365 days

Aircraft, Property, Plant &amp; Equipment

Right-of-Use Assets

Asset Revaluation Reserve

Balance 2022	Recognised in Profit or Loss	Recognised in OCI	Balance 2023
\$'000	\$'000	\$'000	\$'000
2,482	1,820	-	4,302
297	74	-	371
1,475	8,280	-	9,755
575	217	-	792
2,634	(2,836)	-	(202)
212,288	141,433	-	353,721
184,082	8,847	-	192,929
2,321	-	3,951	6,272
598	(598)	-	-
(90,890)	(15,486)	-	(106,376)
(194,525)	(139,956)	-	(334,481)
(10,766)	1,195	(5,110)	(14,681)
110,571	2,990	(1,159)	112,402

## Notes to the Financial Statements

### For the Year Ended 31 December 2023

#### 6 INCOME TAX (continued)

##### (c) Deferred tax (continued)

##### (iii) Movement in temporary difference during the year (continued)

	Balance 2021	Recognised in Profit or Loss	Recognised in OCI	Balance 2022
Group	\$'000	\$'000	\$'000	\$'000
Employee Benefits	1,702	780	-	2,482
Allowance for Uncollectability	299	(2)	-	297
Provisions - Aircraft	1,313	162	-	1,475
Provisions - Obsolete Spares	766	(191)	-	575
Unrealised Exchange Loss	2,526	108	-	2,634
Lease liability	229,177	(16,889)	-	212,288
Tax losses carried forward	162,317	21,765	-	184,082
Derivatives	-	-	2,321	2,321
Liabilities greater than 365 days	628	(30)	-	598
Aircraft, Property, Plant & Equipment	(94,749)	3,859	-	(90,890)
Right-of-Use Assets	(218,287)	23,762	-	(194,525)
Asset Revaluation Reserve	-	-	(10,766)	(10,766)
	85,692	33,324	(8,445)	110,571

	Balance 2022	Recognised in Profit or Loss	Recognised in OCI	Balance 2023
Company	\$'000	\$'000	\$'000	\$'000
Employee Benefits	2,345	1,666	-	4,011
Allowance for Uncollectability	273	69	-	342
Provisions- Aircraft	1,475	8,280	-	9,755
Provisions- Obsolete Spares	549	210	-	759
Unrealised Exchange Loss / (Gain)	2,606	(2,808)	-	(202)
Lease liability	212,288	141,433	-	353,721
Tax losses carried forward	176,456	8,941	-	185,397
Derivatives	2,321	-	3,951	6,272
Liabilities greater than 365 days	593	(593)	-	-
Aircraft, Property, Plant & Equipment	(91,967)	(16,658)	-	(108,625)
Right-of-Use Assets	(194,525)	(139,956)	-	(334,481)
Asset Revaluation Reserve	(10,095)	1,158	(4,839)	(13,776)
	102,319	1,742	(888)	103,173



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 6 INCOME TAX (continued)

#### (c) Deferred tax (continued)

#### (iii) Movement in temporary difference during the year (continued)

Company	Balance 2021 \$'000	Recognised in Profit or Loss \$'000	Recognised in OCI \$'000	Balance 2022 \$'000
Employee Benefits	1,618	727	-	2,345
Allowance for Uncollectability	284	(11)	-	273
Provisions- Aircraft	1,313	162	-	1,475
Provisions- Obsolete Spares	730	(181)	-	549
Unrealised Exchange Loss	2,526	80	-	2,606
Lease liability	229,177	(16,889)	-	212,288
Tax losses carried forward	156,808	19,648	-	176,456
Derivatives	-	-	2,321	2,321
Liabilities greater than 365 days	616	(23)	-	593
Aircraft, Property, Plant & Equipment	(95,360)	3,393	-	(91,967)
Right-of-Use Assets	(218,287)	23,762	-	(194,525)
Asset Revaluation Reserve	-	-	(10,095)	(10,095)
	79,425	30,668	(7,774)	102,319

#### (d) Income tax refund

Balance at 1 January	
Withholding tax deducted at source	
Tax refunded	
Credits transferred to operational tax account	
Balance at 31 December	

Group		Company	
2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
1,277	2,657	1,226	2,606
356	220	356	220
-	(600)	-	(600)
(1,348)	(1,000)	(1,348)	(1,000)
285	1,277	234	1,226

### 7 CASH AND SHORT TERM DEPOSITS

Cash and cash equivalents	
Term deposits	

Group		Company	
2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
216,545	303,162	215,948	302,835
95,240	72,741	95,240	72,741
311,785	375,903	311,188	375,576

Cash and cash equivalents comprise cash balances, cash at call and term deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Short term deposits have been classified as part of cash and cash equivalents as these deposits are held for meeting short-term cash commitments.

Term deposits are provided as security for Standby Letters of Credit (SBL) issued to third parties under the terms of certain operational agreements. The collateral cannot be sold or repledged in the absence of default by the Group.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 8 DERIVATIVES

#### Assets

Fuel options premiums (Note 17 (b) (i))

Foreign currency option premium (Note 17 (b) (i))

#### Total derivative financial instrument assets

Group		Company	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
7,485	6,231	7,485	6,231
4,966	5,447	4,966	5,447
12,451	11,678	12,451	11,678

### 9 TRADE & OTHER RECEIVABLES

#### Trade Receivables

Trade Receivables

Prepaid Finance Cost

Prepayments

Other Receivables

Less : Allowance for impairment

#### Trade and other receivables

#### Represented by:

Current

Non-current

Group		Company	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
70,421	64,491	69,109	63,562
65,448	78,506	65,448	78,506
45,022	25,197	44,978	25,194
55,086	45,290	54,711	44,893
(1,485)	(1,485)	(1,367)	(1,367)
234,492	211,999	232,879	210,788
180,517	146,585	178,904	145,374
53,975	65,414	53,975	65,414
234,492	211,999	232,879	210,788

The trade and other receivables are stated at amortised cost.

Other receivables primarily comprise of tax-related receivables, hotel floats and deposits, unused goods and services incentive credits, insurance claims and accrued interest income.

Prepaid Finance Cost includes prepaid Government guarantee fee of \$63.8m (2022: \$76.4m). Non-current receivables relates to the prepaid finance cost not due to be amortised within the next 12 months after the reporting date.

The ageing analysis of trade receivables is as follows:

Up to 3 months

3 to 6 months

6 months and over

Group		Company	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
64,722	63,147	63,716	62,392
4,196	632	4,027	458
1,503	712	1,366	712
70,421	64,491	69,109	63,562

Movement in the allowance for impairment of trade and other receivables is as follows:

Balance at the beginning of financial year

Measurement of impairment loss allowance

Balance at the end of financial year

1,485	1,497	1,367	1,420
-	(12)	-	(53)
1,485	1,485	1,367	1,367

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>10 INVENTORIES</b>				
Inflight stock	1,467	1,533	1,467	1,533
General stock	726	445	726	445
Engineering spares	58,999	52,814	49,076	43,387
	61,192	54,792	51,269	45,365
Less: Provision for stock obsolescence	(2,286)	(2,034)	(2,170)	(1,919)
	58,906	52,758	49,099	43,446

The cost of inventories utilised is recognised as an expense in profit or loss amounted to \$3.9 million (2022: \$3.8 million) for the Group and \$2.8 million (2022: \$2.8 million) for the Company.

Movement in the provision for stock obsolescence is as follows:

Balance at the beginning of financial year	2,034	3,830	1,919	3,651
Provisions made during the year	252	-	251	-
Reversal of inventory obsolescence	-	(1,796)	-	(1,732)
Balance at the end of financial year	2,286	2,034	2,170	1,919

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>11 ADVANCE TO RELATED PARTIES</b>				
<b>(a) Receivable from related parties</b>				
- Fiji Airlines Pte Limited trading as Fiji Link	-	-	49,635	40,289
- Pacific Call Comm Pte Limited	-	-	119	92
Total Advances to Related Parties	-	-	49,754	40,381

Interest is paid/charged on the balance of the advance at the rate of 2% (2022: 2%).

