Communications Fiji Limited

ANNUAL REPORT 2018

TABLE OF CONTENT

DIRECTORS & ADVISORS

William Parkinson
Executive Chairman

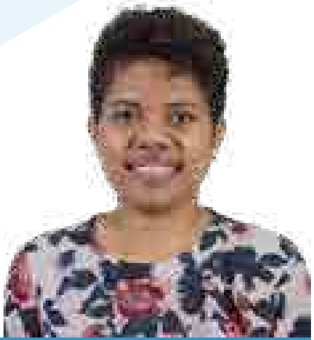
Pramesh Sharma
Director

Sufinaaz Dean
Director

Vilash Chand
Director

Thelma Savua
Director

Josephine Yee Joy
Director



Seini Tinaikoro
Company Secretary - 2019

Ian Jackson
General Manager - CFL

Charles Taylor
General Manager - PNG FM

Jyoti Khatri
Group Financial Controller
& Company Secretary - 2018

Auditors	Solicitors	Bankers	Registered Office	Share Registry
EY Building a better working world		Westpac	231 Waimanu Road Suva	Central Share Registry

COMMUNICATIONS FIJI LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting (AGM) of Communications (Fiji) Limited will be held on Tuesday, 7th May, 2019 at 12 p.m. at 231 Waimanu Road, Suva to transact the following business:

General Business:

Confirmation of Minutes of previous AGM
To receive, consider and adopt the minutes of the previous Annual General Meeting held on 30th May 2018 as a correct record of the meeting.

Ordinary Business:

1 - Adoption of Financial Statements for the year ended 31st December 2018
To receive, consider and adopt the Audited financial position and Comprehensive Income Statement and the reports of the Directors and Auditors for the year ended 31st December 2018.

2 - Election of Directors

(a) Re-appointment of Mr. Pramesh Sharma
To appoint Mr. Pramesh Sharma who retires by rotation in accordance with Article 51. of the Articles of Association and being eligible offers himself for re-appointment as a director of the Company.

(b) Re-appointment of Ms. Thelma Savua
To appoint Ms. Thelma Savua who retires by rotation in accordance with Article 51. of the Articles of Association and being eligible offers herself for re-appointment as a director of the Company.

3 - Appointment of Auditors
To appoint Auditors in accordance with Section 422 of the Companies Act, 2015. The Board has sent Invitations to Tender for Auditors and will provide a recommendation, after review of all tenders, for the appointment of Auditors of the Company at this AGM. The appointed Auditors shall hold the position from the conclusion of this AGM until the next AGM and the Board be authorized to fix their remuneration.

4 - Declaration of Dividend
The Board recommends adopting the 3rd dividend of $426,960 (12 cents per share) as final dividend for the year 2018.

By order of the Board of Directors,

Seini Tinaikoro
Company Secretary
Dated: 15th April 2019
Suva, Fiji Islands

MANAGEMENT TEAM

CFL

PNGFM

EXECUTIVE CHAIRMAN'S REPORT

I am very pleased to present my first report as Executive Chairman of Communications Fiji Ltd. You will see from the results that it has been another successful year for the company. For the year ended December 31st 2018 CFL recorded total comprehensive income for the year of $2,872,402 (2017 $2,712,794).

2018 was also an important transitional year for Communications Fiji Ltd.

In May, we bid fond farewell to long time Chairman and founding shareholder Matthew Wilson. His contribution was invaluable and immense.

At the birth of Communications Fiji Ltd (1984) I was extraordinarily fortunate as a young entrepreneur to have had the guidance and support of two mentors; Matt Wilson, who founded the company with me, and Hari Punja who joined us as a shareholder shortly after we received our broadcast license and who served as Chairman for many years prior to Matt. They both showed considerable patience and fortitude in schooling a very young man who had much to learn of life and the world of business!

We also said good bye at the end of 2018 to Ian Jackson, our long serving (23 years) General Manager of Fiji operations. His positive contribution was recognized by both the Board and Management. These changes added to what has been a busy year for Communications Fiji Ltd.

Recognizing the growing demand from regulators and shareholders for improved levels of corporate governance both here in Fiji and across the world the Board took a proactive stance on implementing recognized governance standards.

In early 2017 we appointed Thelma Savua as an independent Director and following the retirement of Matt Wilson the Board appointed Josephine Yee Joy as our second independent director.

Over the last year we have been reviewing board policies following the adoption of our revised and compliant company constitution.
We have recently adopted a Board Charter and formed Board sub committees, (Remuneration & Human Resources and Audit, Risk & Compliance). In addition, we formalized a grievance mechanism for shareholders, adopted policies on the preservation of documents, board evaluation and whistle blowers.

In support of this process we contracted Siwatibau and Sloan, solicitors, to provide company secretarial services. They nominated Seini Tinaikoro to take up the role of Company Secretary adding a legal perspective to board discussions. As an organization we have always recruited purely on the basis of competence at all levels of the business but at a time when many are advocating for gender equity on boards. I am proud to report that the CFL Board more than meets that standard!

Following the changes in management in Fiji at the end of 2018 the Board decided that I should take on a temporary executive role while we assess the future leadership needs of the organization. As part of this process we will be investing heavily in 2019 in executive education in both Fiji and Papua New Guinea.

The group financial result for Communications Fiji Ltd. in 2018 is a very positive one considering the fact that in the previous year, 2017, we recorded a one off gain of $659,371 from the sale of iPAC Communications Ltd shares.

We achieved good performances from across the Group and it was particularly encouraging to see our Papua New Guinea operations deliver a very strong profit of K1,136,254 (2017 K876,490). As we have reported previously a lot of hard work has gone into the restructuring of the organization and it is great to see the results.

Both markets experienced an unusual year with Fiji being negatively impacted early in 2018 by the various cyclone relief schemes that resulted in a significant drop in advertising spend and the cancellation of Fiji Showcase. However, we recovered strongly in the last quarter with record levels of advertising being generated around the general elections.

In Papua New Guinea there was much uncertainty around the impact of the APEC meeting held in November. This had a mixed effect with end of year radio advertising sales being negatively affected but this was more than made up for by extra revenue being generated by our Total Event Company through hire of equipment for APEC.

As a result we were able to pay out to shareholders 30 cents per share in dividends across the 2018 financial year.

Looking ahead I believe we are well positioned in both Fiji and Papua New Guinea. The prospects in Papua New Guinea look promising with most economic forecasters predicting a return to strong growth in Papua New Guinea in 2020 and 2021. We are actively looking for ways in which we can take full advantage of this forecast economic growth.

EXECUTIVE CHAIRMAN'S REPORT *(Continued)*

As has previously been announced it has been a long time goal that we reintroduce local shareholders in PNG FM Ltd. With the restructure complete and results improving we believe the time is right to pursue this in 2019.

In Fiji we are excited about the work the team has done in developing new revenue centers particularly in the digital area. We believe fijivillage.com will emerge this year as a major contributor to our bottom line and we are also seeing significant growth in our audio visual creative center. I am uncertain about general economic prospects in Fiji but I am confident about the Fiji team's ability to aggressively compete in this market.

As we enter 2019 shareholders can take confidence in the strength of our operations in both Fiji and Papua New Guinea and the fact that a debt free Communications Fiji Ltd is well positioned to take advantage of any opportunities that might come our way.

The last two years have been challenging ones in both Fiji and Papua New Guinea. When I step back and consider the level of growth and change at all levels of the organisation it really has been amazing.

I am very proud of the fact that we have built a culture of ownership where no matter what your position you feel you "own" the achievements of the organisation. As a result our success truly comes from within. My thanks therefore go to everyone at all levels of Communications Fiji Ltd and PNG FM Ltd for their hard work and commitment. Bring on 2019!

William Parkinson
Executive Chairman

CFL RADIO STATIONS

CORPORATE GOVERNANCE IN ACCORDANCE WITH GUIDELINE PROVIDED BY RESERVE BANK OF FIJI

Role of the Board

The role of the Board is to set corporate strategies and strategic direction to enhance shareholder's value. Decisions made by the Board should safeguard the interests of the shareholders by overseeing Management and regularly assessing controls and accountability systems. The Board is also responsible for establishing the organization's strategic goals, monitoring organisational performance and evaluating the achievement of the strategic and business plans.

During the financial year ending December 31st 2018 the Board of Communications Fiji Ltd undertook a significant review of board policies and procedures resulting in the adoption of a Board Charter in early 2019. Two board subcommittees, Audit, Risk & Compliance and Remuneration & Human Resources, were also established as part of good corporate governance and best practice. Additionally, the Board adopted policies and procedures on whistle blowing, shareholder grievances and the preservation of documents.

Board Structure

The CFL Board comprises of six directors two of which are independent and four representing significant shareholders. All Directors are qualified individuals with wide experience in the media industry and the commercial sector. Appointments are based on qualification, skill, experience, knowledge and integrity of the individual. All appointments and removal of directors are confirmed at the Annual General Meeting.

Following the retirement of long-time Chairman and independent director Mr. Matthew Wilson, founding shareholder Mr. William Parkinson was appointed Chair and Ms. Josephine Yee Joy was appointed as the second independent director. She now chairs the Audit, Risk & Compliance sub-committee.

The Remuneration & Human Resources sub-committee is chaired by independent director Ms. Thelma Savua.

Board Meetings

Board meeting discussions revolve around capital projects, financial performance and comparisons to budgets, editorial and operational matters, compliance with corporate governance requirements, management reports and the financial results of its subsidiaries and associates.

Board subcommittees are scheduled to meet twice per annum commencing February 2019.

Directors	Number of meetings held during the year	Number of meetings attended	Apologies
Matthew Wilson *(Retired on 30.05.18)*	5	2	-
William Parkinson *(Appointed as Chairman on 30.05.18)*	5	5	-
Vilash Chand	5	4	1
Sufi Dean	5	5	-
Thelma Savua	5	5	-
Pramesh Sharma	5	5	-
Josephine Yee Joy *(appointed on 2.05.18)*	5	3	-

Responsibilities of the Board

Each year the Board goes through the process of assessing the company's strategic plan, performance targets, business objectives and internal control policies. All matters relating to corporate governance are handled by the Board collectively.

