COMMUNICATIONS (FIJI) LIMITED and Subsidiary company

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Contents

COMMUNICATIONS (FIJI) LIMITED and Subsidiary company
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

In accordance with a resolution of the Board of Directors, the Directors herewith submit the Consolidated Statement of Financial Position of the company and the group as at 31 December 2014, the related Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended on that date and report as follows:

Directors

Directors at the date of this report are:

Mathew Wilson
William Parkinson
Pramesh Sharma
Shaenaz Voss
Vilash Chand (Alternate director)

Principal activity

The principal business activity of the company and the subsidiary company in the course of the year was the operation of commercial radio stations and there has been no significant change in this activity during the year. The associate companies provide wireless internet services, cinema entertainment and renting of a property respectively.

Results

The operating group profit for the year was $1,474,957 (2013: $1,515,009) after providing $451,295 (2013: $534,440) for income tax. The operating profit for the holding company for the year was $1,258,359 (2013: $953,561) after providing $132,580 (2013: $12,757) for income tax.

Dividends

The dividends declared and/or paid during the year was $355,800 (2013: $782,760).

Subsequent to year end, the directors have declared a final dividend of $0.08 per share for the financial year ended 31 December 2014.

Reserves

The directors recommended that no transfer be made to reserves within the meaning of the Seventh Schedule of the Companies Act, 1983.

Bad and doubtful debts

Prior to the completion of the company's and the group's financial statements, the directors took reasonable steps to ascertain that action had been taken in relation to writing off bad debts and the provision for doubtful debts. In the opinion of directors, adequate provision has been made for doubtful debts.

As at the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts, or the provision for doubtful debts in the company and the group, inadequate to any substantial extent.

Non-current assets

Prior to the completion of the financial statements of the company and of the group, the directors took reasonable steps to ascertain whether any non-current assets were unlikely to be realized in the ordinary course of business as compared to their values as shown in the accounting records of the company and the group. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realize.

As at the date of this report, the directors are not aware of any circumstances which would render the values attributed to non-current assets in the company's and the group's financial statements misleading.

Unusual transactions

In the opinion of the directors, the results of the operations of the company and of the group during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the company and the group in the current financial year, other than those reflected in the financial statements.

Events subsequent to balance date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company and the group, the results of those operations, or the state of affairs of the company and the group as reported in these financial statements.

Other circumstances

As at the date of this report :

(i) no charge on the assets of the company and group has been given since the end of the financial year to secure the liabilities of any other person;

(ii) no contingent liabilities have arisen since the end of the financial year for which the company and the group could become liable; and

(iii) no contingent liabilities or other liabilities of the company and the group have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the company and the group to meet its obligations as and when they fall due.

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

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements or received as the fixed salary of a full-time employee of the company or of a related corporation) by reason of a contract made by the company or by a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' interests

Particulars of directors' interests in the ordinary shares of the company during the year are as follows:

	Direct interest	Indirect interest
Mathew Wilson	112,736	Nil
William Parkinson	Nil	1,881,341

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.

Dated this 30th March 2015.

Director: ....

Director: ....

COMMUNICATIONS (FIJI) LIMITED and Subsidiary company
STATEMENT BY DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014

In accordance with a resolution of the Board of Directors, we state that in our opinion:

(i) the accompanying Statement of Comprehensiveincome of the company and group is drawn up so as to give a true and fair view of the results of the company and the group for the year ended 31 December 2014;

(ii) the accompanying Statement of Changes in Equity of the company and the group is drawn up so as to give a true and fair view of the changes in equity of the group for the year ended 31 December 2014;

(iii) the accompanying Statement of Financial Position of the company and the group is drawn up so as to give a true and fair view of the state of affairs of the company and the group as at 31 December 2014;

(iv) the accompanying Statement of Cash Flows of the company and the group is drawn up so as to give a true and fair view of the statement of cash flows of the company and the group for the year ended 31 December 2014;

(v) at the date of this statement there are reasonable grounds to believe the company and the group will be able to pay its debts as and when they fall due; and

(vi) all related party transactions have been adequately recorded in the books of the company and group.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.

Dated this 30th March 2015.

Director: .... Director: ....

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INDEPENDENT AUDIT REPORT

To the members of COMMUNICATIONS (FIJI) LIMITED

Scope

We have audited the accompanying Financial Statements of Communications (Fiji) Limited and its subsidiary ('the Group'), which comprise the consolidated Statement of Financial Position as at 31 December 2014 and the consolidated Statement of Comprehensivelincome, the consolidated Statement of Changes in Equity, the consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' and Management's Responsibility for the Financial Statements

The directors and management are responsible for the preparation and fair presentation of the consolidated Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Fiji Companies Act, 1983. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company and the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company and the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion:

a) proper books of account have been kept by the company and the group, so far as it appears from our examination of those books, and

b) the accompanying consolidated Financial Statements which have been prepared in accordance with International Financial Reporting Standards:
   i) are in agreement with the books of account; and
   ii) to the best of our information and according to the explanations given to us:
      a) give a true and fair view of the state of affairs of the company and the group as at 31 December 2014 and of its financial performance, changes in equity, and its cash flows for the year ended on that date; and
      b) give the information required by the Fiji Companies Act, 1983 in the manner so required.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Ernst & Young
Ernst & Young
Chartered Accountants

Suva, Fiji
30 March 2015

COMMUNICATIONS (FIJI) LIMITED and Subsidiary company
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Group		Holding Company	
		2014	2013	2014	2013
		$	$	$	$
Radio income	4.1	11,940,632	12,194,787	4,897,035	4,431,703
Other revenue	4.2	1,283,561	1,237,056	1,295,262	1,179,720
Salaries and employee benefits	4.3	(3,447,652)	(3,103,693)	(2,043,656)	(1,886,376)
Depreciation and amortization	4.4	(904,843)	(1,057,014)	(475,248)	(548,222)
Other expenses	4.5	(6,210,514)	(7,018,538)	(2,305,232)	(2,216,777)
Profit from operations		2,661,184	2,252,598	1,368,161	960,048
Finance costs	4.6	(97,002)	(115,360)	(84,464)	(105,636)
Share of (loss)/profit of associate or joint venture	4.7	(637,930)	(87,789)	107,242	111,906
Profit before income tax		1,926,252	2,049,449	1,390,939	966,318
Income tax expense	5	(451,295)	(534,440)	(132,580)	(12,757)
Net profit for the year		**1,474,957**	**1,515,009**	**1,258,359**	**953,561**
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operation	21	(229,014)	(474,662)	-	-
Other comprehensive income for the year		(229,014)	(474,662)	-	-
Total comprehensive income for the year		**1,245,943**	**1,040,347**	**1,258,359**	**953,561**
Earnings per share (cents)	6	41.45	42.58		

The accompanying notes form an integral part of this Consolidated Statement of Comprehensive Income.