<b>(b) Payable to related parties</b>				
- Pacific Call Comm Pte Limited	-	-	618	615

Interest is paid/charged on the balance of the advance at the rate of 1% (2022:1%)



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 12 AIRCRAFT, PROPERTY, PLANT & EQUIPMENT

Group	Aircraft Owned \$'000	Aircraft Maintenance & Overhaul C-check \$'000	Aircraft spares \$'000	Plant, Equipment & Vehicles \$'000	Land & Buildings \$'000	Work in progress \$'000	Total \$'000
<b>At 1 January 2022</b>							
Cost	795,787	25,734	66,482	112,673	68,688	11,033	1,080,397
Accumulated depreciation	(280,181)	(15,734)	(22,231)	(48,504)	(16,719)	-	(383,369)
Net book amount	515,606	10,000	44,251	64,169	51,969	11,033	697,028
<b>At 31 December 2022</b>							
Opening net book amount	515,606	10,000	44,251	64,169	51,969	11,033	697,028
Additions	-	3,093	1,902	-	-	39,676	44,671
Disposals	-	-	(447)	(118)	-	-	(565)
Transfer from Work in Progress	304	1,317	-	7,837	2,533	(11,991)	-
Depreciation and amortisation	(37,691)	(5,877)	(3,809)	(8,621)	(1,741)	-	(57,739)
Impairment reversal	-	-	(840)	-	-	-	(840)
Revaluation	-	-	-	-	53,830	-	53,830
Closing net book amount	478,219	8,533	41,057	63,267	106,591	38,718	736,385
<b>At 31 December 2022</b>							
Cost / Valuation	796,091	30,144	67,937	120,392	106,784	38,718	1,160,066
Accumulated depreciation	(317,872)	(21,611)	(26,880)	(57,125)	(193)	-	(423,681)
Net book amount	478,219	8,533	41,057	63,267	106,591	38,718	736,385
<b>At 31 December 2023</b>							
Opening net book amount	478,219	8,533	41,057	63,267	106,591	38,718	736,385
Additions	-	16,469	4,645	-	-	108,767	129,881
Disposals	-	-	(208)	(50)	-	-	(258)
Transfer from Work in Progress	-	18,212	4,641	13,733	-	(36,586)	-
Depreciation and amortisation	(37,511)	(8,663)	(3,716)	(10,864)	(6,333)	-	(67,087)
Revaluation	-	-	-	-	9,675	-	9,675
Closing net book amount	440,708	34,551	46,419	66,086	109,933	110,899	808,596
<b>At 31 December 2023</b>							
Cost / Valuation	796,091	64,825	77,015	134,075	110,134	110,899	1,293,039
Accumulated depreciation	(355,383)	(30,274)	(30,596)	(67,989)	(201)	-	(484,443)
Net book amount	440,708	34,551	46,419	66,086	109,933	110,899	808,596

#### Land and Buildings at Cost

Carrying amounts that would have been recognised by the Group if land and buildings were stated at cost as at 31 December 2023 was as follows:

	Land \$'000	Buildings \$'000	Total \$'000
Cost	15,581	55,640	71,221
Accumulated depreciation	(976)	(19,037)	(20,013)
Net book amount	14,605	36,603	51,208

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 12 AIRCRAFT, PROPERTY, PLANT & EQUIPMENT (continued)

Company	Aircraft Owned \$'000	Aircraft Maintenance & Overhaul C-check \$'000	Aircraft Spares \$'000	Plant Equipment & Vehicles \$'000	Land & Buildings \$'000	Work in progress \$'000	Total \$'000
<b>At 1 January 2022</b>							
Cost	795,786	12,926	57,159	110,823	68,031	10,923	1,055,648
Accumulated depreciation	(280,180)	(7,255)	(14,751)	(47,514)	(16,475)	-	(366,175)
Net book amount	515,606	5,671	42,408	63,309	51,556	10,923	689,473
<b>At 31 December 2022</b>							
Opening net book amount	515,606	5,671	42,408	63,309	51,556	10,923	689,473
Additions	-	209	1,630	-	-	30,656	32,495
Disposals	-	-	(265)	(118)	-	-	(383)
Transfer from Work in Progress	304	1,317	-	7,837	2,533	(11,991)	-
Depreciation and amortisation	(37,691)	(2,598)	(2,332)	(8,457)	(1,725)	-	(52,803)
Impairment reversal	-	-	(825)	-	-	-	(825)
Revaluation	-	-	-	-	50,477	-	50,477
Closing net book amount	478,219	4,599	40,616	62,571	102,841	29,588	718,434
<b>At 31 December 2022</b>							
Cost / Valuation	796,090	14,452	58,524	118,542	103,034	29,588	1,120,230
Accumulated depreciation	(317,871)	(9,853)	(17,908)	(55,971)	(193)	-	(401,796)
Net book amount	478,219	4,599	40,616	62,571	102,841	29,588	718,434
<b>At 31 December 2023</b>							
Opening net book amount	478,219	4,599	40,616	62,571	102,841	29,588	718,434
Additions	-	5,406	916	-	-	103,112	109,434
Disposals	-	-	(176)	(50)	-	-	(226)
Transfer from Work in Progress	-	11,247	4,641	13,733	-	(29,621)	-
Depreciation and amortisation	(37,511)	(4,510)	(2,198)	(10,700)	(6,170)	-	(61,089)
Revaluation	-	-	-	-	9,262	-	9,262
Closing net book amount	440,708	16,742	43,799	65,554	105,933	103,079	775,815
<b>At 31 December 2023</b>							
Cost / Valuation	796,090	31,105	63,905	132,225	106,134	103,079	1,232,538
Accumulated depreciation	(355,382)	(14,363)	(20,106)	(66,671)	(201)	-	(456,723)
Net book amount	440,708	16,742	43,799	65,554	105,933	103,079	775,815

#### Land and Buildings at Cost

Carrying amounts that would have been recognised by the Company if land and buildings were stated at cost as at 31 December 2023 was as follows:

	Land \$'000	Buildings \$'000	Total \$'000
Cost	15,581	54,983	70,564
Accumulated depreciation	(976)	(18,760)	(19,736)
Net book amount	14,605	36,223	50,828

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 12 AIRCRAFT, PROPERTY, PLANT & EQUIPMENT (continued)

#### (a) Measurement of Fair Values - Land and Buildings

##### i. Fair value hierarchy

The fair value of land and buildings was determined by external, independent property valuers, having the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

Land and buildings measured at fair value are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of land and buildings measured at fair value:

Group	Level 1	Level 2	Level 3	Total
31 December 2023	\$'000	\$'000	\$'000	\$'000
Leasehold land	-	24,935	-	24,935
Buildings	-	-	84,885	84,885
	-	24,935	84,885	109,820
31 December 2022				
Leasehold land	-	24,165	-	24,165
Buildings	-	-	82,305	82,305
	-	24,165	82,305	106,470
Company	Level 1	Level 2	Level 3	Total
31 December 2023	\$'000	\$'000	\$'000	\$'000
Leasehold land	-	24,935	-	24,935
Buildings	-	-	80,885	80,885
	-	24,935	80,885	105,820
31 December 2022				
Leasehold land	-	24,165	-	24,165
Buildings	-	-	78,555	78,555
	-	24,165	78,555	102,720

#### Land

The valuation was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the land in question, including plot size, location, encumbrances and current use. The land was revalued on 8 December 2023.