The Finance department is responsible for producing financial information, monitoring external audits, reviewing half year and annual financial statements and monitoring company's compliance with the Stock Exchange and other requirements by external bodies. The Board is informed on these matters regularly by management and approval is sought at Board meetings or by way of flying minutes if the matter is urgent.

CORPORATE GOVERNANCE IN ACCORDANCE WITH GUIDELINE PROVIDED BY RESERVE BANK OF FIJI

Appointment of Executive Chairman

At the end of 2018, Ian Jackson, General Manager Fiji, retired from his position after 23 years of service. Whilst the Board had a transition and succession plan in place for this important role, this announcement came earlier than expected. Given this critical position, the Board decided that it would be prudent to appoint William Parkinson as Executive Chairman for an interim period until such time that a suitable General Manager is recruited. William Parkinson will also continue in his current role as Executive Director PNG FM Ltd for 2019.

William Parkinson has a wealth of industry experience, 40 years in the media industry in the Pacific together with his knowledge and experience in leading Communications Fiji Ltd since its inception in 1984. The remuneration package for the Executive Director was decided by the Board based on his reduced role and his previous salary. Ongoing remuneration will be reviewed by the Board based on his changing role within the company.

Board and Company Secretary

In recognition of the increasing demands arising from corporate governance, a review was undertaken during the year and the Board took the decision to contract Siwatibau and Sloan, solicitors, to provide company secretarial services. They in turn nominated Ms. Seini Tinaikoro who was appointed Company Secretary in January 2019.

Board of PNG FM LTD

The Board of CFL appointed Peter Aitsi as independent Chairman of 100% subsidiary PNG FM Ltd in 2018. Peter Aitsi was appointed based on his long association with PNG FM as a founding executive in 1994, later General Manager and his extensive corporate experience. Representing the parent company on the PNG FM Board are William Parkinson as Executive Director and Pramesh Sharma. Adrian Au resigned as Company Secretary in early 2019 and was replaced in early 2019 by Rosemary Botong who is currently PNG FM's Director of Sales.

The Board meets quarterly and management of PNG FM Ltd is supported by Group Financial Controller Jyoti Khatri who answers directly to this board. The parent company (CFL) Board is kept informed via minutes of these meetings and reports from the Executive Director.

Timely and Balanced Disclosures

Board meetings are held on a quarterly basis where the company's performance, strategies and operating results are discussed. Major decisions are deliberated and approved by the Board. Board sub-committee meetings are currently scheduled for twice per annum from 2019. These meetings are timed to preview budgets and the annual financial report.

All the required material information is released periodically to the public through market announcements, as required under the rules of the South Pacific Stock Exchange. In between meetings, the Board is kept informed by management on all the relevant matters transacting during the period.

Promote ethical and responsible decision-making

The Board realizes that no organization can flourish if there is an absence of ethical and responsible decision making. Therefore, the Board has placed strong emphasis on encouraging management to engage in discussions and training that would foster improved ethical and responsible decision making.

Register of Interest

The declarations of interests of directors are noted during Board meetings, as and when a situation arises.

Respect the rights of shareholders

The shareholders of CFL are well informed through market announcements, media briefings and the Annual General Meeting. The Company also has an official website www.cfl.com.fj which is updated on a regular basis.

Accountability and Audit

Each subsidiary is audited annually by an external auditor and an Independent audit report is presented to the Board. This report also forms part of the Annual Report. External auditors are appointed every year by shareholders in the Annual General Meeting.

Though, the Company does not have an internal audit team, special projects relating to Audit are performed by the Finance team and reports are presented to Management and the Board.

The establishment of the Board Audit, Risk & Compliance sub-committee in 2019 will enhance the oversight role in the internal controls process.

Recognise and manage risk

The Board Audit, Risk & Compliance sub-committee will strengthen risk management initiatives already in place. Both Fiji and Papua New Guinean operations have internal risk management committees in place that report directly to the Executive Chairman and GM PNG and ultimately to their respective Boards.

PNG RADIO STATIONS

LEGEND FM 101.1

YUMI FM

NAU FM

DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

In accordance with a resolution of the Board of Directors of Communications (Fiji) Limited ("the Company"), the directors herewith submit the Consolidated Statement of Financial Position of the company and its subsidiary (collectively as "the group") as at 31 December 2018, 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 at the date of this report are:

Matthew Wilson (Resigned 30 May 2018)
Sufinaaz Dean
William Parkinson
Vilash Chand
Pramesh Sharma
Thelma Savua
Josephine Yee Joy (Appointed 1 May 2018)

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 cinema entertainment and renting of a property respectively.

Results
The operating group profit for the year was $2,943,789 (2017: $2,922,934) after providing $539,755 (2017: $488,249) for income tax expense.

Dividends
The dividends declared during the year was $1,067,400 (2017: $1,885,740).

Reserves
The directors recommend that no transfer be made to or from reserves except for movements required under International Financial Reporting Standards.

Bad and doubtful debts
Prior to the completion of 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 the 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 group, inadequate to any substantial extent.

Non-current assets
Prior to the completion of the financial statements 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 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 group's financial statements misleading.

Unusual transactions

In the opinion of the directors, the results of the operations 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 group in the current financial year, other than those reflected in the financial statements.

Significant events

During the year, Paradise Cinemas Limited ("PCL", a joint venture entity of PNG FM Limited) sold its cinema business and related assets. PCL's principal activity subsequently changed to sub-leasing of a property for which it currently holds a non-cancellable lease.

Events subsequent to balance date

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of 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 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 group could become liable; and

(iii) no contingent liabilities or other liabilities of 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 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
Thelma Savua	2,000	Nil
Sufinaaz Dean	Nil	940,670
William Parkinson	Nil	940,671

Auditor independence

The directors have obtained an independence declaration from the group's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the Auditor's Independence Declaration to the Directors of Communications (Fiji) Limited on page 14.

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

Dated this 14th day of March 2019.

Director: **Director:**

DIRECTORS DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2018

This Directors' Declaration is required by the Companies Act, 2015.

The Directors of the company have made a resolution that declared:

(i) In the Directors' opinion, the financial statements and notes of the Group for the financial year ended 31 December 2018;

a) give a true and fair view of the financial position of the Group as at 31 December 2018 and of the perfor mance of the Group for the year ended 31 December 2018;

b) have been made out in accordance with the Companies Act 2015.

(ii) they have received declarations as required by Section 395 of the Companies Act 2015;

(iii) At the date of this declaration, in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Dated this 14th day of March 2019.

Director:  **Director:** 

Pacific House
Level 7
1 Butt Street Suva Fiji
PO Box 1359 Suva Fiji

Tel: +679 331 4166
Fax: +679 330 0612
ey.com

Auditor's independence declaration to the Directors of Communications (Fiji) Limited

As lead auditor for the audit of Communications (Fiji) Limited and its subsidiary for the financial year ended 31 December 2018, 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 Communications (Fiji) Limited and the entity it controlled during the financial year.

Ernst & Young Chartered Accountants
Suva, Fiji
14 March 2019

Steven Pickering
Partner

EY
Building a better working world

Pacific House
Level 7
1 Butt Street Suva Fiji
PO Box 1359 Suva Fiji

Tel: +679 331 4166
Fax: +679 330 0612
ey.com

INDEPENDENT AUDIT REPORT

To the Shareholders of Communications (Fiji) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the financial statements of Communications (Fiji) Limited ("the Company") and its subsidiary (collectively as "the Group"), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

In our opinion, the accompanying financial statements of the Group give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance, changes in equity and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

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 are independent of the Group in accordance with the International Ethics Standards board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

Other than the provision of assurance services in our capacity as auditor, we have no relationship with, or interest in the Company or its subsidiary. Partners and employees of our firm deal with the Company and the Group on normal terms within the ordinary course of trading activities of the business of the Group.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the matter
Impairment of goodwill: The Group recognised goodwill of $1,137,000 (2017: $1,137,000) in respect to its wholly owned subsidiary, PNG FM Limited, which is considered a separate cash generating unit (CGU). The quantum of the goodwill balance and the current economic environment in Papua New Guinea, in which the company operates, increases the potential for the goodwill balance to be impaired.	We evaluated the impairment calculations including assessing the recoverable amount of the CGU. We reviewed the valuation of the CGU as determined by an independent valuer. We assessed them key assumptions including the future maintainable earnings, forecast growth assumptions and price earnings multiples. We assessed the competence, qualifications, independence and objectivity of the independent valuer.

Key audit matters	How our audit addressed the matter
Impairment of goodwill (continued) The Directors' assessment of impairment of goodwill and other assets within the relevant CGU is disclosed at note 2.4(c). The key assumption in assessing goodwill for impairment is future maintainable earnings from the CGU. The Group's goodwill impairment assessment is included in Note 13.	We evaluated the impairment calculation including assessing the recoverable amount of the CGU calculated by the independent valuer. We considered the "value in use" valuation of the CGU as determined by an independent valuer. We assessed the key assumptions including the future maintainable earnings and price earnings multiples. We performed sensitivity analysis on the key drivers of the independent valuation, being maintainable earnings projections and price earnings multiples. We considered the likelihood of a movement in those key assumptions occurring such that it would result in an impairment. We also evaluated the adequacy of the disclosure included in Notes 2.4(c) and 13.

Information Other than the Financial Statements and Auditor's Report

The directors and management are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2018, but does not include the financial statements and the 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.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work 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 the directors and management for the Consolidated Financial Statements

The directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS 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 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is 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. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 disclo sures made by management.

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

We are also required to provide the directors and management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with management and the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2015, in our opinion:

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

b) the accompanying financial statements:

  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, give the information required by the Companies Act, 2015 in the manner so required.

