ATH Group of Companies

2022 ANNUAL REPORT

Group of Companies

Vision Statement

"To be an internationally competitive ICT investment company in the Pacific."

Mission Statement

"To enhance shareholder value by pursuing areas that leverage off our core investments in ICT."

Values

ATH's values are:

Integrity

Practising good corporate governance and being faithful to our stakeholders.

Accountability

Helping our stakeholders understand how we make decisions, taking ownership and being answerable and responsible for our actions.

Innovation

Being at the forefront of product service and service offerings.

Efficiency

Delivering on time, and getting things right the first time.

Effectiveness

Ensuring that our business is aligned with, and ultimately contributes to the achievement of our vision.

Goals

ATH's goals are:

- Enhance shareholder value.
- Exploit convergence between the information and telecommunication sectors to enter new areas of business.
- Acquire existing businesses or create and invest in newly established businesses to achieve growth.
- Become a company operating internationally and prominent in the Pacific.
- Adopt international best practices, standards and methods of operation.

Contents

Chairperson's Report

Dear Shareholders,
Thank you for your continued support and investment in ATH Group.

On behalf of the Board of Directors, it is my pleasure to present to you, the Annual Report of the ATH Group for the end of financial year 31 March 2022.

The world has made significant progress in adjusting to COVID19. Vaccines have become widely available, precipitating a global economic recovery that has so far proven largely resilient, notwithstanding current geo-political and economic challenges. While the ebbs and flows of case numbers and the possibility of new variants remains, the world has increasingly adapted to a new normal of coexisting with the virus.

On reflection, this has been quite a challenging yet remarkable year for the ATH Group. Not only have we navigated through the ongoing impact of the COVID-19 pandemic, we have successfully constructed and brought to life a new Telecommunications venture in Papua New Guinea (PNG) amidst one of the world's most challenging operating environments presented by the pandemic and we are now proud to operate in PNG under the Vodafone brand.

We have been significantly advancing our priorities, setting out our new multi-year performance framework and the strategic goals that will support our ability to deliver on our objectives.

The ATH Group has been resilient to the changing business environment over the years, delivering quality products and services to its customers and maximising returns to its shareholders. The Group believes in profit with a purpose, engaging all our stakeholders in ensuring we work as a family to achieve the required returns.

We remain committed to our shareholders, customers, people and stakeholders, and the Board is confident that ATH is in a strong position to deliver on the long-term shareholder value whilst continuing to shape the telecommunications industry across the Pacific Island region.

2022 Financial Performance
Despite the impact of the pandemic during most of financial year 2022, our strong portfolio, diversified and innovative product offerings, high levels of service orientation and cost discipline had an overall positive impact on the Group's results.

I am pleased to share that the total revenue for the Group was $641 million, up by 10.52% compared to last year. Net profit after tax also increased as a result of increased sale, finishing the year at $56 million compared to $41 million in 2021.

ATH Group consolidated its financial position, recording total assets of $1.47 million compared to $1.28 million in 2021.

The Board, in recognition of the shareholders strong commitment to the Group, in spite of the volatile operating environment, declared an interim dividend of $0.02 per share compared to $Nil in 2021.

Corporate Governance
We firmly believe that customer satisfaction, resilient communities, and passion of our people and partners are at the core of our superior performance and integral in delivering strong returns to our shareholders.

Our corporate governance frameworks embody the legislative and regulatory environments in which we operate as well as are reflective of industry best practices. Sound regulatory regimes are the bedrock which provide stability and sustainability to our business operations.

The Board ensures the corporate governance structures are robust to drive transparency and accountability of the management staff and employees, as well as the Board of Directors of the Group.

Appointments
In June 2022, Mr. Ivan Fong's term as Chief Executive Officer of ATH came to an end after 11 years of service to the Group in capacity as CEO and 17 years in various other capacities within the group. On behalf of the Board, I would like to thank Mr. Fong for his unwavering dedication and support. Our appreciation is also due to, Mr. Juan Castellanos, our Group CFO, who stepped in as the Acting Chief Executive Officer during the interim period.

Consolidation and Restructure Outlook
Exciting changes through continued regional growth, restructuring and evolution has seen ATH grow from strength to strength over the years. ATH has embraced and implemented new technology and services. ATH is proud of what we have achieved, proactively positioning ourselves for ongoing success in the face of world uncertainties. We have delivered on key milestones whilst maintaining financial and operational momentum to ensure our business performance is aligned to the plan. This year, as part of ATH Group strategy, our subsidiaries took a bolder stance to lead the market by simplifying their operations/product offerings, improving the customer experience and reducing their respective cost

Chairperson's Report (Cont'd)

basis. A key element of the ATH Group strategy is about anticipating and shaping what telecommunications looks like in the future and thus building the best possible capability to get there. At ATH, we are bold visionaries; committed to a strong futuristic position. We believe our strategy sets us up for a strong 2023 financial year. As we look to the future, we are confident of delivering the best possible value for you as our shareholders, whilst making a wider contribution to Fiji and the Pacific region.

Acknowledgement

As a Board, our overriding objective is to ensure that we deliver value to each of our stakeholders and do so in a sustainable and robust manner. We will continue to maintain that focus as the Group embarks on the next stage of its journey. We also continue to encourage shareholder engagement and discussion through our general meetings. The AGM will be held in October 2022 and this year we are offering shareholders a choice to attend the AGM in person or remotely via an electronic audio platform. Further details will follow via our AGM Notice of AGM.

Above all, I would like to express my heartfelt appreciation to you, our shareholders for your unwavering support, recognise the unstinted efforts and dedication of our people at ATH and across our subsidiaries, our customers and my fellow Board members and look forward to building further on these successful foundations.

Kalpana Kushla Lal
Chairperson

Acting Chief Executive Officer's Report

As at the date of this 2022 Annual Report, the harshest impacts of the pandemic have stabilized in some parts of the world while others continue to grapple with new waves of the COVID-19 virus. In a year when so much has been reappraised across business and society, ATH's purpose has shone through as a clear guiding principle: we connect for good.

The ATH Group remains focused on delivering for our shareholders, clients, partners and the communities in which we operate. We continue to strategize and create alternative options to meet situations as they rise doing everything in our capacity to ensure business continuity, with no interruptions in delivery or service. From providing handsets and laptops to internet connectivity and accessibility, across the region, we are committed to serving the societies where we are needed.

Supported by our ATH teams and empowered to identify and capitalize on opportunities in line with our purpose, ATH Group increased its results for the financial year 2022.

Financial Results

After the most difficult period in our history, the ATH Group has finally begun to recover from the debilitating impact of the Covid-19 pandemic on our people and business.

When international borders stayed largely closed during the first six months of the year in review, the Group remained nimble and alert to all opportunities that came our way.

I am pleased to state that the ATH Group recorded a strong year of performance despite the challenging operating environment in the financial year ended 31 March 2022. For the financial year ended 31 March 2022, our top line Revenue, Gross Profits and Earnings Before Interest Tax Deprecation and Amortization (EBITDA) continued to grow from both organic growth and consolidation of the new business.

Group consolidated revenue closed at $641 million, representing an increase of 10.52% compared to the same period last year. Group EBITDA was $193 million, increasing by 12% compared to the same period last year.

The Group net profit before tax and interest amounted to $75 million, representing an increase of 25% over the same period last year.

Net financing cost increased to $6.3 million from $4.9 million compared to same period last year. The increase is mainly due to additional debt financing obtained by the Group to fund the PNG Project. It is important to note that the Group made a successful rollout of the PNG Project and Vodafone PNG went live in April 2022.

On our Balance Sheet, total assets increased from $1,281 million to $1,469 million on a consolidated basis, largely as a result of the new acquisitions and capital expenditures related to network expansions for various subsidiary companies. Net debt (cash and cash equivalents less borrowing) increased to $112 million compared to $79 million in year 2021.

Finally, consolidated profit after income tax attributed to the members of the holding Company for the financial year was $34.8 million compared to $14.6 million last year.

Business Development

Notwithstanding being amidst one of the world's most challenging operating environments presented by the pandemic, the Group successfully constructed and brought to life a new telecommunications venture in Papua New Guinea (PNG) and we are now proud to operate in PNG under the Vodafone brand.

The road we are on is certainly a bumpy one, but it's also rewarding. With no way back, success is our only way forward. We will continue on the path of open collaboration and maintain our strategy to ensure our survival and development. No matter how bumpy the road ahead may be, we will stay the course and remain committed to bring digital to every person, home and organization for a fully connected, intelligent world.

Outlook

As more parts of the world transition to a managed phase of the COVID 19 pandemic, we have seen improvement to overall economic sentiment and in the market condition. In the near term, global growth looks set to remain strong but the outlook remains uncertain with new international conflicts and further outbreaks of COVID 19 adding to already high inflationary pressure and increasing the likelihood of interest rate rises in many advanced economies.

As we maintain a balance of organic growth and growth through acquisition, we will be paying special attention towards realising synergistic benefits throughout the Group. Currently, we have achieved consolidated Group purchasing of smartphones and pooling of capital expenditure requirements taking advantages of economies of scale. There are a number of other integration and synergy unlocking projects we are working on and look forward to reporting the outcome of those in due course.

We maintain a cautious stance, with a conservative approach to capital, funding and liquidity that positions us well to respond to the current environment. An organization can only last when it stays on the right track and actively promotes vitality. Looking ahead, we will keep pushing the boundaries of our assumptions and probing the very frontiers of technology. We firmly believe that, together, the future is better.

Acknowledgement

On behalf of the ATH Group, I would like to thank Mr. Ivan Fong for his significant contribution to the ATH Group over his 28 years of service. Mr. Fong has been an insightful and highly engaged CEO through many milestone events for ATH Group and I also express my appreciation for the steadfast support he has given me since my appointment as acting CEO.

I would also like to extend my sincere appreciation to the Board of Directors for their continued guidance and support. I also wish to thank all stakeholders, including our shareholders, customers and employees for their continued faith in the Group, especially during these challenging times. I am optimistic about the opportunities that are ahead of us and I look forward to taking our Group to greater heights and achieving many more successes in the years to come.

Juan Castellanos de Armas
Acting Chief Executive Officer

Board of Directors

Kalpana Kushla Lal
Chairperson

Viliame
Baleitavua Vodonaivalu
Director

Tupou'tuah
Latianatoba Baravilala
Director

Pravinesh Kumar Singh
Director

Taito Roba Waqa
Director

David Kolitagane
Director

Umarji Musa
Director

Ashnil Prasad
Company Secretary

Company Profile

Establishment and Ownership

Amalgamated Telecom Holdings Limited (ATH) was incorporated as a public company on 10 March 1998 as the vehicle through which the Fiji Government's investments in the telecommunications sector were consolidated for the purpose of privatisation under its public sector reform programme.

ATH commenced operations on 16 December 1998 following the sale of a 49% strategic stake in the Company to the Fiji National Provident Fund (FNPF) through a tender process in which a number of international parties participated.

In September 1999, FNPF consolidated its control of ATH after it acquired a further 2% of the issued shares as per contractual obligations. Consequently, FNPF's shareholding increased to 51% while Government's shareholding decreased to 49%.

Government further sold 9.7% of its shares in February 2002 through a Private Placement with institutional investors including FNPF. A month later an additional 4.7% of Government's shares were sold in a Public Offer, consequently, reducing its shareholding to 34.6%, while FNPF's shareholding increased to 58.2%.

On 22 December 2015, through a Special Crossing on the South Pacific Stock Exchange (SPX), Government partially divested 50% of its remaining shares in ATH. As a result, FNPF increased its shareholding in ATH from 58.2% to 72.3% while Government remains ATH's second largest shareholder with 17.3% interest.

A Rights Issue offer was approved by the shareholders at the ATH Annual General Meeting on 6 November 2019. In consequence, FNPF decreased its shareholding from 73.22% to 72.71% when the non-renounceable rights issue offer closed on 31 May 2021 while Government's shareholding decreased from 16.29% to 15.25%.

As of 31 March 2022, the remaining 12.05% belongs to 1,480 shareholders and individuals.

The Company

Through its investments and provision of direct services in a broad range of telecommunications and related services, ATH is Fiji's main telecommunications holding Company. The Company first extended its footprint in the region with its acquisitions in Kiribati and Vanuatu, followed by the acquisition of the Bluesky Group and its operations in Samoa, American Samoa and the Cook Islands on 22 February 2019, together with the acquisition of the Digitec Group in Papua New Guinea, on 4 June 2019. The principal activities of the ATH Group include the provision of:

- Voice, internet and data related services;
- Business communications solutions;
- ICT and surveillance products;
- Transaction management and prepaid services;
- Directory information services;
- Business Processing Outsourcing (BPO), including call centre services; and
- International telecommunications facilities.

Group Structure

Telecom Fiji Pte Limited (TFL) is a 100% owned subsidiary of ATH and provides fixed telephony services, broadband internet, international voice and data connectivity, sale of telephone equipment and sale of office and computer equipment.

Vodafone Fiji Pte Limited (Vodafone Fiji) is the country's leading provider of mobile telecommunications services and mobile phone money transfer service. Vodafone Fiji is owned on a 51%:49% basis by ATH and FNPF respectively.

On 20 May 2015 Vodafone Fiji acquired 100% of Datec (Fiji) Pte Limited which is one of Fiji's leading IT companies. This acquisition was made to solidify Vodafone Fiji's position as the premier provider of end-to-end ICT solutions for the enterprise and business segment.

Fiji International Telecommunications Pte Limited (FINTEL) is a 100% owned subsidiary of ATH which provides and operates international telecommunication facilities and connectivity for operators in Fiji and the region.

Fiji Directories Pte Limited (FDL) is a wholly owned subsidiary of ATH, following the acquisition, on 20 October 2016, of 10% shares previously held by Edward H O'Brien (Fiji) Limited. FDL's principal business activities are compiling and publishing the Fiji telephone directory and providing access to the same online.

ATH acquired substantially all the assets of Telecommunications Services Kiribati Limited (TSKL) on 26 May 2015 and incorporated a new company, Amalgamated Telecom Holdings (Kiribati) Limited (ATHKL), now trading as Vodafone Kiribati Limited, to hold and operate the assets and provide telecommunication services in Kiribati.

On 27 March 2017 ATH acquired 100% share capital of Telecom Vanuatu Limited (TVL), a leading telecommunications operator in Vanuatu, from MT International Ventures PCC, an investment vehicle wholly owned by Mauritius Telecom Limited. Telecom Vanuatu Limited (now trading as Vodafone Vanuatu) is incorporated and domiciled in Vanuatu.

ATH completed its transaction with Amper SA to acquire its interests in the Bluesky Group on 22 February 2019. The Bluesky Group consists of key telecommunication operators and submarine cables in the telecommunications industry in Samoa, Cook Islands and the Territory of American Samoa. The Bluesky Group's operations include AST Telecom, LLC; Samoa American Samoa Cable; American Samoa Hawaii Cable; Vodafone Samoa; and Vodafone Cook Islands. It represents another breakthrough in the expansion strategy of the Group, consolidating ATH's interests in the Pacific and reinforcing its presence as one of the key telecommunications operators of the region.

In addition, ATHIV, a fully owned holding Company incorporated in Singapore on 7 December 2018, purchased 70% shareholdings in each of Digitec Communications Limited, Etech ICT Pte Limited and Etech ICT Pty Limited. The Digitec Group of Companies is based in Papua New Guinea, Singapore and Australia respectively and provides internet services, computing hardware, software and cloud services in Papua New Guinea. In April 2020, the Group transferred Digitec ICT Limited, Etech ICT Pte Limited and Etech ICT Pty Limited, under Vodafone Fiji Limited.


vodafone

Digitec Communications Limited (t/a Vodafone PNG) officially launched its state-of-the-art network at a corporate launch event held at APEC Haus in Port Moresby on 21st April 2022. The Late Deputy Prime Minister Hon. Sam Basil was the Chief Guest at the Opening Event. The Late Mr. Basil said this whilst officiating the launch of the Vodafone PNG network, “Recently much has been said about the lack of benefits cascading to end-users, especially with falling wholesale data prices and therefore, Vodafone PNG’s entry into the market has been eagerly awaited and couldn’t have come at a better time.”

The launch of Vodafone PNG marks a significant milestone in what is expected to be the stimulus needed to spur increased competition, resulting in a more liberalized ICT sector with affordable access to connectivity, increased market penetration and greater choice for consumers and businesses. ATH will invest to the tune of $3 billion Kina into PNG, which is a testament to Vodafone’s commitment to improving the telecommunications infrastructure and connecting the unconnected.

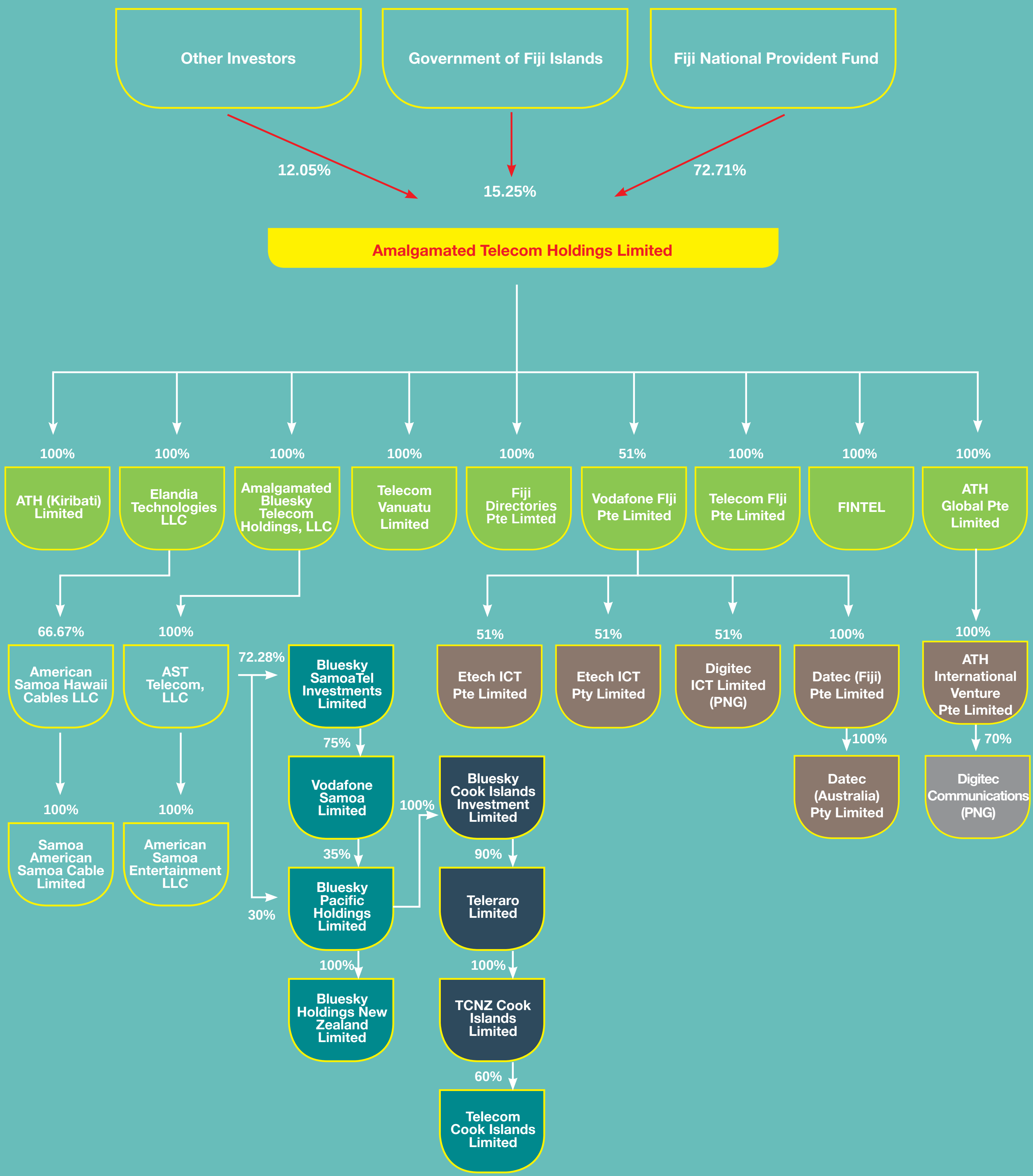
Vodafone PNG has built a brand-new network with the latest technology, offering Papua New Guineans 3G/4G+ services and a differentiated network experience. The new network at Launch covers key locations that are Port Moresby, LAE, Madang, Mt Hagen and Goroka, which covers approximately 50% of the population. However, the journey does not stop here, Vodafone PNG intends to have 800 sites live, progressively expanding coverage to 22 provinces. Within the next 12 to 18 months, there are plans to have approximately 1200 sites, covering more than 90% of PNG’s population.

PNG has a low market penetration with 37% mobile phone and 20% internet penetration, with approximately 1 million customers actively using social media. Given the low market penetration levels in PNG, the rate of rapid change and increased reliance on digitalization and connectivity, Telecommunications will remain a critical industry in the future. The Telecommunications sector in PNG has the potential to significantly transform lives through access to online information, education, telemedicine, financial inclusion, eCommerce and economic inclusion.

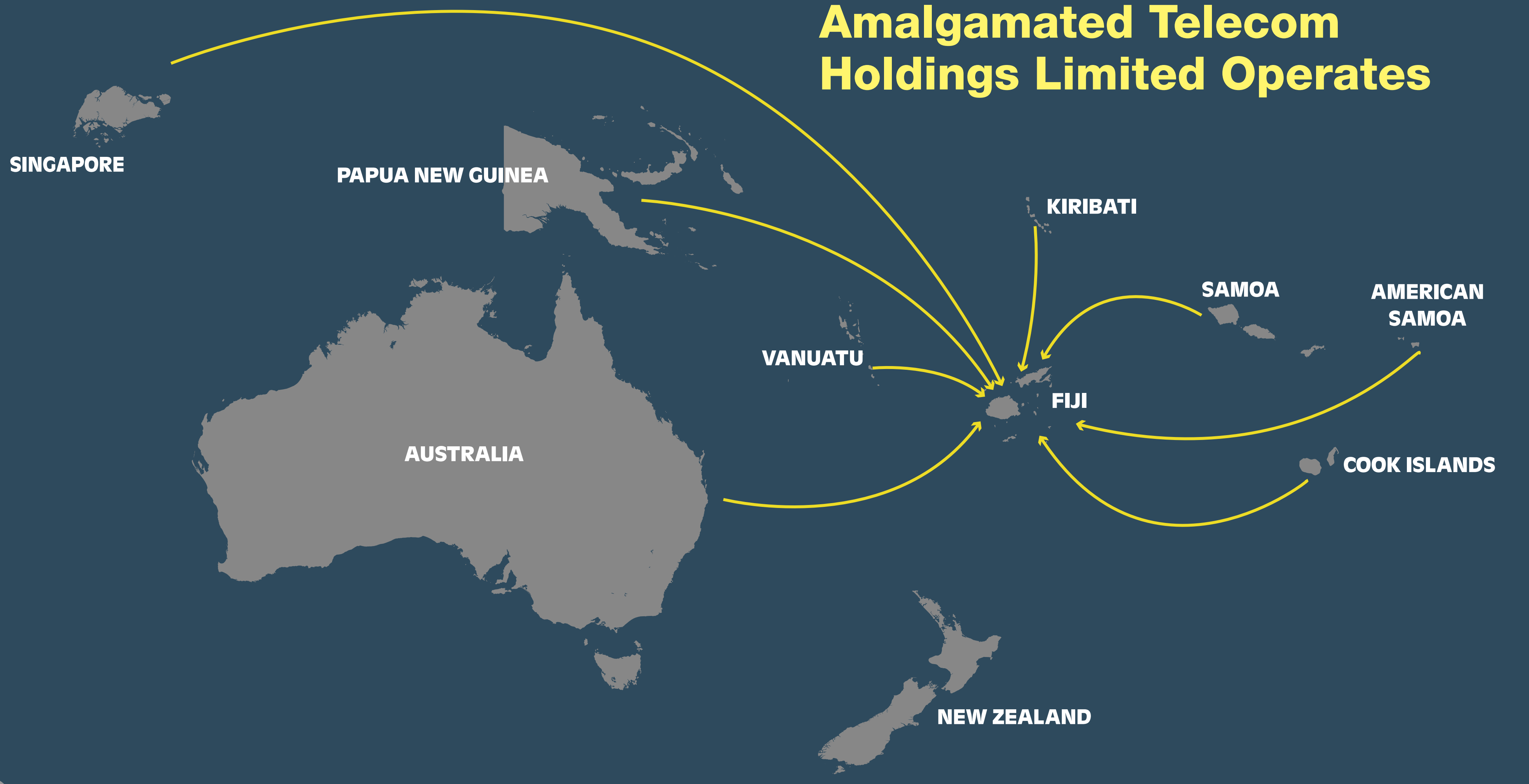
Despite the effects of pandemic that impacted the PNG rollout project in 2020 and 2021, the Project Team led by Vodafone Fiji Pte Limited was able to push ahead through various alternative measures to remotely progress the project activities, and in the final 3 months to launch when travel restrictions eased, was able to get the network and marketing activities ready for launch. Vodafone PNG has received an overwhelming response from the market, right from the time when it opened its doors to customer onboarding from 22nd April 2022. The business plans are progressing very well, to increase mobile coverage and penetration across PNG by March 2023.

On the shareholder front Vodafone PNG have been both fortunate and intentional in securing seasoned and reputational equity investors such as the Asian Development Bank, the Unit Trust of Samoa, the Samoan National Provident Fund, Austel Investment Pty Limited, the Fiji National Provident Fund, Vodafone Fiji Pte Limited and ATH.

ATH Group Structure



Countries in which Amalgamated Telecom Holdings Limited Operates



Corporate Governance

ATH provides the following corporate governance statement for the year ended 31 March 2022 in accordance with the Reserve Bank of Fiji's Corporate Governance Code.

Principle 1: Establishing Clear Responsibilities for Board Oversight

Separation of Duties

The role of the Board is to drive the success of the Company by taking responsibility in setting the Company's strategic direction and guiding management in order to meet its objective of enhancing corporate profit and shareholder value. The regular business of the Board covers investments and strategic matters, governance, risk and compliance, the Chief Executive Officer's update report, and tracking the performance of subsidiary companies.

Board Charter

The Company has a Code of Corporate Governance detailing the functions and responsibilities of the Board. Furthermore, in line with improvements in the Group Policy environment and aligning it with the best corporate governance practices, a separate Board Charter is being developed to be completed by the end of the next financial year.

Principle 2: Constitute an Effective Board

Board Composition

The Board comprises of seven (7) Non-Executive Directors of which four (4) are Strategic Investor Directors nominated by the Fiji National Provident Fund (FNPF) and three (3) are Fiji Directors nominated by Government. A person may be nominated as a Director at a general meeting if the person has been nominated by the Directors, or by one or more members holding in aggregate at least 10% of all the voting shares, for election at that meeting.

Mr Umarji Musa retired by rotation in accordance with Article 6.4 of the Company's Articles and was re-appointed as a Director of the Company on 16 December 2021.

The Directors in office on 31 March 2022 are:

Name		Date of Appointment
Ms Kalpana K Lal	Strategic Investor Director	01.02.2020
Mr Taito R Waqa	Strategic Investor Director	21.08.2008
Mr Viliame B Vodonaivalu	Strategic Investor Director	16.12.2020
Mr Pravinesh K Singh	Strategic Investor Director	16.12.2020
Mr Umarji Musa	Fiji Director	19.08.2010
Mr David Kolitagane	Fiji Director	31.08.2016
Ms Tupou'tuah L Baravilala	Fiji Director	16.12.2020

The Directors are appointed/elected in accordance with the Company's Articles of Association. One third of Fiji Directors retire by rotation each year and the retiring Directors are eligible to be nominated again for re-election. Two of the seven Directors have met the necessary SPX required pre-requisites to be regarded as independent Directors.

The Board met four times during the financial year ended 31 March 2022. Attendance was as follows:

Name	Board	
	Number of meetings	
	Attended	Held
Ms Kalpana K Lal	4	4
Mr Taito R Waqa	4	4
Mr Viliame B Vodonaivalu	4	4
Mr Pravinesh K Singh	2	4
Mr Umarji Musa	4	4
Mr David Kolitagane	1	4
Ms Tupou'tuah L Baravilala	2	4

Gender Diversity

Whilst the Company does not have a separate policy on gender diversity, the Companies Code of Corporate Governance Principles specifies that the Board should at all times be composed of members whose skills, experience and attributes together reflect diversity, balance, cohesion and match the demands facing the Company.