The significant input is the adjustment for factors specific to the land valued. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 12 AIRCRAFT, PROPERTY, PLANT & EQUIPMENT (continued)

#### (a) Measurement of Fair Values - Land and Buildings (continued)

##### i. Fair value hierarchy (continued)

###### Buildings

The fair values of the office buildings are estimated using replacement cost approach which reflects the amount that would be required currently to replace the service capacity of the buildings, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

The most significant inputs, which is unobservable, are the estimated building cost rate per square meter. The extent and direction of this adjustment depends on the effective market conditions for construction and building materials. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

##### ii. Valuation techniques and significant unobservable inputs

Building	Significant unobservable input	Inter-relationship between key unobservable inputs and fair value measurement
Fiji Airways Aviation Academy	<ul style="list-style-type: none"> <li>Estimated building cost rate per square meter:               <ul style="list-style-type: none"> <li>- main building structures: \$8,300 - \$10,300</li> <li>- detached building structures: \$2,800 - \$3,300</li> </ul> </li> <li>Professional fees: 8% of estimated costs</li> <li>Depreciation: 2%</li> </ul>	The estimated fair value would increase / (decrease) if: <ul style="list-style-type: none"> <li>- replacement per square meter are higher / (lower)</li> <li>- professional fees percentage was higher / (lower)</li> <li>- depreciation rates was higher / (lower)</li> </ul>
Fiji Airways Hangar	<ul style="list-style-type: none"> <li>Estimated building cost rate per square meter:               <ul style="list-style-type: none"> <li>- open hangar structure: \$4,800</li> <li>- main building structures: \$1,500 - \$2,200</li> <li>- attached building structures: \$470</li> </ul> </li> <li>Professional fees: 5% of estimated costs</li> <li>Depreciation: 20% - 40%</li> </ul>	The estimated fair value would increase / (decrease) if: <ul style="list-style-type: none"> <li>- replacement per square meter are higher / (lower)</li> <li>- professional fees percentage was higher / (lower)</li> <li>- depreciation rates was higher / (lower)</li> </ul>
Fiji Link Hangar	<ul style="list-style-type: none"> <li>Estimated building cost rate per square meter:               <ul style="list-style-type: none"> <li>- open hangar structure: \$3,300</li> <li>- main building structures: \$2,200 - \$2,900</li> <li>- attached building structures: \$600</li> </ul> </li> <li>Professional fees: 5% of estimated costs</li> <li>Depreciation: 20% - 25%</li> </ul>	The estimated fair value would increase / (decrease) if: <ul style="list-style-type: none"> <li>- replacement per square meter are higher / (lower)</li> <li>- professional fees percentage was higher / (lower)</li> <li>- depreciation rates was higher / (lower)</li> </ul>

##### (b) Impairment Testing of Cash Generating Units

IAS 36 Impairment of Assets requires the assessment at the end of each reporting period as to whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset where possible, otherwise, the recoverable amount of the CGU to which the asset belongs shall be determined.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 12 AIRCRAFT, PROPERTY, PLANT & EQUIPMENT (continued)

#### (b) Impairment Testing of Cash Generating Units (continued)

Value in use (VIU) is the present value of the future cash inflows expected to be derived from an asset or CGU.

Fair value less costs of disposal (FVLCD) is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, less the incremental costs directly attributed to disposal.

Where the carrying value of the asset exceeds its recoverable amount, the carrying amount of the asset is reduced to its recoverable amount through the recognition of an impairment loss.

Management has assessed that there are indicators of impairment of the Group's CGUs and has undertaken the following:

- Confirmed the identification of the Group's CGU; and
- Completed an impairment test of the Group's CGUs.

#### i. Identification of CGUs

The identification of an asset's CGU is a critical judgement in performing an impairment test. CGUs are the lowest identifiable group of assets that generate largely independent cash inflows and are determined based on how performance is monitored and how decisions to acquire and dispose of the Group's assets and operations are made.

The recoverable amount of the owned aircraft was determined using a fair value less costs of disposal model. The fair value less costs of disposal was estimated based on valuations provided by external and independent aircraft valuer (AVITAS). Key inputs into the external valuations include economic factors, the age and manufacture type of the aircraft and engines, the maintenance condition of the aircraft and list prices of manufacturers.

#### Aircraft Fair Values

An extended desktop valuation was used to determine the fair value of the aircraft as at 31 December 2023. The fair values of aircraft tend to fluctuate from year to year. As at 31 December 2023 there are net (deficits) / surpluses between carrying amount and average fair values.

	A330-200		ATR 42 / 72		Twin Otter	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Aircraft Valuation - USD	72,800	61,000	18,200	17,800	22,100	20,610
Aircraft Valuation - FJD	159,694	135,481	39,924	39,534	48,479	45,775
Carrying Amount - FJD	341,970	357,102	49,139	44,279	49,292	42,187
<b>Deficit</b>	<b>(182,276)</b>	<b>(221,621)</b>	<b>(9,216)</b>	<b>(4,745)</b>	<b>(813)</b>	<b>3,588</b>

The net book amount of the A330-200, ATR 42 and ATR 72 fleet as at 31 December 2023 includes the costs associated with bringing the aircraft into service in addition to the cost of the aircraft, cost of maintenance checks, less a depreciation charge.

Whilst the carrying amount exceeds the independent assessment of the fair value of the aircraft themselves, this deficit is offset by the Value In Use (VIU) assessment of the Group. The carrying value of the aircraft are tested for impairment as part of the Group's Cash Generating Unit (CGU), using a Value In Use discounted cash flow model.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 12 AIRCRAFT, PROPERTY, PLANT & EQUIPMENT (continued)

#### (b) Impairment Testing of Cash Generating Units (continued)

##### ii. Impairment Assessment based on Value In Use

The impairment test for CGUs includes the allocation of assets to identified CGUs and the determination of the recoverable amount of the CGU based on its value in use. The Group has assessed the Group as a single CGU, incorporating corporate assets for the 2023 financial year.

With the Group's assets being identified as a single CGU, any impairment risk of the Group's fleet will no longer be assessed with reference to the fair value less costs of disposal of the individual assets, but rather based on the Value In Use of the assets within the CGU.

The impairment test for CGUs includes the determination of the recoverable amount of the CGU. Outlined below are the significant assumptions applied in the determination of recoverable amount.

Significant Assumption	Basis for Assumption
Recoverable amount of CGU	The recoverable amounts of CGU was determined based on their Value in Use (VIU). The VIU was determined by discounting the future cash flows forecast in the Financial Model.
Period of cash flows forecast	<p>The Group's Financial Model is a 7-year forecast model until 31 December 2030, updated for the latest market conditions.</p> <p>The 7th year of the Financial Model has been used for the determination of forecast of the remaining periods not included in the Financial Model. Given the uncertainty of the impact of future operational growth, the Group has conservatively adjusted the cash flow forecast under the Financial Model for these uncertainties rather than adjusting the discount rate.</p>
Discount rate	A post tax discount rate of 11.2% p.a (pre-tax rate of 12.6%) (2022: 14.1% p.a (pre-tax rate of 15.2%)) has been used in discounting the projected cash flows of the CGUs, reflecting a market estimate of the weighted average cost of capital of the Group.
Foreign exchange rate used	FJD/USD rate: 2.1936
Cash flows	<p>Cash flows were projected based on the latest Financial Model. To determine the terminal values for the CGU, a constant growth rate was used by management where appropriate.</p> <p>This assumption is considered reasonable by Management, as it does not exceed the long-term average growth rate for the industry. Cash outflows include capital and maintenance expenditure for the purchase of aircraft and other property, plant and equipment. These cash outflows include capital expenditure that enhances the current performance of assets and related cash flows have been treated consistently.</p> <p>Consideration has been given to historical and current operational performance when assessing the reasonableness of cash flows towards the end of the projected period and terminal year growth assumptions. The total receipts collected for the year reached \$1.9 billion, the highest on record, surpassing the previous record of \$1.2 billion in 2022. The Group ended the financial year with the total cash balance of \$311.8m.</p>
Sensitivity to Significant Changes in Assumptions	<p><u>Sensitivity to changes in cash flows</u></p> <p>The terminal year in the impairment test has the most material impact on the determination of the recoverable amount and of the surplus between the recoverable amount and carrying value of CGUs. The earlier years in the Financial Model, while impacting the measurement of the recoverable amount, do not materially impact the surplus.</p> <p>As such, reasonable possible changes in the short-term to the timing of domestic and international performances are unlikely to result in impairment of the CGUs. The terminal value cash flow is in excess of the break-even cash flow and reasonable possible changes in this assumption do not result in impairment.</p>



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 12 AIRCRAFT, PROPERTY, PLANT & EQUIPMENT (continued)

#### (b) Impairment Testing of Cash Generating Units (continued)

##### iii. Result of the impairment assessment

The discounted cash flows from the Group's cash generating unit confirmed that there was no impairment to the remaining aircraft as the recoverable value from Value In Use exceeded the carrying amount of the aircraft (2022:\$nil).