Ernst & Young Chartered Accountants
Suva, Fiji
14 March 2019

Steven Pickering
Partner

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 $	2017 $
Radio income	4.1	12,286,547	11,609,894
Other revenue	4.2	1,542,626	1,397,361
Salaries and employee benefits	4.3	(3,903,581)	(3,647,622)
Depreciation and amortization	4.4	(1,880,971)	(1,098,119)
Other expenses	4.5	(4,804,491)	(5,494,056)
Profit from operations		3,240,130	2,767,458
Finance costs	4.6	(221,040)	(143,660)
Share of profit of associate or joint venture	4.7	464,454	128,014
Gain on sale of shares in associate company		-	659,371
Profit before income tax		3,483,544	3,411,183
Income tax (expense)	5	(539,755)	(488,249)
Net profit for the year		2,943,789	2,922,934
Other comprehensive (expense)			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operation	20	(71,387)	(210,140)
Other comprehensive (expense) for the year		(71,387)	(210,140)
Total comprehensive income for the year		2,872,402	2,712,794
Earnings per share (cents)	6	82.74	82.15

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

Communications Fiji Limited & Subsidiary Company

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018

	Notes	2018 $	2017 $
Current Assets			
Cash and cash equivalents	9(a)	1,069,433	2,055,770
Trade receivables	8	2,032,119	2,200,227
Inventories	10	-	7,805
Prepayments and other assets	11	359,797	382,553
Income tax receivable		14,629	68,668
		3,475,978	4,715,023
Non-current assets			
Investment in associates and joint ventures	12	2,404,097	2,039,643
Intangible assets	13	1,385,009	1,418,142
Property, plant and equipment	14	6,640,334	5,961,133
Right-of-use assets	15	1,792,782	-
Deferred tax assets	5(b)	35,463	95,916
		12,257,685	9,514,834
Total assets		15,733,663	14,229,857
Current liabilities			
Trade and other payables	16	941,585	2,114,849
Employee benefit liabilities	17	104,633	148,658
Interest-bearing borrowings	18	674,036	607,453
		1,720,254	2,870,960
Non-current liabilities			
Interest-bearing borrowings	18	1,132,378	253,732
Employee benefit liabilities	17	139,049	114,663
Deferred tax liability	5(b)	84,182	137,704
		1,355,609	506,099
Total liabilities		3,075,863	3,377,059
Net assets		12,657,800	10,852,798
Shareholders' equity			
Share capital	19	3,619,500	3,619,500
Reserves	20	(587,201)	(515,814)
Retained earnings		9,625,501	7,749,112
Total equity		12,657,800	10,852,798

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

Communications Fiji Limited & Subsidiary Company

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 $	2017 $
Operating activities			
Receipts from customers		13,812,646	12,746,834
Payments to suppliers and employees		(8,747,545)	(9,510,766)
Interest and bank charges paid		(221,040)	(143,660)
Income tax paid		(478,785)	(270,644)
Net cash provided by Operating Activities		4,365,276	2,821,764
Investing activities			
Proceeds from sale of plant and equipment		85,070	28,370
Acquisition of plant, equipment and intangibles		(1,959,670)	(1,198,763)
Proceeds from sale of shares in associate entity		-	1,251,255
Dividends received		100,000	125,000
Net cash flows (used) in/ provided by Investing Activities		(1,774,600)	205,862
Financing activities			
Dividends paid to equity holders of the parent		(2,241,540)	(711,600)
Prepayment of secured loan		(810,110)	(808,800)
Repayment of secured loan principal		(51,075)	(811,735)
Repayment of lease principal and interest		(492,239)	(64,082)
Net cash flows (used) by in Financing Activities		(3,594,964)	(2,396,217)
Net (decrease)/increase in cash held		(1,004,288)	631,409
Cash and cash equivalents at the beginning of year		2,055,770	1,405,902
Effects of exchange rate changes on opening cash balances		17,951	18,459
Cash and cash equivalents at the end of year	9(a)	1,069,433	2,055,770

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

Communications Fiji Limited & Subsidiary Company

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 $	2017 $
Retained earnings			
Balance at the beginning of the year		7,749,112	6,711,918
Operating profit after tax		2,943,789	2,922,934
Dividends paid/proposed	7	(1,067,400)	(1,885,740)
Balance at the end of the year		9,625,501	7,749,112
Reserves			
Foreign currency translation reserve			
Balance at the beginning of the year		(515,814)	(305,674)
Movement arising on translation of the financial statements of foreign subsidiary		(71,387)	(210,140)
Balance at the end of the year	20	(587,201)	(515,814)
Share premium reserve			
Balance at the beginning of the year		-	61,500
Transfer to Share Capital		-	(61,500)
Balance at the end of the year	20	-	-
Share capital			
Balance at the beginning of the year		3,619,500	3,558,000
Transfer from Share Premium Reserve		-	61,500
Balance at the end of the year	19	3,619,500	3,619,500
Total equity		12,657,800	10,852,798

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 2018 were authorized for issue with a resolution of the directors on 12 March 2019. Communications (Fiji) Limited ("the Company") 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 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 2018. 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.

2.1 Basis of consolidation *(Continued)*

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

On consolidation, the 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 1.5430:1 (2017: 1.5455:1) while the average rate used to translate revenue and expense accounts was 1.461:1 (2017:1.431:1).

2.2 Significant accounting judgments, estimates and assumptions

The preparation of 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 use calculation is based on valuation by an external valuer.

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. Deferred tax assets are also recognised for all temporary differences that are expected to reverse and reduce taxable profit in the future. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing, the probability that temporary differences will reverse and level of future taxable profits together with future tax planning strategies.

2.3 Changes in accounting policy and disclosures

i) New and amended standards and interpretations

The Group applied IFRS 15 and IFRS 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. The Group has also decided to early adopt IFRS 16 Leases as of 1 January 2018.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial Instruments: classification and measurement; impairment; and hedge accounting.

The Group has opted to use the modified retrospective approach when implementing IFRS 9. Relevant balances were recalculated at initial application date of 1 January 2018. As the impact of the standard was immaterial, the impact has been included in current year profit. Consequently, opening retained earnings was not restated.

(a) Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of IFRS 9 did not have a significant impact on the Group. There were no changes in the designation and measurement basis of debt and equity instruments held by the Group which come into the scope of IFRS 9.

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Upon the adoption of IFRS 9, the Group recognised additional impairment on the Group's Trade receivables $28,088 which resulted in a decrease in net profit for the year. Impairment losses do not reduce the carrying amount of debt instruments at fair value through OCI in the statement of financial position, which remains at fair value.

i) New and amended standards and interpretations *(Continued)*

Set out below is the reconciliation of the ending impairment allowances in accordance with IAS 39 to the opening loss allowances determined in accordance with IFRS 9:

	Allowance for impairment under IAS 39 as at 31 December 2017	Remeasurment	ECL under IFRS 9 as at 1 January 2018
	$	$	$
Receivables under IAS 39/ IFRS 9	202,498	28,088	230,586

2.3 Changes in accounting policy and disclosures *(Continued)*

i) New and amended standards and interpretations *(Continued)*

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies,with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

Based on Group's assessment, there is no impact from IFRS 15 in the consolidated statement of financial position as at 1 January 2018 and 31 December 2018 and no impact in the consolidated statement of Financial Statements for the year ended 31 December 2017.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 is mandatory for annual periods beginning on or after 1 January 2019. However, the Group has decided to early-adopt this standard for year ended 31 December 2018, with the effective transition date being 1 January 2018.

Transition to IFRS 16

The Group has adopted IFRS 16 using the modified retrospective approach. The Group has elected to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4.

The Group has elected to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low value.

2.3 Changes in accounting policy and disclosures *(Continued)*

i) New and amended standards and interpretations *(Continued)*

IFRS 16 Leases *(Continued)*

During 2018, the Group early adopted IFRS 16 after performing an assessment of the impact. The impact of adopting IFRS 16 on the financial statements of the Group is as follows:

Impact on the statement of financial position (increase/(decrease) as at 31 December 2018:

Assets	$
Right-of-use assets	1,792,782
Liabilities	
Lease liabilities	1,806,414
Deferred tax lliabilities	-
Trade and other payables	-
Net impact on equity	(13,632)

Impact on the statement of financial position (increase/(decrease)) as at 31 December 2018:

	$
Depreciation expense	612,547
Operating lease expense (included in administrative expenses)	(591,133)
Operating profit	(21,414)
Finance costs	(163,705)
Income tax expense	-
Profit for the year	(185,119)

Due to the adoption of IFRS 16, the Group's operating profit decreased. This is due higher notional interest calculated early in the lease term. At the end of the lease term, the impact on profit will effectively be the same as the accounting under IAS 17.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

	$
Operating lease commitments as at 31 December 2017	775,229
Weighted average incremental borrowing rate as at 1 January 2018	4.00%
Discounted operating lease commitments at 1 January 2018	691,996
Less:	
Commitments relating to short-term lease	(8,868)
Commitments relating to leases of low-value assets	-
Add:	
Commitments relating to transmitter sites leases previously not disclosed	372,095
Commitments for arrangements assessed as non-cancellable leases	1,350,106
Lease liabilities as at 1 January 2018	2,405,329

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 Comprehensive Income 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 IFRS 9 are classified as financial assets at fair value through profit or loss or fair value through other comprehensive income, loans and receivables and held to maturity investments, 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)*

(d) Investments and other 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.

Assets carried at amortized cost
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.

(h) Trade and other receivables
Trade and other receivables are recognised at face value of amounts due less an allowance for doubtful receivables. Doubtful receivables are determined using the simplified approach whereby trade and other receivables that share the same or similar credit risk characteristics and debt ageing are grouped and then assessed for collectability as a whole. An estimate of the group's expected credit loss for the next 12 months is made and recognised as estimated credit loss. Refer to Note 25(c).

(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.

2.4 Summary of significant accounting policies *(Continued)*

(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 capitalzed 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.