The Company values diversity at Board level. The Board of Directors comprises of five males and two females.

Board Evaluation

The Nominations Committee oversees and monitors Board performance, succession planning, Director development and ensure diversity at both the ATH Holding company level and at subsidiaries level.

Directors Training

Director induction is a formal process the Company follows whereby the Chief Executive Officer and the management team present a comprehensive corporate profile of the organisation. It is necessary for all incoming directors to attend the induction programme. In addition, as and when required, workshops are organised with external consultants.

Board Sub-Committees

The Board has formally constituted three (3) committees namely the Audit, Finance and Risk Committee; Human Resources Committee; and Nominations Committee.

The Audit, Finance, and Risk Committee is responsible, on finance matters, for monitoring and recommending to the Board the Company's financial plans and strategies which are consistent with the business strategies of the Company; monitoring the financial budgets used by management to develop the Company's financial plans and strategies; recommending to the Board the Company's financial policies, including its capital structure and distribution policies; and overseeing the negotiation and authorising the entry into arrangements in respect of the financing of the activities of the companies and its affiliates.

On Audit matters, the Committee is responsible for monitoring the external audit of the Company's affairs including considering the appointment of the auditors, the audit fee and any issues on their resignation or dismissal; discussing with the auditors, before the commencement of each audit, the nature and scope of the audit; reviewing the auditors service delivery plans; approving the Company's letter of representation to the auditors; and discussing with the auditors any problems, reservations or issues arising from the audit and referring matters of a material or serious nature to the Board; reviewing annual financial statements before submission to the Board.

The Human Resources Committee is responsible for advising the Board on human resources issues which includes the remuneration and conditions of employment of the Chief Executive Officer, senior management and succession planning.

The Nominations Committee is responsible for the selection, approval, renewal and succession of Directors in the subsidiary companies of the Group.

Corporate governance responsibility is shared amongst the three sub-committees.

Board Sub-Committee meetings and attendance during the financial year ended 31 March 2022 were as follows:

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

As a listed entity, ATH is subject to the rules and regulations for listed companies as set out by the South Pacific Stock Exchange (SPX) and Reserve Bank of Fiji (RBF). This includes market announcements of material information, six-monthly unaudited financials, audited financials and annual report.

Payment to Directors and Senior Management

A total fee of $210,000 was paid to Directors for their service during the year in accordance with the shareholders resolution at the 23rd Annual General Meeting. The Company also met other expenses, mainly for travel and accommodation, which were incurred during the course of their duties for ATH. ATH Directors were also covered under a Directors and Officers Insurance Policy and a Personal Accident Insurance Policy. Payment to senior management is disclosed in the annual report under Key Management Personnel Compensation.

Continuous Disclosure

ATH continues to make timely, accurate and full disclosure to the market.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

The Company has a Code of Corporate Governance which is relayed to the Directors upon appointment to the Board. ATH believes that all Directors and executives uphold the code of conduct and ethical standards of the Company.

Name	Audit, Finance and Risk Committee		Human Resources Committee		Nominations Committee	
	Number of Meetings		Number of Meetings		Number of Meetings	
	Attended	Held	Attended	Held	Attended	Held
Ms Kalpana K Lal					3	3
Mr Taito R Waqa			2	2	3	3
Mr Viliame B Vodonaivalu	2	2				
Mr Pravinesh K Singh	2	2				
Mr Umarji Musa	2	2	2	2		
Mr David Kolitagane			2	2	3	3

Principles 3 and 4: Appointment of Chief Executive Officer and Company Secretary

Mr Ivan Fong was the Chief Executive Officer and Company Secretary for ATH until 30 June, 2022. Mr Juan Castellanos de Armas, Group Chief Financial Officer, stepped in as acting Chief Executive Officer during the interim period. Mr Ashnil Prasad was appointed the Company Secretary for ATH on 5 July, 2022.

The Chief Executive Officer is responsible for developing and implementing business strategies and policy guidelines; managing budgets, financial reports and key performance indicators; providing Company secretarial duties and functions; ensuring compliance with regulatory and statutory requirements; managing effective relationships with internal and external parties; and leading and developing a team of staff.

Principle 7: Register of Interests

A register of interests is maintained by the Company in line with the Code of Corporate Governance.

Principle 8: Respect the Rights of Shareholders

Communication with Shareholders

In line with SPX continuing listing requirements, the Company issues market announcements of material information, quarterly and six-monthly unaudited financials, annual audited financials and annual report. The same information is posted on SPX and ATH websites. All shareholders are invited to the AGM, receive a copy of Annual Report and notice of meeting prior to the AGM and are given an opportunity to communicate directly with the Board of Directors.

Corporate Governance (Cont'd)

ATH fosters and promotes effective communication with shareholders and effective participation at general meetings. The Company explores how best to take advantage of technology to enhance shareholders communication and how to use general meetings to enhance a two-way communication.

Website

ATH maintains an up to date website to supplement the official release of information to the market. The website address is http://www.ath.com.fj/

Grievance Redressal Mechanism

This mechanism is covered in the Company's Articles of Association and the Corporate Governance Policy. However, in line with improvements in the Group Policy environment and aligning it with the best governance practices, a separate policy is now being developed to be completed by the end of the next financial year.

Shareholders Complaints

One complaint was received from a shareholder during the year. However, the complaint was rectified on the same day and the shareholder was satisfied with the resolution provided. No other complaint was received after this.

Corporate Sustainability

Our approach to business is outlined in the Company's vision, mission and values statements as tabulated in our Annual Report.

Principle 9: Accountability and Audit

Internal Audit, External Audit and Rotation of Auditor

ATH is audited annually by an independent external auditor. The ATH Group and subsidiaries accounts are prepared and audited in compliance with IFRS standards. The Company rotates its external auditors every three years. The Company also has policies and procedures in place to ensure that business activities are carried out as per best practices.

Audit, Finance, and Risk Committee

The Company has an Audit, Finance and Risk Committee which provides oversight of the Company's internal controls and operations, verifying and safeguarding the integrity of the Company's financial reporting.

Principle 10: Risk Management

The Directors of the Company are always mindful of potential risks that may arise in the course of its business. In that regard the Audit, Finance and Risk Committee is tasked with the responsibility of risk management. The Committee reviews the annual financial statements to be released by the Company, before submission to the Board.

Whistle Blower Policy

The Company has a whistle blower policy included in its Corporate Governance Policy.

Vodafone Fiji Pte Limited

Ms Kalpana K Lal - Chairperson
Mr Viliame Vodonaivalu - Director
Mr Robin Yarrow - Director
Mr Isikeli Tikoduadua - Director
Mr Sanjay L Kaba - Director
Mr Pradeep C Lal - Regional CEO
Ms Elenoa Biukoto - Company Secretary

Overview

With the ongoing Covid-19 pandemic impacting business for the second consecutive year, the case for a digital economy grows stronger, coinciding with a global economic recovery. This creates an opportunity that corresponds to significant advancements in several of the basic technologies that drive Fiji's digital economy. The financial year brought its fair share of obstacles and challenges, and it's vital to assess how the business and investments fared. Business performance has not always been smooth or predictable due to the continuing impact of COVID-19. Further, as we transition back into a more normal business environment, it's difficult to envisage a growth strategy that doesn't include a commitment to responsible business practices but under a "new normal" with increased digitalisation and impacts of climate change.

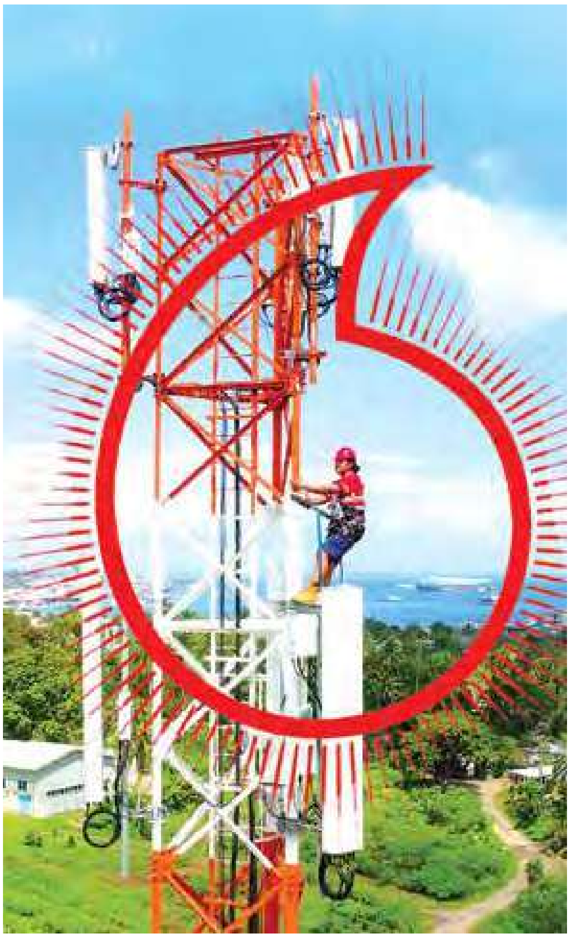
Customers, investors, employees, and the general public are increasingly pressuring industry leaders to comprehend their social and environmental effect and redefine prosperity in these terms. The telecommunications industry has never been more economically important, and the formula for success has never been more complex. At Vodafone, we continue to look at the strategic landscape with an eye to emerging opportunities for market-growth, innovation led business-models with a commitment to environmental, social, and governance responsibilities.

Despite the prolonged effects of the pandemic and the challenges it posed on the business, the company through its prudent and timely execution of risk mitigation strategies was able to reduce the negative financial impact on the business. Vodafone acted swiftly to re-strategize and assisted business customers with restructuring their accounts, suspending unused services and providing effective work from home solutions. While COVID-19 impacted our customers to a large extent, it also provided us many new opportunities in areas that was not available pre-pandemic. We started engaging with our customers differently, mainly through digital channels and during this time the team worked closely with our MSME customers to make them digital ready. We also worked with our Enterprise customers who had the appetite to transform and accelerate their digital transformation agenda by availing new digital platform and solution. For many the disruptions to normal business practices provided the perfect time to progress and conclude major infrastructure upgrades and IT transformation projects.

During the year we experienced rapid change in the way we live, work and play, and the question that was on everyone's mind was are we ready to operate in the new normal? We have seen convergence fast track, and this has resulted in progression beyond our core business of mobility; expanding into ICT solutions such as Collaboration, Managed Services, Software-Defined Networks, Disaster Recovery, Cloud Computing, Infrastructure, Platform and Software as a Service, Unified Communications and of course, Cyber-Security. We know this will not stop here and our quest to provide end-to-end solutions is well supported by our strategy to shape our future and to keep pace with the rapid rate of change. The challenge, however, is to keep pace with the changes amidst the ongoing supply chain issues, increased cost structure particularly energy, accelerated shifts towards digitalization and automation, customer expectation and of course, the turbulent shifts in the labour market.

Despite these challenges, we understand the dynamism of the market and what the industry demands are and Vodafone is well positioned to take advantage of emerging opportunities. We remain optimistic and believe the capital investments the business is making in digitalization today, both internally and from a solutions perspective, will make a difference in customer experience and empower our customers transform the way they do business in this increasingly digitally connected world.

Our Infrastructure



Vodafone Fiji continues to drive forward its strategy to transform from a traditional telecommunications company to a new generation connectivity and digital service provider in Fiji. Vodafone Fiji continues to empower local businesses, all communities, and the Fijian public to enjoy the best quality and a world class service by enhancing existing network infrastructure and adopting new technology innovations. The key focus for Vodafone has been the drive in making progressive transition towards becoming a fully digital mobile communications and ICT service provider in Fiji and the regional pacific island countries.

As demands for data and information centric services reach new levels, Vodafone Fiji has continued with the strategy to build unconstrainted network capacity across its entire infrastructure with investments in rollout of new 4G+ network in greenfield areas across the country as well as increasing the network capacity through various upgrades and expansions on existing radio network infrastructure. The radio capacity expansions have been complemented with the capacity expansions on the backend core network elements. Working hand in hand with world renowned partners, new technology solutions have also been integrated on the locally stored caching platforms that in turn greatly benefits Vodafone Fiji and all its customers.

Vodafone Fiji continues to be the leading digital service provider in Fiji through the evolution of its digital and e-commerce solutions. M-PAiSA has become one of the most widely accepted forms of electronic payment for e-commerce and online trading in Fiji. The advancement of the M-PAiSA platform places Vodafone Fiji amongst the leaders in digital innovation setting up the platform for evolution of businesses and consumers towards having next generation cashless systems and becoming a truly digital economy.

Achieving the ISO 27001 certification, the first telecommunications company in Fiji to do so and having the Information Security Management Systems (ISMS) accreditation in place assures customers security of data transmitted through its platform paving the way towards digital transformation with confidence and supports the cumulative process towards Vodafone Fiji becoming a fully digital telecommunications service provider.

The baselines and foundations are being laid for the next technology evolution. Vodafone Fiji remains focused on establishing technology and infrastructure development roadmaps with an integrated approach that aligns to the needs to the Fijian population.

Our People Strategy

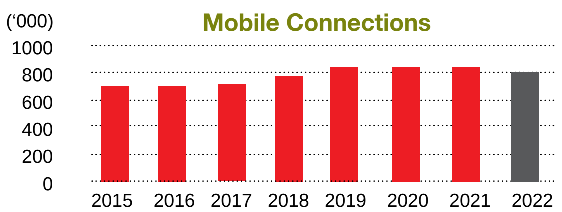
Our work atmosphere at Vodafone Fiji is incredibly inclusive and supportive of progress, and everyone has the opportunity to succeed. This shift is accelerated by our people strategy, which creates a place where everyone can truly belong, develop, work successfully, and reach their full potential. The 'Vodafone Way,' which explains the values we hold and the fundamental behaviours that enable our strategy and mission, is the source of Vodafone's spirit and culture. The Vodafone Way is a catalyst for change that underpins our transformation's success and sustainability.

During the pandemic, the health and safety of our staff was paramount. The company adhered to all required health and safety protocols to ensure our staff were not exposed to the COVID risks. Work from home and separate work bubbles were created to reduce the risk of COVID transmission yet ensuring the customers and businesses that depended on network and connectivity continued to operate.

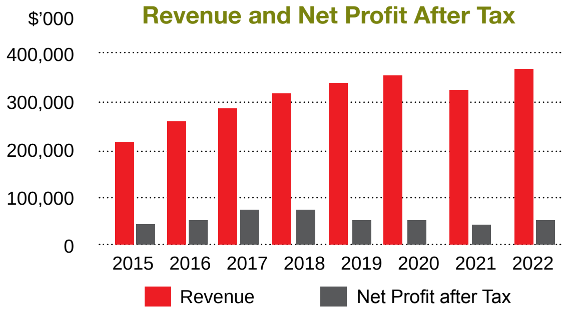
We continue to support our people through further education during and after the global pandemic catastrophe despite the downturn in business. We believe in creating a better-skilled workforce and talent pool by giving our employees the opportunity to study and continuously upgrade their knowledge and skills. Better internal candidates result from a more skilled team, encouraging a culture of internal advancement and growth. This also motivates our staff to continue their professional and personal development by showing them that there are growth and promotion prospects inside the company that are within their reach. This is a wonderful motivator to not only do a good job but also to upskill.To date, more than 60% of our workforce has earned a postgraduate or master's degree.

Financial highlights

Despite the challenges faced by company following the second wave of Covid-19 in Fiji, lockdowns, movement restrictions and declining economic activity, Vodafone Fiji remained focused on its goals and targets for the financial year. The company acted swiftly to re-strategize and manage all costs across the business, to ensure that the business remained on a sound financial footing. Savings were redirected to new and emerging opportunities, to ensure the business remained agile and flexible and to capitalize on new revenue opportunities. Whilst the impact on the business performance has been significant, Vodafone Fiji recorded only a slight decline in net subscribers from the previous year due to sustained focus on customer retention through better value propositions.



The Group consolidated revenue has increased by 15% approx. from the previous financial year to $378 million as the various group companies continue to operate successfully yielding better performance than last year. While the telecommunication revenue continues to come under pressure, the diversification in product portfolio into m-commerce and into management services to the ATH Group of Companies, has ensured that there continues to be consistent returns to the shareholders.



Looking Ahead

We remain committed and continue our investments in innovative technology that positions the Company for future growth whilst constantly evaluating existing product portfolio. Customer retention and new technology implementations such as Cloud Analytics, Autonomous Solutions, Chatbots, Integration Cloud and various other Security and Data Protection Solutions remain the focus in the short to medium term.

The accelerated pace of adoption of digital platforms by businesses as it reaches out to the new and growing segment of online shoppers created new opportunities in e-commerce and digital financial services.

The Company is well positioned to capitalize on these opportunities with its Vitikart e-commerce platform, digital wallet and payment gateway solutions that have seen significant uptake this year. The use of IoT and M2M solutions have, and will continue to be instrumental, in enabling cashless transactions, remote device management, tracking and monitoring capabilities.

Our strategy is to maintain our position as technology leaders in Fiji and the region. We have forged strong partnerships and built alliances with strategic technology partners. We believe our unique footprint and expansion into the wider Pacific and extensive partnership relationships, will provide us with a unique and competitive advantage in driving our Digital Transformation agenda.

Corporate Governance

Vodafone Fiji is committed to meeting high standards of corporate governance, which it considers critical to business integrity, maintaining investors' trust, long-term performance and sustainability. Hence, it provides the following Corporate Governance statement for the year ended 31 March 2022.

Principle 1: Establishing Clear Responsibilities to Board Oversight

Separation of Duties

The Board is responsible for the overall conduct of the Company's business and has the powers, authorities and duties vested in it by and pursuant to the relevant laws of the Republic of Fiji Islands. The Board has final responsibility for the management, direction and performance of the Company and its businesses. The Board is required to exercise objective judgement on all corporate matters, independent from executive management and is accountable to shareholders for the proper conduct of the business. The Board is also responsible for ensuring the effectiveness of and reporting on the Company's system of Corporate Governance.

Principle 2: Constitute an Effective Board

Board Composition

The Board comprises of six (6) Non-Executive Directors. The Directors are appointed/elected in accordance with the Company's Articles of Association.

The Board met four (4) times during the financial year ended 31 March 2022.

Name	Board	
	Number of Meetings	
	Attended	Held
Ms. Kalpana Lal	4	4
Mr. Isikeli Tikoduadua	4	4
Mr. Robin Yarrow	4	4
Mr. Sanjay Kaba	4	4
Mr. Viliame Vodonaivalu	3	3
Mr. Andrew Fairgray	1	1
Mr. Russell Hewitt	0	1

During the year, Mr. Andrew Fairgray and Mr. Russell Hewitt resigned as Directors with effective from 10 May 2021.

Gender Diversity

The Company's Code of Corporate Governance principles specifies that the Board should at all times be composed of members whose skills, experience and attributes together reflect diversity, balance, cohesion and match the demands facing the Company. The Board of Directors comprises of four males and one female.

Directors Training

Director induction is a formal process which the Company follows, whereby the Chief Executive Officer and the management team present a comprehensive corporate profile of the organisation. It is necessary for all incoming directors to attend the induction programme. In addition, as and when required, workshops are organised with external consultants.

Board Sub-Committees

The Board has formally constituted two (2) committees; namely the Human Resources (HR) Subcommittee and the Audit and Risk Committee.

The HR Subcommittee determines, on behalf of the Board, the Company's policy on the remuneration of the Chairman, the Directors and the senior management team of the Company (EXCO). The HR Subcommittee determines the total remuneration packages for these individuals, including any compensation on termination of office. The HR Subcommittee further also reviews all human resource related policies and updates the Board as required. The Chief Executive Officer and the Chief Human Resources Officer may attend HR Subcommittee meetings by invitation only. HR Subcommittee members do not attend meetings when their individual remuneration is being discussed and no Director is involved in deciding their own remuneration. The Committee is also responsible for appointing any consultants in respect of Executive Directors' remuneration.

As at 31st March, 2022 the HR Committee comprised of three (3) Independent Non-Executive Directors. Ms Kalpana Lal was appointed the new Chairperson of the HR Subcommittee following the resignation of Mr. Russell Hewitt as the former Chairperson. Mr. Robin Yarrow joined the HR subcommittee as the third member. He was formally appointed in the Board meeting held on the 17th of February, 2022.

HR Subcommittee consists of Ms, Kalpana Lal – Chairperson and Directors Isikeli Tikoduadua and Robin Yarrow. HR Subcommittee meetings and attendance during the financial year ended 31 March 2022 were as follows:

Name	Remuneration Committee	
	Number of Meetings	
	Attended	Held
Ms. Kalpana Lal	3	3
Mr. Isikeli Tikoduadua	3	3
Mr. Robin Yarrow	1	1
Mr. Russell Hewitt	0	1

The Audit and Risk Committee is responsible for maintaining oversight and ensuring the integrity of the Company's governance, internal and external audit, financial controls, monitoring and recommending to the Board the Company's financial plans and strategies which are consistent with the business strategies of the Company, recommending to the Board the Company's financial policies, assessing risks and proposing risk mitigation measures accordingly.

On audit matters, the Committee is responsible for monitoring the internal and external audit affairs of the Company including considering the appointment of the auditors, the audit fee and any issues on their resignation or dismissal, discussing the nature and scope of the audit with the auditors before the commencement of each audit, reviewing the auditor's service delivery plan, discussing with the auditors any problems, reservations, or issues arising from the audit, referring any matters of material or serious nature to the Board and reviewing the Annual Financial Statements before submission to the Board.

The Committee, as at the end of the financial year, comprised of two members of the Board, namely Ms Kalpana Lal and Mr Viliame Vodonaivalu. Mr Viliame Vodonaivalu was appointed to the Sub-Committee after the resignation of Mr Andrew Fairgray. The Audit and Risk Committee meetings held and attendance during the financial year were as follows:

Name	Remuneration Committee	
	Number of Meetings	
	Attended	Held
Ms. Kalpana Lal	2	2
Mr. Andrew Fairgray	1	1
Mr. Viliame Vodonaivalu	1	1

Principles 3 and 4: Chief Executive Officer and Company Secretary

Mr Pradeep Chand Lal is the Regional Chief Executive Officer (RCEO) while Ms Elenoa Biukoto is the Company Secretary for Vodafone Fiji. RCEO is responsible for the day-to-day running of the business and for ensuring the implementation of Board strategies and policies. Additionally, RCEO is entrusted with all the Board's powers, authorities and discretions in relation to the operational running of the Company, subject to the matters specifically reserved by the Board for itself. Furthermore, the Company Secretary is involved with the Company's secretarial duties and functions, managing budgets, financial reports and key performance indicators, managing effective relationships with internal and external parties, leading and developing a team of staff, and ensuring compliance with regulatory and statutory requirements.

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

The Company prepares its Financial Statements, together with all the relevant disclosures, in line with IFRS and applicable laws and regulations on an annual basis.

Payment to Directors

The total Directors fees incurred during the year was $87,000. Vodafone Fiji Directors are also covered under a Directors' and Officers' Insurance Policy. The payment to senior management is disclosed in the Financial Statements under Key Management Personnel Compensation.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

The Company has a Code of Conduct, which is relayed to the Directors and all the employees of the Company. Vodafone believes that all Directors, executives and employees uphold the Code of Conduct and ethical standards of the Company.

Principle 7: Register of Interests

Conflict of Interest

A register of interests is maintained by the Company in line with the Code of Conduct.

Principle 8: Respect the Rights of Shareholders Rights

Communication with Shareholders and Website

The shareholders of the Company are invited to the Annual General Meeting (AGM), receive a copy of the Financial Statements and notice of meeting prior to the AGM and are given an opportunity to communicate directly with the Board of Directors.

Vodafone fosters and promotes effective communication with shareholders and effective participation at AGM's. The Company explores how best to take advantage of technology to enhance shareholders communications and how to use General Meetings to enhance a two-way communication.

Website

Vodafone maintains an up-to-date website to supplement the official release of information to the market.

Grievance Redressal Mechanism

The company has policy on employment grievance as part of the Vodafone Employees Manual.

Shareholders Complaints
No complaints were received from shareholders during the year.

Corporate Social Sustainability
Our approach to business is outlined in the Company's vision, mission and values statements.

Principle 9: Accountability and Audit
Internal Audit, External Audit, Rotation of Auditor and Audit and Risk Committee
Vodafone Fiji is audited annually by an independent external auditor and its accounts are prepared and audited in compliance with IFRS standards. The Company also has an internal audit function and an Audit and Risk Committee, which oversees the effective functioning of the Company's internal controls and operations whilst verifying and safeguarding the integrity of the Company's financial reporting. Furthermore, there were two independent internal audits that were conducted during the year. The Company rotates its external auditors in accordance with its Corporate Governance and Group listing requirements, which is normally done every three years.

Risk Management Policy
The Directors of the Company are always mindful of potential risks that may arise during the course of the business. The Company's risk is governed by the Board and the Audit and Risk Committee. Moreover, the Board oversees the implementation of appropriate risk assessment systems and processes to identify, manage and mitigate Vodafone Fiji's top risks. Additionally, the Company maintains a risk register that highlights key risks, their respective tolerance levels based on the impact rating, the likelihood of occurrence and the controls and mitigation measures that are being practised or need to be put in place to improve the Company's preparedness and reduce the impacts of those risks.

Whistle Blower Policy
The Company has a whistle blower policy included as part of corporate governance and "Speak Up" online portal.

Corporate Social Responsibility
Covid Assistance
Vodafone's M-PAiSA platform was fully utilised as the "go to" platform for cash Covid assistances provided by government to thousands of Fijians. The payout through the M-PAiSA mobile wallet during the COVID lockdown with restricted movement provided a safe and secure medium to provide the public cash grand assistance electronically and has been recognised as a very effective and highly efficient and transparent modes of providing government assistance. This mode of distribution was also adopted by NGOs such as Save the Children to provide assistance to vulnerable women and children through the cash assistance program. Our frontline staff whilst at the risk of COVID were critical to delivering this assistance to many affected families and citizen when most needed.

Community and Staff Involvement
Vodafone Fiji has been at the forefront of corporate philanthropy in the country giving back to the community in ways that make real difference to people's lives. Its corporate social contributions impact different levels of society through the activities of Vodafone Fiji as a business entity and also through its charitable arm - Vodafone ATH Fiji Foundation (the Foundation). In light of the ongoing Pandemic and movement restrictions, the foundation had to reprioritize and re-strategize certain activities, however, it has continued to ensure that all the programmes continue to run for the benefit of all Fijians.

First for Fiji, The Foundation mooted a new program, Youth Climate Action Fiji (YCAF) where key outcomes and benefits of the project were consolidation of awareness to be spread under mClimate and mSDG, mapping of environment committees and compilation of proposal for YCAF projects, revisiting of marine protected areas and compilation of fresh GIS report, revamping of climate change and mitigation program with innovation linking to entrepreneurial activities, create a branch from already existing environment committees and create a charity fund for SEED funding.

In 2021, The Foundation team in partnership with our corporate Essity Australasia, Spinal Injury Association, Capacity Building and Storytelling, Save Fiji brought two 40-Footer containers worth over $800k and distributed to 600 communities. The distribution of these goods was done by 80 charities and over 200 volunteers were engaged. The Foundation mooted another program, Family Action Fiji (FAF). FAF continues to address ongoing conflicts in households due to Covid and also mobilizing professional counsellors to help with domestic violence, Covid related stress, workplace conflicts and unmanageable stress, pornography, drugs and other family related social issues ensuring that minor social issues don't escalate to major series of events.

The Vodafone World of Difference (WoD) continues to deliver multi-fold return on social investment. The WoD model and approach allowed a total of 12 charities and 150 partners and stakeholders to be engaged with 4 candidates in the last year. We continue to support our WoD candidates and volunteers and in return, the organisations deliver, for the benefit of the less fortunate and vulnerable communities, clean water and sanitation projects, mobility device, education and awareness mChannel service delivery, etc worth over $15 million.