### 13 LEASES

#### (a) Finance Leases

The Group and the Company has three (3) A330-200 aircraft which are classified as finance lease under IFRS 16. These assets are recorded and disclosed as part of Aircraft, Property, Plant and Equipment as substantially all the risks and rewards incidental to ownership of the underlying aircraft have been passed on to the Group and the Company (refer Note 12).

##### The future lease payments under finance leases are:

Less than one year

Between one and five years

Minimum lease payments

Less: future finance charges

Balance at the end of the financial year

Represented by:

Current

Non-current

Group		Company	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
76,531	88,586	76,531	88,586
23,530	101,312	23,530	101,312
100,061	189,898	100,061	189,898
(2,543)	(7,365)	(2,543)	(7,365)
97,518	182,533	97,518	182,533
74,331	83,796	74,331	83,796
23,187	98,737	23,187	98,737
97,518	182,533	97,518	182,533

#### (b) Operating Leases

##### (i) Right-of-use assets

Group and Company	Aircraft	Aircraft Restoration Cost	Aircraft Spare Engine	Land	Rental Premises	Total
31 December 2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January	993,379	24,169	48,512	19,512	5,935	1,091,507
Additions for the year	-	-	-	-	224	224
Remeasurement during the year	(11,519)	-	13,403	-	59	1,943
Early termination of lease	-	-	-	-	(656)	(656)
Depreciation charges for the year	(110,261)	(3,239)	(5,891)	(503)	(1,085)	(120,979)
Balance at 31 December	871,599	20,930	56,024	19,009	4,477	972,039

##### 31 December 2023

Balance at 1 January	871,599	20,930	56,024	19,009	4,477	972,039
Additions for the year	501,638	3,930	-	-	2,045	507,613
Remeasurement during the year	-	(14,569)	7,701	-	165	(6,703)
Depreciation charges for the year	(125,416)	(864)	(6,810)	(503)	(1,438)	(135,031)
Balance at 31 December	1,247,821	9,427	56,915	18,506	5,249	1,337,918

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

## 13 LEASES (continued)

## (b) Operating Leases (continued)

## (ii) Lease liabilities

Group and Company	Aircraft	Aircraft Restoration Cost	Aircraft Spare Engine	Land	Rental Premises	Total
31 December 2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January	(1,025,165)	(41,919)	(49,015)	(23,088)	(6,696)	(1,145,883)
Additions for the year	-	-	-	-	(224)	(224)
Remeasurement during the year	25,966	9,918	(13,403)	-	(59)	22,422
Payments during the year	128,041	-	6,026	474	1,123	135,664
Transfer from Provisions (Note 23)	-	(3,627)	-	-	-	(3,627)
Interest expense for the year	(19,297)	-	(1,082)	(953)	(227)	(21,559)
Lease forgiven	-	-	-	257	255	512
Early termination of lease	-	-	-	-	749	749
Foreign exchange translation	(46,452)	-	(2,265)	-	(31)	(48,748)
Balance at 31 December	(936,907)	(35,628)	(59,739)	(23,310)	(5,110)	(1,060,694)

## 31 December 2023

Balance at 1 January	(936,907)	(35,628)	(59,739)	(23,310)	(5,110)	(1,060,694)
Additions for the year	(501,638)	(3,930)	-	-	(2,045)	(507,613)
Remeasurement during the year	-	12,613	(7,701)	-	(165)	4,747
Payments during the year	146,904	-	7,723	732	1,674	157,033
Transfer to Provisions (Note 23)	-	1,785	-	-	-	1,785
Interest expense for the year	(24,408)	-	(1,120)	(964)	(273)	(26,765)
Lease forgiven	-	-	-	-	19	19
Foreign exchange translation	16,002	-	608	-	5	16,615
Balance at 31 December	(1,300,047)	(25,160)	(60,229)	(23,542)	(5,895)	(1,414,873)

Payments during the year include principle payments of \$130.3m (2022:\$114.1m and interest payments of 26.8m (2022: \$21.6m)

Unpaid amounts for lease deferrals are recognised as separate deferred lease liability.

Deferred leases are represented in the Statement of Financial Position as:

Current

Non-Current

Group and Company	
2023	2022
\$'000	\$'000
2,713	27,317
7,912	10,758
<b>10,625</b>	<b>38,075</b>

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

**13 LEASES (continued)****(b) Operating Leases (continued)****(ii) Lease liabilities (continued)**

The future lease payments under operating leases are:

Less than one year

Between one and five years

Later than five years

Minimum lease payments

Less: future finance charges

Balance at the end of the financial year

Represented by:

Current

Non-current

Group and Company	
2023	2022
\$'000	\$'000
186,107	134,878
713,617	530,141
723,139	513,536
1,622,863	1,178,555
(207,991)	(117,861)
1,414,872	1,060,694
152,160	115,769
1,262,712	944,925
1,414,872	1,060,694

**(iii) Amounts recognised in profit or loss**

Interest expense on lease liabilities

Depreciation expense on right-of-use assets

Income from sub-leasing presented in 'Other revenue'

**(iv) Amounts recognised in statement of cash flows**

Payment of Lease Liabilities - Right-of-Use Assets

Interest paid - Right-of-use assets

Group		Company	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
26,765	21,559	26,765	21,559
135,031	120,979	135,031	120,979
-	-	(20,392)	(20,017)
(130,268)	(114,105)	(130,268)	(114,105)
(26,765)	(21,559)	(26,765)	(21,559)

**14 TRADE CREDITORS AND ACCRUED EXPENSES**

Accrued expenses

Flown passenger taxes

Trade creditors

Others

143,157	108,745	138,552	105,493
34,996	25,720	34,996	25,720
28,641	13,342	28,485	13,332
5,105	9,622	4,856	9,495
211,899	157,429	206,889	154,040



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 15 REVENUE RECEIVED IN ADVANCE

This account represents passenger and freight sales not yet utilised as at balance date:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Passenger tickets and ancillary services	344,913	352,626	344,913	352,910
Taxes	36,656	44,024	36,656	44,024
Freight	744	1,315	744	1,315
Others	1,149	1,163	1,149	879
	<b>383,462</b>	<b>399,128</b>	<b>383,462</b>	<b>399,128</b>

### 16 EQUITY INVESTMENTS

#### (a) Investment in Subsidiaries – Fiji Airlines Pte Limited trading as Fiji Link and Pacific Call Comm Pte Limited

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cost - Fiji Airlines Pte Limited trading as Fiji Link	-	-	2,000	2,000
Cost - Pacific Call Comm Pte Limited	-	-	250	250
Balance at the end of the financial year	-	-	<b>2,250</b>	<b>2,250</b>

Investment in controlled entities is represented by:

- i. 100% shares owned in Fiji Airlines Pte Limited trading as Fiji Link (a company incorporated in Fiji on 27 May 2005, servicing domestic air routes)
- ii. 100% shares owned in Pacific Call Comm Pte Limited, which holds 50% interest in Centrecom Pte Limited (a company incorporated in Fiji on 6 October 2014 to carry on business as a call centre, travel agent and reservation and booking services provider).