The Group has decided to early adopt IFRS 16 Leases which replaces IFRS 17 Leases. IFRS 16 allows recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. As at 1 January 2018, the Group has recognized lease liability to make lease payments and an asset representing the right to use the underlying assets during the lease team. The leases which have been captured under this standard include payments of head office rent, dedicated internet facilities and land leased for transmitter sites.

(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.

For the year ended December 2018, the Group has made an assesment to access and record the impact of IFRS 15 Revenue from contracts with customers. The impact of IFRS 15 was analysed as largely impacting products which are provided to customers in bundled packages and services which are in progress at reporting date. The Group has concluded that the impact of IFRS 15 is immaterial hence there wil be no reallocation in relation to the same.

2.4 Summary of significant accounting policies *(Continued)*

(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.

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.

2.4 Summary of significant accounting policies *(Continued)*

(q) Business combinations and goodwill *(Continued)*

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.

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.

2.4 Summary of significant accounting policies *(Continued)*

(r) Taxes continued *(Continued)*

Deferred tax *(Continued)*

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.

2.5 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify accounting for long-term interests in an associate or joint venture to which the equity method is not applied. The Group's interest in an associate or joint venture are accounted for under the equity method so there is no impact on the Group when this clarification becomes effective as of 1 January 2019.

IFRS 3 Business Combinations

The amendments clarify the accounting of when an entity obtains control of a business that is a joint operation, requiring it to apply the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation. The Group does not have any interest in a joint operation or acquired a business meets that criteria. The clarification will have no impact on the Group when the clarification becomes effective as of 1 January 2019.

IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group's policy is in line with these amendments and no impact is anticipated when this becomes effective on 1 January 2019.

IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

3. Segment Information

The company and its subsidiary operate predominantly in radio broadcasting services industry. The holding company operates in Fiji while its subsidiary operates in Papua New Guinea.

Business segments

The following tables present revenue and profit information and certain asset and liability information regarding geographical segments for the years ended 31 December 2018 and 2017.

Year ended 31 December 2018	PNG $	Fiji $	Eliminations $	Total $
Revenue				
External sales	6,408,998	5,877,547	-	12,286,547
	6,408,998	5,877,547	-	12,286,547
Results				
Segment result	1,319,149	1,929,113	(8,132)	3,240,130
Net finance costs	(162,499)	(58,541)	-	(221,040)
Share of profit of joint venture	-	464,454	-	464,454
Profit before income tax	1,156,650	2,335,026	(8,132)	3,483,544
Income (expense)	(378,765)	(160,990)	-	(539,755)
Net profit	777,885	2,174,036	(8,132)	2,943,789

Year ended 31 December 2018	PNG $	Fiji $	Eliminations $	Total $
Assets and liabilities				
Segment assets	4,325,584	9,997,695	(993,713)	13,329,566
Investment in joint venture	-	2,404,097	-	2,404,097
Total assets	4,325,584	12,401,792	(993,713)	15,733,663
Segment liabilities	1,687,003	1,615,636	(226,776)	3,075,863
Total liabilities	1,687,003	1,615,636	(226,776)	3,075,863
Other segment information				
Capital expenditure:				
-tangible fixed assets	684,344	1,270,123	-	1,954,467
-intangible assets	-	5,202	-	5,202
Amortization of intangible assets	5,839	32,861	-	38,700
Depreciation	486,879	718,498	-	1,205,377
Doubtful and bad debts	7,368	34,228	-	41,596
Cash flows				
Operating activities	1,436,425	2,928,851		
Investing activities	(661,734)	(1,112,866)		
Financing activities	(2,309,628)	(1,285,336)		

Year ended 31 December 2017	PNG $	Fiji $	Eliminations $	Total $
Revenue				
External sales	6,125,647	5,484,247	-	11,609,894
	6,125,647	5,484,247	-	11,609,894

3. Segment Information *(Continued)*

Business segments *(Continued)*

Year ended 31 December 2017	PNG $	Fiji $	Eliminations $	Total $
Result				
Segment result	1,005,448	1,759,629	2,381	2,767,458
Profit from operating activities	1,005,448	1,759,629	2,381	2,767,458
Net finance costs	(123,439)	(20,221)	-	(143,660)
Gain on sale of shares om associate company	-	659,371	-	659,371
Share of profit of joint venture	-	128,014	-	128,014
Profit before income tax	882,009	2,526,793	2,381	3,411,183
Income tax expense	(269,584)	(218,665)	-	(488,249)
Net profit	612,425	2,308,128	2,381	2,922,934
Assets and liabilities				
Segment assets	3,923,806	9,484,788	(1,218,380)	12,190,214
Investment in joint venture	-	2,039,643	-	2,039,643
Total assets	3,923,806	11,524,431	(1,218,380)	14,229,857
Segment liabilities	2,024,697	1,844,907	(492,545)	3,377,059
Total liabilities	2,024,697	1,844,907	(492,545)	3,377,059
Other segment information				
Capital expenditure:				
- tangible fixed assets	294,147	906,681	-	1,200,828
- intangible assets	-	49,335	-	49,335
Amortization of intangible assets	5,959	40,938	-	46,897
Depreciation	449,331	601,891	-	1,051,222
Doubtful and bad debts	83,847	-	-	83,847

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

4. Revenue and expenses

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

	2018 $	2017 $
4.1 Radio income		
Advertising income	11,320,300	10,647,890
Total Event Company Limited income and other commercial income	966,247	962,004
	12,286,547	11,609,894
4.2 Other revenue		
Other income	620,056	410,124
Gain on disposal of assets	23,526	15,255
Cinema advertising	889,308	954,783
Interest income	9,736	17,199
	1,542,626	1,397,361
4.3 Salaries and employee benefits		
Superannuation and FNU levy	332,067	313,091
Salaries and wages	2,925,299	2,798,545
Staff commission and bonus	609,286	495,812
Staff training	36,929	40,174
	3,903,581	3,647,622

4. Revenue & expences *(Continued)*

4. Revenue and expenses	2018 $	2017 $
4.4 Depreciation and amortization		
Depreciation	1,842,271	1,051,222
Amortization of intangible assets	38,700	46,897
	1,880,971	1,098,119
4.5 Other expenses		
Auditors remuneration - audit fees	47,255	34,900
- other services	5,250	5,250
Bad debts	16,492	-
Directors' remuneration	224,922	198,107
Doubtful debts	41,596	83,847
Operating leases	-	744,842
Operating leases - short term and low value	170,314	-
Other operating expenses	4,298,662	4,427,110
	4,804,491	5,494,056
4.6 Finance costs		
Bank loans	57,335	143,660
Interest on lease liability	163,705	-
	221,040	143,660
4.7 Share of profit of associate or joint venture		
Share of profit from 231 Waimanu Rd Holdings Limited	464,454	128,014
	464,454	128,014

5. Income tax	2018 $	2017 $
The major components of income tax expense for the years ended 31 December 2018 and 2017 are: A reconciliation between tax expense and the product of accounting profit/(loss) multiplied by Fiji's domestic tax rate for the years ended 31 December 2018 and 2017 is as follows:		
Accounting profit before income tax	3,483,544	3,411,183
Prima facie tax thereon at the Fiji rate of 10%	348,354	341,118
Effect of higher tax rates in PNG	232,143	176,869
(Recognition) of previously unrecognised tax losses	-	(713)
Tax effect of non-deductible items	(38,236)	(68,750)
Share of profit of associate or joint venture non-deductible/non-taxable	46,445	12,801
Other	(57,508)	29,949
Under/(over) provision from prior year	8,557	(3,025)
Income tax expense attributable to operating profit	539,755	488,249
(a) Consolidated income statement		
Current income tax:		
Current income tax charge	596,752	487,902
Adjustments in respect of previous year	8,557	(3,025)
Origination and reversal of temporary differences	(65,554)	3,372
Income tax expense	539,755	488,249

5. Income Tax *(Continued)*

5. Income Tax	2018 $	2017 $
(b) Deferred tax		
Deferred tax assets/liabilities at 31 December relates to the following:		
Provision for doubtful debts	78,312	75,862
Employee entitlements	59,928	57,816
Accelerated depreciation for tax purposes and other	(210,405)	(239,650)
Accruals and prepayments	23,446	64,184
Net deferred tax liability	(48,719)	(41,788)
Represented on the consolidated Statement of Financial Position as:		
Deferred income tax asset	35,463	95,916
Deferred tax liability	(84,182)	(137,704)
	(48,719)	(41,788)

6. Earnings per share	2018 $	2017 $
Operating profit after income tax	2,943,789	2,922,934
Weighted average number of shares outstanding	3,558,000	3,558,000
Basic earnings per share (cents)	82.74	82.15

- 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	2018 $	2017 $
Declared and paid in year:		
Final dividend for 2016: 8 cents	-	426,960
Interim dividend for 2017: 8 cents	-	284,640
Final dividend for 2017: 12 cents	426,960	-
1st Interim dividend for 2018: 8 cents	284,640	-
2nd Interim dividend for 2018: 10 cents	355,800	-
Dividends declared and paid	1,067,400	711,600
Declared but not paid:		
Special dividend for 2017: 33 cents	-	1,174,140
Total dividend declared	1,067,400	1,885,740

8. Trade receivables	2018 $	2017 $
Trade receivables	2,335,485	2,402,725
Estimated credit loss	(303,366)	(202,498)
	2,032,119	2,200,227
	2,032,119	2,200,227

8. Trade receivables *(Continued)*

Trade receivables are non-interest bearing and are generally on 30-90 day terms. At 31 December 2018, trade receivables of the group at nominal value of $303,366 (2017: $202,498) were impaired and fully provided for. Movements in the Estimated Credit Loss for receivables were as follows:

8. Trade receivables	2018 $	2017 $
At 1 January	202,498	142,370
Charge for the year	13,508	83,847
Utilized	-	(13,130)
Translation adjustment	59,272	(10,589)
Estimated credit losses due to implementation of IFRS 9	28,088	-
At 31 December	303,366	202,498

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

			Past due but not impaired		
	Total	< 30 days	30 - 60 days	60 - 90 days	> 90 days
2018	2,032,119	1,218,898	646,112	146,266	20,843
2017	2,200,227	1,420,529	554,679	148,944	76,075

9. Cash and cash equivalents	2018 $	2017 $
(a) For the purpose of the consolidated Statement of Cash Flows, cash and cash equivalents comprise the following at 31 December:		
Cash at bank	1,069,433	855,770
Short term deposit	-	1,200,000
	1,069,433	2,055,770

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.