COMMUNICATIONS (FIJI) LIMITED and Subsidiary company
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

	Notes	Group		Holding Company	
		2014	2013	2014	2013
Current assets		$	$	$	$
Cash and cash equivalents	9(a)	379,585	325,776	450	450
Trade receivables	8	2,703,068	2,663,366	1,515,802	1,338,846
Inventories	10	38,279	38,920	4,734	7,343
Prepayments and other assets	11	386,534	491,688	80,393	78,927
Income tax receivables		259,763	-	87,589	63,836
		3,767,229	3,519,750	1,688,968	1,489,402
Non-current assets					
Investment in subsidiary	12	-	-	1,725,117	1,725,117
Investment in associates and joint ventures	13	1,943,848	1,696,179	1,451,988	1,444,746
Financial assets	14	591,884	591,884	591,884	591,884
Intangible assets	15	1,637,317	1,669,106	443,936	476,926
Property, plant and equipment	16	6,451,484	6,383,979	3,047,561	2,826,083
		10,624,533	10,341,148	7,260,486	7,064,756
Total assets		**14,391,762**	**13,860,898**	**8,949,454**	**8,554,158**
Current liabilities					
Trade and other payables	17	1,111,611	1,304,025	412,569	772,936
Employee benefit liabilities	18	205,431	178,845	70,814	64,606
Interest-bearing borrowings	19	790,684	480,489	634,653	480,489
Income tax payable		-	184,409	-	-
		2,107,726	2,147,768	1,118,036	1,318,031
Non-current liabilities					
Interest-bearing borrowings	19	1,073,360	1,392,402	1,073,360	1,392,402
Deferred tax liability	5	95,541	95,736	172,285	160,511
		1,168,901	1,488,138	1,245,645	1,552,913
Total liabilities		**3,276,627**	**3,635,906**	**2,363,681**	**2,870,944**
Net assets		**11,115,135**	**10,224,992**	**6,585,773**	**5,683,214**
Shareholders' equity					
Share capital	20	3,558,000	3,558,000	3,558,000	3,558,000
Reserves	21	253,685	482,699	61,500	61,500
Retained earnings		7,303,450	6,184,293	2,966,273	2,063,714
Total equity		**11,115,135**	**10,224,992**	**6,585,773**	**5,683,214**

The accompanying notes form an integral part of this Consolidated Statement of Financial Position.

Signed for and on behalf of the Board and in accordance with a resolution of the Directors.

Director: .... Director: ....

COMMUNICATIONS (FIJI) LIMITED and Subsidiary company
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Group		Holding Company	
		2014	2013	2014	2013
		$	$	$	$
Operating activities					
Receipts from customers		13,261,441	13,336,923	6,036,426	5,556,886
Payments to suppliers and employees		(9,762,787)	(10,141,222)	(4,570,542)	(3,847,985)
Interest and bank charges paid		(97,002)	(115,360)	(84,464)	(105,636)
Income tax paid		(895,662)	(1,306,749)	(144,559)	(230,431)
Net cash provided by Operating Activities		2,505,990	1,773,592	1,236,861	1,372,834
Investing activities					
Proceeds from sale of plant and equipment		24,933	35,950	10,343	3,913
Acquisition of plant, equipment and intangibles		(881,411)	(1,161,273)	(534,249)	(648,211)
Investment in joint venture		(975,190)	(199,648)	-	-
Dividends received		100,000	100,000	100,000	100,000
Net cash flows used in Investing Activities		(1,731,668)	(1,224,971)	(423,906)	(544,298)
Financing activities					
Dividends paid to equity holders of the parent		(498,120)	(853,920)	(498,120)	(853,920)
Advance to related party		(71,100)	(58,962)	-	-
Repayment of secured loan principal		(227,785)	(359,449)	(383,816)	(359,449)
Repayment of lease principal		(16,876)	(65,478)	(16,875)	-
Net cash flows used in Financing Activities		(813,881)	(1,337,809)	(898,811)	(1,213,369)
Net (decrease)/increase in cash held		(39,559)	(789,188)	(85,856)	(384,833)
Cash and cash equivalents at the beginning of year		222,065	1,080,685	(103,261)	281,572
Effects of exchange rate changes on opening cash balances		7,512	(69,432)	-	-
Cash and cash equivalents/(bank overdraft) at the end of year	9(a)	190,018	222,065	(189,117)	(103,261)

The accompanying notes form an integral part of this Consolidated Statement of Cash Flows.

COMMUNICATIONS (FIJI) LIMITED and Subsidiary company
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Group		Holding Company	
		2014	2013	2014	2013
		$	$	$	$
Retained earnings					
Balance at the beginning of the year		6,184,293	5,452,044	2,063,714	1,892,913
Operating profit after tax		1,474,957	1,515,009	1,258,359	953,561
Dividends paid/proposed	7	(355,800)	(782,760)	(355,800)	(782,760)
Balance at the end of the year		7,303,450	6,184,293	2,966,273	2,063,714
Reserves					
Foreign currency translation reserve					
Balance at the beginning of the year		421,199	895,861	-	-
Movement arising on translation of the financial statements of foreign subsidiary		(229,014)	(474,662)	-	-
Balance at the end of the year	21	192,185	421,199	-	-
Share premium reserve					
Balance at the beginning of the year		61,500	61,500	61,500	61,500
Movements during the year		-	-	-	-
Balance at the end of the year	21	61,500	61,500	61,500	61,500
Share capital					
Balance at the beginning of the year		3,558,000	3,558,000	3,558,000	3,558,000
Balance at the end of the year	20	3,558,000	3,558,000	3,558,000	3,558,000
Total equity		11,115,135	10,224,992	6,585,773	5,683,214

The accompanying notes form an integral part of this Consolidated Statement of Changes in Equity.

1. Corporate information

The consolidated financial statements of Communications (Fiji) Limited and its subsidiary company ("the Group") for the year ended 31 December 2014 were authorized for issue with a resolution of the directors on 27th March 2015. Communications (Fiji) Limited is a limited liability company incorporated and domiciled in Fiji whose shares are publicly traded on the South Pacific Stock Exchange.

2.1 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in Fiji dollars and all values are rounded to the nearest dollar except when otherwise indicated.

Statement of compliance

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements provide comparative information in respect of the previous period.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the group and its subsidiary as at 31 December 2014. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if and only if the group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the group's voting rights and potential voting rights.

The group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the group gains control until the date the group ceases to control the subsidiary.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- derecognizes the cumulative translation differences recorded in equity;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained;
- recognizes any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the group had directly disposed of the related assets or liabilities.

The financial statements of the subsidiary is prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealized gains and losses resulting from intra-group transactions are eliminated in full.

On consolidation, subsidiary company PNG FM's assets and liabilities has been translated at the rate of exchange ruling at balance date. Revenue and expense accounts have been translated using the average of the exchange rates ruling at the end of each month during the current financial year. The rate used to translate the assets and liabilities of PNG FM was 1.2818:1 (2013: 1.25221:1) while the average rate used to translate revenue and expense accounts was 1.2539:1 (2013: 1.1534:1).