Under Beyond Funder, Foundation continues to provide volunteer consultancy and needs based governance, leadership, business planning and financial capacity building. Vodafone Staff continued to raise funds and help with the cause that they are passionate about.

During 2021/2022, the Foundation identified and realized the initiatives with total grant worth of $250k; 8 World of Difference projects with over 200 relevant partners, 8 Double of Your Dollar under employee engagement, 24 Mobile for Good & Sustainable Funding, 300 Stakeholder Engagements.

Women Empowerment

We continue to expand the benefits of mobile to a greater number of women at all levels of society with a range of targeted commercial programmes through our ATH Foundation. We continue to use our mobile technologies to enhance the quality of women's lives in following aspects via its M-PAiSA platform:

- enabling financial inclusion;
- improving health and wellbeing; and
- building skills and entrepreneurship.

We, at Vodafone, believe our actions over the years has made a material difference to women, families, communities and national economies across the region in which we operate. Likewise, gender equality is of central importance to Vodafone. The company's commitment to women's empowerment is at the very core of the business. Vodafone has a strong commitment to diversity and women's empowerment, both within its own business and within the communities in which it operates. It believes that the initiatives underway to achieve greater gender parity will strengthen the company significantly over time.

Commitment to Environment

Urgent and sustained action is needed to address the climate emergency, and that economic prosperity should not be at the expense of the environment.

By 2025, we intend to have reduced our environmental impact by half. Our focus on energy efficiency, renewable energy supply, and network waste elimination is assisting us in mitigating the environmental impact of our business's expansion and our customers' increasing data demand. Furthermore, through the technologies and services we provide, one of our most important contributions is to help our clients to reduce their greenhouse gas ('GHG') emissions.

Vodafone shared some great news at the end of 2020: we will be net zero by 2040! Given the magnitude and scope of our operations, this is an ambitious goal, but one that must be met in order to contribute to the worldwide fight to prevent catastrophic and irreversible damage to our planet.

We've chosen a science-based goal and will pursue the ICT1 sector-specific roadmap devised with the GSMA and Carbon Trust (external carbon consultants) to meet the more ambitious goal of reducing global warming to 1.5 degrees Celsius over pre-industrial levels.

Vodafone Fiji will keep streamlining its procedures and systems in order to become more energy efficient and environmentally friendly.

Sponsorship

COVID-19 altered sponsorship, speeding up previously established trends such as event cancellations or incomplete competitions. Owing to the cancellation of mass gatherings due to the pandemic, sponsored activities would have to follow the rigorous guidelines for the second year in a row.

Despite this, Vodafone continued to help sponsored bodies in receiving payments for events that took place such as the Vanua Championship in Rugby Union, the Secondary Schools competition in Rugby League, as well as, funding administrative arms of these bodies. Even with the limited competition, the events that were authorized afforded some exposure, which Vodafone took use of to assure ongoing coverage.

Our commitment to the Tokyo Olympics paid off once again as both our men's and women's teams won medals at the games. Vodafone made the most of the Olympic sponsorship by running targeted social media ads and promotions in conjunction with Team Fiji's Gold Medal triumph.

Datec (Fiji) Pte Limited

Mr Isikeli Tikoduadua - Chairman
Mr Pradeep C Lal - Director
Mr Satyen Singh - CEO
Mr Vinit Nand - Company Secretary

Datec, breaking the barrier. Empowering our women

Overview

The 2021-2022 financial year was challenging due to the second wave of the COVID 19 impacting both locally and on the global scale. There was a major supply chain constraint from multiple ICT Product Vendors due to global parts shortage. The travel restrictions and lockdowns further impacted leading to uncertainties with deliveries coupled with hike in freight cost.

Whilst there were challenges, Datec as the leading ICT provider with over 36 years of experience in Fiji and the region continued to work with its technology partners to enable businesses and customers in their digital transformation journey from adoption to acceleration. The changing market dynamics due to the pandemic created opportunities for Datec to partner with some of the world's leading brands to be their local on ground delivery and support partners. During the year, Datec won and successfully delivered some of the largest projects in Fiji and the Pacific.

Datec continues to nurture partnerships with the world's leading technology companies like Microsoft, Cisco, HPI, HPE, Dell, Lenovo, Asus, SAP, Sage, Epicor, Oracle, Fortinet, Forcepoint, VMware, Eaton, IBM, TCS, CommScope, Dahua and all major IT technology providers. While most Partners were assessing the business risk and reviewing the Partnership, Datec continued to maintain pre-covid terms with all Vendors including onboarding new vendors due to the strong business presence and financial stability.

For the consecutive year, Datec won Dell Technologies T2 Partner of the Year – Client Solutions Group for the Rest of Asia Pacific channel. The company maintains the ISO9001:2015 Quality management system.

Financial Result

During the year there had been supply chain disruption caused due to the pandemic, however, the business acted swiftly to capitalize on available products. As a result, the total revenue closed above on last year by 1.2% and recording net profit after income tax at similar levels.

With the increase in requirements to work from home, there was a major spike seen in the sale of laptops and other accessories. The management worked very closely with some of the largest global vendors to assist in accelerating production and delivery of large hardware orders. The business also closed various opportunities in professional and consulting services with large Corporates whereby offshore engagements were difficult due to travel restrictions.

The business closed the year on a high note by winning the Dell Technologies T2 Partner of the Year for Client Solutions Group in Rest of Asia Pacific channel.

Our People

Our people are at the center of our business. Despite the challenging conditions, the business remained resilient and delivered on expectation largely due to the commitment, efforts, and extra mile from our people. While simply being outside was a risk, we had our people attending to customers sites to support with their IT requirements.

Safety of our people was paramount. Staff were equipped with proper PPE's required as per the covid safe protocols. Almost all employees were enabled to work from home.

With over 100 employees in sales, technical and support roles in offices located in Fiji (Suva and Nadi), the business was able to retain and support all our people during the difficult situations. We believe in having a highly qualified, motivated, and multi-skilled workforce that promotes productivity, flexibility, quality, and innovation.

During the lockdown period, our technical employees had vigorously completed majority required certifications to enhance their skillsets and demonstrate high-level competency. These have further enabled to maintain and upgrade the Vendor-Partnership levels for Datec.

Datec continues to develop its working environment to attract, develop and retain the talented resources. We also have a fully vaccinated workforce.

Corporate Social Responsibility

At Datec, we have a special responsibility. ICT kept the world connected during the global shutdown. It has proven to be of utmost importance during the pandemic crisis by keeping the world connected and helping businesses to remain operational. The ICT sector helped and will continue to support continuation of economic activities. In moments like these our purpose and values matter a lot to the people and communities we serve.

Datec has been here to support organizations with their operations, transformation journey and adaptions to a more digitalized society. We are the leaders in introducing new and sustainable IT products into the market to keep the society at the same pace as the world.

While face to face meetings, refreshers and trainings were not possible, Datec engaged with multiple vendors to deliver virtual webinars and trainings for our customers and employees to stay informed on the recent technological advancements.

Datec continued it close association with the universities and the education sector through student internship programs, graduate trainee program and industry-based seminars for students.

Women Empowerment

Datec continues to be an equal opportunity employer. We strongly believe in women empowerment and achieving gender equality to ensure a sustainable development of not only the organization but as a whole nation. Two of our women were promoted during the year to hold a leadership role and being part of the management team. Datec also recruited women in various roles in sales, development and projects that were previously dominated by males.

Looking Ahead

Datec, with its core strength and over 36 years of ICT experience will continue to drive the transformation journey in Fiji and the region. As the Industry specialized, we will ensure necessary infrastructure is made available to support a digitalized world and stay current in the latest technology that will be essential for organizations to remain operational and competitive.

Strategic focus remains on the digital workplace, cyber-Security, managed services, enterprise- wide digitalization, training, and consulting services.

Corporate Governance

Datec Fiji provides the following corporate governance statement for the year ended 31 March 2022.

Principle 1: Establishing Clear Responsibilities to Board Oversight

The role of the Board is to drive the success of the Company by taking responsibility in setting the Company's strategic direction and guiding management in order to meet its objective of enhancing corporate profit and shareholder value. The regular business of the Board covers investments and strategic matters, governance, risk and compliance, the Chief Executive Officer's report, and tracking the performance of subsidiary companies.

The Company has a Code of Corporate Governance detailing the functions and responsibilities of the Board.

Principle 2: Constitute an Effective Board

Board Composition

The Board comprises of 2 Directors. The Directors in office on 31 March 2022 are:

Name	Title	Date of Appointment
Mr Isikeli Tikoduadua	Board Chairman	01.08.2021
Mr. Pradeep Lal	Board Director	29.05.2015

During the financial year, the following director had resigned:

Name	Title	Date of Appointment
Mr. Andrew Fairgray	Board Chairman	18.02.2021

The Directors are appointed/elected in accordance with the company's Memorandum and Articles of Association at the company's Annual General Meeting.

- Mr Andrew Fairgray resigned during the year on 10th May 2021.
- Mr. Isikeli Tikoduadua replaced as the New Board chairman effective 1st of August 2021.

The Board met four times during the financial year ended 31 March 2022. Attendance was as follows:

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Andrew Fairgray	1	1
Mr. Isikeli Tikoduadua	3	3
Mr Pradeep Lal	4	4

Principles 3 and 4: Chief Executive Officer and Company Secretary

Mr. Satyen Singh, the CEO and Company Secretary Mr. Vinit Nand are responsible for developing and implementing business strategies; managing budgets; and key performance indicators; providing company secretarial duties and functions; ensuring compliance with

Delivering professional ICT training to our customers

regulatory and statutory requirements; managing effective relationships with the respective stakeholders.

Payment to Directors

The total Directors fees incurred during the year was $6,667. Datec Fiji Directors are also covered under a Directors' and Officers' Insurance Policy. The payment to senior management is disclosed in the Financial Statements under Key Management Personnel Compensation.

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

Datec believes that accurate, timely, and reliable data disclosed to its management and stakeholders to make best decisions, ensuring business wide visibility. This includes audited financials, and annual report.

Payment to Directors and Senior Management

Payment to senior management is disclosed in the financial statement under Key Management Personnel Compensation.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

The Company has a Code of Corporate Governance which is relayed to the Directors upon appointment to the Board. Datec believes that all Directors and executives uphold the code of conduct and ethical standards of the Company.

Principle 7: Register of Interests

Conflict of Interest

A register of interests is maintained by the Company in line with the Code of Corporate Governance.

Principle 8: Respect the Rights of Shareholders Rights

Communication with Shareholders and Website

All shareholders are invited to the AGM, receive a copy of financial statement and notice of meeting prior to the AGM and are given an opportunity to communicate directly with the Board of Directors.

Datec fosters and promotes effective communication with shareholders and effective participation at General Meetings.

Shareholders Complaints

No complaints were received from shareholders during the year.

Website

Datec maintains an up-to-date website to supplement the official release of information to the market.

Principle 9: Accountability and Audit

Accountability and Audit:

Datec is audited annually by an independent external auditor; the accounts are prepared and audited in compliance with IFRS standards. Whereby the Auditors verifies internal controls, processes, guidelines, and policies are adequate, effective and in compliance with governmental requirements, industry standards and company policies. Checks the overall tax compliance, fraud detection and verification of financials, together with compliance to ISO procedures and standards and continuous process improvements. The company also has Internal Audit Committee, which provides oversight of the company's internal controls and operations, verifying and safeguarding the integrity of the company's financial and internal process reporting. Furthermore, there were two independent internal audits that were conducted during the year.

Risk Management:

The Directors of the Company are always mindful of potential risks that may arise during the course of the business. The Company's risk is governed by the Board and the Audit and Risk Committee. Moreover, the Board oversees the implementation of appropriate risk assessment systems and processes to identify, manage and mitigate Datec Fiji's top risks. Additionally, the Company maintains a risk register that highlights key risks, their respective tolerance levels based on the impact rating, the likelihood of occurrence and the controls and mitigation measures that are being practised or need to be put in place to improve the Company's preparedness and reduce the impacts of those risks.

Whistle Blower Policy

The Company has a Whistle Blower Policy included in its corporate governance policy.

Digitec ICT Limited, Etech ICT Pty Limited and Etech ICT Pte Limited

Overview

The three ICT entities, Digitec ICT Limited, Etech ICT Pte Limited & Etech ICT Pty Limited, operating out of Papua New Guinea, Singapore and Australia, have a joint management team.

Digitec ICT Ltd is a reseller & systems integrator catering for various ICT products and services. Etech ICT Pte Ltd and Etech ICT Pty Ltd are distributors of ICT Products across the Pacific Island Region. Enhancing the ICT sector's value chain with our expertise, providing a full suite of services, including end-user computing, Data Center solutions, advanced infrastructure, security, imaging, printing and managed services giving us a one-stop-shop for all ICT products.

Digitec ICT Ltd remains one of PNG's fastest growing conglomerates, benchmarked for its steady growth trajectory and fast appreciating corporate value. Our belief is due to the success of our fearless business spirit and our willingness to take a calculated approach in our relentless quest for more significant and sustainable stakeholder value.

As a leading ISP provider with a Hosted Data Center, Digitec partners with globally renowned brands to provide Innovative Solutions that enhance our customer's business. Establishing a modest retail outlet in 2012, we have since diversified our business over the years to become a powerhouse within the ICT corporate sector.
Digitec constantly seeks a new and innovative way to grow the business with visionary leadership, onboarding skilled resources and integrating technological solutions that provide a sustainable future for our clients, indisputably impacting and adding more excellent value to our customer-centric business strategy. In addition, the rapid rate of technology uptake offers exciting avenues for enhanced customer engagement, reach and market opportunities pivotal in our growth.

Our established partnerships with some of the world's leading technology vendors and reputable brands continue to provide Digitec with a significant competitive advantage.

Financial Result

All the three ICT Companies demonstrated commendable results in FY 2021-2022.

Digitec ICT Ltd.

Performance of the Information Technology sector strengthened significantly with the increased digitalization as the country adapted to a post-pandemic norm supporting improved profitability.

Digitec ICT recorded a favorable 9% YoY growth for total turnover, accompanied by growth in our ISP subscriber base and adoption of professional services and related party sales. The increase in the top revenues and cost rationalization initiatives resulted in an positive growth of EBITDA of 19% from the previous financial year. The Company's EBITDA Margin reached 26.9% in FY 2022, representing a 2% improvement compared to the previous year.

The financial year confronted many challenges, including Covid-19 disruptions, negative economic growth, and intense competition—these challenges impede the overall consumer and business confidence from reaching low levels. However, albeit the challenging environment, Digitec continued to consolidate its market leadership position as PNG's premier ICT solution provider whilst delivering solid financial performance across all key performance indicators.

Etech ICT Pty Ltd and Etech ICT Pte Ltd.

During the financial year Etech ICT Pte Ltd recorded favourable profitability whereby the entity achieved a growth in its EBITDA and net profit after tax of 8% and 3% respectively from the previous financial year.

Etech ICT Pty Ltd recorded positive profitability where EBITDA margins reached 3%.

Our Infrastructure

Data Centre -Defined Data Centre offers increased control and convenience.

Digitec has been at the forefront of innovation and digitization in the ICT industry in PNG for 12 years, propelling the nation's ICT infrastructure to international standards. Digitec enables critical co-location, connectivity and cloud readiness which has strengthened its presence in the digital space Digitec offers a trusted backup and disaster recovery solution for backing up virtual machines and reliable recovery of virtualized applications and data. All data is housed in a protected, monitored, resilient and cost-effective data centre. Digitec provides state of an art tier 3 Data Centre. In addition, Digitec is leveraging its transformational progress, particularly with Cloud Disaster Recovery-as-a-Service (RaaS) service, enabling customers to continue business during unexpected downtime. Management will further invest in training and carry out organizational transformation efforts to further develop and drive Digitec's digital culture.

Service Center

Our highly skilled and competent Engineering Services team provides engineering and consulting services for leading brands such as Dell, Apple, Toshiba, Asus, Ricoh, and Samsung to many clients, whilst comprising experts in technical, manufacturing, and embedded software engineering. In addition, we provide on-site support services for any product, including attending to hardware/ software related issues, troubleshooting, virus related issues, transferring data to new systems etc.

Internet Service Provider (ISP)

The Company delivers high-speed Internet services in PNGs, via VSAT, Coral Sea Fibre cable, and 5 GHz unlicensed and 18 GHz licensed bands using LTE Technology. Digitec unique data share and secure connectivity offer businesses unparalleled flexibility when extending corporate connectivity to their employees. Finally, our corporate VPN products provide a range of capabilities for advanced browsing and restricted access within corporate networks. Digitec offers guaranteed 99% up-time in POM and Lae. Digitec backhaul network is designed for 99.95% up-time.

Partner Status

Digitec is a corporate-focused business, and the scope and depth of its operations allow it to access one of the country's most prominent corporate bases. We deliver value via a multi-brand, multi-channel approach enabling the group to represent over 50 international brands while operating one of PNG's most extensive ICT distribution networks. Etech distributes well-known brands such as Dell, Powershield, Adata, Matrix, Yealink, Yeastar, and Racom, while owning Etech branded networking products such as Mobile Phones, Networking Cables, Racks, PDU and other Accessories.

Digitec is the only Platinum Partner (highest partnership status) for Dell EMC in the Pacific Region and is a crucial partner of Dell EMC based on the number of awards received at the Dell Partner Awards 2020. In addition, Digitec ICT Ltd is an ISO certified company and holds ISO 9001, ISO-27001 and ISO/IEC 20000-1:2018 certifications.

Digitec's strengthened partner foundation reflects its enviable journey as a pioneer and innovator of information technology, morphing into an esteemed and trusted ICT provider with solid track performance.

Women Empowerment

Digitec continues to be an equal opportunity employer, with current staffing comprising of 40% and 60% females and males, respectively. The ratio is relatively higher than other PNG-based companies, compared to Digitec. The company continues to train women in the technical field by providing on-job training.

Looking Ahead

Customer Centric Approach

Due to the accelerated pace of digital transformation both in the private and public sectors, we envisage significant opportunities, particularly in the Enterprise Solutions and Managed Services spaces. Digitec's continued focus on emerging technologies transforms the PNG IT landscape by providing superior service and quality. Subsequently, increased computer literacy and connectivity amplify the appetite for personal computers.

Through constant upgrades, investment in in-house research and the imminent development of new products and services has fortified our Enterprise Business. As a result, we Established Connectivity, Collaboration, Business Networking, Security & Surveillance, Cloud & co-location and IoT platforms. In addition, the alignment based on recognizing the ever-changing demands of businesses further strengthens our Enterprise portfolio.

A dedicated Enterprise business unit was set up to cater for our corporate customers' needs. Supporting the digital transformation journey indisputably allows us to become a reliable partner, offering technical expertise, advanced solutions, and best-in-class services using converged technologies.

We will continue the pursuit of excellence by delivering cutting edge technology for our customers. With internet penetration in PNG currently at ~18%, there is tremendous potential for significant growth in ISP business with Coral Sea Fibre cable. The expectation is to reduce the price for internet access whilst Digitec continues to pursue more excellent opportunities in the consumer market using the 5Ghz unlicensed band.

The primary focus over the coming year will be growing the VSAT, Data Center hosting and growing its market share in the Server and Storage sector whilst maintaining the leading position in the end-user computing domain.

Commercial Outlook

As a brand, Digitec is growing its presence in other provinces and expanding opportunities with Vodafone PNG.

The relentless pursuit of market share growth in the ISP space - VSAT | DR business for customers outside of Port Moresby and Lae continues to propel the business to research and provide more extraordinary solutions.

Data replication service from PNG to Australia (DR | BC) is an offering that Digitec has included in its focus aligned to customer centricity. Obviously, the availability of data on multiple hosts that enables large-scale sharing would help dispense the network load among multisite systems.

Driving organic growth through robust management and commercial focus offers a renaissance of acquiring the right expertise, thought leadership and shared experiences, which would enhance a refined workplace culture supporting the trajectory of increased business growth.

Corporate Governance

The ICT companies (Digitec ICT Limited, Etech ICT Pte Limited and Etech ICT Pty Limited) provide the following corporate governance statement for 31 March 2022. The Board of Directors of the Company is committed to maintaining good corporate governance whilst pursuing its corporate objectives to enhance long term shareholder value and sustainable growth

Principle 1: Establishing Clear Responsibilities to Board Oversight

Separation of Duties

The Board is responsible for the organization's overall governance, management, and strategic direction and for delivering accountable corporate performance by the organization's goals and objectives through the relevant country legislation.

Directors receive regular briefings from Key Management Personnel and external resources on developments in the operating environment, including regulatory changes and market dynamics. Non-Executive Directors also have access to the Chairman and the Company Secretary to present matters of concern or seek clarifications that may arise.

Principle 2: Constitute an Effective Board

Board Composition

The Directors are appointed/elected by the shareholder's deed. The names of Directors in office as of 31 March 2022 are as follows:

Digitec ICT Limited

Name	Title	Appointment
Mr Robin Yarrow	Chairman	28.04.2021
Mr Nishith Muchhala	Director	01.01.2019
Mr Sanjay Shah	Director	28.04.2021
Mr Ronald Prasad	Director	01.08.2021
Mr Pradeep Lal	Director	28.04.2021

Etech ICT Pty Limited

Name	Title	Appointment
Mr Robin Yarrow	Chairman	28.04.2021
Mr Nishith Muchhala	Director	28.04.2021
Mr Sanjay Shah	Director	28.04.2021
Mr Ronald Prasad	Director	01.08.2021
Mr Pradeep Lal	Director	28.04.2021

Etech ICT Pte Ltd

Name	Title	Appointment
Mr Robin Yarrow	Chairman	28.04.2021
Mr Sanjay Shah	Director	28.04.2021
Mr Ronald Prasad	Director	01.08.2021
Mr Pradeep Lal	Director	28.04.2021
Mr. Ketankumar Chandrakant Goda	Nominee Director	27.07.2018

During the financial year, the following directors had resigned/retired;

Digitec ICT Limited

Name	Date of Resignation/ Retirement
Mr Ivan Fong	28.04.2021
Mr. Naibuka Uluilakeba Saune	28.04.2021
Mr. Rajnesh Rajendra Prasad	28.04.2021
Mr Andrew Raneeshwant Kumar	28.04.2021
Mr Nirmal Singh	28.04.2021

Etech ICT Pty Limited

Name	Date of Resignation/ Retirement
Mr Ivan Fong	28.04.2021
Mr. Naibuka Uluilakeba Saune	28.04.2021
Mr. Rajnesh Rajendra Prasad	28.04.2021
Mr Andrew Raneeshwant Kumar	28.04.2021
Mr Nirmal Singh	28.04.2021

Etech ICT Pte Limited

Name	Date of Resignation/ Retirement
Mr Ivan Fong	28.04.2021
Mr. Naibuka Uluilakeba Saune	28.04.2021
Mr. Rajnesh Rajendra Prasad	28.04.2021
Mr Andrew Raneeshwant Kumar	28.04.2021
Mr Nirmal Singh	28.04.2021

The Board met four times during the financial year ended 31 March 2022. Attendance was as follows:

Digitec ICT Ltd

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Ivan Fong	1	1
Mr. Naibuka Uluilakeba Saune	0	1
Mr. Rajnesh Rajendra Prasad	1	1
Mr Andrew Raneeshwant Kumar	1	1
Mr Nirmal Singh	1	1
Mr Robin Yarrow	3	3
Mr Nishith Muchhala	4	4
Mr Sanjay Shah	3	3
Mr Ronald Prasad	3	3
Mr Pradeep Lal	2	3

Etech ICT Pty Ltd

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Ivan Fong	1	1
Mr. Naibuka Uluilakeba Saune	0	1
Mr. Rajnesh Rajendra Prasad	1	1
Mr Andrew Raneeshwant Kumar	1	1
Mr Nirmal Singh	1	1
Mr Robin Yarrow	3	3
Mr Sanjay Shah	3	3
Mr Ronald Prasad	3	3
Mr Pradeep Lal	2	3
Mr Pradeep Lal	2	3

Etech ICT Pte Ltd

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Ivan Fong	1	1
Mr. Naibuka Uluilakeba Saune	0	1
Mr. Rajnesh Rajendra Prasad	1	1
Mr Andrew Raneeshwant Kumar	1	1
Mr Nirmal Singh	1	1
Mr Robin Yarrow	3	3
Mr Sanjay Shah	3	3
Mr Ronald Prasad	3	3
Mr Pradeep Lal	2	3
Mr Nishith Muchhala	3	3

Directors Training

Director induction is a formal process the Company follows whereby the Chief Executive Officer and the management team present a comprehensive corporate profile. All incoming Directors must attend the induction programme. In addition, as and when required, workshops are organized with external consultants.

Board Sub-Committees

The Remuneration Committee (REMCO) determines the policy on behalf of the Board regarding the remuneration of the Chairman, the Directors, and the senior management team of the Companies. REMCO picks the total remuneration packages for these individuals, including any compensation on termination of office. The Chief Executive Officer may attend the Remuneration Committee meetings by invitation only. The Committee is also responsible for appointing any consultants regarding Executive Directors' remuneration.

Vodafone Fiji's holding Company's representatives are currently part of the subcommittee. The two non-executive directors are Mr Robin Yarrow (Appointed 2 November 2021) and Mr Pradeep Lal.

Principles 3 and 4: Chief Executive Officer and Company Secretary

Mr Nirmal Singh is the Group Chief Executive Officer for ICT companies. The Chief Executive Officer is responsible for developing and implementing business strategies and policy guidelines; managing budgets, financial reports and key performance indicators; providing Company secretarial duties and functions; ensuring compliance with regulatory and statutory requirements; managing effective relationships with internal and external parties; and leading and developing a team of staff.

The following are company secretaries for each ICT Company as of 31 March 2022.

Company	Name
Digitec ICT Limited	Mr Lasith Bandara
Etech ICT Pte Limited	Ms Arva Rangwala
Etech ICT Pty Limited	Mr Nirmal Singh

Principle 5: Timely and Balanced Disclosure
Annual Reports and Continuous Disclosure
The companies disclose accurate, timely, and reliable data to their management and stakeholders to make the best decisions, ensuring business-comprehensive visibility. This includes audited financials and annual reports.

Payment to Directors and Senior Management
Digitec paid a fee of PGK89,088.00 to the Directors for their service last financial year. A Liability and Personal Accident Insurance Policy cover were required for all Directors. The payment to senior management is disclosed in the annual report under Key Management Personnel Compensation.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct
The Company has a Code of Corporate Governance relayed to the Directors upon appointment to the Board.

Principle 7: Register of Interests

Conflict of Interest
The Company maintains a register of interests in line with the Code of Corporate Governance.

Principle 8: Respect the Rights of Shareholders Rights

Communication with Shareholders and Website
All shareholders of Digitec ICT Limited and Etech ICT Pte Limited are invited to the AGM, receive a copy of financial statements and notice of a meeting before the AGM and are allowed to communicate directly with the Board of Directors.

The Company fosters and promotes effective communication with shareholders and effective participation at General Meetings.

Website(www.digitec.com.pg)
The ICT Companies maintain an up-to-date website to supplement the official release of information to the market.

Shareholders Complaints

There were no complaints from shareholders during the year.

Principle 9: Accountability and Audit
Internal Audit, External Audit, Rotation of Auditor and Audit, Finance and Risk Committee

An independent external auditor audits the ICT Companies, and their accounts are prepared and audited in compliance with IFRS standards. The Board believes that independent verification is necessary to safeguard the Company's accounting and financial reporting integrity. The Board is responsible for approving the external auditors' terms of engagement, including audit fees. In addition, the Board has oversight responsibility for monitoring and supervising financial processes to ensure integrity and accurate and timely financial reporting. It is also responsible for ensuring the adequacy and effectiveness of the Internal Control and Risk Management processes. The Company rotates its external auditors every three years.

Risk Management

The Board acknowledges its overall responsibility to ensure that a sound internal control system is maintained to safeguard shareholders' investment and the Company's assets. The Company's Directors are always mindful of potential risks that may arise during the business. The Board governs the Company's risk. While the Company does not have a separate Risk Management Committee, it has contingencies in place should the need arise.

All the ICT Companies has implemented a risk management system for identifying, assessing, monitoring and managing the material risk of all the process, which includes the oversight of the risk management system; examination of the Companies risk profile, which contains a description of the material risks facing the Companies including financial and non-financial matters; assessment of compliance and control; and assessment of effectiveness - a mechanism to review, at least annually, the effectiveness of the Companies implementation of the risk management system.