10. Inventories	2018 $	2017 $
Merchandise	-	7,805

The amount of write-down of inventories recognized as an expense was Nil (2017: Nil).

11. Prepayments and other assets	2018 $	2019 &
Current		
Refundable deposits	168,255	178,413
Prepayments	119,076	139,127
Other receivables	72,466	65,013
	359,797	382,553

12. Investment in joint venture

(a) Investment 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 financial statements, and reconciliation with the carrying amount of the investment are set out below:

12. Investment in joint venture	2018 $	2017 $
Current assets, including cash and cash equivalents and prepayments	77,744	82,296
Non-current assets	5,842,606	4,684,671
Current liabilities, including tax payable	(31,682)	(31,592)
Non-current liabilities, including deferred tax liabilities	(1,080,475)	(656,090)
Net assets	4,808,193	4,079,285
Proportion of the group's ownership	50%	50%
Carrying amount of investment - 231 Waimanu Rd Holdings Limited	2,404,097	2,039,643
Summarized statement of profit or loss of 231 Waimanu Rd Holdings Limited:		
Revenue	451,332	409,332
Expenses	(97,668)	(87,946)
Change in fair value of investment property	1,070,019	-
Profit before tax	1,423,683	321,386
Income tax expense	(494,775)	(63,215)
Profit for the year	928,908	258,171
Group's share of profit for the year	464,454	128,014

231 Waimanu Rd Holdings Limited had no contingent liabilities or capital commitments as at 31 December 2018 and 2017.

(b) Investment in Paradise Cinemas (PNG) Limited

The subsidiary, PNG FM Limited has a 43.87% (2017: 43.87%) 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. The Group has entered into an agreement to sell its investment in Paradise Cinemas. At the date of this report, the settlement of the sale has not been completed. Summarized financial information of Paradise Cinemas (PNG) Limited are set out be

Current assets, including cash and cash equivalents and prepayments	622,774	387,480
Non-current assets	-	6,435,777
Current liabilities, including tax payable	(342,713)	(2,035,060)
Non-current liabilities, including deferred tax liabilities	-	(448,024)
Net assets	280,061	4,340,173
Original investment - Paradise Cinemas (PNG) Limited		
- At 1 January	4,720,155	4,997,260
- Translation adjustments	7,648	(277,105)
	4,727,803	4,720,155
Less: Cumulative share of losses		
- At 1 January	(2,460,422)	(2,604,865)
- Translation adjustments	(3,986)	144,443
	(2,464,408)	(2,460,422)
Less: Impairment loss		
- At 1 January	(2,259,733)	(2,392,395)
- Translation adjustments	(3,662)	132,662
	(2,263,395)	(2,259,733)
Net Carrying amount of investment - Paradise Cinemas (PNG) Limited	-	-

12. Investment in joint venture *(Continued)*

(b) Investment in Paradise Cinemas (PNG) Limited *(Continued)*

b. Investment in Paradise cinemas (PNG) Limited *(Continued)*	2018 $	2017 $
Summarized statement of profit or loss of Paradise Cinemas (PNG) Limited:		
Revenue	2,071,448	5,555,287
Expenses	(5,982,682)	(6,280,961)
Loss for the year	(3,911,234)	(725,674)
Unrecognised Group's share of loss for the year	(1,715,909)	(318,363)

PNG FM Limited had written down its investment in PCL to Nil and had settled all guarantees and legal obligations in regards to this investment. Therefore, the Group has not recorded any further share of loss resulting from the operations of PCL. Total share of losses not recorded at 31 December 2018 was K2,171,552 (2017: K455,643).

	2018 $	2017 $
Total investment in joint ventures	2,404,097	2,039,643

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

13. Intangible Assets	Goodwill $	Software $	Total $
Group			
Cost			
At 1 January 2018	1,507,569	491,026	1,998,595
Additions	-	5,202	5,202
Disposal	-	(9,477)	(9,477)
Translation adjustment	-	90	90
At 31 December 2018	1,507,569	486,841	1,994,410
Depreciation and impairment:			
At 1 January 2018	370,569	209,884	580,453
Depreciation charge for the year	-	38,700	38,700
Disposal	-	(9,477)	(9,477)
Translation adjustment	-	(275)	(275)
At 31 December 2018	370,569	238,832	609,401
Net written down value:			
At 31 December 2018	1,137,000	248,009	1,385,009
At 1 January 2018	1,137,000	281,142	1,418,142

(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 and 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 an independent valuation provided to the company. The independent valuation used the future maintainable earnings method to value the subsidiary. Based on the valuation which determine the value in use of the subsidiary, the Group concluded that Goodwill is not impaired.

14. Property, Plant and Equipment	Land and buildings	Plant and equipment	Motor vehicles	Total
Group				
Cost	$	$	$	$
At 1 January 2018	513,168	11,912,133	1,025,624	13,450,925
Additions	2,631	1,671,362	280,474	1,954,467
Disposals	-	(126,599)	(336,993)	(463,592)
Translation adjustment	56	9,218	660	9,934
At 31 December 2018	515,855	13,466,115	969,765	14,951,735
Depreciation and impairment:				
At 1 January 2018	332,754	6,553,157	603,881	7,489,792
Depreciation charge for the year	16,480	1,004,082	184,814	1,205,377
Disposals	-	(72,415)	(294,804)	(367,218)
Translation adjustment	(180)	(14,372)	(1,998)	(16,550)
At 31 December 2018	349,054	7,470,453	491,894	8,311,400
Net written down value:				
At 31 December 2018	166,801	5,995,662	477,871	6,640,334
At 1 January 2018	180,414	5,358,976	421,743	5,961,133

- Total non-cash addition during the year amounted to Nil (2017: Nil).
- As at 31 December 2018, the gross carrying amount of fully depreciated property, plant and equipment that is still in use is $2,767,057 (2017: $3,168,151).

15. Right-Of-Use Assets	2018 $	2017 $
Land and Building		
Group		
Cost		
At 1 January 2018	2,405,329	-
At 31 December 2018	2,405,329	-
Depreciation and impairment:		
At 1 January 2018	-	-
Depreciation charge for the year	612,547	-
At 31 December 2018	612,547	-
Net written down value:		
At 31 December 2018	1,792,782	-
At 1 January 2018	2,405,329	-

The Group early adopted IFRS 16 as of 1 January 2018. The above represent assets under lease contracts which have been recognized as an asset in accordance with IFRS 16. The assets are written down over the terms of their contracts. The Group elected to use the modified restrospective approach in transition to IFRS 16. Consequently, there are no prior period comparatives.

16. Trade And Other Payables	2018 $	2017 $
Trade payables	250,634	114,761
Other payables	690,951	825,948
Dividends payable	-	1,174,140
	941,585	2,114,849

Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 30 to 60-day terms.
- Other payables are non-interest bearing and have an average term of six months.

17. Employee Benefit Liabilities	2018 $	2017 $
i) Current liability		
Annual leave		
At 1 January	148,658	156,183
Movement during the year	(44,025)	(7,525)
At 31 December	104,633	148,658
ii) Non-current liability		
Long service leave		
At 1 January	114,663	113,964
Movement during the year	24,386	699
At 31 December	139,049	114,663
Total employee benefit liabilities	243,682	263,321

18. Interest-Bearing Borrowings	Effective interest rate %	$	$
Current			
Secured loan	4%	-	607,453
Lease liabilities	4%	674,036	-
		674,036	607,453
Non-current			
Secured loan	4%	-	253,732
Lease liability	4%	1,132,378	-
		1,132,378	253,732

Details of interest bearing borrowings are:

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

Holding company

The loan from Westpac Banking Corporation was secured by a first registered mortgage debenture over the assets of the company and undertakings including its uncalled and called but unpaid capital. Interest on loan accounts are charged at the rate of 4.00% per annum. This loan was settled in June 2018.

PNG FM Limited

PNG FM Limited's loan is secured by all PNG FM Limited assets and undertaking including its called and uncalled capital. Interest on loan accounts are charged at the rate of 9.5% per annum. This was settled in December 2018.

(b) Lease liabilities

The group early adopted IFRS 16 using the modified retrospective approach as of 1 January 2018. The adoption of IFRS 16 resulted in the recognition of lease liabilities arising from contracts which were previously accounted for as operating leases. The leases include lease of office space, transmitter sites and dedicated communications connections and have been presented as current and non-current based on the present value of future outflows under the lease contracts.

19. Share Capital

As at the end of the financial year, the number of fully paid ordinary shares was 3,558,000. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of shares held. Every ordinary shareholder present at a meeting of the Company, in person or by proxy, is entitled to one vote, and upon a poll each ordinary share is entitled to one vote. Ordinary shares have no par value.

Issued and paid up capital	**2018 $**	**2017 $**
3,558,000 ordinary shares	3,619,500	3,558,000
Transfer from Share Premium Reserve	-	61,500
	3,619,500	3,619,500

19. Share Capital *(Continued)*

The group's capital comprises ordinary shares only and these carry the same rights, preferences and restrictions. In addition, under the provisions of the sec 196 (a) and sec 737 of the Fiji Companies Act 2015, the Share Premium Reserve has been reclassified as part of the Company's existing total issued share capital.

20. Reserves	2018 $	2017 $
Foreign currency translation reserve		
At 1 January	(515,814)	(305,674)
Currency translation differences	(71,387)	(210,140)
At 31 December	(587,201)	(515,814)
Share premium reserve		
At 1 January	-	61,500
Transfer to share capital	-	(61,500)
At 31 December	-	-
Total reserves	(587,201)	(515,814)

Foreign currency translation reserve
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 investment in foreign operation outside Fiji.