#### (b) Investment in Jointly Controlled Entity - Richmond Pte Limited and Pacific Centrecom (Fiji) Pte Limited

Name of Entity	% of Ownership Interest		Nature of relationship	Measurement method
	2023	2022		
Richmond Pte Limited	50.00%	38.75%	Joint Venture	Equity Method
Pacific Centrecom (Fiji) Pte Limited	50.00%	50.00%	Joint Venture	Equity Method
Vatu Talei Pte Limited	50.00%	-	Joint Venture	Equity Method

Investment in jointly controlled entities is represented by:

- i. 50% interest in Richmond Pte Limited pursuant to a Shareholders' Agreement with BSP Life (Fiji) Pte Limited. The principal activities of Richmond Pte Limited trading as Sofitel Fiji Resort and Spa, were the provision of hotel accommodation, food and beverage and other related services. Previous held shareholding of 38.75% has been increased to 50% after acquisition of additional 11.25% shares from BSP Life (Fiji) Pte Limited during the year.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 16 EQUITY INVESTMENTS (continued)

#### (b) Investment in Jointly Controlled Entity - Richmond Pte Limited and Pacific Centrecom (Fiji) Pte Limited (continued)

ii. Pacific Call Comm Pte Limited has a 50% interest in Centrecom Pte Limited pursuant to a Shareholders' Agreement with Centrecom Pacific Pte Ltd, a subsidiary of World Aviation Group. The principal activities of Centrecom Pte Limited were the provision of contact centre and back office processing services.

iii. 50% interest in Vatu Talei Pte Limited, a new project undertaken by the management of Richmond Pte Limited as a joint venture between Air Pacific Limited and BSP Life Pte Limited. 1 share at value \$1 was issued as at 1 December 2023 with the remaining shares to be subsequently issued during the year. The principal activities of Vatu Talei Pte Limited during the reporting period has been the construction and development of the resort. The intended principal activities upon completion are provision of hotel accommodation, food and beverage and other related services.

The Group's financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances. Adjustments have been made to conform the jointly controlled entities accounting policies to those adopted by the Group when applying the Equity Method accounting.

Refer Note 3(c) for retrospective alignment to the accounts for application of Revaluation Model to the land and buildings adopted by the Group. The alignment of the accounting policy to the jointly controlled entities is recognised as part of Other Comprehensive Income.

	Group		Company	
	2023	2022	2023	2022
		(restated)		
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of financial year	84,922	30,365	17,915	17,915
Purchase of additional shares in Richmond Pte Limited	24,757	-	24,757	-
Share of Profit from Richmond Pte Limited	19,087	9,315	-	-
Share of (Loss) / Profit from Pacific Centrecom (Fiji) Pte Limited	(433)	1,244	-	-
Share of Other Comprehensive Income from Richmond Pte Limited	9,556	47,873	-	-
Dividends received from Richmond Pte Limited	(3,875)	(3,875)	-	-
Balance at the end of financial year	134,014	84,922	42,672	17,915

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Share of Net Profit in Jointly Controlled Entity is represented by:				
Share of Profit from Richmond Pte Limited	19,087	9,315	-	-
Share of (Loss) / Profit from Pacific Centrecom (Fiji) Pte Limited	(433)	1,244	-	-
<b>Net Profit in Jointly Controlled Entities</b>	<b>18,654</b>	<b>10,559</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 16 EQUITY INVESTMENTS (continued)

#### (b) Investment in Jointly Controlled Entity - Richmond Pte Limited and Pacific Centrecom (Fiji) Pte Limited (continued)

The Company's 50% interest in Richmond Pte Limited and 50% interest in Centrecom Pte Limited (the jointly controlled entity) is shown below:

	Richmond Pte Limited		Pacific Centrecom (Fiji) Pte Limited	
	2023	2022 (restated)	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Statement of Financial Position</b>				
Current assets	24,217	14,372	3,393	3,515
Non-Current assets	146,937	96,234	2,775	1,859
Total assets	171,154	110,606	6,168	5,374
Current liabilities	11,901	13,124	2,175	499
Non-Current liabilities	28,124	14,895	2,050	2,499
Total liabilities	40,025	28,019	4,225	2,998
Net assets	131,129	82,587	1,943	2,376
Total Shareholders' Equity	131,129	82,587	1,943	2,376
<b>Statement of Profit or Loss</b>				
Revenue	47,676	29,634	12,079	6,566
Depreciation and amortisation expense	(3,562)	(2,489)	(521)	(134)
Other operating expenses	(24,897)	(17,480)	(11,564)	(5,261)
Earnings before interest and tax	19,217	9,665	(6)	1,171
Finance costs	(170)	(350)	(213)	52
Operating profit before tax	19,047	9,315	(219)	1,223
Income tax expense	-	-	-	-
Profit / (Loss) after income tax	19,047	9,315	(219)	1,223
Less adjustment of prior year share of profit	40	-	(214)	21
Share of Net Profit / (Loss) in Jointly Controlled Entities	19,087	9,315	(433)	1,244

The information above reflects the amounts presented in the financial statements of the jointly controlled entities.

(a) There are no contingent liabilities relating to the Group's interest in the joint ventures.

(b) Pacific Call Comm Pte Limited has provided a corporate guarantee and indemnity as Trustee based on percentage of shareholding to Pacific Centrecom (Fiji) Pte Limited.

(c) Air Pacific Limited and Pacific Call Comm Pte Limited have provided a letter of comfort to Pacific Centrecom (Fiji) Pte Limited.

	Richmond Pte Limited		Pacific Centrecom (Fiji) Pte Limited	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Uniform accounting policy alignment</b>				
Fair value gain of land and buildings recognised in OCI	9,556	47,873	-	-



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

**17 EQUITY****(a) Issued and Paid-Up Share Capital**

		2023		2022	
		Paid Up Capital	%	Paid Up Capital	%
		\$'000		\$'000	
Shareholders as at 31 December were:	<b>Shares</b>				
The Republic of Fiji	37,477,503	<b>115,307</b>	51.00	115,307	51.00
Fiji National Provident Fund	22,061,790	<b>93,101</b>	30.02	93,101	30.02
Qantas Airways Limited	12,084,832	<b>12,085</b>	16.44	12,085	16.44
Unit Trust of Fiji	1,161,147	<b>4,900</b>	1.58	4,900	1.58
Air New Zealand Limited	505,000	<b>505</b>	0.69	505	0.69
Republic of Kiribati	70,400	<b>70</b>	0.10	70	0.10
Kingdom of Tonga	70,400	<b>70</b>	0.10	70	0.10
Independent State of Samoa	32,000	<b>32</b>	0.04	32	0.04
Republic of Nauru	22,800	<b>23</b>	0.03	23	0.03
	<b>73,485,872</b>	<b>226,093</b>	<b>100.00</b>	<b>226,093</b>	<b>100.00</b>

**(b) Other components of equity**

The details of other components of equity are as follows:

	Group			Company		
	Hedging Reserve	Asset Revaluation Reserve (restated)	Total	Hedging Reserve	Asset Revaluation Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2022	-	-	-	-	-	-
<u>Cash flow hedges</u>						
- Loss from effective portion of changes in fair value	(11,606)	-	<b>(11,606)</b>	(11,606)	-	<b>(11,606)</b>
- Tax benefit	2,321	-	<b>2,321</b>	2,321	-	<b>2,321</b>
<u>Revaluation of Land and Building</u>						
- Gains from changes in fair value of land and building - Company and Subsidiary Owned	-	53,830	<b>53,830</b>	-	50,477	<b>50,477</b>
- Gains from changes in fair value of land and buildings - Jointly Controlled Entity Owned	-	47,873	<b>47,873</b>	-	-	-
- Tax expense	-	(10,766)	<b>(10,766)</b>	-	(10,095)	<b>(10,095)</b>
<b>Balance at 31 December 2022</b>	<b>(9,285)</b>	<b>90,937</b>	<b>81,652</b>	<b>(9,285)</b>	<b>40,382</b>	<b>31,097</b>