Telecom Fiji Pte Limited

Mr Umarji Musa – Chairman
Mr. Sashi Singh - Director
Mr. Vilash Chand - Director
Mr. Pravinesh Kumar Singh – Director
Ms. Kalpana Kushla Lal – Director
Mr. Charles Goundar – CEO
Mr. Samuela Vadei - Company Secretary

Overview

Telecom, Fiji's leading ICT Company has evolved over the last 100 years from basic landline voice services to now providing end to end ICT solutions, owning and operating the country's backbone telecommunications network infrastructure.

The financial year 2021-2022 has been challenging for all Fijians due to the continuous impact of the global COVID-19 pandemic in the earlier part of the year, disrupting the daily activities of businesses and residents. This also resulted in challenges for Telecom Fiji to effectively manage amidst the COVID-19 pandemic and economic uncertainty.

Nevertheless, Telecom Fiji continued to work and upgrade essential Telecommunications network infrastructure to provide the best customer experience. Project works continued with relevant stakeholders in ensuring that the internet data demand in Fiji was met during the COVID-19 pandemic and recovery period. Measures and procedures were put in place for the safety and well-being of all staff and their respective families during these difficult periods, ensuring that all Telecom Fiji services and infrastructure remained operational.

Telecom Fiji maintains its key strategic objectives to ensure business activities are aligned to particular areas of priority. Despite it being a challenging year, we maintained our growth in connections and ICT solutions, ensuring that the Company continues to return value to its shareholders and relevant stakeholders.

Our Infrastructure

Amidst the challenging environment of the global COVID-19 pandemic, Fijian businesses and homes needed reliable Telecommunications infrastructure to enable digitally driven products and services. We remain committed to the upgrade and maintenance of the backbone network infrastructure to ensure scalability, resiliency and deliver the best customer experience for all Fijians.

Expansion and Upgrade of Telecommunications Infrastructure

A key priority was the replacement of the aging Fibre infrastructure around Fiji. The Deuba to Korolevu Fibre Project along the Queens Road has been completed, followed by a new IP transmission station which has been established at Korolevu as part of our investment plan. The Nausori to Korovou Fibre Project along the

Kings Road also commenced at the end of 2021. These projects highlight the commitment of Telecom to continue with essential infrastructure works despite the operational challenges faced during the COVID-19 pandemic period.

In mitigating further risk due to the pandemic and the many challenges it brought, Telecom Fiji commissioned the third insular route with the capacity of 100Gbit/s which provided additional redundancy in managing the huge demand for data. To further supplement this, Telecom Fiji invested in additional international internet links to cater for the accelerated demand for internet and data connectivity. This also offered resiliency in enhancing customer experience.

Telecom Fiji also peered with the content providers of Google, Facebook and Netflix to enable the local caching of content in order to improve customer's experience. Recently, Telecom Fiji invested in a partnership with TikTok to host their content locally.

With accelerating demand in the internet traffic and the integration to the cloud platforms, Telecom Fiji has invested in additional internet links to meet this demand.

Fibre-to-the-Home (FTTH) Rollout

Telecom Fiji continues with the deployment of its Ultra-Fast Fibre broadband (UFF) service in ensuring high speed and reliable network performance across the nation and enabling more Fijian homes to access reliable connectivity. Customers living in certain areas of the Central and Western division can now enjoy ultra-fast internet speed with FTTH.

Fibre to the Business Connectivity

We continue to roll out and extend Fibre connectivity to Corporate customers and Government ministries in our effort to support the ICT roadmap and make developments towards full digitisation and business automation for all businesses.

The Valelevu business zone is the latest business district to have Fibre to the business readily available. Plans are in place for rollouts of reliable connectivity to as many Fijian businesses as possible.

Expansion of 4G Coverage

Telecom Fiji rolled out 4G sites in strategic areas to ensure connectivity to densely populated urban, peri-urban and some rural areas during the recent pandemic. This strategic response allowed Fijians to continue with their education online, undertake work from home, conduct religious gatherings, and host conferences. Telecom Fiji continues to invest in 4G technology to ensure connectivity to areas where needed.

Completion of Core Network and Transmission Transformation

To be able to offer seamless data experience with the Fibre rollouts and 4G expansion, it was important to migrate the transmission network from Time Division Multiplexing (TDM) to full Internet Protocol (IP). This investment improved efficiency of operations by bringing more visibility and resiliency with the rollout of new services.

Telecom Fiji is now proud to announce that its core network and transmission is now on a full IP platform. Supporting a sustained high level of service to our Corporate customers, Government ministries, Residential customers as well as other network operators by providing backhaul and inter-site connectivity.

Enhancement of Customer Experience Service

In the year 2021/22, we continued to focus on transforming our customer's experience by shifting towards digitally enabled platforms where customer interactions increased. This is due to digital platforms which provided convenience and self-service functions, which Telecom leveraged using its market expertise to provide the best customer experience where needed.

Digital Transformation

Telecom Fiji with its partnerships and digital collaborations has endeavoured to provide efficient and reliable services to Fijians during the continuing COVID-19 pandemic.

During the pandemic, Telecom adopted and developed software applications to increase operational efficiency, in order to remain the leading ICT provider.

In 2021, Telecom Fiji launched 2 new premier software applications, aimed at helping organizations efficiently manage their workforce through digital tools.

Tickatask, a work and team management software solution, enabled businesses to plan, assign and track employee activity and manage tasks. RollCall, was geared towards keeping track of employee attendance. These software applications are productivity tools designed and developed by our in-house app development team. The software applications aim to assist businesses better organize operations and assign tasks to individual staff. Moving forward, new platforms will be introduced that is aimed at further enhancing our customer experience service.

Our People

As Telecom owns and operates the country's backbone telecommunications network infrastructure, we are focused on building a high-performance culture, employing the best people who can make a difference and live the Telecom Way.

We continue to invest in our employees to help them perform to the best of their abilities, and provide them with the necessary digital tools and employee-focused initiative to deliver for a leading end-to-end ICT provider.

Supporting Our People through COVID-19

Our main focus during the pandemic and recovery was to keep all our employees safe. We had established a COVID-19 Task Force team whose primary role was to ensure the pandemic management and response plan was implemented and followed by all staff. To support our staff in their transition to working from home, staff were well equipped with online tools and guidelines that helped them stay connected, remain aware of policies and procedures, and allowed management to capture their performance. Regular communication was sent out to ensure all staff were well-informed and compliant with the country's COVID-19 policies.

Employee Training and Development

The company for the past years has realigned its focus on staff training and development with emphasis on Technical Training as the demand for Technical Training had increased tremendously in light of the network infrastructural change, and the transition to a more data driven system. In terms of system trainings, these were provided by our partner vendors which are always part of our service level agreement. The training varies based on the level of expertise required. Majority of these trainings are required for our important customer system support.

Other key areas of training included Business & Management Training. Every employee recruited to join the team at Telecom are given the opportunity to develop and grow within the company. A focus on training programs ensures that staff can be supported in work delivery, particularly in a dynamic Telecommunications environment. Training programs includes Accounting & Financial, Human Resources, Project Management, Sales & Marketing, Audit & Risk Management online workshop and conferences conducted by international accredited speakers/facilitators.

The Leadership Training continues and ensures that there is a balancing focus on the Leaders and the Management team aligned to the company's succession planning.

Furthermore, Telecom Fiji welcomed Graduates to its two-year Trainee Development Program. Designed to recruit aspiring and talented individuals with leadership potential for the future development of the company. They are attached to different sections as part of "on the job training" whereby they are also exposed to different business challenges which range from Engineering, ICT and Customer experience. An opportunity to apply the knowledge and skills attained from their different program of study and offers the Graduates an excellent platform for professional and personal development.
Certification

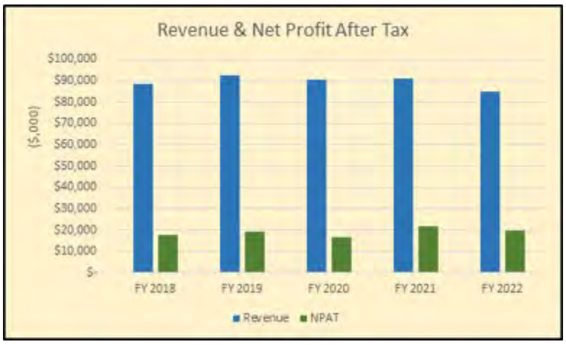
System Certification is also part of our customer obligations ensuring that our Technical personnel are certified to operate the IP, IT and radio system functions operating at different customer sites and premises. The certification includes the Alcatel, CISCO, Huawei, Broadworks, NEC and certifications amongst others.

Women Empowerment

As the Telecom industry continues to innovate and change in the face of COVID-19, women are influencing the industry's ongoing transformation. Telecom Fiji is proud to have its Financial Controller, Ashika Nandni, be an inspiration to female colleagues and those aspiring to be a leader in the dynamic telecommunications environment.

Ms. Ashika Nandni has been part of the Executive Management with Telecom Fiji for over four years. She has substantial telecommunication experience with and is a Chartered Accountant (Fiji) and is a Certified Practicing Accountant (CPA) Australia. Ashika is responsible for implementing Telecom's financial driven strategy, which is aimed at supporting the Company's Vision. She is also an advocate for diversity and inclusion, and is part of the Sports and Wellness Committee that focuses on team-building as the foundation for successfully delivering company objectives.

Financial Highlights



Growth remains a challenge for Telecom due to a declining trend in traditional voice revenue and also the effects of COVID-19 which impacted the financial performance with rebates requested by our corporate customers for cost cutting measures.

Our focus on delivery and execution of our strategic objectives ensured our ability to adapt and respond to such impacts of the pandemic on our business. Our operating revenues decreased by 6.5% for full financial year due to market competition on data and internet pricing.

Overhead expenses were maintained to similar levels as the previous Financial year, driven by cost optimization and rationalization during COVID pandemic period.

Net Profit before Income Tax was $24.52 million which is a decrease of 8% compared to previous financial year.

Looking Ahead

Telecom Fiji will continue to implement new ICT initiatives while exploring opportunities serving and supporting various customer segments across the nation, leveraging its high-performing employees and essential telecommunications infrastructure to keep Fijians connected wherever they may be.

The company is also strongly focused on digital transformation with the aim of achieving greater operational efficiency and customer engagement through its digital initiatives.

Furthermore, the company will embrace employee initiatives to nurture a culture of continuous improvement, learning and innovation, and benchmark performance against industry best practices to ensure it continuously delivers value to shareholders.

Corporate Social Responsibility

COVID19 Assistance

Telecom Fiji assisted the various provinces in Viti Levu through the Ministry for iTaukei Affairs with personal protective equipment worth $9,750. This assistance provided COVID-19 safety equipment to provinces that were highlighted by Government as high risk areas.

Amidst the second wave of the global COVID-19 pandemic in Fiji, physical movements were restricted and more people relied on internet data for their daily activities.

In April 2021, Telecom decided to offer a promotion to its 4G prepay customers giving 30 days expiry duration on all its 4G prepay data plans during this period.

Telecom Fiji Makes Public Payphones Free

Aiming to help the greater Fijian community, Telecom made calls free from any Telecom Fiji payphones, to any emergency line and Telecom landlines in Fiji starting from September, 2021.

The new measure provided a free and handy service that would be of genuine use to Fijians during uncertain and difficult times. Customers were able to make free calls from payphones to call any emergency lines and Telecom landlines, and provide a communication channel to people living in rural and outer islands.

The new initiative demonstrated the commitment of Telecom to enable all Fijians to have access to telecommunication and to benefit Fijians honor their historic legacy.

Pinktober and Movember Initiatives

In line with the Company's health and wellness programme, Telecom Fiji showed support towards the Fiji Cancer Society's cancer awareness initiatives by donating $5,000 for Pinktober in October 2021. Internal staff campaigns were carried out for the months of October and November, raising awareness about cancer for Pinktober and Movember respectively. Telecom Fiji staff took the opportunity to learn about different types of Cancers and attend medical check-ups.

Frank Hilton Amazing Wheelbarrow Race

A sponsorship of $5,000 was given to the Frank Hilton Organization for its annual 'Amazing Wheelbarrow Race' event.

The aim of the event is to bring together partners, stakeholders and supporters of the Frank Hilton Organization in an innovative approach to assist in fundraising. For Telecom Fiji, it is a worthy cause to support ongoing service for children with disabilities, and the event "Amazing Wheelbarrow Race" is a fun and social event to raise awareness for the children in need.

Corporate Governance

Telecom Fiji Pte Limited provides the following corporate governance statement for the year ended 31 March 2022 in accordance with the Company's Act 2015 and the Company's Memorandum and Articles of Association.

Principle 1: Establishing Clear Responsibilities to Board Oversight

Separation of Duties

The role of the Board is to drive the success of the Company by taking responsibility in setting the Company's strategic direction and guiding management in order to meet its objective of enhancing corporate profit and shareholder value. The regular business of the Board covers strategic matters, governance, risk and compliance and the Chief Executive Officer's update report.

Board Charter

The Company has a Code of Corporate Governance detailing the functions and responsibilities of the Board.

Principle 2: Constitute an Effective Board

Board Composition

The Directors are appointed/elected in accordance with the Company's Memorandum and Articles of Association at the Company's Annual General Meeting. During the year, two Directors retired from the Board, namely, Mr. Arun Narsey and Mr. Naibuka Saune. The newly appointed Directors, Ms Kalpana Lal, Mr Vilash Chand and Pravinesh Kumar Singh were appointed on 1 October 2021.

The Directors in office on 31 March 2022 are:

Name	Title	Date of Appointment
Mr Umarji Musa	Chairman	02.02.2011
Mr. Sashi Singh	Director	14.04.2011
Mr. Vilash Chand	Director	01.10.2021
Mr. Pravinesh Kumar Singh	Director	01.10.2021
Ms. Kalpana Kushla Lal	Director	01.10.2021

The Board met seven times during the financial year ended 31 March 2022. Attendance was as follows:

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Umarji Musa	7	7
Mr. Sashi Singh	7	7
Mr. Vilash Chand	5	7
Mr. Pravinesh Kumar Singh	5	7
Ms. Kalpana Kushla Lal	5	7

Board Evaluation

The Nominations Committee is responsible for the selection, approval, renewal and succession of Directors in the subsidiary companies of the Group.

Directors Training

Director induction is a formal process the Company follows whereby the Chief Executive Officer and the management team present a comprehensive corporate profile of the organisation. It is necessary for all incoming Directors to attend the induction programme. Directors are permitted to attend conferences and workshops as part of their training.

Board Sub-Committees

The Board of Directors formally constituted three (3) committees namely the Audit, Risk and Accounting Committee, Human Resources and Governance Committee, and Strategy and Finance Committee.

The Audit, Risk and Accounting Committee is responsible for monitoring the internal control processes and monitoring the Company's compliance with applicable laws and regulatory requirements. The Strategy and Finance Committee is responsible for monitoring the Company's financial plans and strategies, external audit of the Company's affairs and reviewing the financial statements. The Human Resources and Governance Committee is responsible for ensuring that the Company implements appropriate management and employment practices. It is also responsible for advising the Board on human resource issues, which includes the remuneration and conditions of employment of the Chief Executive Officer, senior management, and succession planning.

Board Sub-Committee meetings and attendance during the financial year ended 31 March 2022 were as follows:

Name	Strategy & Finance Committee		Human Resources Committee		Audit/Risk/Accounting Committee	
	Number of Meetings		Number of Meetings		Number of Meetings	
	Attended	Held	Attended	Held	Attended	Held
Mr. Umarji Musa	4	4	4	4	6	6
Mr. Sashi Singh	4	4	4	4	6	6

Principles 3 and 4: Chief Executive Officer and Company Secretary

Mr. Charles Goundar is the Chief Executive Officer and Mr. Samuela Vadei is the Company Secretary. The CEO is responsible for developing and implementing business strategies and policy guidelines, managing budgets, financial reports and key performance indicators, providing duties and functions ensuring compliance with regulatory and statutory requirements, managing effective relationships with internal and external parties, and leading and developing a team of staff.

The Company Secretary provides Company secretarial duties and functions; ensuring compliance with regulatory and statutory requirements; managing effective relationships with internal and external parties.

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

Telecom Fiji is a subsidiary of Amalgamated Telecom Holdings (ATH) which is a listed Company. ATH requires timely submissions of material information which includes regular unaudited financials, audited financials and annual report in fulfilment of our statutory obligations and for ATH to comply with the South Pacific Stock Exchange (SPX) and Reserve Bank of Fiji requirements.

Payment to Directors and Senior Management

A total fee of $64,100 was paid to Directors for their service during the year in accordance with the shareholders resolution at the 22nd Annual General Meeting. The Company also met other expenses, mainly for travel and accommodation, which were incurred during the course of their duties for Telecom Fiji. Directors were also covered under a Directors and Officers Insurance Policy. Payment to senior management is disclosed in the Annual Report under Key Management Personnel Compensation.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

The Company has a code of conduct which is relayed to the Directors upon appointment to the Board. Telecom Fiji believes that all Directors and executives uphold the code of conduct and ethical standards of the Company.

Principle 7: Register of Interests

Conflict of Interest

A register of interests is maintained by the Company in line with the Code of Corporate Governance.

Principle 8: Respect the Rights of Shareholders Rights

All shareholders are invited to attend the AGM and receive a copy of the annual report along with a notice of meeting prior to the AGM. At the AGM, they are given the opportunity to communicate directly with the Board of Directors and voice any concerns. The Articles of Association also allows for special general meetings to be held to address any pressing issues requiring shareholders resolution.

Communication with Shareholders and Website

Shareholders are updated on a regular basis with information relating to our operations. The Company also makes regular announcements on its website and other social media platforms on key matters including strategic decisions where the shareholders are also made aware.

Website

Telecom Fiji maintains an up to date website to supplement the official release of information to the market. The website address is www.telecom.com.fj

Grievance Redressal Mechanism

Telecom Fiji has a collective agreement with the union which has a provision to address grievances. The Company also has developed a "Tell Us" portal which is available for staff to submit their grievances for management's deliberation.

Corporate Social Sustainability

Our approach to business is outlined in the Company's vision, mission and values statements as tabulated in our annual report. These are translated into our strategic plans and annual operating plan, includes our emphasis on soft skills under the "Telecom Way".

Principle 9: Accountability and Audit

Internal Audit, External Audit, Rotation of Auditor and Audit, Finance and Risk Committee

Telecom Fiji is audited annually by an independent external auditor. The Company's accounts are prepared and audited in compliance with IFRS standards. The Company also has an Audit, Risk the Accounting Committee and Strategy and Finance Committee which provide oversight of the Company's internal controls and operations as well as verify and safeguard the integrity of the Company's financial reporting.

The Company's external auditors are appointed by ATH. The Company also has policies and procedures to ensure that business activities are carried out as per best practices.

Strategy and Finance Committee

The Company has a Strategy and Finance Committee which provides oversight and guidance on strategic decisions and investments of the Company. The Committee is responsible for the verification and safeguarding the Company's financial information and reporting.

Principle 10: Risk Management Policy

The Directors of the Company are always mindful of potential risks that may arise in the course of its business. In that regard the Audit, Risk and Accounting Committee is tasked with the responsibility of risk management. The Committee reviews the annual financial reports to be released by the Company before submission to the Board. The Risk Management Committee oversees the effectiveness of the risk management framework. The management of risks is a continuous process and forms part of Telecom's continuous risk monitoring.

Our Enterprise Risk Management (ERM) framework is in compliance with ISO 31000 Risk Management Guidelines and encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, operational, and legal and compliance risks to achieving our key business objectives. The ERM at Telecom Fiji seeks to minimise the adverse impact of these risks, thus enables the Company to periodically assess risks for the successful execution of our strategy, such as the effectiveness of strategic programmes that are being executed, new initiatives, the impact of strategy on financial performance, effectiveness of organisation structure and processes, retention and development of high performing talent and leadership. Several risks can impact the achievement of a particular business objective. Similarly, a single risk can impact the achievement of several business objectives. The focus of risk management is to assess risks and deploy mitigation measures. This is done through periodic review meetings of the Risk and Strategy Committee of the Board.

Our top risk categories are organised in four main risk areas: Financial Risks, Compliance Risks, Operational and Strategic Risks. Each risk category can, in one way or another, significantly impact Telecom Fiji's performance, if not managed effectively.

Our core values and ethics provide the platform for our risk management practices.

Whistle Blower Policy

The Company has a Whistle Blower Policy included in its Corporate Governance Policy. Telecom Fiji employees are empowered to raise any incidents or issues through the "Tell Us" portal which is then addressed by the Executive Management and Board when necessary.

bluesky
American Samoa

AST Telecom, LLC (Bluesky Communications)

Mr Ivan Fong - Chairman
Mr Julian (Jules) M Maher - Director
Mr Naibuka U Saune - Director
Mr David Kolitagane - Director
Mr Justin Tuiasosopo - CEO
Ms Niroshi Rajamohan - Board Secretary

Bluesky Family Day celebrated with staff and family

Company Profile

Overview

The financial year 2022 has been both a very challenging and a rewarding year for AST Telecom, LLC (Bluesky Communications). On the challenging end, AST continued to experience the lingering effects of the Covid-19 pandemic related economic impacts, continued border closure since March 2020 and the impacts of global supply chain concerns. The last quarter of the financial year resulted in a slow down of business across the territory further to a state of emergency declaration for American Samoa due to community spread of Covid-19. Consumer behaviour and spending priorities during this period changed due to the economic conditions.

Despite the various challenges, AST has been able to attain several successes through the financial year. AST was able to establish strong relationship with the American Samoa Government and the government departments. Major contracts were able to be secured both in the public and private sector and new revenue has been generated. During the financial year 2022, AST has also been preparing for its mobile network replacement initiative which will create pathways to enhance the technology infrastructure and network systems. AST was also successful in qualifying for a U.S. federal government reimbursement funding to support the mobile network replacement. At the community level, AST has been a key sponsor for several events throughout the year and has supported the local organizations with donations that are used for worthy purposes. AST continues to leverage the synergies of its workforce, brand position, products and services to consistently deliver the best to its stakeholders.

Our Infrastructure

Bluesky continues to respond to the needs of American Samoa in providing technology infrastructure that empowers businesses, local government and federal agency offices, and the people of America Samoa. Bluesky has consistently invested in its network infrastructure and technology and maintains its leading market position offering a range of technology solutions to meet businesses, personal and digital life needs. Bluesky's LTE+ mobile network covers 93% of American Samoa's population and is capable of throughputs of up to 150 Mbps. Bluesky continues to add capacity to its mobile network and is in the process of increasing coverage footprint. Bluesky's fixed-line and wireless access networks utilizes next generation transport network technology to provide high-speed connectivity for customers.

Committed to delivering service excellence, Bluesky has transitioned successfully to advancing new technologies through the decades and continues to invest in its development and enhancement of its network, products and services, to cater to the advancing needs of the market. Leveraging from the deployment of its new fixed wireless network that delivers IPTV and high-speed broadband to 93% of the population, Bluesky strives to serve the business and residential communities of American Samoa with expanded broadband connectivity and next generation solutions. Retiring from an aging Hybrid Fiber-Coaxial (HFC) network that previously covered 65% of the population, the new network has been able to offer high-definition video content and increase internet speeds by up to 300% for its customers. For businesses, Bluesky offers various business solutions to meet the dynamic needs of the business community. These include Fiber to the X (FTTX), dedicated international circuits, infrastructure and software as a service (IaaS and SaaS) solutions and technical support in the form of professional services. Bluesky continues to develop solutions in the ICT sector to enable and empower businesses in American Samoa.

Bluesky continues to harness its position to enhance the lives of its customers and the communities of American Samoa through its digital life initiative and evolving technology solutions. With continued focus in the ICT sector, Bluesky remains the preferred choice for businesses and international partners in the territory. With its robust network and solutions, Bluesky can offer a wide range of broadband, datacenter, and managed service solutions to

Visiting key customers during Customer Service week celebrations. American Samoa Department of Health (ASDOH) visited.

enhance and empower government and business entities. Bluesky is on its path to replacing its current mobile network and for deploying 5G, the next technological evolution for mobile networks delivering gigabit speeds per second, increased throughput and lower latencies. Bluesky stands committed to its service excellence drive and customer first commitment and continues to progress in its technological initiatives to deliver upgraded technology infrastructure for American Samoa and enhanced offerings for its customers and communities.

Our People

Bluesky staff continue to be key drivers of passionate engagement, collaborative commitment and service excellence. Bluesky embraces a talented team of members and grows through a team with diverse ethnicity, gender, educational and professional backgrounds. Skills, knowledge, and experience that the Bluesky team brings onboard have resulted in attaining successful outputs for the company. The synergy from this dynamic team has resulted in delivering the best value to its stakeholders. The multi-cultural and embracing culture, the wealth of the talented team collaborating and supporting each other, and the dedication and commitment to the Bluesky brand, continues to contribute to Bluesky's growing strength and competitive edge in American Samoa as an employer of choice.

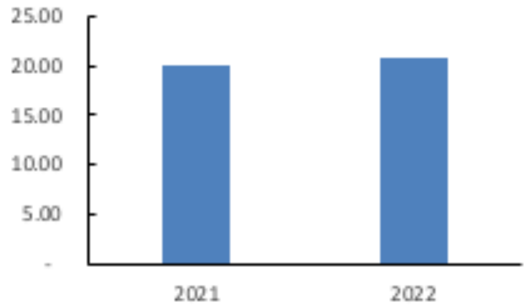
Through the consistent focus on training and development of the workforce, Bluesky has raised the competency levels of its staff. In addition to various trainings and courses, soft skill improvements and inhouse continuous improvements via on-the-job trainings and coaching have been instilled, to raise the skill levels of staff and advance knowledge. Bluesky pursues continuously improving the working environment and has recently upgraded the workspaces in its main office. Bluesky cherishes its people; 'Our People are Our Brand and Our Pride'.

Financial Highlights

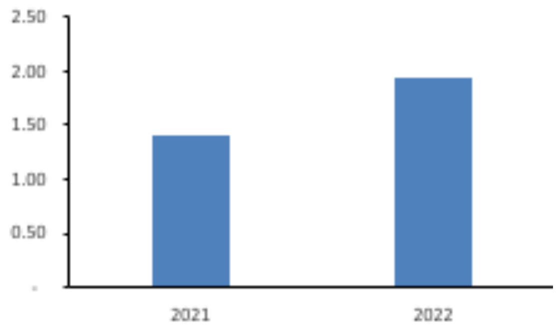
Bluesky continues to record the largest market share for mobile services and continues to push through the increasing competition in the market to grow its subscriber base. Bluesky recorded growth in broadband revenue with USD 5.88M contribution and attained USD 8.16M prepaid revenue for the period. While Covid-19 continued to impact roaming revenue since American Samoa's border closure in March 2020, Bluesky continued to penetrate the smart phone market with increased turnover from overall Device sales.

The Company continues to push through the increasing competition in the market. Bluesky recorded growth in the prepaid revenue thus strengthening the prepaid market for the Company. The consolidated revenue did not increase and COVID-19 impacts were seen in the drop of revenue in Roaming. Bluesky was able to penetrate the smart phone market and attained increased turnover from overall device sales. The Company turned to cost saving strategies given the challenging period.

Total Revenue (in USD Million)



Net Profit After Tax (in USD Million)



Bluesky continues to stimulate the market for increasing the revenue attainment in Mobile, Broadband and TV Services whilst progressing to increase market penetration and coverage. Despite the COVID-19 pandemic that effected the territory, Bluesky achieved revenue growth against the prior year and ended 2022 financial year with USD 20.76M total revenue, and a Net Profit of USD 1.94M strengthening its financial position.

Corporate Social Responsibility

Being a part of the community through various awareness creation initiatives, sponsorships, awards, recognitions, and empowerments, have always been Bluesky's way in giving back to the community and creating impactful differences in the lives of many in the community. Bluesky has been a part of the sustainability contributions and a keen participant of environmental protection initiatives. Bluesky launched its eSim endeavor with commitment to benefit the environment.

Donation of USD 15k to Rotaract club towards a new playground in American Samoa.