During the year, the PNG Kina was revalued by over 15%.

2.2 Significant accounting judgments, estimates and assumptions

The preparation of the company and the group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds it recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculations is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. The group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile of the group companies.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2.3 Changes in accounting policy and disclosures

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards effective as of 1 January 2014:

Reference	Title	Application date of standard	Impact on financial report
IAS 27	Separate Financial Statements	1 January 2014	No impact
IAS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014	No impact
IFRS 10	Consolidated Financial Statements	1 January 2014	No impact
IFRS 12	Disclosure of Interest in Other Entities	1 January 2014	No impact
Amendment to IFRS 3	Related party disclosures	1 July 2014	No impact
Amendment to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016	The impact of the standard is yet to be assessed
IFRS 9	Financial Instruments	1 January 2018	The impact of the standard is yet to be assessed
IFRS 15	Revenue from contracts with customers	1 January 2017	The impact of the standard is yet to be assessed

There were no significant changes to the group's accounting policies during the financial year.

2.4 Summary of significant accounting policies

(a) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of Comprehensiveincome in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as a change in accounting estimate. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category consistent with the function of intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change is the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognizing of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Comprehensive Income when the asset is derecognized.

(b) Investment in associate or joint venture

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The statement of profit or loss reflects the group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the group's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains or losses resulting from transactions between the group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the group's share of profit or loss of an associate or joint venture is shown on the face of the Statement of Comprehensive Income and represents profit or loss after tax.

The financial statements of the associate or joint venture are prepared for the same reporting period as the group. Where necessary, adjustments are made to bring the accounting policies in line with those of the group.

After application of the equity method, the group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognizes the loss as 'Share of profit of associate or joint venture' in the statement of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

2.4 Summary of significant accounting policies *continued*

(c) Impairment of non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or other groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiary or other available fair value indicators.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired assets, except for property previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognized in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

The group assesses whether there are any indication that goodwill is impaired at each reporting date. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The group performs its annual impairment test of goodwill as at 31 December.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December either individually or at the cash generating unit level, as appropriate.

Associate and joint venture

After application of the equity method, the group determines whether it is necessary to recognize an additional impairment loss of the group's investment in its associate or joint venture. The group determines at each balance date whether there is any objective evidence that the investment in associate or joint venture and the acquisition cost requires impairment and recognizes the amount in the statement of comprehensive income.

(d) Investments and other financial assets

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments or available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs.

The group determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 **Summary of significant accounting policies *continued***

(c) Impairment of non-financial assets continued

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in the statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Fair value

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at balance date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transaction; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models.

Amortized cost

Loans and receivables are measured at amortized cost. This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

(e) Impairment of financial assets

The Group assess at each balance date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the statement of comprehensive income.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectible.

(f) Inventories

Inventories are valued at the lower of cost and net realizable value. Costs includes invoice value plus associated costs incurred in bringing each product to its present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

2.4 Summary of significant accounting policies *continued*

(h) Trade and other receivables

Trade receivables are recognized at original invoice amount (inclusive of VAT) less any provision for uncollectible debts. Bad debts are written off during the year in which they become known. A specific provision is raised for any doubtful debts.

(i) Trade and other payables

Liabilities for trade payables and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity.

(j) Financial liabilities

Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs, and have not been designated "as at fair value through profit or loss". After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the comprehensive income when the liabilities are derecognized as well as through the amortization process.

(k) Borrowing costs

Borrowing costs are recognized as an expense when incurred.

(l) Property, plant and equipment

Property, plant and equipment are stated at deemed cost less accumulated depreciation and any impairment in value. The principal depreciation rates in use are:

Buildings	2%
Plant and equipment	5% - 30%
Motor vehicles	15% - 18%

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment losses are recognized in the statement of comprehensive income.

(m) Leases

Finance leases, which transfer to the group substantially all the risks and benefits incidental to the ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Capitalized leased assets are depreciated over the period the benefit is expected to be realized from their use.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight line basis over the lease term.

2.4 Summary of significant accounting policies *continued*

(n) Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Rendering of services

Radio revenue is recognized when commercials are played or service is delivered. Proceeds from advance deposits are not recognized as revenue until the subsequent playing of commercials or delivery of service is performed.

Dividends

Revenue is recognized when the shareholders' right to receive the payment is established.

Rental income

Rental income is accounted for on a straight line basis over the lease term on ongoing leases.

(o) Employee benefits

Annual leave

Provision is made for annual leave to be payable to employees on the basis of statutory requirement on employment contract.

Long service leave

The liability for employees' entitlements to long service leave represents the amount payable to employees, based on current wage and salary rates, for services provided up to balance date. The liability for long service leave increases according to the number of years of service completed by the employee.

(p) Foreign currencies

The consolidated financial statements are presented in Fiji dollars, which is the holding company's functional and presentation currency. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at balance date. All differences are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognized in comprehensive income. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

The assets and liabilities of foreign operations are translated into Fiji dollars at the rate of exchange ruling at balance date and its income statement is translated at the weighted average exchange rate for the year. The exchange difference arising on translation are taken directly to a separate component of equity. On disposal of the foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the statement of comprehensive income.

(q) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

2.4 Summary of significant accounting policies *continued*

(q) Business combinations and goodwill continued

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. It is then considered in the determination of goodwill.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(r) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at balance date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in comprehensive income.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from goodwill amortization or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiary, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that it is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiary, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

2.4 **Summary of significant accounting policies *continued***

(r) Taxes continued

Deferred tax continued

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date. Deferred tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes related to the same taxable entity and the same taxation authority.

Sales tax

Revenue, expenses and assets are recognized net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of sales tax included.

The net amount of sales taxes recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

(s) Comparatives

Where necessary, amounts relating to prior year have been reclassified to conform with presentation in the current year.

3. SEGMENT INFORMATION

The company and its subsidiary operate predominantly in the commercial radio services industry. The holding company operates in Suva, Fiji while its subsidiary operates in Port Moresby, Papua New Guinea.

(a) Geographical segments

The following tables present revenue and profit information and certain asset and liability information regarding geographical segments for the years ended 31 December 2014 and 2013.