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 17 EQUITY (continued)

#### (b) Other components of equity (continued)

	Group			Company		
	Hedging Reserve	Asset Revaluation Reserve (restated)	Total	Hedging Reserve	Asset Revaluation Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2023	(9,285)	90,937	81,652	(9,285)	40,382	31,097
<u>Cash flow hedges</u>						
- Loss from effective portion of changes in fair value	(13,481)	-	(13,481)	(13,481)	-	(13,481)
- Tax benefit	3,951	-	3,951	3,951	-	3,951
<u>Revaluation of Land and Building</u>						
- Gains from changes in fair value of land and building - Company and Subsidiary Owned	-	9,675	9,675	-	9,262	9,262
- Gains from changes in fair value of land and buildings - Jointly Controlled Entity Owned	-	9,556	9,556	-	-	-
- Tax expense	-	(5,110)	(5,110)	-	(4,839)	(4,839)
- Transfer of excess depreciation from Retained Earnings	-	(3,586)	(3,586)	-	(3,476)	(3,476)
<b>Balance at 31 December 2023</b>	<b>(18,815)</b>	<b>101,472</b>	<b>82,657</b>	<b>(18,815)</b>	<b>41,329</b>	<b>22,514</b>

#### i. Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedging contract matures.

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b><u>Carrying Amount - Prepaid Option Premiums</u></b>				
Fuel Option Premium	22,488	13,579	22,488	13,579
Foreign Currency Option Premium	15,326	9,706	15,326	9,706
	37,814	23,285	37,814	23,285
<b><u>Derivates at Fair Value</u></b>				
Fuel Option Premium (Note 8)	7,485	6,231	7,485	6,231
Foreign Currency Option Premium (Note 8)	4,966	5,447	4,966	5,447
	12,451	11,678	12,451	11,678

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 17 EQUITY (continued)

#### i. Hedging reserve (continued)

##### Cash Flow Hedges

Other comprehensive income - effective portion of change in fair value

Income tax expense

Cash flow, net of taxes

Group		Company	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
(13,481)	(11,606)	(13,481)	(11,606)
3,951	2,321	3,951	2,321
(9,530)	(9,285)	(9,530)	(9,285)

##### Fair Value Measurement

To provide an indication about the reliability of the inputs used to determine the fair value, the Group has classified its financial instruments into level 1 as prescribed under the accounting standards. Level 1 includes the fair value of financial instruments traded in active markets (such as publicly traded derivatives which are based on quoted market prices at the end of the reporting period.)

Specific valuation techniques used to value derivatives is:

- The use of quoted market prices or dealer quotes for similar instruments.

For the financial year 2023, the only financial asset recognised and measured at fair value in the financial statements is cash flow hedges and they are classified under level 1, refer above for the amounts.

#### ii. Asset Revaluation Reserve

Asset revaluation reserve comprises of the fair value gains / (losses) arising from the revaluation of property through other comprehensive income.

Refer Note 12 (a) for fair value measurement of Land and Buildings.

### 18 BASIC EARNINGS PER SHARE

Earnings from continuing operations attributable to equity holders

Weighted average number of ordinary shares (Note 17 (a))

Basic earnings per share

Group		Company	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
134,821	(130,941)	114,677	(126,653)
73,486	73,486	73,486	73,486
1.83	(1.78)	1.56	(1.72)



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 19 BORROWINGS

Current  
Non-current

Group		Company	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
34,406	74,404	34,406	74,404
539,463	487,394	539,463	487,394
<b>573,869</b>	<b>561,798</b>	<b>573,869</b>	<b>561,798</b>

Out of the total borrowings of \$573.9m at the end of the year, \$384.7m are supported by guarantees issued by the Government of Fiji (2022: \$371.7m of borrowings supported by guarantees issued by the Government of Fiji). Refer Note 20 for Government Guarantees. The remaining borrowings are supported by the physical assets of the Group.

During the course of the 2023 financial year, the Company refinanced debt of US\$42.5 million (FJ\$94.9 million), comprised of the outstanding balance of the Asian Development Bank loan of US\$32.5m and outstanding amount of US\$10.2 million to Dubai Aerospace Enterprise for aircraft lease rental payments which were deferred during the Pandemic. This was funded via new domestic borrowings of FJ\$90.0 million and available cash. These financing actions have reduced the Company's interest costs, due to lower prevailing interest rates in Fiji, and have decreased foreign exchange exposure.

Domestic borrowings  
Offshore borrowings

Group and Company	
2023	2022
\$'000	\$'000
573,869	489,616
-	72,182
<b>573,869</b>	<b>561,798</b>

### 20 GOVERNMENT GUARANTEE

The Government of Fiji has provided government guarantee worth FJ\$561.4m to support the Company in securing additional loans and aircraft lease payment deferrals to conserve cash and to sustain the company amidst the financial impact of COVID-19. Government guarantees of \$521.9m have been issued as at reporting date.

As at balance date, the Company has issued the government guarantee for the following financing facilities:

- Fiji Development Bank (FDB) loan facility of FJ\$95.0m;
- Fiji National Provident Fund (FNPF) loan facility of FJ\$53.6m;
- Home Finance Company (HFC) of FJ\$30.0m;
- BRED Bank loan facility of FJ\$25.5m;
- BRED Bank loan facility of US\$42.4m;
- BRED Bank loan facility of US\$25.0m;
- Bank of South Pacific loan facility of US\$15.0m;
- Home Finance Company loan facility of US\$10.0m;
- Standby letters of credit FJ\$26.4m from ANZ Bank;
- Standby letters of credit FJ\$10.6m from Bred Bank;
- Payment deferrals of loan for 12 months of US\$20.2m from Kfw IPEX Bank/Export Credit Agency (ECA)/Helaba;
- Payment deferrals of aircraft leases for 9 months of US\$8.9m from Avolon; and
- Aircraft deposit equivalent to 3 months lease rental of US\$3.6m to GE Capital Aviation Services.

### 21 CONTINGENCIES

#### (a) Financial support

The Company will provide necessary financial support to its controlled entity, Fiji Airlines Pte Limited trading as Fiji Link, in order to fulfil its debt obligations as and when they are due and payable.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 22 EMPLOYEE BENEFITS

Balance at the beginning of the financial year  
Provisions made during the year  
Provisions utilised / paid during the year  
Balance at the end of the financial year

Represented by:

Current  
Non-current

Group		Company	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
12,412	8,752	11,725	8,332
23,324	5,698	22,659	5,343
(5,529)	(2,038)	(5,340)	(1,950)
30,207	12,412	29,044	11,725
27,840	11,338	26,677	10,651
2,367	1,074	2,367	1,074
30,207	12,412	29,044	11,725

Current Employee Benefits include annual leave payable, anticipated retirement payment, staff bonus and profit-sharing due and payable in the next twelve months. Non-Current Employee Benefits include the balance of retirement payment. The retirement plan entitles a retired employee to receive payment as stated in their contract or collective agreement for each year of service that the employee provided.

### 23 PROVISIONS

#### Aircraft / Engine Overhaul

Balance at the beginning of the financial year  
Provisions made during the year  
Provisions utilised during the year  
Provision reclassified from / (to) lease liability  
Balance at the end of the financial year

Represented by:

Current  
Non-current

Group		Company	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
27,501	15,128	27,501	15,128
11,514	18,809	11,514	18,809
(1,780)	(2,809)	(1,780)	(2,809)
1,785	(3,627)	1,785	(3,627)
39,020	27,501	39,020	27,501
11,399	8,881	11,399	8,881
27,621	18,620	27,621	18,620
39,020	27,501	39,020	27,501

#### Revised disclosure of Provisions

Aircraft maintenance provisions were previously disclosed under Trade Creditors and Accrued Expenses. To enhance the disclosure of amounts that are due and payable, the provisions have been reclassified to be disclosed under Provisions. The comparative figures have been reclassified to conform to current year's disclosures.