Share premium reserve
Under the provisions of the sec 196 (a) and sec 737 of the Fiji Companies Act 2015, the share premium reserve has been reclassified as part of the Company's existing total issued share capital.

21. Expenditure Commitments	2018 $	2017 $
Capital expenditure commitments - Nil (2017: Nil)	-	-

22. Contingent Liabilities	2018 $	2019 $
Guarantees	17,227	17,227

23. Related Party Disclosures

(a) Directors

Directors at anytime during the year were as follows:
Matthew Wilson (resigned 30 May 2018), William Parkinson, Pramesh Sharma, Sufinaaz Dean, Vilash Chand, Thelma Savua Josephine Yee Joy (appointed 1 May 2018).

(b) Ownership interest in related parties	Ownership interest	
PNG FM Limited	100%	100%
Total Event Company Limited	100%	100%
231 Waimanu Holdings Limited	50%	50%
Paradise Cinemas (PNG) Limited	43.9%	43.9%

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

(i) Transactions with consolidated subsidiary - PNG FM Limited	2018 $	2017 $
Costs incurred on behalf of the subsidiary and recovered	1,034	8,044
Management and administrative fees	286,500	285,420

(ii) Transactions with 231 Waimanu Rd Holdings Limited	2018 $	2017 $
Rental of office and studio space	144,597	144,597
Dividends received	100,000	125,000
Management and administrative fees	9,425	6,684

Related party transactions are at normal commercial terms and conditions.

(d) Compensation of key management personnel	2018 $	2017 $
Short-term employee benefits	656,998	662,779
Superannuation contribution	65,700	66,278
	722,698	729,057

(e) Receivables from related entities	2018 $	2017 $
Paradise Cinemas (PNG) Limited	-	80,880
	-	80,880

(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.

24. 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 Fiji Companies Act.

(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 Joint Venture Entity namely 231 Waimanu Rd Holdings Limited operates from 231 Waimanu Road, Suva.

(c) Number of employees
As at balance date, the group employed a total of 190 employees (2017: 195 employees).

25. 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 cash, trade receivables, held to maturity investments, inventory and other assets , which arise directly from its operations.

(a) Financial assets		2018 $	2017 $
Cash	Note 9	1,069,433	855,769
Trade and other receivables	Note 8	2,032,119	2,200,227
Held to maturity investments	Note 9	-	1,200,000
Inventories	Note 10	-	7,805
Other assets	Note 11	359,797	382,553
Total financial assets		3,461,349	4,646,354

- Held to maturity investments includes 3 months Term deposit with Kontiki Finance Limited at an interest rate of 3.75%.
- Trade and other receivables are non-derivative financial assets carried at amortised cost which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

25. Financial Risk Management Objectives And Policies *(Continued)*

(b) Financial assets		2018 $	2017 $
Interest-bearing borrowings:			
Secured bank loan	Note 18	-	861,185
Finance lease	Note 18	1,806,414	-
Other financial liabilities at amortised cost, other than interest bearing borrowings:			
Trade and other payables	Note 16	941,585	2,114,849
Total financial liabilities		2,747,999	2,976,034

(c) Financial risk management objective and policies

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 $
2018	-100bp	(4,075)
	+100bp	4,075
2017	-100bp	(13,767)
	+100bp	13,767

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. As part of its risk control procedures, an assessment of the credit quality of a new customer, taking into account its financial position, past experience and other factors is carried out prior to management approval. Individual credit risk limits are then set based on the assessments done. The utilisation of credit limits is regularly monitored.

Liquidity risk

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

	$	$	$	$	$
31 December 2018	Total	On demand	< 1 year	1 - 5 years	> 5 years
Interest-bearing borrowings	674,036	-	674,036	-	-
Trade and other payables	941,585	250,634	690,951	-	-
	1,615,621	250,634	1,364,987	-	-

	$	$	$	$	$
31 December 2017	Total	On demand	< 1 year	1 - 5 years	> 5 years
Interest-bearing borrowings	861,185	-	607,453	253,732	-
Trade and other payables	2,114,849	114,761	2,000,088	-	-
	2,976,034	114,761	2,607,541	253,732	-

25. Financial Risk Management Objectives And Policies *(Continued)*

	1 January 2018 $	Change in fair value $	Cash flows $	Additions $	31 December 2018 $
Interest-bearing borrowings	861,185	-	(861,185)	-	-
Obligation under finance leases	-	-	(492,239)	2,298,653	1,806,414
Dividend payables	1,174,140	-	(2,241,540)	1,067,400	-
Total liabilities arising from financing activities	2,035,325	-	(3,594,964)	3,366,053	1,806,414

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 2018 and 31 December 2017.

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.

	2018 $	2017 $
Interest-bearing borrowings	1,806,414	861,185
Trade and other payables	941,585	2,114,849
Less: cash and short term deposits	(1,069,433)	(855,770)
Net debt	1,678,566	2,120,264
Equity	12,657,800	10,852,798
Total capital	12,657,800	10,852,798
Capital and net debt	14,336,366	12,973,062
Gearing ratio	12%	16%

26. Significant events

"During the year, Paradise Cinemas Limited ("PCL", a joint venture entity of PNG FM Limited) sold its cinema business and related assets. PCL's principal activity subsequently changed to sub-leasing of a property for which it currently holds a non-cancellable lease.

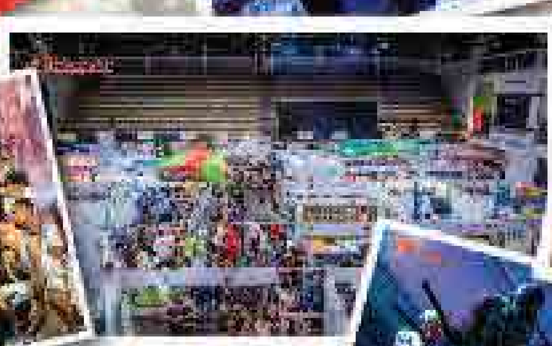
27. Events subsequent to balance date

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

Fiji SHOWCASE

THE XMAS SPECIAL













LISTING REQUIREMENTS
OF SOUTH PACIFIC STOCK EXCHANGE

(A) Statement of interest of each director in the share capital of the company or in related corporation as at 31 December 2018 in compliance with Listing Requirement :

Thelma Savua	(Direct Interest) 2,000 shares in Communications (Fiji) Limited.
William Parkinson	(Indirect Interest – Parkinson Holdings Limited) 940,671 shares
Sufinaaz Dean	(Indirect Interest – Parkinson Holdings Limited) 940,670 shares

(B) Distribution of shareholding

Holding	No. of holders	% Holding
Less than 500 Shares	3	0.02%
501 to 5,000 Shares	123	4.85%
5,001 to 10,000 Shares	8	1.83%
10,001 to 20,000 Shares	2	0.76%
20,001 to 30,000 Shares	5	3.29%
30,001 to 40,000 Shares	3	2.80%
50,001 to 100,000 Shares	1	2.68%
100,001 to 1,000,000 Shares	4	31.26%
Over 1,000,000 Shares	1	52.51%
TOTAL	150	100%

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

South Pacific Stock Exchange Pte Limited
Shop 1 and 11, Sabrina Building
Victoria Parade, Suva
Fiji

The company is incorporated in Fiji with limited liability and is listed on the South Pacific Stock Exchange. The company secretary for 2018 was Ms Jyoti Khatri, Group Financial Controller, Communication Fiji Limited. Ms Seini Tinaikoro replaced Ms Khatri in Jan 2019.

(D) Schedule of each class of shares held by Directors and Senior Management under listing rule 6.31(iv) as at 31st December 2018

Names	No of Shares
Parkinson Holdings Ltd	1,868,341
Unit Trust of Fiji (Trustee Company) Ltd	388,627
BSP Life(Fiji) Ltd	275,855
Ian & Loretta Jackson	24,000
Doris King	2,500
Pratika Kumar	2,100
Jyoti Khatri	2,000
Thelma Florence Kuini Savua	2,000
Charles Taylor	1,500
Philip Wilikibau	1,500
Antonio Rahiman	1,000
Maikeli Radua	1,000
Ratu Tikiko Korocowiri	1,000
Vijay Narayan	1,000
Joleen Jowell Hazelman	500

LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE

(E) Shareholdings of those persons holding twenty largest blocks of shares under listing rule 6.31(iv)

	Shareholder Name	No. of Shares	Total % Holdings
1	Parkinson Holdings Ltd	1,868,341	52.51
2	Unit Trust of Fiji (Trustee Company) Ltd	388,627	10.92
3	FHL Trustees Ltd ATF Fijian Holdings Unit Trust	280,474	7.88
4	BSP Life (Fiji) Ltd	275,855	7.75
5	JP Bayly Trust	167,333	4.70
6	Deborah Keola Yasmeen Dean	95,262	2.68
7	FijiCare Insurance Ltd	35,000	0.98
8	Amy Lynn Bergquist	34,000	0.96
9	Carlisle (Fiji) Ltd	30,580	0.86
10	Aequi-Libria Associates Insurance Broker Ltd	26,700	0.75
11	Erik Larson and Karla Larson –Wadd, JTwros	24,400	0.69
12	Ian & Loretta Jackson	24,000	0.67
13	Eta & Radike Qereqeretabua	21,200	0.60
14	Graham Eden	20,891	0.59
15	Nabukeru Village – Apanisa	14,795	0.42
16	Arthur John Reynolds & Julian Reynolds	12,400	0.35
17	Frazine Dutta	10,000	0.28
18	Jimaima T Schultz	10,000	0.28
19	Tony Singh	9,551	0.27
20	Jitendra Thakorlal Narsey	8,800	0.25

(F) Disclosure under listing rule 6.31 (viii)

	PNG FM LTD (PNG) FJD	231 WAIMANU RD (FIJI)
Percentage of Shareholding	**100%** **$**	**50%** **$**
Turnover	6,417,733	451,332
Other Income	31,127	-
Change in fair value of investment property	-	1,605,028
	6,448,860	**2,056,360**
Depreciation and amortization	(948,936)	(25,369)
Interest Expense	(162,465)	-
Other Expenses	(4,181,049)	(72,299)
Impairment Loss on investment in joint venture		
Income Tax (Expense)/Benefit	(378,687)	(494,775)
	(5,671,137)	**(592,443)**
Net Profit/(loss) after Tax	**777,723**	**1,463,917**
Total Assets	4,364,314	6,166,885
Total Liabilities	(1,725,734)	(1,112,157)
Shareholders Fund	**2,638,580**	**5,054,728**

LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE *(Continued)*

(G) Disclosure under Listing Rule 6.31 (ix)
There were no contracts existing which had director's material interest in it.