Community Involvement and Sponsorships

Bluesky is committed to supporting the American Samoa community through its various partnerships and sponsorships. Bluesky has sponsored multiple events through the year which include RISE Talent show to encourage local talents, Samoana High School's 75th Anniversary with tribute to the long-standing educational institution, SOFIAS Pageant and associated events, and JPS Football event supporting the junior prep sports. Bluesky was also a key sponsor donating USD 15k for a cornhole tournament held by the Rotaract club to raise funds to build a public playground, the Rotaract club's GECAF 10k run, Hope House Golf tournament to support the aged and the elderly, PROM event to support the Pacific Roots creativity and talents. Bluesky has also been a key contributor continuously supporting the American Samoa Government's COVID-19 based Repatriation Program bringing back residents to unite with their families. Bluesky has also sponsored the Science, Technology, Engineering, Arts and Mathematics (STEAM) annual competition on island. In supporting the Pacific communities during challenging times, Bluesky supported the Tongan community with a cash donation of USD 5K and USD 30K worth of mobile call services during the submarine volcano eruption and tsunami in December of 2021.

Women and Youth Empowerment

Bluesky continues to remain steadfast in its support of women and youth empowerment within the community in the fields of technology, sports, and cultural aspects. This is reflected in the sponsored events hosted by DYWA, a government organization which works to improve the quality of life of women and youth empowering them through many avenues. Bluesky was also a key sponsor of a week-long job fair event hosted by the Department of Commerce which supported the career path for the younger generation.

Looking Ahead

Bluesky strategies for forward business development and organizational growth are founded upon the pillars of customer advocacy, high performing culture, ensuring return on investment with maximum utilization of the network, and diversification in the products and service areas. Bluesky has managed the risks from the Covid-19 pandemic and aspires to maximizing results from it's existing investments while investing on new initiatives that will elevate the company's market position.

With the growth in securing larger business and government contracts, Bluesky plans to continue servicing its customers with diverse products and services and aspires to tap into new opportunities in the local business market. Bluesky focuses on its infrastructure expansion and service penetration plans to acquire new subscribers and improve on its products and services to deliver best outcomes consistently.

Bluesky continues to leverage from the federal and local agency support for upgrading the technology infrastructure. With its capital expenditure projects lined up for the new financial year, Bluesky shall embark on technology advancement to provide innovative products, services and solutions to its valued customers. As the technology leader and employer of choice in the local market, Bluesky aspires to deliver the best for its stakeholders.

Corporate Governance

AST Telecom, LLC provides the following corporate governance statement for the year ended 31 March 2022 in accordance with the ATH Corporate Governance Code.

Principle 1: Establishing Clear Responsibilities to Board Oversight

Role of the Board

Separation of Duties

The role of the Board is to drive the success of the Company by taking responsibility in setting the Company's strategic direction and guiding management to meet its objective of enhancing corporate profit and shareholder value. The regular business of the Board covers investments and strategic matters, governance, risk and compliance, the Chief Executive Officer's report, and tracking the performance of AST Telecom, LLC., and ASE Inc. companies.

Board Charter

The Company has a Code of Corporate Governance detailing the functions and responsibilities of the Board.

Principle 2: Constitute an Effective Board

Board Composition and Membership

The Board comprises of four (4) Directors who have been appointed by the parent company, Amalgamated Bluesky Telecom Holdings, LLC (ABTH LLC).

The Directors are appointed/elected in accordance with the Company's Operating Agreement.

Mr. David Kolitagane was appointed as Director on the 1st of September 2021.

CEO Justin Tuiasosopo with Miss American Samoa finalists. Bluesky, key sponsor of the Pageant

The Directors in office on 31st March 2022 are:

Name	Title	Date of Appointment
Mr. Ivan Fong	Chairman	01.08.2019
Mr. Julian (Jules) M Maher	Director	19.04.2018
Mr. Naibuka U Saune	Director	22.02.2019
Mr. David Kolitagane	Director	21.09.2021

The Board met seven times during the financial year that ended 31st March 2022 and attendance was as follows:

Name	Board	
	Number of Meetings	
	Held	Attended
Mr. Ivan Fong	7	7
Mr. Julian (Jules) M Maher	7	7
Mr. Naibuka U Saune	7	6
Mr. David Kolitagane	5	3

Board Evaluation

The ATH Nominations Committee is responsible for the selection, approval, renewal and succession of Directors in the Company.

Directors Training

Director induction is a formal process the Company follows whereby the Chief Executive Officer and the management team present a comprehensive corporate profile of the organisation. It is necessary for all incoming directors to attend the induction programme. In addition, as and when required, workshops are organised with external consultants.

Board Sub-Committees

The Remuneration Committee (REMCO) is responsible for advising the Board on human resources issues which include the remuneration and conditions of employment of the Chief Executive Officer, senior management (EXCO) and succession planning. REMCO members do not attend meetings when their individual remuneration is being discussed and no Director is involved in deciding their own remuneration.

REMCO is comprised of the following Directors and REMCO committee meeting attendance for the financial year ended March 2022 is as follows:

Name	Number of REMCO Meetings	
	Held	Attended
Mr. Ivan Fong	3	3
Mr. Pradeep Chand Lal	3	3
Ms. Moureen Chand	3	3

Principle 3 and 4: Chief Executive Officer and Board Secretary

Mr. Justin Tuiasosopo is the Chief Executive Officer for AST. The Chief Executive Officer is responsible for developing and implementing business strategies and policy guidelines; managing budgets and company performance, and effective relationships with internal and external parties; and leading and developing a team of staff. The Company Secretary is Ms Niroshi Rajamohan, who is responsible for providing company secretarial duties and functions; ensuring compliance with regulatory and statutory requirements and supporting organizational growth.

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

In accordance with the corporate governance of ATH, AST abides by the rules and regulations in providing the Audited Financials and Annual Report.

U.S. Regulations and Telecommunications Act of 1996

As a Company operating in American Samoa, AST is required to abide by all U.S. regulations governing telecommunications practices and laws as enacted under the Telecommunications Act of 1996 and monitored by the U.S. Federal Communications Commission (FCC) through Title 47 of the Code of Federal Regulations.

Payments to Directors and Senior Management

A total fee of US$61,250 was paid to Directors for their service during the year in accordance with AST's parent company, Amalgamated Bluesky Telecom Holdings LLC, incorporated under the laws of the State of Delaware in the United States of America. AST Directors were also covered under a Directors and Officers Insurance Policy.

Principle 6: Promoting Ethical and Responsible Decision Making

The Company has a code of conduct which is relayed to the Directors upon appointment to the Board. AST believes that all Directors and executives uphold the code of conduct and ethical standards of the Company.

USD 5K Cash for Tonga tsunami disaster relief in addition to 30K worth of free calls. Cash donation received by American Samoa Lieutenant Governor

Donation of USD 3k to Cancer Coalition Community

Principle 7: Register of Interests

A register of interests is maintained by the Company in line with the code of conduct.

Principle 8: Respect the Right of Shareholder Rights

Communication

AST submits annual audited financials and annual reports. AST maintains an up-to-date website to supplement the official release of information to the market.

Principle 9: Accountability and Audit

Audit

AST and Subsidiaries financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

Principle 10: Risk Management Policy

Risk Management

The Directors of the Company are always mindful of potential risks that may arise during its business. While the Company does not have a separate Risk Management Committee, it has contingencies to address this as the need arises.

vodafone
Samoa

Mr Ivan Fong - Director
Mr Naibuka U Saune - Director
Mr Tevaga V Tagiilima - Director
Ms Aysha Rimoni - Alternate Director
Mr Satish Sharma - CEO
Mr Anish Chandra - Company Secretary

Overview

Vodafone Samoa Limited completed two years of operations under the Vodafone brand on 4th April 2022. In a short period of time, it has established as one of the strongest brand with local connect route. With challenges expected from competition its working towards "The New Way of Doing business" with more focus on Digital Transformation and younger work force that's the need in digital era. Structured change management initiatives are being organized.

Our Infrastructure

Vodafone Samoa continues to readily invest in its network infrastructure to ensure that the people of Samoa experience fast and reliable service. Vodafone Samoa remains ahead of competition on its large Fiber infrastructure through the country. With further expanding our international bandwidth capacity, Vodafone remains the only company to provide international DRP connectivity via 2 submarine cables. Vodafone Samoa continues to provide quad play services of Mobile, Fixed Line, Broadband and IP TV services through its infrastructure.

Our People

Vodafone Samoa has 162 staff with over 98% locals. We also have a good gender mix with 42% female employees. The Company continues to upskill its employees through local and international training and sponsoring higher studies.

Financial Highlights

The country has remained sheltered from the large impact of Covid-19 community cases for almost 2 years. This has also meant that the country has remained closed to international travel of the same period as well. Furthermore, Samoa had its general elections in 2021 with a new party (FAST) eventually claiming in September the win after several days of political backlash from the outgoing government. The Lockdown and elections severely impacted the economy. For Vodafone the biggest impacts remained roaming and International calling revenues. However, our revenues for mobile, broadband and new business has enabled Samoa to close year-on-year with a 4% increase in these revenue streams.

Corporate Social Responsibility

Vodafone Samoa has been driven by the principal of Faá Sãmoa which is Samoan way of life. It consists of the Samoan language, customs and culture, that constitute the traditional with continuing unique lifestyle of Samoa and in the Samoan diaspora. In Vodafone's endeavor towards corporate social responsibility initiatives is focused in building brand image close to heart of every Samoans and Samoans living abroad.

The key areas of CSR focus is on education, health, NGO & Sports.

Vodafone has also supported around twenty villages with free Online educational sites through free community Wi-Fi. The company has also currently supported Ministry of Health with ongoing Covid telecom support. In terms of NGO, it continues to support SVSG, Cancer Society etc. The ongoing support to Lakapi Samoa for talent development at grassroot.

Looking Ahead

The telecom industry in Samoa is somewhat stagnant with industry revenue and base continues to decline largely contributed by decline in wholesale & roaming revenue and net population decline. The outward movement of RSE workers to Australia and New Zealand coupled with closure of international border contributing towards the net population decline. These challenges will continue till the borders opens.

With new Competition ownership coming on board the entire game-plan of Vodafone will change .The new digital customer experience will be the goal to achieve ensuring that Vodafone Samoa remains ahead of competition.

The key growth areas identified are FTTH , under the brand name Vodafone Fiber will continue to be one of the growth areas along with ICT . Building the best network, skill development and building build a younger workforce for new age digital empowerment, expansion of device portfolios and Moana TV in OTT platform.

Together we can create a future for Samoa that grows as we grow.

Corporate Governance

Vodafone Samoa, as a subsidiary of ATH, provides the following corporate governance statement for the year ended 31 March 2022.

Principle 1: Establishing Clear Responsibilities for Board Oversight

Separation of Duties

The role of the Board is to drive the success of the Company by taking responsibility in setting the Company's strategic direction and guiding management in order to meet its objective of enhancing corporate profit and shareholder value. The regular business of the Board covers investments and strategic matters, governance, risk and compliance, the Chief Executive Officer's update report, and tracking the performance of subsidiary companies.

Principle 2: Constitute an Effective Board

Board Composition

The Board comprises of four (4) Non-Executive Directors of which two (2) are Strategic Investor Directors nominated by ATH and Unit Trust of Samoa and one (1) is an independent Director.

The Directors in office on 31 March 2022 were:

Name	Title	Date of Appointment
Mr Ivan Fong	Director	12/01/2017
Mr Naibuka U Saune	Director	01/10/2017
Mr Tevaga V Tagiilima	Director	04/04/2019
Ms Aysha Rimoni	Alternate Director	04/04/2019

The Directors are appointed/elected in accordance with the Company's Articles of Association.

The Board met five times during the financial year ended 31 March 2022. Attendance was as follows:

Name	Board	
	No. of Meetings	
	Attended	Held
Mr Ivan Fong	5	5
Mr Naibuka U Saune	4	5
Mr Tevaga V Tagiilima	4	5
Ms Aysha Rimoni	5	5

Board Evaluation

The ATH Nominations Committee and the Unit Trust of Samoa are responsible for the selection, approval, renewal and succession of Directors in the Company.

Directors Training

Director induction is a formal process the Company follows whereby the Chief Executive Officer and the management team present a comprehensive corporate profile of the organisation. It is necessary for all incoming Directors to attend the induction programme. In addition, as and when required, workshops are organised with external consultants.

Board Sub-Committees

The Board has formally constituted a Remuneration Committee (REMCO). The Committee is responsible for advising the Board on human resources issues which include the remuneration and conditions of employment of the Chief Executive Officer, senior management and succession planning.

Remuneration Committee meetings and attendance during the financial year ended 31 March 2022 were as follows:

Name	Remumeration Committee	
	Number of Meetings	
	Attended	Held
Mr Ivan Fong	4	4
Mr Tevaga V Tagiilima	4	4
Mr Pradeep C Lal	3	4
Ms Moureen Chand	4	4

Principles 3 and 4: Appointment of Chief Executive Officer and Company Secretary

Mr Satish Sharma is the Chief Executive Officer (CEO) of Vodafone Samoa. He was appointed by the Board.

The CEO is responsible for developing and implementing business strategies and policy guidelines, managing effective relationships with internal and external parties, and leading and developing a team of staff.

The Company Secretary and Chief Financial Officer is Mr Anish Chandra and he is responsible for managing budgets, financial reporting and key performance indicators, providing Company secretarial duties and functions, and ensuring compliance with regulatory and statutory requirements.

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

Vodafone Samoa believes that accurate, timely, and reliable data disclosed to its management and stakeholders is needed in order to make the best decisions. This includes audited financial statements and monthly flash reporting. It also ensures compliance with the Office of the Regulator in the Ministry of Customs and Revenue and Ministry of Commerce, Industry and Labour.

Payment to Directors and Senior Management

A total fee of WST86,344 was paid to Directors for their service during the year. The Company also met other expenses, mainly for travel and accommodation, which were incurred during the course of their duties for Vodafone Samoa. Directors were also covered under a Directors and Officers Insurance Policy and a Personal Accident Insurance Policy. Payment to senior management is disclosed in the annual audited financial statements under Key Management Personnel Compensation.

Continuous Disclosure

Vodafone Samoa continues to make timely, accurate and full disclosure to the market.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

The Company has a Code of Corporate Governance which is relayed to the Directors upon appointment to the Board. Vodafone Samoa believes that all Directors and executives uphold the code of conduct and ethical standards of the Company.

Principle 7: Register of Interests

Conflict of Interest

A register of interests is maintained by the Company in line with the code of conduct.

Principle 8: Respect the Rights of Shareholders

Communication with Shareholders

All shareholders are invited to the AGM, receive a copy of financial statements and notice of meeting prior to the AGM and are given an opportunity to communicate directly with the Board of Directors. Vodafone Samoa shares monthly flash reports to the Board of Directors.

The Company fosters and promotes effective communication with shareholders and effective participation at general meetings.

Website

Vodafone Samoa maintains an up to date website to supplement the official release of information to the market. The website address is www.vodafone.com.ws

Principle 9: Accountability and Audit

Internal Audit and External Audit and Rotation of Auditor

Vodafone Samoa is audited annually by an independent external auditor. The accounts are prepared and audited in compliance with IFRS standards. The Company also has policies and procedures to ensure that business activities are carried out as per best practices.

Principle 10: Risk Management Policy

Risk Management

The Directors of the Company are always mindful of potential risks that may arise in the course of its business. The Company maintains a risk register to highlight the key risks faced, their tolerance level based on impact rating and the likelihood of occurrence, the controls and mitigation measures in place to eliminate or mitigate these risks, to improve preparedness and reduce the impacts.

vodafone
Cook Islands

Mr Temu Okotai - Chairman
Ms Madeleine Sword - Director
Mr Ivan Fong - Director
Mr Umarji Musa - Director
Mr Phillip Henderson - MD & CEO

Overview

As the country is largely dependent on tourism, the economic contraction experienced by the Cook Islands as a result of the extended COVID-19 pandemic and necessary travel restrictions has been one of the largest in the world, with a fall in Gross Domestic Product (GDP) estimated by the Asian Development Bank (ADB) of about 29 per cent in 2021.

This fall has hit the Cook Islands hard, with revenues raised from tourism activities drying up overnight, in what is the largest component of GDP (worth approximately $1 million per day, or $368 million per year, pre-COVID). Falling disposable incomes has seen reductions in spending on goods and services and thus impacting business income. The government has supported the economy through the wage and grant subsidy schemes which have enabled many businesses to survive. This support remained a key factor throughout the financial year for many small to medium size businesses. A cessation to these grants would end in catastrophic results for these dependant businesses.

Against this backdrop of economic pressure, the Company remained committed to its Covid Care plan, to focus on costs, restructure the business to improve efficiency and productivity and remain relevant. It also grappled with the deregulation of the Telecom sector and the potential impacts of new market entrants.

In spite of the challenges, the Company has effectively navigated its way through the uncertainty of these times and produced fair financial results and is now preparing to revive and thrive as the borders continue to open and tourism activity resumes.

Our Infrastructure

Vodafone Cook Islands provides a comprehensive range of telecommunications services, namely

- PSTN (domestic and international),
- Mobile Network services
- Broadband and Internet services.
- IPTV
- Data Centre hosting services.
- Post Services

PSTN

PSTN services are connected over 12 populated islands providing 100% national coverage with 140% penetration. All of the PSTN exchanges have been refreshed with IP enabled soft switches. Business subs are capable of connecting via the traditional copper or via SIP peering or registration.

Broadband Network

On Rarotonga a CISCO MPLS Fibre backbone transport ring at 10Gig provides transport and access services for business and Government for B2B and P2P offering from 1Mbps to 100 Mbps.

Two central GPON nodes have been successfully deployed in Avarua and Aroa data centres.

Broadband customers in the Avarua township have been migrated from the copper network onto the GPON broadband.

Hosting Services

Major hotels and the central Government have been progressively taking advantage of the efficiencies gained with outsourcing their IT infrastructure or connectivity.

The Avarua earth station was converted to a data centre to host the Cook Islands Government Hyperconverged Infrastructure.

Developed hosted PABX services for small to medium businesses and signed seven customers in the last six months.

Mobile Network

The mobile network consists of 2G/3G/4G RAN in Rarotonga and Aitutaki and most recently, a 3G RAN deployed to several Southern Group islands. Northern Group islands remain with 2G only services via low power Microcells.

Moana TV

Moana TV is managed in Samoa on their IPTV head-end. This allowed for an exceptionally low entry cost to the Cook Islands as no capital was required. The service is extended to Rarotonga over internet from Samoa via the Manatua Cable into Rarotonga then extended over the broadband network to residents. It also re-uplinked the Rarotonga/ Aitutaki Avarua Cable and extended to Aitutaki.

Our People

Vodafone Cook Islands is one of the largest employers in the Cook Islands with just 94 full time employees. 99% of its employees are Cook Islanders, including the Managing Director (MD) and Chief Executive Officer (CEO). The Company is enthusiastic about its people and is committed to developing and upskilling its staff through various training platforms. This is a high priority for the Company.

Financial Highlights

The 2021-2022 financial year saw the Company working through and quickly adapting to the many challenges created by COVID-19. Despite the disruptions in inbound tourism, our teams continued to aggressively campaign in the prepay mobile space resulting in a 4% increase in prepay revenue. The opening of our newly refurbished town shop in July 2021 enabled us to expand our product offerings and create engaging and innovative shopping experiences for our customers. Product sales increased by 26%. With a 20% increase in internet connectivity costs and no corresponding increase in internet revenue, we coordinated our efforts to seek new revenue opportunities. Data hosting has seen some of our large customers take advantage of this service and there is more potential to grow this service in the near future. Management continued with its cost cutting measures without diminishing the value of our services and staff performance. Since the opening of the borders in January 2022, the growing tourist numbers have shown a positive impact on the results and is placing the Company in a position to “Thrive” in the next financial year.

Community Involvement

Vodafone Cook Islands continues to support several community events and initiatives. In addition to the COVID-19 Care Plan, the Company reinforced:

- CookSafe COVID19 Tracing App - by supporting the implementation, set up, registration and sponsoring of SMS broadcasts to raise community awareness as part of COVID-19 precautionary measures
- Partnering with Te Marae Ora (Ministry of Health) in community awareness with vaccination roll outs and COVID-19 information awareness throughout the year.
- Breast Cancer Foundation is an annual event with staff fundraisers through bake sales and donations. The Company matched the total proceeds and aided the awareness campaign through sponsoring the SMS broadcasts and social media posts.
- MOBRO Prostate Cancer Awareness Campaign through staff fundraising activities and donations, raising awareness via social media platforms and SMS broadcasts and bringing MoBros and MoSistas together for constructive dialogue. We also sponsored in-kind prizes for online gaming mobile tournaments which helped to raise funds and awareness during November for Prostate Cancer Awareness.
- Assisted numerous community events and sporting organisations throughout the year to keep our people connected through sports and heath.
- IOT Services with TAUI Ltd - by partnering with a local start up business owned by young entrepreneurs to help them in promoting modern technology and IOT services.
- Cook Islands Business & Professional Women’s Association (CIBPW) – sponsored in kind prizes for the CIBPW Emerging Entrepreneur Awards.
- Autism Cook Islands – throughout the year, we provide in-kind support and staff volunteer their time to help with Autism Cook Islands and their annual Te Kara Run.

Employee Involvement

Continuous professional development and upskilling our employees who are our most important asset as we’ve had several staff take on added in-country study opportunities - with the move to remote and online learning, our teams were given the opportunity to upskill and learn new facets of the business. Staff have also been given the chance to learn from online learning centres such as LinkedIn Learning courses.

The Company continues to support and embrace internal and external social activities and events where employees are given the opportunity to take part which contributes to maintaining our employee morale. Health and wellbeing are an area that the company wholly supports staff involvement with and over the year we’ve had an increasingly high participation rate with staff taking part in the following events:

- E Koko – Cross Fit Games with Team Voda-Fit placing 2nd overall.
- Cook Islands Badminton Nationals, Business House, Social competitions – Vodafone teams placing in the Top 10 of each respective competition.
- Fitness Health Challenges.

Women Empowerment

Vodafone Cook Islands is an equal opportunity employer. Our company continues to have up to 50% of the Company’s staff being women, of which 20% are in senior management roles.

Affirmative steps have been taken to make opportunities available in the traditionally male dominated areas of the business, such as IT and fixed networks. Opportunities are always made available to all women staff to train and trial work in the various teams to broaden their skills and understanding of the business.

The Company's social media campaign promoting "Break the Bias: Gender equality today for a sustainable tomorrow" was the theme this year as part of the lead up to International Women's Day.

Environmental Benefits from Change in Corporate Policies

Vodafone Cook Islands promotes sustainable and environmentally friendly business practices to help contribute to reducing impact. These include (a) Replacing, where proper, ICE vehicles with EVs with 40% of the fleet now EV; (b) Continuing the push to be a paperless business. Recycling and sorting of waste have been a priority, to reduce, reuse or recycle waste products. The Company imported a plastic shredder, which now enables the export of shredded plastic waste to New Zealand for recycling; and (c) Participating in keeping our Cook Islands paradise clean with community clean up initiatives around Rarotonga.

Giving back to the Community

The Company is dedicated to supporting events, projects and causes that assist the country to prosper. As one of the large corporate sponsors in the country, we play an instrumental role in supplying sponsorships in the areas of health, education, sports, youth development, arts and culture and tourism.

Looking ahead

The Cook Islands' tourism-dependent economy is expected to take at least two years to recover to pre Covid levels. Since the opening of the border in January 2022, business operators are finally seeing some optimism in the forecasts.

Tough competition in Broadband and Internet services is expected from new entrant, ManaNet from mid-2023. The Company is responding to this by remaining focused on our goals and staying on top of our game. Notwithstanding the impending competition, the Company is, and intends to remain the leading telecommunications services provider in the Cook Islands.

Aligned with the key trends affecting the industry, the Company is focusing on accelerating the adoption of virtualisation and Cloud technology; IOT networking and environmental monitoring; other digital transformation initiatives; evolve organisational structure to reflect a digitally transformed business; utilising its newly acquired BSS platform; connecting town businesses to GPON with multiple services thus reducing limitations and instant activation along with Fixed Wireless Broadband via 5Ghz or LTE fitted towers; and evolving the outer islands into a 3G/LTE RAN, which will become the primary service for customers for delivery of voice and broadband service.

Corporate Governance

Telecom Cook Islands Limited provides the following corporate governance statement for the year ended 31 March 2022 in accordance with the Cook Islands Companies Act 2017.

Principle 1: Establishing clear responsibility for board oversight

Separation of duties

The role of the Board is to ensure the Company's prosperity by directing the Company's strategic goals and guiding management to enhance corporate profit and shareholder value. It also ensures that it complies with the responsibilities and powers set out under the Companies Act 2017 and its own Constitution. Board meetings include discussions around strategic matters, governance, risk and compliance and the monthly management report.

Principle 2: Constitute an effective board

Board composition

The Board comprises of four (4) Non-Executive Directors and one Executive Director. The Cook Islands Government, through its holding company, Cook Islands Telecommunications Holding Limited (CITH), appoints two of the Non- Executive Directors and two are appointed by TCNZ Limited. The Managing Director (MD) and Chief Executive Officer (CEO) also sits on the Board of the Company. The Directors are appointed in accordance with the Company's Articles of Association.

The Directors in office on 31 March 2022 were:

Name	Title	Date of Appointment
Mr Temu Okotai	Chairperson	10+ years ago
Ms Madeleine Sword	Director (CITH)	10+ years ago
Mr Ivan Fong	Director (TCNZ)	04.03.2017
Mr Naibuka Saune	Director (TCNZ)	Resigned 23.09.2021
Mr Umarji Musa	Director (TCNZ)	Appointed 23.09.2021
Mr Phillip Henderson	MD & CEO	01.10.2015

The Board met seven times during the year. Attendance was as follows:

Name	Board	
	No. of Meetings	
	Attended	Held
Mr Temu Okotai	7	7
Ms Madeleine Sword	7	7
Mr Ivan Fong	7	7
Mr Naibuka Saune	4	4
Mr Umarji Musa	3	3
Mr Phillip Henderson	7	7

Gender Diversity
The Board of Directors comprises of four males and one female.

Board Evaluation
The Cook Islands Telecommunications Holding Limited and TCNZ Limited are responsible for the selection, approval, renewal and succession of Directors in the Company.

Directors Training
Director induction is a formal process the Company follows whereby the Chief Executive Officer and the management team present a comprehensive corporate profile of the organisation. It is necessary for all incoming Directors to attend the induction programme. During their tenure, external consultants are invited to present to the Board certain subject matters related to their field of expertise.

Board Sub-committees
The Board has one sub-committee, that is, the Ethics Committee, which is chaired by Ms Madeleine Sword and has three other members consisting of Mr Phillip Henderson, a representative from the Human Resources Department and a representative from the Finance team.

The Committee is authorised to enforce standards of conduct for all employees, investigate alleged ethics violations and make recommendations to the Board for further action. The sub-committee did not meet during the financial year.

The Company does not have an Audit, Finance and Risk Committee. However, the responsibility for managing and monitoring these functions are entrusted in the Executive Management team. They are in charge of developing business plans that align with the strategic direction of the Company; assessing financial results in comparison with budgets; making recommendations to the Board on all financial matters including, but not limited to financial policies, capital structure, distribution policies and entering into agreements for debt facilities with finance institutions and related parties; monitoring the annual external audit; discussing with the auditors before the commencement of each audit, the nature and scope of their audit; reviewing the auditor's service delivery plan; approving the Company's letter of representation to the auditors; discussing with the auditors any issues arising from the audit; referring matters of a material or serious nature to the Board; and reviewing annual financial statements before submission to the Board.

The Executive Management is also responsible for reporting to the Board on a regular basis, issues relating to human resources, including the succession planning for senior management.

Principles 3 & 4: Appointment of Chief Executive Officer and Company Secretary
The appointment of the MD and CEO is the responsibility of the Directors representing TCNZ Limited. They establish the CEO's remuneration and terms and conditions of employment. Mr Phillip Henderson is the MD and CEO and is responsible for developing and implementing business strategies and policy guidelines; managing budgets, financial reports and key performance indicators; ensuring compliance with regulatory and statutory requirements; managing effective relationships with internal and external parties; and leading and managing staff performance.

The Company Secretary is Mrs Ana Inamata.