Year ended 31 December 2014	PNG $	Fiji $	Eliminations $	Total $
Revenue				
External sales	7,043,597	4,897,035	-	11,940,632
	7,043,597	4,897,035	-	11,940,632
Results				
Segment result	1,223,660	1,368,161	69,363	2,661,184
Unallocated expenses	-	-	-	-
Profit from operating activities	1,223,660	1,368,161	69,363	2,661,184
Net finance costs	(12,538)	(84,464)	-	(97,002)
Share of (loss)/profit of associate or joint venture	(745,172)	107,242	-	(637,930)
Profit before income tax	465,950	1,390,939	69,363	1,926,252
Income tax expense	(318,715)	(132,580)	-	(451,295)
Net profit	147,235	1,258,359	69,363	1,474,957

3. SEGMENT INFORMATION *continued*

Year ended 31 December 2014	PNG	Fiji	Eliminations	Total
	$	$	$	$
Assets and liabilities				
Segment assets	5,797,961	7,497,466	(847,513)	12,447,914
Investment in associate or joint venture	491,860	1,451,988	-	1,943,848
Total assets	6,289,821	8,949,454	(847,513)	14,391,762
Segment liabilities	1,335,687	2,363,681	(422,741)	3,276,627
Total liabilities	1,335,687	2,363,681	(422,741)	3,276,627
Other segment information				
Capital expenditure:				
- tangible fixed assets	336,614	627,906	-	964,520
- intangible assets	8,518	40,169	-	48,687
Amortization of intangible assets	8,309	465,132	-	473,441
Depreciation	421,101	402,089	-	823,190
Doubtful and bad debts	6,583	(30,682)	-	(24,099)
Cash flows				
Operating activities	1,269,129	1,236,861		
Investing activities	(1,307,762)	(423,906)		
Financing activities	84,930	(898,811)		

Year ended 31 December 2013	PNG Restated	Fiji	Eliminations	Total
	$	$	$	$
Revenue				
External sales	7,763,084	4,431,703	-	12,194,787
	7,763,084	4,431,703	-	12,194,787
Result				
Segment result	1,467,975	960,048	(175,425)	2,252,598
Unallocated expenses	-	-	-	-
Profit from operating activities	1,467,975	960,048	(175,425)	2,252,598
Net finance costs	(9,724)	(105,636)	-	(115,360)
Share of (loss)/profit of associate or joint venture	(199,695)	111,906	-	(87,789)
Profit before income tax	1,258,556	966,318	(175,425)	2,049,449
Income tax expense	(521,683)	(12,757)	-	(534,440)
Net profit	736,873	953,561	(175,425)	1,515,009
Assets and liabilities				
Segment assets	6,359,423	7,109,412	(1,304,116)	12,164,719
Investment in associate or joint venture	251,433	1,444,746	-	1,696,179
Total assets	6,610,856	8,554,158	(1,304,116)	13,860,898
Segment liabilities	1,510,807	2,870,944	(745,845)	3,635,906
Total liabilities	1,510,807	2,870,944	(745,845)	3,635,906

3. SEGMENT INFORMATION *continued*

(a) Geographical segments *continued*

Year ended 31 December 2013 *continued*	PNG Restated	Fiji	Eliminations	Total
	$	$	$	$
Other segment information				
Capital expenditure:				
- tangible fixed assets	455,562	604,136	-	1,059,698
- intangible assets	57,500	44,075	-	101,575
Amortization of intangible assets	2,519	70,436	-	72,955
Depreciation	506,273	477,786	-	984,059
Doubtful and bad debts	31,789	50,000	-	81,789

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column.

(b) Business segments

The company and its subsidiary both operate predominantly in the commercial radio services industry. Revenue, expenditure and certain asset information regarding business segments for the years ended 31 December 2014 and 2013 are the same as that disclosed for geographical segments above.

4. REVENUE AND EXPENSES

Revenue, expenses and finance costs for the year include the following:

	Group 2014	Group 2013	Holding Company 2014	Holding Company 2013
	$	$	$	$
4.1 Radio income				
Advertising income	10,993,993	10,535,151	4,481,615	3,937,565
Total Event Company Limited income and other commercial income	946,639	1,659,636	415,420	494,138
	11,940,632	12,194,787	4,897,035	4,431,703
4.2 Other revenue				
Other income	612,671	291,978	337,872	218,839
Gain on disposal of assets	9,597	18,101	9,597	3,913
Cinema advertising	661,293	926,977	661,293	510,530
Dividend income	-	-	-	159,719
Management fees	-	-	286,500	286,719
	1,283,561	1,237,056	1,295,262	1,179,720
4.3 Salaries and employee benefits				
FNPF and FNU levy	305,286	295,393	175,878	168,061
Salaries and wages	2,620,227	2,406,286	1,633,055	1,584,419
Staff commission and bonus	485,801	337,053	234,316	120,709
Staff training	36,338	64,961	407	13,187
	3,447,652	3,103,693	2,043,656	1,886,376
4.4 Depreciation and amortization				
Depreciation	823,190	984,059	402,089	477,786
Amortization of intangibles assets	81,653	72,955	73,159	70,436
	904,843	1,057,014	475,248	548,222

4. REVENUE AND EXPENSES *continued*	Group		Holding Company	
	2014	2013	2014	2013
	$	$	$	$
4.5 Other expenses				
Auditors remuneration - audit fees	79,847	79,847	12,900	12,900
- other services	21,849	21,849	1,750	1,750
Bad debts	-	6,011	-	-
Managing Director's emoluments	185,000	185,000	92,500	92,500
Directors' fees	22,972	27,355	15,000	18,688
Doubtful debts	(24,099)	81,789	(30,682)	50,000
Operating lease rentals	609,932	741,608	209,939	220,619
Other operating expenses	5,315,013	5,875,079	2,003,825	1,820,320
	6,210,514	7,018,538	2,305,232	2,216,777
4.6 Finance costs				
Finance charges payable under finance leases	-	687	-	-
Bank loans and overdrafts	97,002	114,673	84,464	105,636
	97,002	115,360	84,464	105,636
4.7 Share of loss/(profit) of associate or joint venture				
Share of profit from 231 Waimanu Rd Holdings Limited	(107,242)	(111,906)	(107,242)	(111,906)
Share of loss from Paradise Cinemas (PNG) Limited	745,172	199,695	-	-
	637,930	87,789	(107,242)	(111,906)

5. INCOME TAX

The major components of income tax expense for the years ended 31 December 2014 and 2013 are:

A reconciliation between tax expense and the product of accounting profit multiplied by Fiji's domestic tax rate for the years ended 31 December 2014 and 2013 is as follows:

	$	$	$	$
Accounting profit before income tax	1,926,252	2,049,449	1,390,939	966,318
Prima facie tax thereon at the Fiji rate of 10% (2013: 18.5%)	192,625	379,148	139,094	178,769
Effect of higher tax rates in PNG	235,288	167,699	-	-
Tax effect of non-deductible items	9,829	119,546	9,829	5,791
Share of loss/(profit) of associate or joint venture non-deductible/non-taxable	63,793	16,241	(10,724)	(20,703)
Effect of change in Fiji tax rate	-	(152,687)	-	(152,687)
Other	2,460	3,691	2,495	785
Under/(over) provision from prior year	(52,700)	802	(8,114)	802
Income tax attributable to operating profit	451,295	534,440	132,580	12,757
(a) Consolidated income statement				
Current income tax:				
Current income tax charge	503,564	666,393	126,464	136,950
Adjustments in respect of previous year	(52,700)	802	(8,114)	802
Effect of change in tax rate	-	(152,687)	-	(152,687)
Origination and reversal of temporary differences	431	19,932	14,230	27,692
Income tax expense	451,295	534,440	132,580	12,757

5. INCOME TAX *continued*

(b) Deferred tax

Deferred tax assets/liabilities at 31 December relates to the following:

	Group 2014 $	Group 2013 $	Holding Company 2014 $	Holding Company 2013 $
Provision for doubtful debts	36,787	54,564	3,856	6,924
Employee entitlements	47,468	40,733	7,081	6,461
Accelerated depreciation for tax purposes and other	(179,796)	(191,033)	(183,222)	(173,896)
Net deferred tax liability	(95,541)	(95,736)	(172,285)	(160,511)
Represented on the consolidated balance sheet as:				
Deferred tax liability	(95,541)	(95,736)	(172,285)	(160,511)
	(95,541)	(95,736)	(172,285)	(160,511)

6. EARNINGS PER SHARE

	$	$
Operating profit after income tax	1,474,957	1,515,009
Weighted average number of shares outstanding	3,558,000	3,558,000
Basic earnings per share (cents)	41.45	42.58

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of shares outstanding during the year.