### 24 CAPITAL COMMITMENTS

As at balance date the Group and the Company had the following commitments. These commitments are not provided for in the financial statements:

- The Group and the Company has entered into agreements of \$61.5m for the acquisition of 1 x A350 and 1 x ATR-72 full flight simulators and 2 x fixed training devices, of which \$45.7m has been paid by the end of the reporting date;
- The Group and the Company has approved and entered into agreement of \$8.5m for the acquisition of Advance Aviation Training Hangar;
- The Group and the Company has approved \$1.1m for the acquisition of training equipment for the Fiji Airways Aviation Academy; and
- The Group and the Company has entered into agreements of \$0.9m with various vendors for multiple IT projects.

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 25 RELATED PARTIES

(a) Identity of related parties

Air Pacific Limited trading as Fiji Airways & Subsidiaries known as the "Group" has a related party relationship with the Fiji Government, Fiji National Provident Fund (FNPF), Unit Trust of Fiji (UTOF), Qantas, Air New Zealand and other Island Government States by way of shareholding. Further to this the Group has a related party relationship with its Directors and key management.

(b) Key management compensation

Key management includes Directors and members of the management team who have authority and responsibility for planning, directing and controlling the activities of the Group and the Company. The compensation paid or payable to key management for employee services is shown below:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Salaries and other short term benefits	6,204	3,504	6,204	3,504

The compensation paid or payable to Directors is included as part of Other Expenses.

(c) Transactions with related parties

Transactions during the year with related parties were conducted on a commercial basis and comprised the following:

- Air Pacific Limited trading as Fiji Airways was a supplier of passenger travel and freight carriage for the Fiji Government;
- Air Pacific Limited trading as Fiji Airways procured airport, ground handling, catering, landing and air navigation services from the Fiji Government or its controlled entities;
- Air Pacific Limited trading as Fiji Airways paid Qantas a commission for seats sold under a codesharing agreement on specific routes;
- Air Pacific Limited trading as Fiji Airways procures ground handling freight services, aircraft maintenance services and the use of business lounge from Qantas; and
- The Group and Company contributes employees superannuation to FNPF as mandated by the legislation.

Transactions and balances with related parties included in the Financial Statements are as follows:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b><u>Fiji Government and its controlled entities</u></b>				
Revenue	2,987	14,319	1,232	13,043
Expenditure	128,039	81,500	121,244	80,290
Trade receivables	931	3,182	278	2,722
Trade creditors	190	19	84	11
<b><u>Qantas</u></b>				
Revenue	83,379	69,296	83,379	69,296
Expenditure	2,055	1,272	2,055	1,272
Trade receivables	3,573	4,802	3,573	4,802
Trade creditors	3,106	4,580	3,106	4,580



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>25 RELATED PARTIES (continued)</b>				
(c) <u>Transactions with related parties</u> (continued)				
<b><u>Air New Zealand</u></b>				
Revenue	2,534	2,112	2,534	2,112
Trade receivables	402	185	402	185
Trade creditors	120	32	120	32
<b><u>Fiji National Provident Fund</u></b>				
Repayment of borrowings (principal and interest)	15,895	14,606	15,895	14,606
Superannuation contributions	13,825	6,792	12,744	6,149
<b><u>Unit Trust of Fiji</u></b>				
Repayment of borrowings (principal and interest)	1,333	1,200	1,333	1,200

Fiji Airlines Pte Limited trading as Fiji Link is a related party by virtue of it being a controlled entity. Transactions and balances with Fiji Airlines Pte Limited trading as Fiji Link are disclosed elsewhere in the financial statements.

Air Pacific Limited has provided written confirmation to Fiji Airlines Pte Limited trading as Fiji Link that it irrevocably undertakes to continue to provide financial and other support as necessary for a period of not less than 12 months from the date of signing of these financial statements to enable Fiji Airlines Pte Limited trading as Fiji Link to continue to trade and meet its debts as and when they fall due and meet any liability incurred during the financial period of financial support.

Richmond Pte Limited is a related party by virtue of it being a jointly controlled entity. Transactions and balances with Richmond Pte Limited are disclosed elsewhere in the financial statements.

## 26 FINANCIAL RISK MANAGEMENT

The Group and the Company is subject to credit, liquidity, interest rate, foreign exchange and fuel price risk. These risks are an inherent part of the operations of an international airline. The Group and the Company manages these risk exposures according to policies as approved by the Board.

The Group and the Company uses different methods to assess and manage different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other prices risks, and ageing analysis and sensitivity analysis for credit and liquidity risk.

### (a) Credit Risk

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group and the Company's cash at bank, term deposit, trade receivables, other receivables, deposits, and advance to related parties and receivable from related party.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The table below sets out maximum exposure to credit risk as at the Statement of Financial Position date:

		Group		Company	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
	<b>Notes</b>				
Cash at Bank	7	216,545	303,162	215,948	302,835
Term Deposits	7	95,240	72,741	95,240	72,741
Trade Receivables - net	9	70,421	64,491	69,109	63,562
Other Receivables - net	9	55,086	45,290	54,711	44,893
Aircraft Deposits		16,281	8,284	16,281	8,284
Advance to Related Parties - net	11	-	-	49,754	40,381
		<b>453,573</b>	<b>493,968</b>	<b>501,043</b>	<b>532,696</b>

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 26 FINANCIAL RISK MANAGEMENT (continued)

#### (a) Credit Risk (continued)

##### Exposure to credit risk (continued)

##### Trade Receivable

The Group and the Company has credit sales with reputable companies who have been transacting with the Group and the Company for a number of years. The Group and the Company limits its exposure to credit risk from trade receivables by establishing payment period of 30 days and setting up credit limits. Refer Note 9 for movement in impairment losses and trade receivables' analysis.

##### Cash at Bank and Term Deposit

The Group and the Company considers cash and term deposit balance to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Group and the Company considers this to be Baa3 or a higher rating per Standards and Poor's or BBB- or higher per Moody's. The Group and the Company considers that its cash and term deposit have high credit ratings of the counterparties.

##### Other Receivable, Deposits, Receivables from Related Party and Advance to Related Parties

Impairment has been measured on the 12 month expected loss basis and reflects short term turn over. The Group and the Company does not consider the impairment allowance to be material and charged \$nil impairment allowances as at 31 December 2023 (2022: \$Nil) for cash at bank, term deposit, deposits, receivables from related party and advance to related parties.

#### (b) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group and the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and the Company's reputation.

The following table summarises the contractual maturities of financial liabilities as at reporting date.

		Group			
Financial Liabilities		Less than 1 year	1 to 5 years	Later than 5 years	Total
<b>31 December 2023</b>	<b>Notes</b>				
Trade Creditors and Accrued Expenditure	14	211,899	-	-	211,899
Lease Liabilities - Owned Assets	13 (a)	76,531	23,530	-	100,061
Lease Liabilities - Leased Assets	13 (b)	186,107	713,617	723,139	1,622,863
Borrowings	19	58,933	254,236	406,736	719,905
		<b>533,470</b>	<b>991,383</b>	<b>1,129,875</b>	<b>2,654,728</b>
		Group			
Financial Liabilities		Less than 1 year	1 to 5 years	Later than 5 years	Total
<b>31 December 2022</b>	<b>Notes</b>				
Trade Creditors and Accrued Expenditure	14	157,429	-	-	157,429
Lease Liabilities - Owned Assets	13 (a)	88,586	101,312	-	189,898
Lease Liabilities - Leased Assets	13 (b)	134,878	530,141	513,536	1,178,555
Borrowings	19	98,494	221,573	406,804	726,871
		<b>479,387</b>	<b>853,026</b>	<b>920,340</b>	<b>2,252,753</b>

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 26 FINANCIAL RISK MANAGEMENT (continued)