Principles 5: Timely and balanced disclosure
Annual reports and continuous disclosure
The annual report of the Company is presented to the shareholders at the annual general meeting.

Payment to directors and senior management
A total fee of $90,000 was paid to the Directors for their service during the year. The Directors were also covered under a Directors and Officers Insurance Policy for the Group. Payment to senior management has been disclosed in the financial statements under Key Management Personnel in the annual report.

Principles 6: Promoting ethical and responsible decision making
Code of conduct
The Company has a Code of Corporate Governance which is introduced to the Directors upon their appointment to the Board. The Company believes that all Directors and Executives uphold the code of conduct and ethical standards of the Company.

Principles 7: Register of interests
Conflict of interests
A register of interests is maintained by the Company in line with the Code of Corporate Governance.

Principles 8: Respect the rights of shareholders
Communication with shareholders
The financial statements are presented to the shareholders at the AGM. All shareholders receive a notice of the meeting prior to the scheduled date. The Company fosters and promotes effective communication with shareholders and effective participation at general meetings.

Website
The Company maintains a website to supplement the official release of information to the market.

Grievance redressal mechanism
The Company has no policy for Grievance Redressal Mechanism. Management will develop one in the coming year.

Principles 9: Accountability and Audit
Internal Audit, External Audit and Rotation of Auditor
An independent external auditor audits the Company's accounts annually. The accounts are prepared and audited in compliance with IFRS standards. The Executive Management provides oversight of the Company's internal controls and operations, verifying and safeguarding the integrity of the Company's financial reporting. The Company rotates its external auditors every three years.

Principles 10: Risk Management Policy
Risk Management
The Directors of the Company are always mindful of potential risks that may arise during the course of business. The Executive Management is responsible for maintaining a Risk Register and reporting to the Board all business risks including risks associated with new opportunities.

vodafone Vanuatu

Mr Ivan Fong - Director
Mr Naibuka U Saune - Director
Mr Taito Waqa - Director
Mr Barlen T Lutchmoodoo - MD & CEO
Mr Ravendra Chand - Company Secretary

Overview

Vodafone Vanuatu is the premier service provider for fixed and mobile telecommunications services, delivering 4G+, 3G, fiber optics and ADSL technologies to the people of Vanuatu. Our service footprint spans across approximately 900 kilometers covering the most remote islands in the North and South.

After significant capital investment since ATH acquired Telecom Vanuatu Limited five years ago, the Company continues its path to a modern, resilient infrastructure that will deliver excellent service experience to the people of Vanuatu. These strategic investments coupled with the strength and commitment of our people has seen the Company record a series of achievements and deliver strong financial performance despite a lot of uncertainties and negative economic outlook caused by Covid-19 at the beginning of the financial year.

Our Infrastructure

Vanuatu needs strong, adaptable technology infrastructure to power our businesses, communities and our people and hence Vodafone Vanuatu has been leading the way by investing in its network and digital transformation products to allow businesses and households to realise the full potential that a resilient network has to offer. Following on from the major network transformation projects in the early years of acquisition by ATH, Vodafone Vanuatu has transitioned successfully to new generation technologies over the last 5 years despite the geographical challenges. The Company has mainly focused on network reinforcement and coverage augmentation by modernising and solidifying our backbone transmission, rolling out new sites, upgrading power systems and achieving 100% of its mobile site on 4G/4G+ over the past two years.

Further to these, Vodafone Vanuatu achieved some key milestones in terms of its network infrastructure projects in the 2021-22 financial year. The new Convergent Billing System was successfully implemented when prepaid subscribers were migrated to this new platform.

Towards the end of the financial year, Vanuatu had its first community outbreak of Covid-19, leading to curfew and closure of most of the businesses. During this difficult time, Vodafone Vanuatu's digital transformation played a key role in keeping the businesses and their customers connected as users can now do their superannuation contribution, pay utility bills, do Credit Cooperation loan repayments and pay school fees via the mobile money platform.

All these investments are clearly the pathway to providing the best customer experience and maintaining our network leadership through world leading networks and digital platforms.

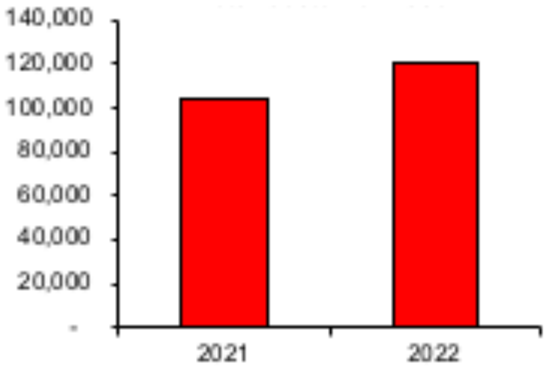
Our People

Our people, who have proved their strength, commitment and loyalty during many challenging times, are our vital assets. We have given top priorities in developing and nurturing the local talents within the organisation. Our employees continue to receive the best local and international training in various aspects of the business. A number of employees have also been sponsored to pursue further studies and further their qualifications. Vodafone Vanuatu is also focusing on coaching and succession planning to have a robust and dynamic team. Building a strong team with the local expertise also forms part of our corporate social responsibility. Our objective is to continuously build the local team to take key roles in the organisation. Ninety seven percent of people that Vodafone Vanuatu employs are local. The Management has been promoting career development and succession planning. Vodafone Vanuatu is very proud to see several local talents taking managerial positions that were previously occupied by expatriates.

Financial Highlights

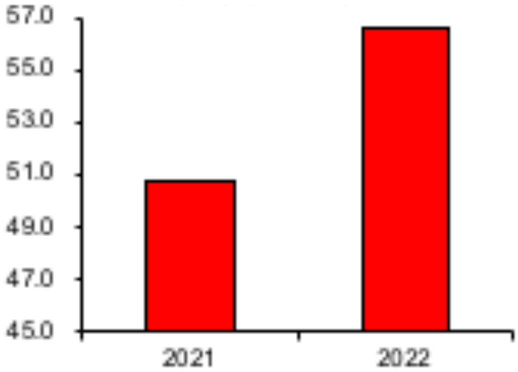
Taking into consideration the challenges presented during the year, Vodafone Vanuatu acted swiftly to re-strategise and focus on emerging opportunities to ensure the business remained agile and flexible. Despite the uncertainties and negative economic outlook caused by Covid-19 at the beginning of the financial year, our commercial strategies to focus on areas of potential growth and aggressive push for customer acquisition has shown excellent results.

Total Customer Base



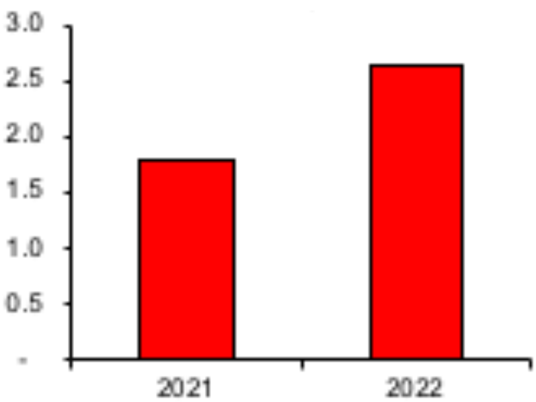
Turnover has grown by 11% from prior year to reach FJD 56.7 mil.

Turnover mil FJD



The Turnover growth along with measures to improve efficiency within the organisation has seen NPAT grow by 47%.

NPAT mil FJD



Looking Ahead

Vodafone Vanuatu is committed to paving the way for Vanuatu's digital transformation through infrastructure modernisation and improved employee satisfaction as we continue to build on our mission as Vanuatu's telecommunications leader.

Customer retention and new technology implementations will be the focus in the short to medium term. Vodafone Vanuatu will continue to develop its digital services like M-VATU and E-commerce platform to ensure that we play the leading role for financial inclusion.

With the announcement of border opening, our strategy and action plans will be aligned accordingly to ensure that we capture the larger share of revenue from the hospitality sector, the tourists, inbound and outbound roaming from international travellers.

We have forged strong partnerships and built alliances with strategic technology partners. We believe our unique footprint and group leverage will provide us with a unique and competitive advantage in driving our Digital Transformation agenda.

Corporate Social Responsibility

Community Involvement

As part of its corporate social responsibility, Vodafone Vanuatu continues to play a key role in supporting sports, music, education and community building.
Vodafone Vanuatu continued as major partner for Port Villa Football Association and also added the FUTSAL league for both men and women as one of its sponsored events.

The Vodafone Boxing in the island of Tanna was a huge success. On the Musical front, Vodafone Vanuatu has continued to support the annual Music Festival – Fes Napuan.

To reinforce our bonding with the community, the Company sponsored the Independence Day celebrations in Mele, the largest community in Vanuatu, the e-commerce symposium and the annual ICT days. The Company's contribution towards the Tongan Community of Vanuatu for the volcano fund has been an additional highlight of Vodafone Vanuatu's community outreach.

In addition to the Bike Race and Christmas carol night, the maiden Tiktok shuffle dance competition was one of its kind that brought together a huge audience.

Women Empowerment

There has been a lot of emphasis on women empowerment. Of our managers, 33% are women from Vanuatu. They hold key roles such as Head of Human Resource, Head of Legal, Finance Manager and Head of Marketing.

Corporate Governance

Vodafone Vanuatu provides the following corporate governance statement for the year ended 31 March 2022.

Principle 1: Establishing Clear Responsibilities to Board Oversight

Separation of Duties

The role of the Board is to drive the success of the Company by taking responsibility in setting the Company's strategic direction and guiding management in order to meet its objective of enhancing corporate profit and shareholder value. The regular business of the Board covers investments and strategic matters, governance, risk and compliance, the Chief Executive Officer's report, and tracking the performance of the company.

Principle 2: Constitute an Effective Board

Board Composition

The Board comprises of three (3) Non-Executive Directors and one (1) Managing Director.

The Directors in office on 31 March 2022 are:

Name	Title	Date of Appointment
Mr. Ivan Fong	Director	28.03.2017
Mr. Naibuka U Saune	Director	28.03.2017
Mr. Taito Waqa	Director	01.12.2021
Mr. Tangavel Lutchmoodoo	Director	29.04.2020

During the financial year, the following director had resigned:

Name	Title	Date of Resignation
Mr. Russell Hewitt	Director	10.05.2021

The Board met five times during the financial year ended 31 March 2022. Attendance was as follows:

Name	Board	
	Number of Meetings	
	Attended	Held
Mr. Ivan Fong	5	5
Mr. Naibuka U Saune	4	5
Mr. Taito Waqa	1	2
Mr. Russell Hewitt	0	1
Mr. Tangavel Lutchmoodoo	5	5

Board Evaluation

The ATH Nominations Committee is responsible for the selection, approval, renewal and succession of Directors in the Company.

Directors Training

Director induction is a formal process the Company follows whereby the Chief Executive Officer and the management team present a comprehensive corporate profile of the organisation. It is necessary for all incoming Directors to attend the induction programme. In addition, as and when required, workshops are organised with external consultants.

Board Sub-Committees

The Board has formally constituted a Remuneration Committee (REMCO). The Committee is responsible for advising the Board on human resources issues which include the remuneration and conditions of employment of the Chief Executive Officer, senior management and succession planning.

Remuneration Committee meetings and attendance during the financial year ended 31 March 2022 were as follows:

Name	Remuneration Committee	
	Number of Meetings	
	Attended	Held
Mr. Ivan Fong	1	1
Mr. Pradeep C Lal	1	1
Ms. Moureen Chand	1	1

Principles 3 and 4: Chief Executive Officer and Company Secretary

Mr Barlen Lutchmoodoo is the Chief Executive Officer for Vodafone Vanuatu. The Chief Executive Officer is responsible for developing and implementing business strategies and policy guidelines; managing effective relationships with internal and external parties; and leading and developing a team of staff. The Company Secretary is Mr Ravendra Chand and is responsible for managing budgets, financial report and key performance indicators; providing company secretarial duties and functions; ensuring compliance with regulatory and statutory requirements.

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

Vodafone Vanuatu is a wholly owned subsidiary of ATH which is a company listed on the South Pacific Stock Exchange (SPX). The parent, ATH, is subject to the rules and regulations for listed companies as set out by SPX and Reserve Bank of Fiji (RBF). This includes market announcements of material information, six-monthly unaudited financials, audited financials and annual reports.

Payment to Directors and Senior Management

A total fee of $45,307 was paid to Directors for their service during the year in accordance with the shareholders resolution. Vodafone Vanuatu Directors were also covered under a Directors and Officers Insurance Policy. Payment to senior management is disclosed in the audited financial statements under Key Management Personnel Compensation.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

The Company has a code of conduct, which is relayed to the Directors upon appointment to the Board. Vodafone Vanuatu believes that all Directors and executives uphold the code of conduct and ethical standards of the company.

Principle 7: Register of Interests

Conflict of Interest

A register of interests is maintained by the Company in line with the Code of Conduct.

Principle 8: Respect the Rights of Shareholders Rights

Communication with Shareholders and Website

The company issues monthly flash reports to the Shareholder and Directors by the seventh working day of the following month. It further provides monthly and quarterly financial reports to ATH for the purpose of consolidation of the Group accounts. The Group information is posted on SPX and ATH websites.

All shareholders are invited to the AGM, receive a copy of audited financial statements prior to the AGM and are given an opportunity to communicate directly with the Board of Directors.

Website

Vodafone Vanuatu maintains an up to date website to supplement the official release of information to the market.

Shareholders Complaints

No complaints were received from shareholders during the year.

Principle 9: Accountability and Audit

Internal Audit, External Audit, Rotation of Auditor and Audit, Finance and Risk Committee

Vodafone Vanuatu is audited annually by an independent external auditor. The Company's accounts are prepared and audited in compliance with IFRS standards. Vodafone Fiji Pte Limited was appointed by ATH to provide management support to Vodafone Vanuatu. As part of this, Vodafone Fiji also conducts an annual internal audit of Vodafone Vanuatu.

Risk Management

The Directors of the company are always mindful of potential risks that may arise in the course of its business. While the company does not have a separate Risk Management Committee, it has contingencies to address this as the need arises. The Company maintains a risk register to highlight the top risks faced by the Company, their tolerance level based on impact rating and likelihood of occurrence and the controls and mitigation measures in place or to be put in place to improve preparedness to reduce the impacts.

Mr. Umarji Musa	Chairman
Mr. Ivan Fong	Director
Mr. Rajneel Kumar	Chief Executive Officer
Mr. Shalvin Singh	Company Secretary

Overview

Amalgamated Telecom Holdings (Kiribati) Limited trading as Vodafone Kiribati, continues to lead and innovate the telecommunications sector by delivering fast and affordable mobile, fixed, data through its 2G, 3G, 4G and 4G+ network. The Company has had a year of strong financial performance and continues with significant progress in network investments. The company has continued to welcome new advances in technology to revamp the telecommunication markets and boost its customer experience, together with ongoing investments in its people and the local community.

Our Infrastructure

During the year, Vodafone Kiribati focused on improving the efficiency of network operations and enhancing network performance. The Company continued to invest in its network infrastructure that included 4G+ upgrade on all sites across the main island and battery/solar upgrade in the outer islands in its effort to provide the best customer experience in the outer islands in its effort to provide the best customer experience in Kiribati. The company also rolled out a new 3G site in Maiana Island in its efforts to increase footprints in the outer islands. As at 31 March 2022, Vodafone Kiribati has 34 sites servicing 16 islands in Kiribati and population penetration stands at 67%.

Our People

Our people are our greatest asset. We ensure that our staff undergo the necessary trainings to equip them with the necessary skills which helps them perform to the best of their ability. This includes any in-house trainings and attending any training sessions necessary abroad.

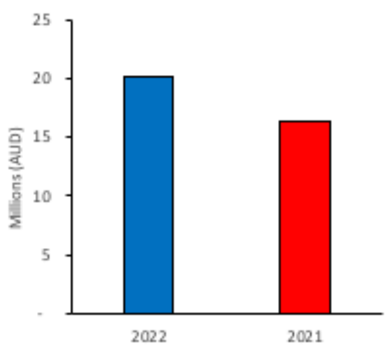
As at 31 March 2022, we had 92 staffs of which 70 are full time permanent staffs. We also hold a strong female representation of 53%, one of whom heads our Human Resources operation.

We are an equal opportunity employer. We respect everyone and treat everyone with dignity.

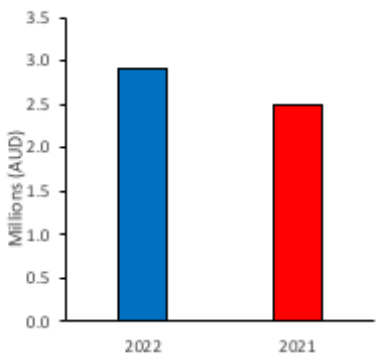
Financial Highlight

For the Financial year 2021/2022, Vodafone Kiribati achieved a total turnover of AUD20.06 million which is a result of favorable market penetration through network upgrade projects particularly through rollout of 4G+ on existing sites across main island. This is also coupled with strong hold in prepay market for data, corporate data sector, and the subscriber base.

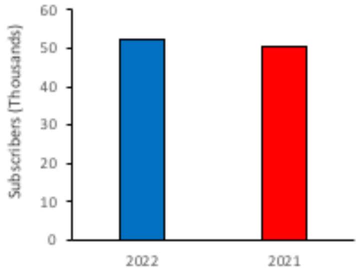
Turnover



Net Profit After Tax



Total Subscriber Base



The Company's turnover has increased by 23% and net profit after tax has increased by 17% when compared to 2021 financial year. The Company's strong performance is directly related to continued investments in new and existing sites around the country to improve network performance which has witnessed significant growth in prepaid business. This has positively led to an increase in the total subscriber base numbers by 3% when compared to 2021 financial year. The Government of Kiribati also provided increased incentives and grants to support the grassroots people, businesses, and communities to get through this pandemic which resulted in additional cashflow circulating in the economy.

Corporate Social Responsibility

Vodafone Kiribati values itself in conducting business in an ethically, economically, and environmentally sustainable and responsible manner. With our vision of targeting events that will attract and benefit the people, we continue to support respective Government Ministries, State Owned Enterprises, Non-Profit Organizations and small Community based groups through data connectivity, SMS blast services or through cash donations.

Since tourism is a developing sector, we have been supporting the Tourism Authority of Kiribati (TAK) with internet for their online conferences and training as a means of capacity building for the tourism stakeholders and respective communities. Vodafone Kiribati has also continued to maintain its relationship with the Government of Kiribati through its support providing SMS blast services to the Ministry of Health & Medical Services (MHMS) in coordinating Covid-19 messages for public awareness and alerts providing the much-needed reach in disseminating important Covid-19 as well as blood donation information. Small community and sports groups have benefitted from cash donations to support their community-based outreach programmes like hosting sporting events and community-based workshops. One such initiative was the cash support towards the Kiribati Women & Children Support Centre towards their project to build their website as a platform for information accessibility for the people as well as donors from around the world.

Looking Ahead

Vodafone Kiribati's way forward is to further invest in its network, increase footprints in the outer Islands and deliver excellent experience to its customers. The company will continue in enhancing coverage by optimizing the existing network in Kiribati.

Corporate Governance

Vodafone Kiribati provides the following corporate governance statement for the year ended 31 March 2022.

Principle 1: Establishing Clear Responsibilities to Board Oversight

Separation of Duties

The role of the Board is to drive the success of the Company by taking responsibility in setting the Company's strategic direction and guiding management in order to meet its objective of enhancing corporate profit and shareholder value.

Principle 2: Constitute an Effective Board

Board Composition

The Board comprises of two (2) Non-Executive Directors. A person may be nominated as a Director at a General Meeting if the person has been nominated by the Directors, or by one or more members holding in aggregate at least 10% of all the voting shares, for election at that meeting.

The Directors in office on 31 March 2022 are:

Name	Title	Date of Appointment
Mr. Umarji Musa	Chairman	01.10.2021
Mr. Ivan Fong	Director	28.04.2015

Mr. Arun Narsey completed his term from the Board on 30 September 2021.

The Board met 4 times during the financial year ended 31 March 2022. Attendance was as follows:

Name	Board	
	Number of Meetings	
	Attended	Held
Mr. Umarji Musa	2	2
Mr. Ivan Fong	4	4
Mr. Arun K Narsey	2	2

Board Evaluation

The Nominations Committee is responsible for the selection, approval, renewal and succession of Directors in the subsidiary companies of the Group.

Board Sub-Committees

The Board has formally constituted a Remuneration Committee (REMCO). The Committee is responsible for advising the Board on human resources issues which include the remuneration and conditions of employment of the Chief Executive Officer, senior management and succession planning.

Remuneration Committee meetings and attendance during the financial year ended 31 March 2022 were as follows:

Name	Board	
	Number of Meetings	
	Attended	Held
Mr. Ivan Fong	2	2
Mr. Pradeep Lal	2	2
Ms. Moureen Chand	2	2

Principle 3 and 4: Chief Executive Officer and Company Secretary

Mr. Rajneel Kumar is the Chief Executive Officer of Vodafone Kiribati. The Chief Executive Officer is responsible for developing and implementing business strategies and policy guidelines; managing budgets, financial reports and key performance indicators; ensuring compliance with regulatory and statutory requirements; managing effective relationships with internal and external parties; and leading and developing a team of staff. The Company Secretary and Chief Financial Officer is Mr. Shalvin Singh who is responsible for managing budgets; financial and key performance indicators; performing Company Secretarial duties and functions; ensuring compliance with regulatory and statutory requirement.

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

Vodafone Kiribati is subject to the rules and regulations for Foreign Investment Entity in Kiribati as set out by the Ministry of Commerce, Industry and Cooperatives. This includes timely submission of half yearly progress reports, audited financials and Annual Report.

In addition, Vodafone Kiribati is a wholly owned subsidiary of ATH which is a company listed on South Pacific Stock Exchange (SPX). The parent, ATH is subject to the rules and regulations for listed companies as set out by the Reserve Bank of Fiji (RBF). This includes market announcements of material information, six-monthly unaudited financials, audited financials and Annual Report

Payment to Directors and Senior Management

A total fee of AUD27,862 was paid to Directors for their service during the year. Vodafone Kiribati Directors were also covered under a Directors and Officers Insurance Policy and a Personal Accident Insurance Policy. Payment to senior management is disclosed in the annual report under Key Management Personnel Compensation.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

The Company has a Code of Corporate Governance which is relayed to the Directors upon appointment to the Board. Vodafone Kiribati believes that all Directors and executives uphold the code of conduct and ethical standards of the Company.

Principle 7: Register of Interests

Conflict of Interest

A register of interests is maintained by the Company in line with the Code of Corporate Governance.

Principle 8: Respect the Rights of Shareholders Rights

Communication with Shareholders and Website

All shareholders are invited to the AGM, receive a copy of Annual Report and notice of meeting prior to the AGM and are given an opportunity to communicate directly with the Board of Directors.

Vodafone Kiribati fosters and promotes effective communication with shareholders and effective participation at General Meetings. The Company explores how best to take advantage of technology to enhance shareholders communications and how to use General Meetings to enhance a two-way communication.

Website

Vodafone Kiribati maintains an up to date website to supplement the official release of information to the market.

Grievance Redressal Mechanism

A policy is being developed.

Shareholders Complaints

No complaints were received from shareholders during the year.

Corporate Social Sustainability

Our approach to business is outlined in the Company's vision, mission and values statements.

Principle 9: Accountability and Audit

Vodafone Kiribati is audited annually by an independent external auditor. The Special Purpose Financial Accounts are prepared and audited in compliance with IFRS standards. ATH appointed Vodafone Fiji Pte Limited to provide management support to manage Vodafone Kiribati. As such, Vodafone Fiji also conducts annual internal audit of Vodafone Kiribati.

Risk Management Policy

Risk Management

The Directors of the Company are always mindful of potential risks that may arise in the course of its business. The Company maintains a risk register to highlight the top risks faced by the Company, their tolerance level based on impact rating, the likelihood of occurrence and the controls and mitigation measures in place or to be put in place to improve preparedness to reduce the impact.

Fiji International Telecommunications Pte Limited (FINTEL)

Sashi Singh	Chairman
Pravinesh Singh	Director
Juan Castellanos de Armas	Alternate Director
Vilash Chand	Director
George Samisoni	CEO/Company Secretary

Overview

Today's globalised world thrives on the transmission of data. From financial transactions to social media posts, the vast majority of international communications is transmitted by subsea telecommunication cables.

Demand for new Submarine Cable capacity is being driven by seemingly unending double-digit annual growth in data traffic.

Globally, over $51 billion has been invested in submarine fibre optic telecommunication cables since 1992, annually averaging $1.7 billion worth of investment.

FINTEL's investment in the new Southern Cross Next subsea cable is, USD$20 million.

The first international telegraph cable was laid in 1850 between England and France.

There are now over 400 cables, with the exact number changing as new cables are built and old cables decommissioned.

More than 99 per cent of the world's global communications is carried on submarine cable networks, and these networks have increased due to the exponential growth of data. As such, submarine cables are a vital component of a country's national infrastructure and many governments have declared subsea cables strategic national assets. Subsea cables remain the primary method of transporting internet traffic because of their speed, capacity and security.

The commercial landscape is changing, too. Whereas most cables are owned by telecommunications companies, businesses such as Google, Microsoft, and Meta have also started to invest in this industry.

With the global shift in working patterns triggered by the Covid-19 pandemic against the backdrop of mass digitalization and the advent of the Internet of Things, submarine telecoms industry is facing both intense demand, and intense pressure, that can only continue to rise.

Subsea cables, like all physical objects, are prone to damage. Accidents involving damage to subsea cables have the potential to cause disruption or at worst even disconnect parts of the global population, as the January 2022 volcanic eruption near the island of Tonga so vividly illustrated.

After five weeks of disruptions, Tonga was finally able to restore its connectivity when the 827-km long fibre optic cable connecting the island to the rest of the world was repaired at the end of February 2022.

Historically, more developed nations have been able to build up a relatively robust network of subsea cables compared to less developed nations. The UK, for example, is currently linked to the rest of the world by almost 60 subsea cables and Guam has 14 subsea cables. There might be some light disruption if one of these cables is damaged, but it is difficult to imagine a scenario in which the whole of UK or Guam would be entirely cut off.

FINTEL's Vatuwaqa Communications Centre, is Fiji's only International Telecommunication Gateway.

Cable damage caused by natural disasters such as the volcanic eruption near Tonga is rare, but its effects can be significant. In December 2006, a devastating earthquake near Hengchun, Taiwan severed eight subsea cables. Connectivity in Asia was severely disrupted in the aftermath.

COVID-19 has challenged both the private and the public sectors in multiple ways, and various critical sectors of the economy have come under unprecedented pressures to perform. Amidst an unrelenting challenge, ICTs hold great hopes for driving recovery and helping us move forward with new approaches, which will also be essential for the fulfillment of the Sustainable Development Goals (SDGs). Data is shaping into the currency of the 21st century. As global demand for data continues to grow at an extraordinary rate, a changing geopolitical climate and increased focus on cybersecurity and national security concerns, including ownership of critical infrastructure, will continue to impact submarine cable transactions and developments in the coming years.

The submarine telecoms industry is responsible for the global infrastructure that has kept meetings happening, money being spent online, online entertainment and students meeting in digital classrooms.

It is forecasted that 98% of Pacific island countries, territories, and states will be connected to sub-sea cables in the next couple of years.

Our Infrastructure

FINTEL is investing USD$20 million in the new Southern Cross Next (SX Next) subsea cable system. This is targeted to be operational in July 2022.

The SX Next subsea cable system includes a branching unit to Savusavu (Vanua Levu), which provides some relief in redundancy and resilience to Fiji and the Pacific Islands' international telecommunications.

New Caledonia's, Gondwana 2, is the new additional Pacific Island sub-sea cable system to be directly connected with FINTEL for their access to the global telecommunications highway. This is targeted to be operational in July 2022.

FINTEL's commitment to the SX Next Cable system will extend Fiji's international communications to 2050. The commitment will continue to progressively provide cheaper and high speed international backbone capacity for development of the Internet in Fiji and the Pacific region.

There is a surge in interests from the non-geostationary satellite operators (NGSO) in the Pacific. FINTEL's positioning as the telecommunications hub of the Pacific has so far attracted two Low earth Orbit (LEO) satellite operators, Space X (Starlink) and OneWeb.