There are no convertible redeemable preference shares for the group. There have been no transaction involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

7. DIVIDENDS PAID AND PROPOSED

	$	$	$	$
Declared and paid in year:				
Final dividend for 2013: 5 cents (2012: 12 cents)	177,900	426,960	177,900	426,960
Interim dividend for 2014: 5 cents (2013: 6 cents)	177,900	213,480	177,900	213,480
Dividends declared and paid	355,800	640,440	355,800	640,440
Declared but not paid:				
Interim dividend for 2013: 4 cents	-	142,320	-	142,320

8. TRADE RECEIVABLES

	$	$	$	$
Trade receivables	2,480,824	2,591,935	1,122,793	978,779
Provision for doubtful debts	(148,329)	(228,042)	(38,560)	(69,242)
	2,332,495	2,363,893	1,084,233	909,537
Receivable from related entities	370,573	299,473	431,569	429,309
	2,703,068	2,663,366	1,515,802	1,338,846

For terms and conditions relating to related party receivable, refer Note 24.

Trade receivables are non-interest bearing and are generally on 30-90 day terms. At 31 December 2014, trade receivables of the group at nominal value of $148,329 (2013: $228,042) were impaired and fully provided for. Movements in the provision for impairment of receivables were as follows:

8. TRADE RECEIVABLES *continued*

	Group 2014	Group 2013	Holding Company 2014	Holding Company 2013
	$	$	$	$
At 1 January	228,042	181,415	69,242	19,242
Charge for the year	-	81,789	-	50,000
Utilized	(66,352)	(20,154)	(30,682)	-
Translation adjustment	(13,361)	(15,008)	-	-
At 31 December	148,329	228,042	38,560	69,242

At 31 December, the ageing analysis of trade receivables for the group is as follows:

	Total	< 30 days	Past due but not impaired 30 - 60 days	60 - 90 days	> 90 days
2014	2,332,495	1,455,707	547,500	170,564	158,724
2013	2,363,893	1,803,871	319,012	96,895	144,115

At 31 December, the ageing analysis of trade receivables for the company is as follows:

	Total	< 30 days	Past due but not impaired 30 - 60 days	60 - 90 days	> 90 days
2014	1,084,233	657,472	295,651	113,686	17,424
2013	909,537	524,366	243,765	56,572	84,834

9. CASH AND CASH EQUIVALENTS

(a) For the purpose of the consolidated Statement of Cash Flows, cash and cash equivalents comprise the following at 31 December:

	$	$	$	$
Cash at bank	379,585	325,776	450	450
Bank overdraft (Note 19)	(189,567)	(103,711)	(189,567)	(103,711)
	190,018	222,065	(189,117)	(103,261)

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate requirements of the group, and earn interest at the respective short-term deposit rates.

At 31 December 2014, the group had available $Nil (2013: $200,000) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

10. INVENTORIES

	Group 2014	Group 2013	Holding Company 2014	Holding Company 2013
	$	$	$	$
Total Event Company Limited merchandise	38,279	38,920	4,734	7,343

The amount of write-down of inventories recognized as an expense was $Nil (2013: $Nil).

11. PREPAYMENTS AND OTHER ASSETS

	$	$	$	$
Current				
Refundable deposits	146,747	138,044	47,515	46,395
Prepayments	101,517	154,184	30,592	29,682
Other receivables	138,270	199,460	2,286	2,850
	386,534	491,688	80,393	78,927

12. INVESTMENT IN subsidiary

	Group		Holding Company	
	2014	2013	2014	2013
Shares in subsidiary companies:	$	$	$	$
- Total Event Company Limited	-	-	2	2
- PNG FM Pty Limited	-	-	1,725,115	1,725,115
	-	-	1,725,117	1,725,117

Communications (Fiji) Limited holds 100% of the ordinary shares of PNG FM Pty Limited. The results of PNG FM Pty Limited have been consolidated in these financial statements. The results of Total Event Company Limited is included in the results of the holding company.

13. INVESTMENT IN ASSOCIATE OR JOINT VENTURE

(a) Investment of Communications (Fiji) Limited in 231 Waimanu Rd Holdings Limited

The holding company has a shareholding of 50% interest in 231 Waimanu Rd Holdings Limited, a company involved in property management. The company's investment in 231 Waimanu Rd Holdings Limited is accounted for using the equity method. Summarized financial information of 231 Waimanu Rd Holdings Limited, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment are set out below:

	2014	2013
	$	$
Current assets, including cash and cash equivalents and prepayments	347,610	352,756
Non-current assets	2,876,403	2,859,620
Current liabilities, including tax payable	(15,669)	(14,284)
Non-current liabilities, including deferred tax liabilities	(304,367)	(308,600)
Equity	2,903,977	2,889,492
Proportion of the group's ownership	50%	50%
Carrying amount of investment - 231 Waimanu Rd Holdings Limited	**1,451,988**	**1,444,746**

Summarized statement of profit or loss of 231 Waimanu Rd Holdings Limited:

	2014	2013
Revenue	358,622	358,622
Expenses	(78,778)	(78,778)
Profit before tax	**279,844**	**279,844**
Income tax expense	(56,033)	(56,033)
Profit for the year	**223,811**	**223,811**
Group's share of profit for the year	**107,242**	**111,906**

231 Waimanu Rd Holdings Limited had no contingent liabilities or capital commitments as at 31 December 2013 and 2014.

(b) Investment of PNG FM Limited in Paradise Cinemas (PNG) Limited

The subsidiary, PNG FM Limited has a 41.67% shareholding in Paradise Cinemas (PNG) Limited, a company involved in cinema entertainment in Papua New Guinea. The group's investment in Paradise Cinemas (PNG) Limited is accounted for using the equity method in the consolidated financial statements. Summarized financial information of Paradise Cinemas (PNG) Limited, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment are set out below:

	2014	2013
Current assets, including cash and cash equivalents and prepayments	485,836	338,034
Non-current assets	10,044,287	5,432,764
Current liabilities, including tax payable	(8,106,543)	(2,797,750)
Non-current liabilities, including deferred tax liabilities	(1,243,117)	(2,269,036)
Equity	1,180,463	704,012
Proportion of the group's ownership	41.67%	36%
Carrying amount of investment - Paradise Cinemas (PNG) Limited	**491,860**	**251,433**

13. INVESTMENT IN ASSOCIATE OR JOINT VENTURE

(b) Investment of PNG FM Limited in Paradise Cinemas (PNG) Limited

	2014	2013
	$	$
Summarized statement of profit or loss of Paradise Cinemas (PNG) Limited:		
Revenue	5,763,724	5,990,577
Expenses	(7,552,137)	(6,589,661)
Profit before tax	**(1,788,413)**	**(599,084)**
Income tax expense	-	-
Profit for the year	**(1,788,413)**	**(599,084)**
Group's share of profit for the year	(745,172)	(199,695)

Paradise Cinemas (PNG) Limited has provided a bank guarantee amounting to $124,824 as at 31 December 2014. Paradise Cinemas (PNG) Limited had no capital commitments as at 31 December 2013 and 2014.

At 31 December 2014, the holding company authorised PNG FM Limited to issue a letter of support for the operations of Paradise Cinemas (PNG) Limited.

	2014	2013
Total investment in associate or joint venture	1,943,848	1,696,179

231 Waimanu Rd Holdings Limited and PNG FM Limited are not listed on any stock exchange.

14. FINANCIAL ASSETS

	Group		Holding Company	
	2014	2013	2014	2013
	$	$	$	$
Shares in i-Pac Communications Limited	591,884	591,884	591,884	591,884

15. INTANGIBLE ASSETS

Holding company	$	$
Software		
Cost:		
At 1 January	868,899	824,824
Additions	40,169	44,075
At 31 December	909,068	868,899
Depreciation and impairment:		
At 1 January	391,973	321,537
Depreciation charge for the year	73,159	70,436
At 31 December	465,132	391,973
Net book value	443,936	476,926

Group	Goodwill	Software	Total
Cost:	$	$	$
At 1 January 2014	1,507,569	926,399	2,433,968
Additions	-	48,687	48,687
Translation adjustment	-	(1,328)	(1,328)
At 31 December 2014	1,507,569	973,758	2,481,327
Depreciation and impairment:			
At 1 January 2014	370,569	394,293	764,862
Depreciation charge for the year	-	79,336	79,336
Translation adjustment	-	(188)	(188)
At 31 December 2014	370,569	473,441	844,010
Net written down value:			
At 31 December 2014	**1,137,000**	**500,317**	**1,637,317**
At 1 January 2014	1,137,000	532,106	1,669,106

15. INTANGIBLE ASSETS *continued*

(a) Impairment testing of goodwill and intangibles with indefinite useful lives

Goodwill acquired through business combination with indefinite life has been allocated to the subsidiary acquired which is an individual cash generating unit, which is also a reportable segment, for impairment testing as follows:

	$	$
Carrying amount of goodwill	1,137,000	1,137,000

The recoverable amount of the subsidiary has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five year period. The pre-tax discount rate applied to cash flow projection is 19% (2013: 19%) and cash flows beyond the 5-year period are extrapolated using a 5% growth rate (2013: 5%) that is the same as the long term average growth rate for the industry in PNG.

Key assumptions used in value in use calculations

The calculation of value in use are most sensitive to the following assumptions:

- Discount rates;
- Market share during budget period;
- Growth rates used to extrapolate cash flows beyond the budget period;
- Political stability; and
- Capital expenditure.

Discount rates

Discount rates reflect management's estimate of the risks specific to the unit. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. In determining the appropriate discount rate, regard has been given to the yield on a ten-year government bond at the beginning of the budgeted year.

Market share during budget period

These assumptions are important, because, as well as using industry data for growth rates management assess how the unit's position, relative to its competitors, might change over the budget period. Management expects the Group's share of the PNG market to be stable over the budget period.

Growth rate estimates

Rates are based on published industry research.

Political stability

Management expect the political environment to be stable over the budget period.

Capital expenditure

There are no significant capital expenditure adjusted in the budgeted period. The capital expenditure used in this calculation is assumed to be equal to depreciation.

16. PROPERTY, PLANT AND EQUIPMENT

Holding company	Land and buildings	Plant and equipment	Motor vehicles	Total
Cost:	$	$	$	$
At 1 January 2014	486,026	10,071,421	579,334	11,136,781
Additions	-	494,080	133,826	627,906
Disposals	-	(3,501)	(48,702)	(52,203)
At 31 December 2014	486,026	10,562,000	664,458	11,712,484
Depreciation and impairment:				
At 1 January 2014	269,207	7,679,898	361,593	8,310,698
Depreciation charge for the year	17,425	321,370	63,294	402,089
Disposals	-	-	(47,864)	(47,864)
At 31 December 2014	286,632	8,001,268	377,023	8,664,923
Net written down value:				
At 31 December 2014	**199,394**	**2,560,732**	**287,435**	**3,047,561**
At 1 January 2014	216,819	2,391,523	217,741	2,826,083

16. PROPERTY, PLANT AND EQUIPMENT *continued*

Group	Land and buildings $	Plant and equipment $	Motor vehicles $	Total $
Cost:				
At 1 January 2014	511,436	16,267,108	1,165,600	17,944,144
Additions	2,491	677,154	284,875	964,520
Disposals	-	-	(94,802)	(94,802)
Translation adjustment	(587)	(141,545)	(14,866)	(156,998)
At 31 December 2014	513,340	16,802,717	1,340,807	18,656,864
Depreciation and impairment:				
At 1 January 2014	270,129	10,542,552	747,484	11,560,165
Depreciation charge for the year	19,293	668,491	135,406	823,190
Disposals	-	-	(93,964)	(93,964)
Translation adjustment	(62)	(73,516)	(10,433)	(84,011)
At 31 December 2014	289,360	11,137,527	778,493	12,205,380
Net written down value:				
At 31 December 2014	**223,980**	**241,307**	**562,314**	**6,451,484**
At 1 January 2014	241,307	238,851	418,116	6,383,979

The carrying amount of plant and equipment held under finance leases and hire purchase contracts for the group at 31 December 2014 was $126,916 (2013: $8,701). Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.

Total non-cash addition during the year amounted to $133,826.

Land and buildings with a carrying amount of $224,513 (2013: $241,310) are subject to a first mortgage charge to secure all of the group's bank loans (Note19).

As at 31 December 2014, the gross carrying amount of fully depreciated property, plant and equipment that is still in use is $6,653,749.

17. TRADE AND OTHER PAYABLES

	Group		Holding Company	
	2014	2013	2014	2013
	$	$	$	$
Trade payables	187,990	267,620	34,921	46,972
Other payables	923,621	894,085	377,648	330,941
Dividend payable	-	142,320	-	142,320
Payable to related entity	-	-	-	252,703
	1,111,611	1,304,025	412,569	772,936

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables are non-interest bearing and have an average term of six months.
- Interest payable is normally settled monthly throughout the financial year.
- For terms and conditions relating to related parties, refer to Note 24.