#### (b) Liquidity Risk (continued)

		Company			
		Less than 1 year	1 to 5 years	Later than 5 years	Total
<b>Financial Liabilities</b>					
<b>31 December 2023</b>	<b>Notes</b>				
Trade Creditors and Accrued Expenditure	14	206,889	-	-	206,889
Lease Liabilities - Owned Assets	13 (a)	76,531	23,530	-	100,061
Lease Liabilities - Leased Assets	13 (b)	186,107	713,617	723,139	1,622,863
Borrowings	19	58,933	254,236	406,736	719,905
		<b>528,460</b>	<b>991,383</b>	<b>1,129,875</b>	<b>2,649,718</b>

		Company			
		Less than 1 year	1 to 5 years	Later than 5 years	Total
<b>Financial Liabilities</b>					
<b>31 December 2022</b>	<b>Notes</b>				
Trade Creditors and Accrued Expenditure	14	154,040	-	-	154,040
Lease Liabilities - Owned Assets	13 (a)	88,586	101,312	-	189,898
Lease Liabilities - Leased Assets	13 (b)	134,878	530,141	513,536	1,178,555
Borrowings	19	98,494	221,573	406,804	726,871
		<b>475,998</b>	<b>853,026</b>	<b>920,340</b>	<b>2,249,364</b>

#### (c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group and the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The following section summarises the Group and the Company's approach to managing these risks.

##### i) Interest Rate Risk

Interest rate risk refers to the possibility that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at 31 December 2023, interest bearing liabilities amounted to \$671.4 million (2022: \$744.3 million). The interest rate is fixed.

##### ii) Foreign Exchange Risk

###### *Nature of the risk*

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. The Group operates internationally and is exposed to foreign exchange risk, primarily the US dollar. The source and nature of this risk arises from operations, capital expenditure and revaluation risk. The revaluation risk primarily exists in interest bearing liabilities, lease liabilities and other financial assets and liabilities. The Group hedges foreign exchange risk with the objective of minimising volatility of the Fijian currency cost of highly probable forecast purchases and disposals of property, plant and equipment and other revenue and operating expenditures.

###### *Management of foreign exchange risk*

Foreign currency options are used to hedge a portion of net foreign currency exposures in accordance with Group policy. Net foreign currency exposures, including foreign currency purchases and disposals of property, plant and equipment, may be hedged out to two years within specific parameters. Any hedging outside these parameters requires approval by the Board.



# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 26 FINANCIAL RISK MANAGEMENT (continued)

#### (c) Market Risk (continued)

##### ii) Foreign Exchange Risk (continued)

The following table summarises the impact of reasonably possible changes in foreign exchange rates on net profit before tax and equity. The sensitivity analysis assumes a 10% increase and decrease in USD and AUD currency pairs. The analysis also assumes that all other variables, including interest rates, remain constant.

Group			
Net Profit		Equity	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
10% increase in all currency pairs	5,149	16,964	4,120
10% decrease in all currency pairs	(5,149)	(16,964)	(4,120)

Company			
Net Profit		Equity	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
10% increase in all currency pairs	5,917	16,692	4,734
10% decrease in all currency pairs	(5,917)	(16,692)	(4,734)

##### iii) Fuel Price Risk and Commodity Options Transactions

###### *Nature of the risk*

Exposure of future fuel costs to unfavourable USD-denominated price.

###### *Management of future AUD fuel costs risk*

The Group uses options on crude oil to hedge exposure to movements in the USD price of aviation fuel. The Group considers the crude component to be a separately identifiable and measurable component of aviation fuel. In identifying this component, the Group considers long-term correlation levels between crude hedging products and underlying jet fuel exposure.

Hedging is conducted in accordance with Fiji Airways Hedging Policy, where, total volumes hedged with approved counterparties with approved instruments must at any time be in the range of 50 - 75% of forecast fuel consumption for the remaining period of the current financial year. Refer Note 3 (d) (i) for the terms of the hedge instruments. Exceptions can only be permitted with prior written approval from the Board of Directors.

The following table summarises the impact of reasonably possible changes in fuel prices on net profit before tax and equity. The sensitivity analysis assumes a 10% increase and decrease in fuel indices. The analysis also assumes that all other variables, including foreign currency exchange rates, remain constant.

Group			
Net Profit		Equity	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
10% increase per barrel in fuel indices	(44,744)	(43,425)	(35,795)
10% decrease per barrel in fuel indices	42,763	38,850	34,211

# Notes to the Financial Statements

## For the Year Ended 31 December 2023

### 26 FINANCIAL RISK MANAGEMENT (continued)

#### (c) Market Risk (continued)

#### iii) Fuel Price Risk and Commodity Options Transactions (continued)

	Company			
	Net Profit		Equity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
10% increase per barrel in fuel indices	(56,500)	(43,553)	(42,375)	(34,843)
10% decrease per barrel in fuel indices	50,500	41,625	37,875	33,300

#### (d) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital and retained earnings of the Group and the Company. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group and the Company's net debt to adjusted equity ratio at the reporting date was as follows:

		Group		Company	
Notes		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Total borrowings and lease liabilities (excl. deferred leases)	19, 13	2,086,259	1,805,025	2,086,259	1,805,025
Less: Cash and cash equivalents	7	(311,785)	(375,903)	(311,188)	(375,576)
Less: Lease liabilities - right-of-use assets	13 (b) (ii)	(1,414,873)	(1,060,694)	(1,414,873)	(1,060,694)
Net debt		359,601	368,428	360,198	368,755
Total equity		265,658	78,373	177,797	68,227
Total capital		625,259	446,801	537,995	436,982
Gearing ratio		58%	82%	67%	84%

### 27 COMPARATIVES

For the 2023 financial year, the Group and Company has undertaken a reclassification of certain operating expenses reported as part of Aircraft Operations, Sales and Marketing, Labour Cost, Other Expenses and Finance Cost, within the Profit and Loss accounts to align financial reporting more closely with industry practices and provides a more accurate reflection of the costs of operations.

Comparative amounts for 2022 financial year have been reclassified to conform to the current year's presentation. This reclassification is in accordance with International Accounting Standard (IAS) 1 Presentation of Financial Statements.

Prior year comparatives as at 31 December 2022 have been restated by reclassifying \$106.6m from Labour Cost, Other Expenses and Sales and Marketing to Aircraft Operations and Finance Cost (Company: \$101.3m).

The reclassifications made within the Operating Expenditure and Finance Cost section of the Statement of Profit or Loss does not affect the reported Operating Profit, Other Comprehensive Loss and Shareholders' Equity for the 2022 financial year.

## Notes to the Financial Statements

### For the Year Ended 31 December 2023

#### 28 SUBSEQUENT EVENTS

##### **Refinancing of Fiji Airways Aviation Academy investment**

The Fiji Airways Aviation Academy's Phase 1, which was commissioned in December 2019, includes a purpose-built building housing two full-flight simulators; an A330 and a 737-8 Max, along with fixed training devices, was financed through the Group's operational cash flow at a cost of \$83.7 million.

For Phase 2, the Group anticipates an additional expenditure of \$137.0 million to expand the current building structure, to include two new full flight simulators for the A350 and ATR-72 aircraft, more fixed training devices, and the development of fully equipped safety and service training facilities. As at the end of the financial year, the Group has already invested \$49.3 million in Phase 2.

Management is seeking to refinance the Fiji Airways Aviation Academy through domestic loans amounting to \$150.0 million.

No charge on the assets of the Group and Company has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and the Company to meet its obligations when they fall due, other than those that have been included and disclosed in the financial statements.



VINAKA



# CARING IS AN ART

*Crafting moments of care  
and warmth always.*



LOOKING FOR A  
**FLYING START**  
TO YOUR CAREER?  
**WE WANT TO HEAR  
FROM YOU**

**SCAN HERE  
FOR MORE**







**FIJI**  
**AIRWAYS**