Our People

FINTEL has a staff complement of 34. Thirty five percent of the staff are female, spread out through the Corporate and Human Resource, Finance and Risk, Commercial, Sales and Marketing and Network and Technology departments.

The FINTEL Sports and Social club and the Labour Management Consultative Committee are the main arms that keep staff and families and friends bonded through sports, social work, religious festivals, national and company events.

Corporate social responsibilities include sponsorship of charitable events for the marginalised, handicapped and the elderly and minor sports like Darts.

The support for the minor sports is for the push to be included in regional sports like the South Pacific Games, to add to Fiji's potential medal opportunities.

FINTEL annually supports the nurturing and grooming of local musicians in partnership with the Fiji Performing Rights Association (FIPRA).

As a contribution to the awareness and conservation of the environment, mangrove planting by staff and families is carried out at the Fintel, Vatuwaqa Gateway foreshore.

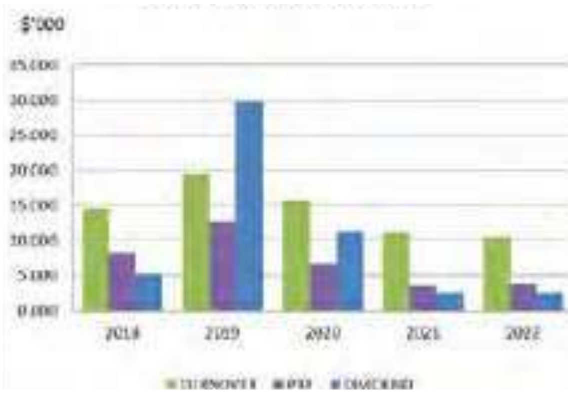
Financial Highlights

FINTEL recorded an Operating Profit of $3.89 million ($3.52M: 2021). Profit before Tax (PBT) of $3.88 million ($3.51M: 2021) and Profit after Tax (PAT) of $3.31 million ($3.21M: 2021) during the year.

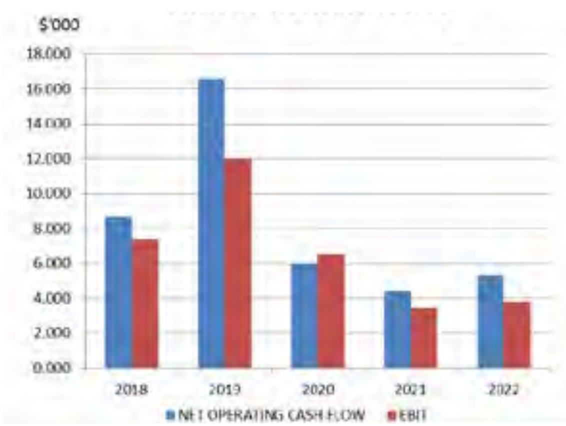
FINTEL paid its shareholder a Dividend of $2.65 million ($2.57 million: 2021).

FINTEL's substantial investment in the new Southern Cross Next subsea cable will be a major financial challenge in the fully deregulated market and the continuing impact of the Fijian Competition & Consumer Commission (FCCC) Determination on International Access which includes the regional subsea cable systems.

Financial Highlights



Financial Highlights



Fiji's international telecommunications market access was fully deregulated in 2009, giving the national carriers the liberty to use international telecommunications gateways of their choice.

International telecommunications accesses are available for the national carriers, through subsea cables and satellite systems. The Fijian Government has taken the lead in utilising Eutelsat's (satellite provider) services.

Fiji, through FINTEL, has had a single international telecommunications gateway for the past 120 years. International access resilience now more than ever, as from the COVID experience, is critical for the national economy.

Regulatory and gateway market threats are forecasted to continue which may require FINTEL to review investments to current and future subsea cable and satellite systems.

Looking Ahead

FINTEL's network development activities continue to focus on the enhancement of its core, Tele-housing and Co-location services at FINTEL's Vatuwaqa Communications Centre, in providing efficient and effective services to the domestic, regional and international corporate customers.

The direct and indirect interconnection with regional and global subsea cable systems, the surge in interest from satellite operators and the associated value added services will provide the future delivery of key business objectives.

Corporate Governance

FINTEL provides the following corporate governance statement for the year ended 31 March 2022 in accordance with the Reserve Bank of Fiji's Corporate Governance Code.

Principle 1: Establishing Clear Responsibilities for Board Oversight

Separation of Duties

The role of the Board is to drive the success of the Company by taking responsibility in setting the Company's strategic direction and guiding management in order to meet its objective of enhancing corporate profit and shareholder value. The regular business of the Board covers investments and strategic matters, governance, risk and compliance, the Chief Executive Officer's update report, and tracking the performance of subsidiary companies.

Board Charter

The Company has a Code of Corporate Governance detailing the functions and responsibilities of the Board.

Principle 2: Constitute an Effective Board

Board Composition

The Board comprises of four (4) Directors appointed by the shareholder, ATH.

Director Sashi Singh was appointed Chairman in March 2021.

Director Naibuka Saune resigned in January 2022.
Mr. Juan Castellanos de Armas was appointed as Alternate Director in January 2022.

The Directors in office on 31 March 2022 are:

Name	Title	Date of Appointment
Mr Sashi Singh	Chairman	21.08.2019
Mr Pravinesh Singh	Director	01.09.2021
Mr Vilash Chand	Director	15.03.2020
Mr Juan Castellanos de Armas	Alternate Director	12.01.2022

The Board met three times during the financial year ended 31 March 2022. Attendance was as follows:

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Sashi Singh	3	3
Mr Pravinesh Singh	1	3
Mr Vilash Chand	3	3
MrJuan Castellanos de Armas	1	3
Mr. Naibuka Saune	2	3

Board Sub-Committees

The Board has formally constituted two (2) committees: the Audit and Finance Committee and the Human Resources Committee.

The Human Resources Committee is responsible for advising the Board on human resources issues which includes the remuneration and conditions of employment of the Chief Executive Officer, senior management and succession planning.

The Audit and Finance Committee is responsible for monitoring FINTELs financial plans and strategies, monitoring the external audit of the company's affairs, reviewing the quarterly and annual financial statements, and monitoring the company's compliance with applicable laws and stock exchange requirements.

Board Sub-Committee meetings and attendance during the financial year ended 31 March 2022 were as follows:

Name	Audit and Risk Committee		Human Resources and Governance Committee	
	Number of Meetings		Number of Meetings	
	Attended	Held	Attended	Held
Mr Sashi Singh	2	2	2	2
Mr Vilash Chand	2	2	2	2
Mr Naibuka Saune	2	2	2	2

Principles 3 and 4: Chief Executive Officer and Company Secretary

Mr George Samisoni is the Chief Executive Officer and Company Secretary for FINTEL. The Chief Executive Officer is responsible for developing and implementing business strategies and policy guidelines; managing budgets, financial report and key performance indicators; providing company secretarial duties and functions; ensuring compliance with regulatory and statutory requirements; managing effective relationships with internal and external parties; and leading and developing a team of staff

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure
FINTEL is audited annually by an independent external auditor. The accounts are prepared and audited in compliance with IFRS standards.

Payment to Directors and Senior Management
A total fee of $41,200.00 was paid to Directors for their service during the year in accordance with the shareholders resolution at the 31st Annual General Meeting. FINTEL Directors were also covered under a Directors' and Officers' Insurance Policy and a Personal Accident Insurance Policy. Payment to senior management is disclosed in the annual report under Key Management Personnel Compensation.

Continuous Disclosure
FINTEL continues to make timely, accurate, and full disclosure to the shareholder.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct
The Company has a Code of Corporate Governance which is relayed to the Directors upon appointment to the Board. FINTEL believes that all Directors and executives uphold the code of conduct and ethical standards of the Company.

Principle 7: Register of Interests
A register of interests is maintained by the Company in line with the Code of Corporate Governance.

Principle 8: Respect the Rights of Shareholder

Communication with Shareholders and Website
The shareholder is invited to the AGM, receives a copy of Annual Report and notice of meeting prior to the AGM and is given an opportunity to communicate directly with the Board of Directors.

FINTEL fosters and promotes effective communication with shareholders and effective participation at general meetings. The Company explores how best to take advantage of technology to enhance shareholders communication and how to use general meetings to enhance a two-way communication.

Website
FINTEL maintains an up to date website to supplement the official release of information to the market. The website address is http://www.fintel.com.fj/

Grievance Redressal Mechanism
This mechanism is covered in the Company's Articles of Association and the Corporate Governance Policy.

Shareholder Complaints
No complaints were received from the shareholder during the year.

Corporate Sustainability
Our approach to business is outlined in the Company's vision, mission and values statements.

Principle 9: Accountability and Audit

Internal Audit, External Audit and Rotation of Auditor
FINTEL is audited annually by an independent external auditor. The accounts are prepared and audited in compliance with IFRS standards. The Company rotates its external auditors every three years. The Company also has policies and procedures to ensure that business activities are carried out as per best practices.

Audit, Finance and Risk Committee
The Company has an Audit, Finance and Risk Committee which provides oversight of the Company's internal controls and operations, verifying and safeguarding the integrity of the Company's financial reporting.

Principle 9: Risk Management Policy
Risk Management
The Directors of the Company are always mindful of potential risks that may arise in the course of its business. In that regard the Audit, Finance and Risk Committee is tasked with the responsibility of risk management. The Committee reviews the annual financial reports to be released by the Company before submission to the Board.

Whistle Blower Policy
The Company has a whistle blower policy included in its Corporate Governance Policy.

Fiji Directories Pte Ltd

Mr Taito R Waqa – Chairman
Mr Umarji Musa - Director
Mr Ivan Fong - Director
Ms Sitla Chandra - CEO & Company Secretary

Overview

Fiji Directories Pte Limited (FDL) continues to be the established market leader providing a reliable platform for local business information under the renowned Yellow Pages brand.

The resurgence of COVID-19 pandemic and the subsequent continued lockdown created a challenging business environment for FDL during the year 2021. While many of the businesses were closed and operating at minimum, the team managed to compile the Fiji Telephone Directory in the short span of three months and deliver quality and efficient category searches and listings to our valued customers.

FDL continued to provide value driven tailored advertisements to customers to connect with the targeted audience.

Our Infrastructure

Fiji Yellow Pages directory is the core product with wide coverage expanding not only to local customers but to the Pacific and the world through embassies. With the print directory, businesses can reach ready-to-buy customers at ease. The Print product maintained its position as the most popular and comprehensive resource for directory information.

FDL gives opportunity to everyone equally and it's important to consider the range of ages, abilities and access to the internet. Not everyone has resources such as ultrafast broadband. Also, it can be that web doesn't always work when searching for something or someone in a particular society.

The content is created based on specific data and the localization of information in directory such as emergency, medical, police, community, government departments, corporate services and other essential contact points.

In the era of digital transformation, the online product, Yellow Pages Fiji website and Mobile application offers users the ability to search for local businesses while on the go. It allows users to instantly find businesses from anywhere in the world, 24 hours a day, 365 days a year. Businesses can increase brand visibility through the attractive packages and optimized priority placements offered on the largest online advertising platform. It offers Link to your Website feature connecting your yellow profile and website that helps you rank higher in google search results.

FDL adapts to the way customers use the media. Every platform is not for every business, thus FDL has the power of Three; Print, Online and Mobile and is confident in providing effective and efficient directory search experience to all audiences through print and digital platforms.

Our People

FDL is committed to building a team that delivers results by bringing together skilled people with different backgrounds as part of the strength for the company.
Our Studio department creates in-house designing and layout of print and online advertisements for our customers while the production department create listing proposals and enhancements that add value to our customers conjointly with the Sales team.

Financial Highlights

FDL recorded a net profit after tax of $0.62 million despite the challenging market conditions amidst COVID-19 interruptions on business processes. Conservative measures were taken in managing cost and resources, thus, operating costs reduced by 19.34%.
The Company declared a dividend of $500,000 to shareholders.

Sales Revenue and Net Profit After Tax

Looking Ahead

FDL is a well reputed company in the market with the worldwide brand yellow pages. The customers trust and loyalty still exists in yellow pages print and digital authenticity of the information published.

For the year 2022, FDL is venturing into retaining customer base and bringing back customers that had to cancel listings as the businesses were closed and operating at minimum during the 2021 sales campaign.

FDL is moving to light weight glossy paper for a more modernized look of the print directory.

A key focus for FDL is to continue to enhance and improve its online product to cater for the technological advancements and changing market preferences with dynamic product offerings.

Corporate Governance

FDL provides the following corporate governance statement for the year ended 31 March 2022 in accordance with the Reserve Bank of Fiji's Corporate Governance Code.

Principle 1: Establishing Clear Responsibilities to Board Oversight

Separation of Duties

The role of the Board is to drive the success of the Company by taking responsibility in setting the Company's strategic direction and guiding management in order to meet its objective of enhancing corporate profit and shareholder value.

Board Charter

The Company has a Code of Corporate Governance detailing the functions and responsibilities of the Board.

Principle 2: Constitute an Effective Board

Board Composition

The Board comprises of three (3) Non-Executive Directors.

The Directors in office on 31 March 2022 were:

Name	Title	Date of Appointment
Mr Taito R Waqa	Chairman	01.10.2021
Mr Ivan Fong	Director	20.10.2016
Mr Umarji Musa	Director	20.10.2016

Mr Arun Kumar Narsey resigned as the Board Chairman effective 30.09.2021 and Mr Taito Roba Waqa was appointed as the new Chairman effective 01.10.2021.

The Board met four times during the financial year ended 31 March 2022. Attendance was as follows:

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Arun K Narsey	2	2
Mr Taito R Waqa	2	2
Mr Ivan Fong	4	4
Mr Umarji Musa	4	4

Gender Diversity

The Company's Code of Corporate Governance Principles specifies that the Board should at all times be composed of members whose skills, experience and attributes together reflect diversity, balance, cohesion and match the demands facing the Company.

Directors Training

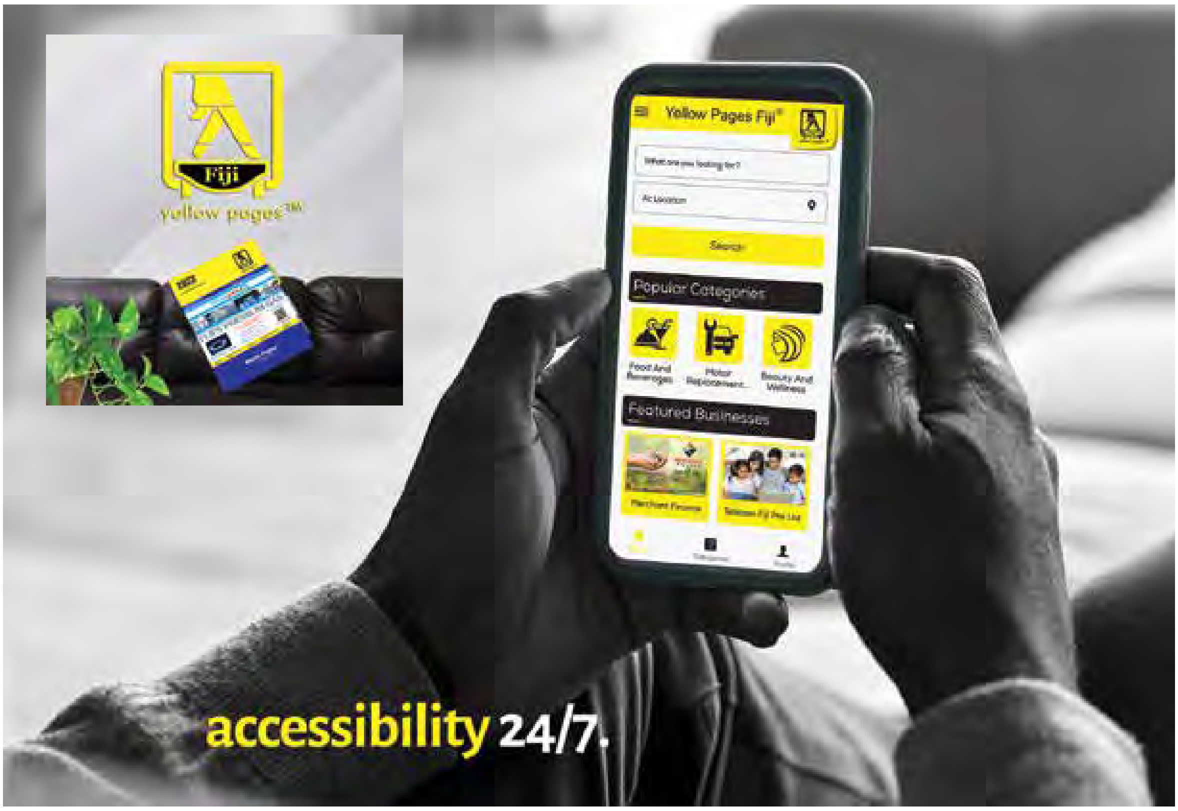
Director induction is a formal process the Company follows whereby the Chief Executive Officer and the management team present a comprehensive corporate profile of the organisation. It is necessary for all incoming Directors to attend the induction programme. In addition, as and when required, workshops are organised with external consultants.

Board Evaluation

The ATH Nominations Committee is responsible for the selection, approval, renewal and succession of Directors in the Company.

Principles 3 and 4: Chief Executive Officer and Company Secretary

Ms Sitla Chandra is the Chief Executive Officer (CEO) and Company Secretary for FDL. The CEO is responsible for developing and implementing business strategies and policy guidelines; managing budgets, financial reports and key performance indicators; providing Company secretarial duties and functions; ensuring compliance with regulatory and statutory requirements; managing effective relationships with internal and external parties; and leading and developing a team of staff.



Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

As a subsidiary of a listed company (ATH), FDL is subject to the rules and regulations for listed companies as set out by the South Pacific Stock Exchange (SPX) and Reserve Bank of Fiji (RBF). This includes market announcements of material information, six-monthly unaudited financials, audited financials and Annual Report.

Payment to Directors and Senior Management

A total fee of $14,000 was paid to Directors for their service during the year. Payment to senior management is disclosed in the annual report under Key Management Personnel Compensation.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

The Company has a Code of Corporate Governance which is relayed to the Directors upon appointment to the Board. FDL believes that all Directors and executives uphold the code of conduct and ethical standards of the Company.

Principle 7: Register of Interests

Conflict of Interest

A register of interests is maintained by the Company in line with the Code of Corporate Governance.

Principle 8: Respect the Rights of Shareholders

Communication with Shareholders and Website

The Company fosters and promotes effective communication with shareholders and effective participation at general meetings. The Company explores how best to take advantage of technology to enhance shareholders communication and how to use general meetings to enhance a two-way communication.

Website

FDL maintains an up to date website. The website address is http://www.yellowpages.com.fj/

Shareholders Complaints

No complaints were received from shareholders during the year.

Corporate Sustainability

Our approach to business is outlined in the Company's vision, mission and values statements.

Principle 9: Accountability and Audit

Internal Audit, External Audit, Rotation of Auditor and Audit, Finance and Risk Committee

FDL is audited annually by an independent external auditor. FDL accounts are prepared and audited in compliance with IFRS standards.

Principle 10: Risk Management

The Directors of the Company are always mindful of potential risks that may arise in the course of its business. While the Company does not have a separate Risk Management Committee, it has contingencies to address this as the need arises.

Whistle Blower Policy

The Company has a whistle blower policy included in its Corporate Governance Policy.

Vodafone
ATH Fiji
Foundation

Vodafone ATH Fiji Foundation was formed as a registered charity in 2004 with a mission for corporate social responsibility and catalytic philanthropic giving. The major programmes include; mobile for good, sustainable funding, world of difference, beyond funder and double your dollar programs. At the heart of our Foundation is our vision for a stronger and more connected communities using the power of technology for greater social good.

The Foundation network collaborates with the Government, NGOs, charities and civil societies to deliver the Foundation's programmes that make real difference to peoples' lives. The Foundation is committed to connecting communities around Fiji and improving lives of Fijians by supporting sustainable income generation projects through capacity building at grassroot communities by involving women and youth.

The Foundation is sustained financially through social investment from its benefactors namely Vodafone Fiji Pte Limited and Amalgamated Telecom Holdings Limited. Its activities are embedded at the core of Vodafone operations with the fusion of technology and human capacity to achieve sustainable growth and enrich lives. In order to be able to function in the way it does, the Foundation draws on the resources and skills from the Vodafone Fiji Team, charity partners and various volunteers, allowing us to blend digital investment, corporate partnerships, operational and communications support, advocacy, and mentoring with philanthropic funding to build fast-paced, sustainable, and measurable change. We are proud to be one of the largest corporate philanthropic funders in Fiji.

Whilst the Foundation had to reprioritize certain activities during the year because of COVID restrictions, it ensured that key programs continued to run through the access provided by technology and connectivity. In a First for Fiji, the Foundation mooted a new program, Youth Climate Action Fiji (YCAF), a holistic community livelihood and poverty alleviation project that incorporated climate change adaptation and mitigation. The project aims to mobilize unemployed youths and link them to priorities and needs within communities that ensure climate risk reductions. Key outcome and benefits of the project are, consolidation of awareness on climate change through mClimate and mSDG. These include, revisiting of marine protected areas and compilation of fresh GIS report, revamping of climate change and mitigation program with innovation linking to entrepreneurial activities and SEED funding for climate adaptation.

In 2021, The Foundation team in partnership with Essity Australasia, Spinal Injury Association, Capacity Building and Storytelling, Save Fiji, brought in two 40-Footer container

Vodafone ATH Fiji Foundation (Cont'd)

loads of mobility devices worth over $800k and distributed to 600 communities. The distribution of these goods was done by 80 charities and 200 volunteers. It also mooted another program, Family Action Fiji (FAF). FAF continues to address ongoing conflicts in households due to Covid and also mobilizing professional counsellors to help with domestic violence, covid related stress, workplace conflicts and unmanageable stress, pornography, drugs and other family related social issues ensuring that minor social issues don't escalate to major community-wide system issues.

The Vodafone World of Difference (WoD) continues to deliver multi-fold return on social investment. The WoD model and approach allowed a total of 12 charities and 150 partners and stakeholders to be engaged with 4 candidates in the last year.

We continue to support our WoD candidates and volunteers and in return, the organisations deliver, for the benefit of the less fortunate and vulnerable communities, clean water and sanitation projects, mobility device, education and awareness mChannel service delivery valued around $15 million annually.

Under Beyond Funder, Foundation continues to provide volunteer consultancy and needs based governance, leadership, business planning and financial capacity building. Vodafone Staff continued to raise funds and help with the cause that they are passionate about.

During 2021/2022, the Foundation identified and realized the initiatives with total grant worth of $250k; eight (8) World of Difference projects involving 200 relevant partners, 8 x Double Your Dollar initiatives under employee engagement, 24 x Mobile for Good & Sustainable Funding and 300 x Stakeholder Engagements despite the challenges posed by COVID pandemic.

The focus of the foundation for next financial year, in addition to further investment in mobile for good, sustainable funding, world of difference, and double your dollar programs will be to:

- Mobilize people from multidisciplinary background to address Fiji most pressing issues via integrative health, environment and education. Continue awareness programs via 'Vititalk'.
- Establish community studio to build capacities of our charities and communities to ensure economic development and sustainability.
- Create database of products of youth and women's club we funded, engage digital advocates and assist these clubs in branding and bringing their products to market.
- Launch FundFiji and collaborate with other charities to raise funds to address social, economic, health and environmental issues.
- Administer, handover, build capacities and provide project, financial, digital marketing, required training and support for approved charity and community projects.

Grants Approved and Paid in The Current Financial Year	
Particulars	**FY 2021-2022**
World of Difference (WoD)	
Rotary Pacific Water For Life	22,650
Philanthropy Pacific	22,650
Hakwa Foundation	12,350
Western Charity Alliance	12,350
Capacity Building and Story Telling	12,350
Smarter Fiji	12,350
Life Line Fiji	12,350
Save Fiji	12,350
WoD Admin Expenses	10,808
Total WoD Expenses	**$130,208**
Double Your Dollar	
Omega Social Services	1,000
Save Fiji/CBST	700
Ruve Foundation	1,000
Treasure Home	1,000
Capacity Building & Storytelling	1,000
Red Cross Society	1,000
Capacity Building & Storytelling	1,000
Fiji Cancer Society	1,000
Total Double Your Dollar (DYD)	**$7,700**
Sustainable Funding	
Pacific Eye Care Society	6,011
Foneology Solutions Limited/ CBST	3,350
Lifeline Fiji	5,000
Philanthropy Pacific	2,500
Capacity Building & Storytelling	1,650
Spinal Injury Association	20,000
Togo Bhartiya School	2,500
Shastri Memorial School	2,500
Yavusa Nadi Youth Club	2,000
Western Charity Alliance	10,000
Hakwa Foundation	5,000
Rotary Club of Labasa	20,000
Omega Global Caring Ministry	2,500
Banaban Primary School	2,500
Nabua Primary School	2,500
Nainaso I Yata Youth Club	2,500
Waisiliva Youth Club	2,500
Global Girmit Insititute	2,500
Savenaca Tagance T/A Voqa Ni Toba Koula Kei Tavua	2,500
Varavu Sanatan Dharam School	2,500
Khalsa Primary School	2,500
Vunisei Womens Group	2,500
Lokia Womens Club	2,500
Naveyago Womens Club	2,500
Total Sustainable Funding	**$110,511**
Total Donations	**$248,419**

Amalgamated Telecom Holdings Limited and Subsidiary Companies

Financial Statements
For The Year Ended 31 March 2022

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Directors' Report

In accordance with a resolution of the board of directors, the directors herewith submit the consolidated statement of financial position of Amalgamated Telecom Holdings Limited ("the Holding Company") and its subsidiary companies ("the Group", individually referred to as "group entities", see note 31 for investments in subsidiaries) as at 31 March 2022, the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and report as follows:

Directors
The following were directors of the Holding Company at any time during the financial year and up to the date of this report:

Ms Kalpana Lal – Chairperson
Mr Taito Waqa
Mr Umarji Musa
Mr David Kolitagane
Ms Tupou'tuah Baravilala
Mr Viliame Vodonaivalu
Mr Pravinesh Singh

Principal Activities
The principal activity of the Group during the year were the provision of telecommunications services. The principal activities of the operating subsidiary companies were as follows:

Entity	Principal Activities
Telecom Fiji Pte Limited	Telecommunication, ICT and data services, post and pre-paid telephony services, sale of telephone equipment, sale of office and computer equipment, provision of internet related services and selling of prepaid transactions cards.
Vodafone Fiji Pte Limited including its subsidiaries, Datec (Fiji) Pte Limited and its subsidiary, Datec Australia Pty Limited, Digitec ICT Limited (PNG), Etech ICT Pte Limited (Singapore) and Etech ICT Pty Limited (Australia).	Cellular mobile telecommunication services, cloud services, e-transport, other ancillary services on mobile platform and sale of computer hardware and software, ICT services, equipment rental, provision of technical support and other related services provided within the technology industry.
Fiji International Telecommunications Pte Limited (FINTEL)	International telecommunications facilities and provision of Internet related services.
Fiji Directories Pte Limited	Compiling and publishing online and print Fiji telephone directory services.
Amalgamated Telecom Holdings (Kiribati) Limited	Telecommunications and ICT services in the Republic of Kiribati.
Telecom Vanuatu Limited	Telecommunication services in the Republic of Vanuatu.
Amalgamated Bluesky Telecom Holdings LLC and its subsidiary companies including AST Telecom LLC, American Samoa Entertainment Inc., Bluesky Samoa Limited, Telecom Cook Islands Limited, TCNZ Cook Islands Limited, Teleraro Limited, Bluesky Pacific Holdings Limited, Bluesky Cook Islands Investment Limited, Bluesky Holding New Zealand Limited and Teleraro Management Limited	Equity investments, provision of mobile wireless (GSM) and broadband internet services, provision of telecommunication services which includes local and international telecommunications services, sale of telephone equipment, compilation and publishing of telephone directory, provision of internet connection and internet related services, operation of a mobile and fixed line telecommunications network and provision of cable services and internet.
eLandia Technologies, LLC and its subsidiary companies including American Samoa Hawaii Cable LLC and Samoa American Samoa Cable Limited	Equity investments, operation of an undersea fibre optic cable system and the sale of broadband capacity.
ATH International Venture Pte Limited and its subsidiary company including Digitec Communications Limited (PNG)	Equity investments and telecommunication services.