18. EMPLOYEE BENEFIT LIABILITIES

	$	$	$	$
Annual leave	107,125	101,119	70,814	64,606
Long service leave	98,306	77,726	-	-
	205,431	178,845	70,814	64,606

19. INTEREST-BEARING BORROWINGS

			Group		Holding Company	
			2014	2013	2014	2013
Current	Maturity	Effective interest rate %	$	$	$	$
Bank overdraft	On demand	4%	189,567	103,711	189,567	103,711
Secured loan	Note 26	4%	552,606	376,778	396,575	376,778
Lease liabilities	Note 22	4%	48,511	-	48,511	-
			790,684	480,489	634,653	480,489
Non-current						
Secured loan	Note 26	4%	988,789	1,392,402	988,789	1,392,402
Lease liability	Note 22	4%	84,571	-	84,571	-
			1,073,360	1,392,402	1,073,360	1,392,402

Details of interest bearing borrowings are:

(a) *Bank overdraft and secured loan are secured as follows:*

Holding company

The bank overdraft facility and loan from Westpac Banking Corporation are secured by a first registered mortgage debenture over the assets of the company and undertakings including its uncalled ad called but unpaid capital. Interest on bank overdrafts and loan accounts are charged at the rate of 4.00%.

(b) *Lease liabilities*

Lease liabilities were secured by a Master Lease agreement and a charge over leased assets.

20. SHARE CAPITAL

	$	$	$	$
Authorised capital				
5,000,000 ordinary shares of $1 each	5,000,000	5,000,000	5,000,000	5,000,000
Issued and paid up capital				
3,558,000 ordinary shares of $1 each	3,558,000	3,558,000	3,558,000	3,558,000

21. RESERVES

	$	$	$	$
Foreign currency translation reserve				
At 1 January	421,199	895,861	-	-
Currency translation differences	(229,014)	(474,662)	-	-
At 31 December	192,185	421,199	-	-
Share premium reserve				
At 1 January	61,500	61,500	61,500	61,500
Issue of additional shares - at a premium	-	-	-	-
At 31 December	61,500	61,500	61,500	61,500
Total reserves	253,685	482,699	61,500	61,500

Nature and purpose of reserves

Foreign currency translation reserve

Foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiary. It is also used to record the effect of hedging net investments in foreign operations.

Share premium reserve

The share premium reserve arises from the issue of shares at a premium.

22. EXPENDITURE COMMITMENTS

	Group 2014 $	Group 2013 $	Holding Company 2014 $	Holding Company 2013 $
(a) Capital expenditure commitments	517,575	-	517,575	-
(b) Finance lease commitments				
Future commitments in respect of finance lease are as follows:				
Within one year	52,952	-	52,952	-
Total minimum lease payments	52,952	-	52,952	-
Deduct future finance charges	(4,440)	-	(4,440)	-
Present value of minimum lease payments	48,512	-	48,512	-
Analyzed as:				
Current	48,512	-	48,512	-
	133,083	-	133,083	-
(c) Operating lease commitments				
Future commitments in respect of operating lease are as follows:				
Within one year	146,114	558,615	146,114	146,114
After one year but not more than five years	586,788	586,788	586,788	586,788
More than five years	484,052	621,764	484,052	621,764
Minimum lease payments	1,216,954	1,767,167	1,216,954	1,354,666

The group has lease agreements for office space. The annual lease rentals are recognized as an expense in the current year.

23. CONTINGENT LIABILITIES

	$	$	$	$
Fiji Electricity Authority	8,660	8,660	8,660	8,660
Telecom Fiji Limited	8,567	8,567	8,567	8,567
	17,227	17,227	17,227	17,227

24. RELATED PARTY DISCLOSURES

$ $ $ $

(a) Directors

Directors at anytime during the year were as follows:
Mathew Wilson, William Parkinson, Pramesh Sharma and Shaenaz Voss.

(b) Ownership interest in related parties	Ownership interest		Ownership interest	
PNG FM Limited	-	-	100%	100%
Total Event Company Limited	-	-	100%	100%
231 Waimanu Holdings Limited	50%	50%	50%	50%
Paradise Cinemas (PNG) Limited	41.7%	36.0%	-	-

(c) The following related party transactions occurred during the financial year:

(i) *Transactions with consolidated subsidiary - PNG FM Limited*	$	$
Costs incurred on behalf of the subsidiary and recovered	250,500	216,702
Management fees	36,000	36,000

(ii) *Transactions with 231 Waimanu Rd Holdings Limited*	$	$
Rental of office and studio space	338,142	137,712
Dividends received	100,000	100,000

Related party transactions are at normal commercial terms and conditions.

	Group		Holding Company	
24. RELATED PARTY DISCLOSURES *continued*	**2014**	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
(d) Compensation of key management personnel				
Short-term employee benefits	399,618	479,357	296,161	293,460
Superannuation contribution	31,969	38,349	23,693	23,477
	431,587	517,706	319,854	316,937
(e) Owings from related entities	$	$	$	$
Paradise Cinemas (PNG) Limited	370,573	299,473	-	-
PNG FM Limited	-	-	431,569	429,309
	370,573	299,473	431,569	429,309
(f) (Receivables)/owing to related entity	$	$	$	$
PNG FM Limited	-	-	(161,979)	252,703
	-	-	(161,979)	252,703

(g) Directors' interests in an employee-share incentive plan

No share options have been granted to staff, executives and the non-executive members of the Board of Directors under this scheme.

25. COMPANY DETAILS

(a) Company incorporation

The legal form of the company is a public company, domiciled and incorporated in the Republic of Fiji under the Companies Act, 1983.

(b) Registered office/Company operation

The company's operations and registered office is located at 231 Waimanu Road, Suva while the subsidiary is in Papua New Guinea. The associate company namely 231 Waimanu Rd Holdings Limited operate from 231 Waimanu Road, Suva.

(c) Number of employees

As at balance date, the company employed a total of 125 employees (Group: 254 employees - 2013: 164 employees).

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's principal financial liabilities comprises bank overdrafts, finance leases, hire purchase contracts, trade payables and loans. The main purpose of these financial liabilities is to raise finance for the group's operations. The group has various financial assets such as trade receivables and cash , which arise directly from its operations.

The main risk arising from the company's financial statements are interest rate and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Interest rate risk

The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates. The group's policy is to manage its interest cost using a mix of fixed and variable rate debts.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance date:

	Increase / (decrease) in interest rate	Effect on profit before tax $
2014	+10%	(16,768)
	-10%	16,768
2013	+10%	(11,536)
	-10%	11,536

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

Foreign currency risk

The group has an investment in Papua New Guinea. The movement in the Kina/Fiji dollar exchange rates are recorded in equity and will be realized on disposal of the investment.