(H) Disclosure under listing Rule 6.31(xii)
Summary of key Financial Results for the previous five years (Consolidated)

	2018	2017	2016	2015	2014	2013
Net Profit/(Loss) After Tax	2,943,789	2,922,934	(1,335,445)	1,455,513	1,474,957	1,515,009
Current Assets	3,475,978	4,715,023	4,141,605	3,302,224	3,767,229	3,519,750
Non- Current Assets	12,257,685	9,514,834	10,129,496	11,247,688	10,624,533	10,341,148
Total Assets	15,733,663	14,229,857	14,271,101	14,549,912	14,391,762	13,860,898
Current Liabilities	1,720,254	2,870,960	2,313,238	1,828,067	2,107,726	2,147,768
Non- Current Liabilities	1,355,609	506,099	1,932,119	858,189	1,168,901	1,488,138
Total Liabilities	3,075,863	3,377,059	4,245,357	2,686,256	3,276,627	3,635,906
Shareholders' Equity	12,657,800	10,852,798	10,025,744	11,863,656	11,115,135	10,224,992

(I) Disclosure under listing Rule 6.31(xiii)(a) (Consolidated)

	2018 *Cents*	2017 *Cents*	2016 *Cents*	2015 *Cents*	2014 *Cents*	2013 *Cents*
Dividend Declared per share	0.30	0.53	0.12	0.12	0.13	0.11
Earnings per share	82.74	82.15	(37.53)	40.91	41.45	42.58
Net tangible assets per share	3.17	2.65	2.40	2.90	2.66	2.41

(J) Disclosure under listing Rule 6.31(xiii) (d)

Share price during the year (cents per share)	2018
Highest	5.40
Lowest	4.68
On 31st December 2018	5.40

MINUTES OF THE PREVIOUS AGM
COMMUNICATIONS FIJI LIMITED

Minutes of the Thirty third Annual General Meeting of Shareholders held on the 30th of May 2018, at 231 Waimanu Road, at 11.00am.

Present:
Mr. Matthew Wilson Outgoing Chairman
Mr. William Parkinson Incoming Chairman
Mr Pramesh Sharma Director
Ms Sufinaaz Dean Director
Ms Thelma Savua Director
Ms Josephine Yee Joy Director
Ms. Jyoti Khatri Company Secretary
Mr Ian Jackson
Mrs Loretta Jackson
Ms Elenoa Kaloumaira (UTOF)
Mr Graham Eden
Mr. Steve Pickering (E&Y)
Mr. Peni Tora (E&Y)
Ms Diunisi Rokowati (E&Y)
Ms. Krishika Narayan(SPSE)
Ms Rasha Ali (SPSE)
Mr Waqa Ledua (Yarawa Senior Dellow)
Mrs. Doris Southwick
Mr Prem Chand
Ms Raghni Khatri (Erik and Karla Larsen)
Ms Neezarat Ali
Ms Sujatha Nair
Mr Philip Smith
Mr Naveen Dutt
Mr Sunil Kumar
Ms. Ateca Ledua

Apologies:
Vilash Chand

Quorum:
The Quorum required was met and recorded.

Opening of AGM
The outgoing Chairman welcomed the shareholders and attendees.

Outgoing Chair's remarks:

Ladies and gentlemen I offer this morning the final, final swan song from the chairman who wouldn't go away. You all know why I was asked to stay on after earlier giving notice of stepping down.

Now I can truly say the job I have held for more than six years is complete. You have with you my last formal commentary in the annual report. I am not going to add to that. Instead the new chair, William Parkinson, representing the majority shareholder, will brief you on where the company is at the moment and share the board's picture of the future.

Over the years I have addressed many facets of CFL. Today I will highlight something that is rarely mentioned.
I speak of the good this company does.

CFL's first priority is to manage and grow the business so that you, the shareholders, get a reasonable return on your investment.
We are doing this. But outside the myriad complexities and hard effort of achieving budgeted results, CFL is something else as well.
It is a fount of help, hope, charity and togetherness for its listeners. It also saves lives. All this comes from its heart, and from its love for Fiji.

Think of the recent past when the country was hit hard by torrential rain, floods and cyclonic winds. Damage was widespread; there was much suffering. At the height of the crises fearful, nervous people kept their radios close by; that's always the case when the weather turns violent.

It was more than likely they tuned into CFL. Not far from where we are, the newsroom was galvanized. It went on to an emergency footing. Thirteen journalists, plus four assistants updating CFL's on-line platforms, kept the bulletins moving on the hour and sometimes half hourly.

The intense pressure and unrelenting demands of this type of news gathering and presentation demanded shifts of 12 to 18 hours; so there was exhaustion and stress, compounded by the need to get actuality, sort fact from rumour, and for checking and cross checking. Some of the reporters were also worried for their families and relatives.

But the imperative was clear; those bulletins had to go to air, on deadline. The news team knew that to hundreds of thousands of listeners throughout Fiji the very sound of their voices, their reports, interviews and eye-witness coverage was a kind of lifeline. The news was not always good but it kept anxious listeners abreast of the latest developments. That's what they wanted and waited for.

What they heard helped these huddled masses to understand more about their plight and their prospects and what was likely to happen next. Were they in immediate danger? Had anyone been killed, if so where? What about the wind velocity? Was the roof likely to fly? Were the roads open? Where was the nearest evacuation centre? Were floods rising or falling? And then there was advice from the CFL voices on keeping families safe. Sometimes there were accounts of accidents and injury. In the newsroom calls came in regularly from the distressed and the despairing. This usually happens during natural disasters. On many occasions the news team has co-ordinated with DISMAC on arrangements for rescues – sometimes life-saving.

To give you a sense of the sheer volume of recent crisis transmissions consider that in one four-day period 1,440 separate bulletins went out in three languages through our five stations. You can add to this updates and information provided by on-air personalities.
I can tell you that the engineering team, that other fundamentally critical part of what we do, is proud of the structural and

technical strength of our networks. These are designed to stay on air through extreme conditions. But if, as happens, some of this infrastructure is knocked out, the engineers are out defying the elements to restore service as quickly as possible. Often they put themselves at risk.
This type of service, this dedication to standing with the people in times of need, has marked CFL since we first went to air on July 5,1985.
It is what we are. It is for the good of the nation.

I now formally acclaim Vijay Narayan and his journalists, and the engineering team. I think two of the engineers – Philip Smith and Sunil Kumar - are here.
Vijay is away gaining even more knowledge about disaster reportage. Maybe some of the journalists are with us.
You are all – news gatherers and engineers - heroes of CFL.
Thank you; thank you.

CFL often harnesses the power of its broadcasts to raise money for those in dire need – mostly the sick, the disabled and the infirm. We do this because we can and because we want to. This is what we are.
It is difficult to quantify how much we collect and donate.

Ian, the general manager, gave me figures highlighting just some of the causes that have benefitted over about 15 years. I calculated the total worth of this support as well over $1 million dollars, or some $83,000 dollars a year.

Beneficiaries included Save the Children Fund after Cyclone Ami, with a special allocation to assist in educating young Somal Dutt who lost his entire immediate family to floodwaters. Earlier we collected funds for brain surgery for Jerry Cokamate. Sadly Jerry died before our campaign finished; the money was redirected to assist another youngster who survived his affliction.

In 2016 we brought in over $202,000 for relief for victims of the monster killer storm Winston.

In 2012, I was chair of WOWS, the child cancer charity. I mentioned to William that we were looking to form a relationship with a media company to help us gather financial support. William said: We can help. We know how to raise money.

The campaign that followed was something to behold. We at WOWS heard and observed the energy and the passion CFL directed towards the financial needs of children stricken by a dreaded disease; some of them with a death sentence. The listeners rallied. They gave, and gave and gave. If a child was dying they wished to ease the pain of the final months. If a child could be saved, well thank God, thank WOWS and thank CFL.

When the total was tallied it stood at $223,000. Some of my colleagues at WOWS found the outcome hard to believe. But William and Ian were always confident - they knew what was possible.

There are other examples of CFL's contribution to the good of this nation, but I'm not going to go any further, except to mention the annual CFL Street Party.

Every New Year's Eve, the company attracts many thousands of its fans to a spectacular public celebration in Suva. They come together in all their diversity, a kaleidoscope of peoples, languages and cultures; a harmonious microcosm of Fiji. I list this as a public good because our country is still in the process of making a nation from its disparate parts. The CFL Street Party is to me a real and vivid emblem of this. The young and not-so-young, families, teenagers, boyfriends and girl friends, students and more - an entire cross section – join in as one. They come to sing and dance, laugh and joke, spread their mats, drink grog, munch a hot dog, and watch the CFL gang performing on stage. Hats off to some of those CFL stars for making people happy.

The Street Party is Fiji, writing its own medley, singing its own chorus, becoming what it can be.
I'm now going to hand out a few bouquets. Firstly I wish to thank those staff members who have been so helpful and kind to me over the years.

Special gratitude to Ateca for organizing my travel so efficiently, and for always signing her messages to the directors, "with warm regards". My appreciation to the drivers who got me to and from Nausori Airport and who are such experts at weaving miraculously and safely through the traffic.
I thank Jyoti for helping me with research and promptly answering queries. I have watched with interest as she has evolved professionally to become Group CFO.

Ian deserves a big commendation for guiding the Fiji operations with a steady hand along the path of sustained profitability in a very competitive market.

Charles Taylor is making his mark as GM of the PNG subsidiary. PNG is a large market with big challenges. So well done, Charles.
I pay tribute to board members, in no particular order:

Pramesh Sharma, Vilash Chand, Sufi Dean, Thelma Savua and the newest appointee Josephine Yee Joy. Take it from me, these directors possess the skills, experience, judgment and acumen CFL requires for continuing success.

I offer a very large thank you to a former director, who was not able to join us today. Hari Punja, one of Fiji's most accomplished businessmen, was integral to the founding and development of this business. William and I started putting CFL together some 35 years ago. But we had a problem. William was unknown; I had a profile as a public affairs consultant, but lacked broader commercial experience. The two of us would not be able to make the company happen without the involvement of a director with a recognised track record in management and turning in a profit.

My job was to find the right person. I knew Hari, but not well. You could say he was an acquaintance. I decided to call him at his office in Lautoka to sound out his possible interest. It was something of a long shot. But I thought nothing ventured, nothing gained.

I explained that William and I planned to start an FM, 24-hour radio station. Would Hari like to join us? I told him that William was the son of Susan Parkinson, the famed nutritionist and women's rights advocate.

Hari said he didn't know William, but had heard of Susan. There was a brief pause. I was thinking, come on Hari, come on, tell me you're in.
Hari then said, "Yes I would like to be involved and I will take as many shares as you would want to offer."

That was it, the conversation was virtually over; no request for more detail, no need for an exchange of letters or a shareholders agreement. He wanted to be part of the plan and there was no apparent limit to what he would invest. As many shares as you would like to offer.
We had the crucial missing link.

When the time came for payment of shares, a cheque arrived for a large amount. Hari became equal shareholder with William and served for many years as chair. I succeeded him. The three of us are good friends.

I have included this little-known story because it underlines the importance of trust as a business virtue. Hari put his trust in William, an inexperienced stranger, and me, just an acquaintance, on the basis of a single 'phone call. In my entire career in the corporate world I have never come across a transaction like this. It was extraordinary.

So all praise to Hari for believing in us.

I shall be relinquishing my position as a director and chair very shortly and my place will be taken by William. He walked into my office as a 23-year-old touting what might have been an impossible dream. He never wavered; CFL became his life. Sufi complained to me once that it seemed William was married to the company, not to her. Now, as a representative of Parkinson Holdings, Sufi is right there in the boardroom with him.

William has proved himself a gifted entrepreneur whose energy, vision and calculated risk-taking are the driving force for CFL, backed up of course by the directors and employees.

I have one other accolade. It's for my wife Emelita, who has followed the story of CFL from day one. She has always been ready to provide advice, opinions and insights. My thanks to her.

I can only say now, thank you CFL for everything. It's been my honour to have served on the board. I thank the shareholders and employees for their confidence and trust, and I'm grateful for the support of my fellow directors. I apologise if at any time I have fallen short of expectations.

Vinaka, farewell.

Matt Wilson,
May 30th, 2018

William Parkinson chaired the meeting from hereon

Confirmation of Minutes:
- The Minutes of the thirty second Annual General Meeting held on 10th of May 2017 were read and approved.
- The minutes were unanimously adopted by shareholders.

Matters arising from the Minutes:
No Matters Arising

Audited Accounts:
- The Chairman went through Audited Financials page by page and highlighted on major information and disclosures.
- Auditors were present to answer any technical questions; however no major issues were raised.
- The Audited Balance Sheet, Profit and loss and Directors reports were received and adopted. The motion was moved by Mr Pramesh Sharma and seconded by Ms Sufi Dean.

Election of Director:
- Re-appointment of Vilash Chand.
- Mr Vilash Chand was due for re-appointment by rotation under article 108 of Article of Association of the company.
- Chair noted his apology and informed that he has offered himself for re-appointment. UTOF Proxy Ms Elenoa confirmed his intentions.
- The appointment was unanimously adopted by all the shareholders.

Re-appointment of Ms Sufinaaz Dean
- Ms Sufinaaz Dean was due for re-appointment by rotation under article 108 of Article of Association of the company.
- Her appointment was unanimously adopted by all the shareholders.

Retirement of Mr. Matt Wilson as Director of the Company
Resignation of Mr Matt Wilson as the Director of the Company was unanimously accepted by all the shareholders.

Appointment of Ms. Josephine Yee Joy as Independent Director
Appointment of Ms Jesephine Yee Joy as an Independent Director was unanimously ratified by all the shareholders.

Appointment of Auditors:
- The meeting resolved to re appoint M/s Ernst & Young as auditors.
- The appointment was proposed by Mr Graham Eden and seconded by Ms Sufi Dean.

Dividends:
- The meeting noted that a 3rd Interim Dividend of $426,960 (12cents per share) has been adopted as the final Dividend for the year 2017.
- The motion was unanimously adopted by shareholders.

Special Business:
- Approval and adoption of new Articles of Association
- The Motion to adopt the new Articles was unanimously adopted by all the shareholders.

Speech from Incoming Chairman Mr. William Parkinson

The *outgoing Chairman has already outlined in this year's Annual Report the highlights of the year ended December 31st 2017.*
Shareholders..... this is a final step in a transition process that has been underway for some time. As a board we recognize that my move from Managing Director to Chairman is one that has potential repercussions across the group.

I want to thank Matt for his patience in allowing us the time to prepare the organization for the change.

In particular focus has been on shifting reporting responsibilities to the main CFL board from the Managing Director to the Fiji management team. We have also strengthened the PNG FM board and increased their governance role .This was part of a general reorganization of our PNG operations under General Manager Charles Taylor that included the appointment of Jyoti Khatri as Group Financial Controller and Doris Southwick as Group

Sales Director.
In addition I have been working to exit CFL from non-core investments. We were able to sell our remaining investment in iPAC Communications Ltd last year at a nice gain and shareholders enjoyed the benefit of this courtesy of the special dividend paid early this year.
We are now actively working to exit from our investment in Paradise Cinemas Ltd.

The CFL group can now focus on our core radio and related revenue centers in Fiji and PNG in addition to our 50% shareholding in 231 Waimanu Rd Ltd. I believe we will see the benefit of this in the coming year with positive results coming from Fiji and Papua New Guinea.

Shareholders will note from the Annual Report that our Fiji business has been debt free since late last year and we expect PNG FM to be in the same position late in 2018.

So we find ourselves in an interesting place.

Our biggest task in 2018 is to map a path forward for the company. Shareholders can be assured that we have learnt important lessons from the past and we will not be straying from our core business.

Your board and management team has spent a lot of time over the last year focusing on compliance. Today we approved our new articles of association and we are working with the South Pacific Stock Exchange to prepare for new regulations governing listed companies expected later this year.

I was particularly proud that CFL was named, ahead of significantly larger organizations, the inaugural SPSE listed company of the year in 2017.

CFL prides itself on its long history of innovation and resourcefulness. To put it bluntly we think differently at CFL. We recognize that we live in an increasingly regulated environment but we are committed to maintaining the culture that saw us grow from a single station Suva's FM96, barely reaching Pacific Harbor, to the region's largest independent broadcast organization. I believe we can combine the discipline of compliance with our restless innovative spirit to continue to deliver exceptional results for shareholders.

Finally I would like to personally thank outgoing Chair and co-founder Matt Wilson

"From that very first day when you took a huge chance on, as you have shared so many times, an arrogant young man with a dream." you have always had my back providing me with support, guidance and the occasional kick in the pants! None of us would be here without you!

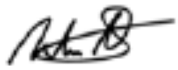
As I have said your patience through this transition period has been much appreciated and shareholders can rest assured that thanks to your leadership and vigorous scrutiny from the board we are ready to take this step forward.

These are exciting times and equipped with the regions most experienced broadcast management team and a committed and highly qualified board CFL is ready to take full advantage of them.

William Parkinson

There being no other business the Chairman closed the meeting at 11.45 am.

Approved



....

Chairman
William Parkinson

Communications Fiji Limited

Private Mail Bag, Suva, Fiji. | Phone: 3314 766 | Fax: 3303 748
e-mail: seini@sas.com.fj | jyoti@cfl.com.fj

APPOINTMENT OF PROXY

The Company Secretary,

I/We____________________________________of ____

being a member of Communications Fiji Limited, hereby appoint,

_______________________________________of ____

or failing him/her __________________________of ____

as my/our proxy, to vote for me/us and on my/our behalf at the Annual General Meeting of Communications Fiji Limited to be held on 30th of May, 2018 and at any adjournment thereof

Signed this ___________________________day of _____________________2019

Signature of Member: ____

Name of Member: ____

Signature of Witness: ____

In case of a body corporate, this form should be under its Seal or be signed by an Officer or an Attorney duly authorized by it.

This form is to be used in favour of/against* the resolution.

*Strike out which ever is not applicable. Unless otherwise instructed, the proxy may vote as he/she thinks fit.

This proxy form, to be effective, must reach the registered office of the Company, 231 Waimanu Road, Suva, no less than 48 hours before the time of holding the meeting.

Voting on Business at the General Meeting

Resolution	For	Against	Abstain
To adopt the Minutes of the previous 33rd Annual General Meeting held on 30th May 2018 as correct record of the Meeting.			
To adopt the Audited Financial Position and Comprehensive Income Statement and the reports of the Directors and Auditors, for the year ended 31st December 2018.			
Re-election of Mr Pramesh Sharma.			
Re-election of Ms Thelma Savua.			
Appointment of auditors of the company for 2019 and that the Board be authorized to fix their remuneration.			
Adoption of 3rd interim dividend of 12cents per share as final dividend Any other business in conformity with Articles of Association.			

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll. A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

Communications Fiji Limited

The parent company of:

Fiji
FM96 | Legend FM | Radio Sargam |
Viti FM | Navtarang | Total Event Company |
CFL Cinemads | Fijivillage.

PNG
Nau FM | Yumi FM | Legend FM