The group has transactional currency exposures. Such exposures arises from purchases by the group in currencies other than Fijian dollars.

Credit risk

It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the group.

Liquidity risk

The table below summarizes the maturity profile of the Group's liabilities at 31 December based on contractual undiscounted payments:

		$	$	$	$
31 December 2014	Total	On demand	< 1 year	1 - 5 years	> 5 years
Interest-bearing borrowings	1,864,044	189,567	601,117	1,073,360	-
Trade and other payables	1,111,611	187,990	923,621	-	-
	3,108,737	377,557	1,573,249	1,157,931	-
31 December 2013	Total	On demand	< 1 year	1 - 5 years	> 5 years
Interest-bearing borrowings	1,872,891	103,711	376,778	1,021,204	371,198
Trade and other payables	1,304,025	267,620	1,036,405	-	-
	3,176,916	371,331	1,413,183	1,021,204	371,198

Capital management

The primary objective of the group's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximize shareholder value.

The group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, polices or processes during the year 31 December 2013 and 31 December 2014.

The group monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The group's policy is to keep the gearing ratio below 40%. The group includes net debt, interest-bearing borrowings, trade and other payables less cash and cash equivalents, excluding discounted operations. Capital includes any preference shares, equity attributable to equity holders of the parent less any unrealized gains reserve.

	Group	
	2014	2013
	$	$
Interest-bearing borrowings	1,864,044	1,872,891
Trade and other payables	1,111,611	1,304,025
Less: cash and short term deposits	(379,585)	(325,776)
Net debt	2,596,070	2,851,140
Equity	11,115,135	10,224,992
Total capital	11,115,135	10,224,992
Capital and net debt	**13,711,205**	**13,076,132**
Gearing ratio	19%	22%

27. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the company and the Group, the results of those operations or the state of affairs of the company and the Group as reported in these financial statements.

Disclaimer on additional Information

The additional financial information, being the detailed SPSE disclosure requirements and detailed Income Statement has been compiled by the management of Communications (Fiji) Limited.

To the extent permitted by law, Ernst & Young does not accept liability for any loss or damage which any person, other than Communications (Fiji) Limited may suffer arising from any negligence on our part. No person should rely on the additional financial information without having an audit or review conducted.

STOCK EXCHANGE LISTING DISCLOSURES

Disclosure requirements of the South Pacific Stock Exchange (not included elsewhere in this report) are as follows:

(a) Statement of interest of each Director in the share capital of the Company or in a related corporation as at 31 December 2014 in compliance with Listing Requirements :

Mathew Wilson (Direct interest) 112,736 shares in Communications (Fiji) Limited.

William Parkinson (Indirect interest - Parkinson Holdings Limited) 1,881,341 shares in Communications (Fiji) Limited.

(b) Distribution of shareholding

Holding	No. of holders	% Holding
Less than 500 Shares	42	1%
501 to 5,000 Shares	86	4.38%
5,001 to 10,000 Shares	13	2.42%
10,001 to 20,000 Shares	5	3.07%
20,001 to 30,000 Shares	5	3.92%
30,001 to 40,000 Shares	3	1.91%
40,001 to 50,000 Shares	0	-
50,001 to 100,000 Shares	2	6.22%
100,001 to 1,000,000 Shares	4	24.68%
Over 1,000,000 Shares	1	52.88%
	161	100%

(c) Share register, registered and principal administrative office and company secretary

SPSE Central Share Registry
Level 2, Provident Plaza 1
Suva
Fiji

The company is incorporated in Fiji with limited liability and is listed on the South Pacific Stock Exchange. The company secretary is Ms Jyoti Solanki, Financial Controller, Communications (Fiji) Limited.

(d) Disclosure under Section 6.3.1(viii)

	Communications (Fiji) Limited F$	PNG FM Limited F$
Turnover	4,897,035	7,043,597
Other income	1,188,020	274,799
Share of profit/(loss) from associates and joint venture	107,242	(745,172)
	6,192,297	6,573,224
Depreciation and amortisation	475,248	498,958
Other expenses	4,326,110	5,608,316
Income tax expense	132,580	318,715
	4,933,938	6,425,989
Net profit after tax	1,258,359	147,235

STOCK EXCHANGE LISTING DISCLOSURES *continued*

(e) Top 20 Shareholders Report

Security: CFM Communications (Fiji) Limited
Share Class: ORD Ordinary Shares

Shareholder Name	No. of Shares	Total % Holdings
PARKINSON HOLDINGS LTD	1,881,341	52.88%
UNIT TRUST OF FIJI (TRUSTEE COMPANY) LTD	388,627	10.92%
BSP LIFE (FIJI) LIMITED	275,855	7.75%
JP BAYLY TRUST	167,333	4.70%
MATT WILSON	112,736	3.17%
DEBORAH KEOLA YASMEEN DEAN	95,262	2.68%
FHL TRUSTEES LIMITED ATF FIJIAN HOLDINGS UNIT TRUST	62,000	1.74%
FIJICARE INSURANCE LIMITED	35,000	0.98%
LAUTOKA STEVEDORING (FIJI) COMPANY LTD	34,100	0.96%
AMY LYNN BERGQUIST	34,000	0.96%
AEQUI-LIBRIA ASSOCIATES LTD	26,700	0.75%
ERIK LARSON AND KARLA LARSON-WADD, JTWROS	24,400	0.69%
IAN & LORETTA JACKSON	24,000	0.67%
ETA & RADIKE QEREQERETABUA	21,200	0.60%
GRAHAM EDEN	20,891	0.59%
REDDY'S ENTERPRISES LIMITED	20,000	0.56%
ROLAND F SCHULTZ	15,000	0.42%
NABUKERU VILLAGE - APANISA	14,795	0.42%
ARTHUR JOHN REYNOLDS & JULIAN REYNOLDS	12,400	0.35%
JIGNESH CHAUHAN	12,000	0.34%
Total	**3,277,640**	**92%**

(f) Five year financial history

	2014	2013	2012 Restated	2011 Restated	2010
	$000	$000	$000	$000	$000
Net profit	1,429	1,515	2,219	642	1,318
Assets	14,081	13,860	14,805	12,369	10,292
Liabilities	3,012	3,636	4,838	4,966	3,435
Equity	11,069	10,225	9,967	7,404	6,857
Dividend per share					
Earning per share		41.45			
Net tangible asset per share		3.58			
Highest market price per share		4.10			
Lowest market price per share		2.94			
Market price per share at end of financial year		4.10			

(g) Board meeting attendance

Directors	26/03/2014	03/04/2014	07/08/2014	26/08/2014	12/11/2014
Mathew Wilson	✓	✓	✓	✓	✓
William Parkinson	✓	✓	✓	✓	✓
Pramesh Sharma	✓	✓	✓	✓	✓
Shaenaz Voss	✓	×	✓	×	✓
Vilash Chand (Alternate director)	n/a	✓	n/a	✓	n/a

Keys:
✓ - Attended
× - Apology
n/a - Not applicable