Directors' Report (Cont'd)

Principal Activities (cont'd)

There were no significant changes in the nature of principal activities of the Group during the financial year.

Results

The consolidated profit after income tax attributable to the members of the Holding Company for the financial year was $34,818,000 (2021: $14,603,000).

Dividends

Interim dividends of $9,572,000 were declared by the Holding Company for the year ended 31 March 2022 (2021: $Nil).

Basis of Accounting - Going Concern

The financial statements of the Group have been prepared on a going concern basis. The directors consider the application of the going concern principle to be appropriate in the preparation of these consolidated financial statements as the directors believe that the Group has adequate funds to meet its liabilities as and when they fall due over the next twelve months.

Bad Debts and Allowance for Expected Credit Loss

Prior to the completion of the financial statements of the Group, the directors took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the making of allowance for expected credit loss. In the opinion of the directors, adequate allowance has been made for expected credit loss.

As at the date of this report, the directors are not aware of any circumstances, which would render the amount written off for bad debts, or the allowance for expected credit loss in the Group, inadequate to any substantial extent.

Current and Non-Current Assets

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

As at the date of this report, the directors are not aware of any circumstances, which would render the values attributed to current and 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 unusual nature, nor has there arisen between the end of the financial year and the date of this report, any item, transaction or event of a material unusual nature, likely in the opinion of the directors, to affect substantially the results of the operations of the Group in the current financial year.

Directors' Report (Cont'd)

Significant Events during the Year

(a) On 27 April 2021, the holding company issued an additional 4,000,541 shares on the SPX platform subsequent to the expiry of the rights issue offer dated 19 April 2021.

Regarding the above-mentioned rights issue offer, a total of 26,677,646 new share applications were received.

<u>Result of the Offer and Placement of shortfall shares:</u>

A total of 63,379,109 shares were offered under the rights issue offer. A total of 56,485,231 pro-rata entitlement applications and short fall share applications were received.

(b) In March 2020 the World Health Organisation announced the spread of COVID-19 virus to be a pandemic. As the global COVID-19 pandemic continues to evolve, so does the Group's response. The Group remains fully committed to supporting all its stakeholders throughout the pandemic and has responded rapidly to the evolving situation, taking action to protect its interests.

The COVID-19 pandemic continues to impact the lives of many people around the world, with temporary restrictions and lockdowns across many countries leading to changes in consumer behaviour and in the local operating environments.

The Group continues to navigate the challenges associated with the pandemic with effective crisis management and risk management processes in place, and remains a financially resilient business.

The Board has maintained close oversight of the Group's response to the impact of COVID-19 throughout this period. The Group has taken conservative measures to re-strategise, manage costs and preserve its cash position. Directors and Management believe the Group has reasonably adequate financial resources to be able to manage its business risks within the current uncertain economic outlook due to COVID-19. The Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing these consolidated financial statements.

Directors' Report (Cont'd)

Events Subsequent to Balance Date

On 22 April 2022, the Group launched its new mobile broadband telecommunications network in PNG.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Group, the results of those operations, or the state of the affairs of the Group, in subsequent financial years.

Other Circumstances

As at the date of this report:

(i) no charge on the assets of any company in 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 any company in the Group could become liable; and

(iii) no contingent liabilities or other liabilities of any company in 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 Group's financial statements which would make adherence to the existing method of valuation of assets or liabilities of the Group 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 benefits disclosed in the financial statements and / or those included in the aggregate amount of emoluments received or due and receivable by directors shown in the consolidated financial statements or received as the fixed salary of a full-time employee of any company in the Group or of a related corporation) by reason of a contract made by any company in the Group or by a related corporation with the director or with a company of which the director is a member, or with a company in which the director has a substantial financial interest.

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

Dated this 30th day of June 2022.

.... Director

.... Director

Directors' Declaration

In the opinion of the directors of the Holding Company:

a) the accompanying consolidated statement of profit or loss and other comprehensive income of the Group is drawn up so as to give a true and fair view of the results of the Group for the year ended 31 March 2022;

b) the accompanying consolidated statement of financial position of the Group is drawn up so as to give a true and fair view of the state of the affairs of the Group as at 31 March 2022;

c) the accompanying consolidated statement of changes in equity of the Group is drawn up so as to give a true and fair view of the movement in shareholders' funds for the year ended 31 March 2022;

d) the accompanying consolidated statement of cash flows of the Group is drawn up so as to give a true and fair view of the cash flows of the Group for the year ended 31 March 2022;

e) at the date of this statement, there are reasonable grounds to believe that the group entities will be able to pay their debts as and when they become due and payable;

f) all related party transactions have been adequately recorded in the books of the group entities; and

g) the consolidated financial statements have been prepared in accordance with the Companies Act 2015.

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

Dated this 30th day of June 2022.

Director

Director

INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 31 MARCH 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 395 OF THE COMPANIES ACT 2015

To: the Directors of Amalgamated Telecom Holdings Limited

As required under Section 395 of the Companies Act 2015, we declare that to the best of our knowledge and belief, in relation to the audit for the year ended 31 March 2022 and up to the date of this report there have been:

i. no contraventions of the Auditor independence requirements as set out in the Companies Act 2015 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG
KPMG

Steve Nutley
Partner
Suva, Fiji
30th June, 2022

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMALGAMATED TELECOM HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Amalgamated Telecom Holdings Limited ("the Holding Company") and its controlled entities (the "Group"), which comprise the consolidated statement of financial position as at 31 March 2022, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out in notes 1 to 35.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2022, and of its consolidated financial performance and its 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the Companies Act 2015 and the ethical requirements that are relevant to our audit of the consolidated financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of goodwill; and
- Revenue recognition.

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill amount ($132,388K)	
Refer to Note 15(a) of the consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
A key audit matter for us was the Group's annual testing of goodwill for impairment, given the size of the balance (being 9% of total assets) and the higher estimation uncertainty continuing from the business disruption impact of the COVID-19 global pandemic. Certain conditions impacting the Group increased the judgement applied by us when evaluating the evidence available. We focussed on the significant forward-looking assumptions the Group applied in their value in use and fair value less costs of disposal models, including:	Working with our valuation specialists our procedures included: • considering the appropriateness of the value in use and fair value less costs of disposal methods applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards. • assessing the integrity of the value in use and fair value less costs of disposal models used, including the accuracy of the underlying formulas applied.

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMALGAMATED TELECOM HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
• forecast cash flows – the Group has experienced the impact of travel restrictions throughout the Pacific and associated tourism spend, directly and indirectly, as a result of COVID-19. This impacted the Group through loss of revenue and collection uncertainty. These conditions and the uncertainty of their continuation increase the possibility of goodwill being impaired, plus the risk of inaccurate forecasts or a significantly wider range of possible outcomes for us to consider. We focused on the expected rate of recovery for the Group and what the Group considers as its future business model when assessing the feasibility of the Group's forecast cash flows. • forecast growth rates and terminal growth rates – In addition to the uncertainties described above, the Group's models are highly sensitive to small changes in these assumptions, reducing available headroom and indicating possible impairment. This drives additional audit effort specific to their feasibility and consistency of application to the Group's strategy. • discount rate - these are complicated in nature and vary according to the conditions and environment the specific Cash Generating Unit (CGU) is subject to from time to time, together with the models approach to incorporating risks into the cash flows or discount rates. The Group's modelling is highly sensitive to small changes in the discount rate. We involve our valuations specialists with the assessment. The Group uses complex models to perform their annual testing of goodwill for impairment. The models are largely manually developed, use adjusted historical performance, and a range of internal and external sources as inputs to the assumptions. Complex modelling, using forward-looking assumptions tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.	• meeting with management to understand the impact of COVID-19 to the Group. This included understanding changes in the Group's plans resulting from COVID-19, and potential future impacts to the Group. • assessing the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models. • challenging the Group's significant forecast cash flow and growth assumptions in light of the expected continuation of unprecedented uncertainty of business disruption and impacts of the COVID-19 global pandemic. We compared forecast growth rates and terminal growth rates to authoritative published studies of industry trends and expectations, and considered differences for the Group's operations. We assessed key assumptions such as what the Group considers as their future business model. We used our knowledge of the Group, business and customers, and our industry experience. We sourced authoritative and credible inputs from our specialists. • checking the consistency of the growth rates to the Group's revised plans and our experience regarding the feasibility of these in the industry and COVID-19 economic environment in which they operate. • independently developing a discount rate range considered comparable using publicly available information for comparable entities, adjusted by risk factors specific to the Group, respective countries and the industry it operates in. • considering the sensitivity of the models by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range. We did this to identify those CGUs at higher risk of impairment and those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures.

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMALGAMATED TELECOM HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
In addition to the above, the Group recorded an impairment charge of $2,200,000 against goodwill. This further increased our audit effort in this key audit area. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	• recalculating the impairment charge against the recorded amount disclosed. • assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Revenue recognition ($640,654K)	
Refer to Note 3.1 and 6 of the consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**

We focused on revenue recognition as a key audit matter due to the:
• Group having complex billing systems to process large volumes of data with a combination of different telecommunication products and services and price changes during the year. This requires the involvement of our IT specialists, increases the complexity of our audit and resulting audit effort.
• significance of revenue to the financial performance of the Group and the potential for error or manipulation of results.
	Our procedures included:
	• obtaining an understanding of the Group's process of accounting for revenue.
	• assessing the Group's accounting policy for revenue recognition against the requirements of the accounting standards
	• assessing, with the assistance of our IT specialists, a sample of the Group's:
	  ◦ key internal controls in the general IT environment in which the business systems operate, including access to program controls, program change controls, program development controls and computer operation controls;
	  ◦ key internal IT controls in relation to the end-to-end reconciliation from the rating and billing systems to the accounting general ledger;
	• evaluating the key controls related to the:
	  ◦ authorisation of rate changes in the billing systems; and
	  ◦ accuracy of the calculation logic used to determine amounts billed to customers.
	• testing the end-to-end reconciliation from the Group's billing and rating IT systems to the general ledger. This included analysing a sample of significant journals processed between the billing system and general ledger to relevant underlying documentation, such as, invoices;

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMALGAMATED TELECOM HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
	• performing sample tests on the accuracy of customer bill generation by checking customer agreed rate and charge plans to sources such as customer terms and conditions contained in their contracts; • assessing new plans introduced during the current year to consider the application of revenue recognition in accordance with the Group's accounting policies and against the criteria in the accounting standards. • assessing a sample of the sales transactions on either side of the balance sheet date as well as a sample of credit notes issued after year end to relevant underlying documentation such as customer contracts to check revenue recognition in the correct period; and • evaluating manual journal entries posted to revenue accounts, on a specific risk-based sample basis, and comparing details of these journal entries including, the date recorded and amount to relevant underlying documentation, such as, invoices and bank statements. • assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report and directors' report but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein of this other information, we are required to communicate that fact. We have nothing to report in relation to the directors' report.

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMALGAMATED TELECOM HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 auditors' report to the related disclosures in the consolidated 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMALGAMATED TELECOM HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

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

In our opinion:

i) proper books of account have been kept by the Holding Company, sufficient to enable consolidated financial statements to be prepared, so far as it appears from our examination of those books; and

ii) to the best of our knowledge and according to the information and explanations given to us the consolidated financial statements give the information required by the Companies Act 2015, in the manner so required.

The engagement partner on the audit resulting in this independent auditors' report is Steve Nutley.

KPMG
KPMG

Steve Nutley
Partner
Suva, Fiji
30th June, 2022

Consolidated Statement of Profit or Loss and other Comprehensive Income
For the Year Ended 31 March 2022

	Note	2022 $'000	2021 $'000
Revenue	6	640,654	579,765
Direct costs	7	(252,677)	(212,172)
Gross profit		387,977	367,593
Other income	8	10,021	11,166
Impairment loss on trade receivables and contract assets recognised, net	20(c)	(2,003)	(8,923)
Marketing and promotion expenses		(30,170)	(28,622)
Other expenses	11	(290,443)	(281,576)
Operating profit		75,382	59,638
Finance income	10	17,165	15,679
Finance costs	10	(23,422)	(20,573)
Net finance costs		(6,257)	(4,894)
Profit before tax		69,125	54,744
Income tax expense	12(a)	(13,271)	(13,370)
Profit		55,854	41,374
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		(2,291)	(1,036)
Other comprehensive expense, net of tax		(2,291)	(1,036)
Total comprehensive income		53,563	40,338

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Profit or Loss and other Comprehensive Income (Cont'd)

For the Year Ended 31 March 2022

	Note	2022 $'000	2021 $'000
Profit attributable to:			
Equity holders of the Holding Company		34,818	14,603
Non-controlling interests	17	21,036	26,771
		55,854	41,374
Total comprehensive income attributable to:			
Equity holders of the Holding Company		32,576	18,310
Non-controlling interests	17	20,987	22,028
		53,563	40,338
Earnings per share			
- Basic and diluted earnings per share (cents per share)	13	7.38	3.26

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of changes in Equity
For the Year Ended 31 March 2022

	Attributable to equity holders of the Holding Company							
	Share capital $'000	Foreign currency translation reserve $'000	Merger reserve $'000	Other equity reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance as at 31 March 2020	107,600	(5,519)	-	-	224,335	326,416	139,630	466,046
Total comprehensive income								
Profit	-	-	-	-	14,603	14,603	26,771	41,374
Other comprehensive income/(expense)	-	3,707	-	-	-	3,707	(4,743)	(1,036)
Total comprehensive income	-	3,707	-	-	14,603	18,310	22,028	40,338
Transactions with owners of the Holding Company								
Contributions and distributions								
Issues of ordinary shares	51,614	-	-	-	-	51,614	-	51,614
Dividends (Note 27)	-	-	-	-	-	-	(17,912)	(17,912)
Total contributions and distributions	51,614	-	-	-	-	51,614	(17,912)	33,702
Changes in ownership interests								
Disposal of ownership interests without loss of control (Note 31)	-	-	4,519	-	-	4,519	5,126	9,645
Total changes in ownership interests	-	-	4,519	-	-	4,519	5,126	9,645
Total transaction with owners of the Holding Company	51,614	-	4,519	-	-	56,133	(12,786)	43,347
Balance as at 31 March 2021	**159,214**	**(1,812)**	**4,519**	**-**	**238,938**	**400,859**	**148,872**	**549,731**
Total comprehensive income								
Profit	-	-	-	-	34,818	34,818	21,036	55,854
Other comprehensive income/(expense)	-	(2,242)	-	-	-	(2,242)	(49)	(2,291)
Total comprehensive income	-	(2,242)	-	-	34,818	32,576	20,987	53,563

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of changes in Equity (Cont'd)
For the Year Ended 31 March 2022

	Attributable to equity holders of the Holding Company							
	Share capital $'000	Foreign currency translation reserve $'000	Merger reserve $'000	Other equity reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Transactions with owners of the Holding Company								
Contributions and distributions								
Issues of ordinary shares	61,356	-	-	-	-	61,356	-	61,356
Dividends (Note 27)	-	-	-	-	(9,572)	(9,572)	(20,889)	(30,461)
Total contributions and distributions	61,356	-	-	-	(9,572)	51,784	(20,889)	30,895
Changes in ownership interests								
Acquisition of non-controlling interests (Note 31)	-	-	-	(6,327)	-	(6,327)	(5,074)	(11,401)
Total changes in ownership interests	-	-	-	(6,327)	-	(6,327)	(5,074)	(11,401)
Total transaction with owners of the Holding Company	61,356	-	-	(6,327)	(9,572)	45,457	(25,963)	19,494
Balance as at 31 March 2022	**220,570**	**(4,054)**	**4,519**	**(6,327)**	**264,184**	**478,892**	**143,896**	**622,788**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 31 March 2022

	Note	2022 $'000	2021 $'000
Assets			
Non-current assets			
Deferred tax assets	12(b)	30,366	15,454
Property, plant and equipment	14	759,297	697,404
Intangible assets	15	181,060	177,257
Right of use assets	16(a)	94,869	88,561
Trade and other receivables and contract assets	20	3,059	2,957
Equity investment securities		2,741	2,783
		1,071,392	984,416
Current assets			
M-PAiSA trust account	4.1(c)	74,915	37,120
Inventories	18	58,826	31,982
Debt investment securities	19	18,315	15,295
Trade and other receivables and contract assets	20	130,137	112,024
Cash and cash equivalents		116,302	100,334
		398,495	296,755
Total assets		**1,469,887**	1,281,171
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	22	220,570	159,214
Foreign currency translation reserve	23	(4,054)	(1,812)
Merger reserve	31(b)	4,519	4,519
Other equity reserve	31(c)	(6,327)	-
Retained earnings		264,184	238,938
Equity attributable to the owners of the Holding Company		478,892	400,859
Equity attributable to non-controlling interests	17	143,896	148,872
Total shareholders' equity		622,788	549,731
Liabilities			
Non-current liabilities			
Deferred tax liabilities	12(c)	26,618	29,190
Lease liabilities	16(b)	68,825	63,637
Borrowings	24	256,701	226,189
Provisions	25	685	393
Trade and other payables	26	4,100	16,646
		356,929	336,055

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position (Cont'd)
As at 31 March 2022

	Note	2022 $'000	2021 $'000
Current liabilities			
E-value in circulation	4.1(c)	74,915	37,120
Current tax liability	12(d)	9,672	306
Lease liabilities	16(b)	9,875	6,484
Borrowings	24	93,013	80,384
Provisions	25	5,158	4,746
Trade and other payables	26	283,119	266,345
Contingent consideration payable	33	14,418	-
		490,170	395,385
Total liabilities		847,099	731,440
Total shareholders' equity and liabilities		**1,469,887**	**1,281,171**

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

.... Director

.... Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the year ended 31 March 2022

	2022 $'000	2021 $'000
Cash flows from operating activities		
Receipts from customers and others	687,432	645,748
Payments to suppliers and employees	(507,746)	(441,343)
Cash generated from operating activities	179,686	204,405
Interest received	917	1,494
Interest paid	(20,905)	(20,573)
Income taxes paid	(20,401)	(23,955)
Net cash from operating activities	139,297	161,371
Cash flows from investing activities		
Acquisition of property, plant and equipment	(188,952)	(134,784)
Acquisition of intangible assets	(4,405)	(2,153)
Proceeds from sale of property, plant and equipment	1,313	370
(Payment for)/redemption of debt investment securities	(2,993)	11,316
Net cash used in investing activities	(195,037)	(125,251)
Cash flows from financing activities		
Dividends paid to equity holders of the Holding Company	(2,533)	-
Dividends paid to non-controlling interests	(16,932)	(16,365)
Repayment of borrowings	(44,429)	(59,339)
Proceeds from borrowings	103,048	8,134
Proceeds from share issue	61,356	51,614
Payment of lease liabilities	(10,652)	(6,622)
Net cash from/(used in) financing activities	89,858	(22,578)
Net change in cash and cash equivalents	34,118	13,542
Cash and cash equivalents at the beginning of the financial year	79,351	70,022
Effect of movements in exchange rates on cash held	(1,389)	(4,213)
Cash and cash equivalents at the end of the financial year (Note 21)	112,080	79,351

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2022

NOTE 1. GENERAL INFORMATION

a) Reporting entity
Amalgamated Telecom Holdings Limited (the Holding Company) is a limited liability company incorporated and domiciled in Fiji. The Holding Company is listed on the South Pacific Stock Exchange. The Holding Company's registered office and principal place of business is at Harbour Front Building, Rodwell Road, Suva.

b) Consolidated financial statements
The consolidated financial statements for the year ended 31 March 2022 comprise the Holding Company and its subsidiaries (together referred to as "the Group", individually referred to as "group entities").

c) Parent company
The Holding Company's parent company is Fiji National Provident Fund (FNPF), a defined contribution superannuation fund domiciled in Fiji.

d) Principal activities

The principal activity of the Group during the year were the provision of telecommunications services. The principal activities of the operating subsidiary companies were as follows:

Entity	Principal Activities
Telecom Fiji Pte Limited	Telecommunication, ICT and data services, post and pre-paid telephony services, sale of telephone equipment, sale of office and computer equipment, provision of internet related services and selling of prepaid transactions cards.
Vodafone Fiji Pte Limited including its subsidiaries, Datec (Fiji) Pte Limited and its subsidiary, Datec Australia Pty Limited, Digitec ICT Limited (PNG), Etech ICT Pte Limited (Singapore) and Etech ICT Pty Limited (Australia).	Cellular mobile telecommunication services, cloud services, e-transport, other ancillary services on mobile platform and sale of computer hardware and software, ICT services, equipment rental, provision of technical support and other related services provided within the technology industry.
Fiji International Telecommunications Pte Limited (FINTEL)	International telecommunications facilities and provision of Internet related services.
Fiji Directories Pte Limited	Compiling and publishing online and print Fiji telephone directory services.
Amalgamated Telecom Holdings (Kiribati) Limited	Telecommunications and ICT services in the Republic of Kiribati.
Telecom Vanuatu Limited	Telecommunication services in the Republic of Vanuatu.
Amalgamated Bluesky Telecom Holdings LLC and its subsidiary companies including AST Telecom LLC, American Samoa Entertainment Inc., Bluesky Samoa Limited, Telecom Cook Islands Limited, TCNZ Cook Islands Limited, Teleraro Limited, Bluesky Pacific Holdings Limited, Bluesky Cook Islands Investment Limited, Bluesky Holding New Zealand Limited and Teleraro Management Limited	Equity investments, provision of mobile wireless (GSM) and broadband internet services, provision of telecommunication services which includes local and international telecommunications services, sale of telephone equipment, compilation and publishing of telephone directory, provision of internet connection and internet related services, operation of a mobile and fixed line telecommunications network and provision of cable services and internet.
eLandia Technologies, LLC and its subsidiary companies including American Samoa Hawaii Cable LLC and Samoa American Samoa Cable Limited	Equity investments, operation of an undersea fibre optic cable system and the sale of broadband capacity.
ATH International Venture Pte Limited and its subsidiary company including Digitec Communications Limited (PNG)	Equity investments and telecommunication services.

There were no significant changes in the nature of principal activities of the Group during the financial year.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 2. BASIS OF PREPARATION

a) Basis of preparation

The consolidated financial statements of the Group have been prepared on the historical cost basis except for equity investment securities, which are measured on a fair value basis.

b) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and in compliance with the requirements of the Companies Act, 2015.

c) Standards issued but not yet effective

A number of new and amended standards are effective for annual periods beginning after 1 April 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following new and amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).
- Annual Improvements to IFRS Standards 2018-2020.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 *Insurance Contracts* and amendments to IFRS 17 *Insurance Contracts*.
- Disclosure of Accounting Policies (Amendments to IAS 21 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8).

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 2. BASIS OF PREPARATION (CONT'D)

d) Basis of consolidation

i. Business combinations
The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see 2(d) (ii)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see 3.8). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities (see (3.12)).

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries
Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests (NCI)
NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v. Interests in equity-accounted investees
The Group's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence ceases.

vi. Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

e) Functional and presentation currency

The consolidated financial statements are presented in Fiji dollars, which is the Holding Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer. The following is a description of principal activities from which the Group generates its revenue.

The Group principally generates revenue from providing mobile telecommunication services, such as access to the network, airtime usage, messaging and internet services, sale of mobile devices, retailing of computer hardware and software, technical support services, equipment rental and other related services provided within the technology industry. Products and services may be sold separately or in bundled packages. The typical length of a contract for bundled packages is 24 months.

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

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Fixed line and mobile telecommunication services	Revenue for voice and video calls, messaging and mobile data provided to customers is recognised as services are performed, with unearned revenue from services to be provided in future periods deferred. Revenue from prepaid products and fixed monthly charges billed in advance is deferred and recognised as revenue once the related service has been provided. Revenue from interconnect fees is recognised at the time the services are performed.
M-PAiSA	M-PAiSA is a service allowing customers to transfer money using a mobile phone. M-PAiSA is available to all Vodafone subscribers. Revenue from this service is earned from transfers and withdrawal transactions performed by customers. A tariff that is generated depending on the funds being transacted is applied on all transactions which cumulatively are reported as M-PAiSA transaction commission revenue. Commission revenue is recognised at the time the transfer or withdrawal transactions are performed by the customers.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.1 Revenue recognition (cont'd)

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of computer hardware, software, mobile devices and terminals	Sales of computer hardware and software which are not part of any bundled package are recognised when a group entity has delivered products to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Sales of devices and terminals which are not part of any bundled package are recognised when a group entity sells them to the customer. Revenue is recognised at the point the devices and terminals are dispatched from the warehouse to the customer or sold at a group's retail outlet. For bundled packages, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the mobile devices, and telecommunication services.
Sale of technical support services	Revenue from technical support and software development services is generally recognised based on the performance obligations completed to date.
Published and on-line directories	**Published directories** Revenue is recognised upon dispatch of the directories for distribution. Monies collected in advance are deferred. **Online directories** Revenue from contracts in relation to online directory is recognised over the term of the contract.
Sale of broadband capacity	Revenue from sale of broadband capacity is recognised over time by measuring the progress toward complete satisfaction of performance obligation to deliver the services.
Subscription revenue	Revenue from subscription television services is initially deferred and is recognised over time as revenue in the period(s) that the related services is provided to subscribers.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.2 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to be made ready for their intended use or sale, are added to the cost of those assets, until such time as those assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.3 Dividend distribution

Dividend distribution to the Holding Company's shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividend is declared by the Holding Company's directors.

Dividend distribution to the non-controlling shareholders of subsidiary companies is recognised as a liability in the consolidated financial statements in the period in which the dividend is declared by the relevant subsidiary companies' directors.

3.4 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Freehold land is not depreciated.

The annual depreciation rates are as follows:

- Leasehold land	Lease term
- Leasehold buildings and improvements	3% - 20%
- Telecommunications equipment and plant	
- Exchange plant and telecommunications infrastructure	5% - 33%
- Subscriber equipment	5% - 33%
- Trunk network plant	5% - 10%
- Plant and machinery	10% - 25%
- Equipment rental	10% - 25%
- Motor vehicles	20% - 25%
- Furniture, fittings and office equipment	10% - 25%
- Computer equipment	10% - 33%

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

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.5 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

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

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

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

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.5 Leases (cont'd)

Short-term leases and leases of low-value assets

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

IRU network capacity

The subsidiary company, Telecom Fiji Limited, acquired indefeasible rights to use (IRU) network capacity in Southern Cross Cables. As a result, the subsidiary company entered into an agreement with Optus Networks Pty Limited to lease IRU network capacity for IP Transit and STM-1 and STM-4 via Australia and USA links. The subsidiary company has also been entering into an agreement with Optus Network Pty Limited annually for IP Transit.

The subsidiary company, Fiji International Telecommunications Limited, also acquired IRU network capacity in Southern Cross Cables. As a result, the subsidiary company entered into an agreement with Sothern Cross Cables Limited to lease IRU network capacity via Australia and USA links until 2030.

The amount recorded under right of use assets represents consideration prepaid to acquire IRU network capacities. The IRU network capacities are amortised over their estimated economic useful lives, as follows:

- IP Transit 33% -100%
- STM-1 7%
- STM-4 7%

The estimated economic useful lives of the IRU network capacities are reviewed, and adjusted if appropriate, at each balance date.

IRU network capacities do not meet the definition of a lease under IFRS 16 *Leases.* Accordingly, the recognition, measurement and disclosure requirements of IFRS 16 do not apply to IRU network capacities.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

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

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

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.5 Leases (cont'd)

As a lessor (cont'd)

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

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

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

3.6 Intangible assets and goodwill

i. Recognition and measurement

a) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

b) Other intangible assets

Other intangible assets, including customer relationships and contracts, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Brands that are acquired in a business combination and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Brands that are acquired in a business combination and have indefinite useful lives are measured at cost less accumulated impairment losses.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Spectrum licences are capitalised on the basis of the costs incurred to acquire the licences. The licences are capable of being used as at the date of purchase, but cannot be used until the associated network assets necessary are available for use.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:
- computer software: 2–5 years
- spectrum licences: shorter of remaining licence rights and estimated economic useful lives
- customer relationships and contracts: 5 years
- brand: 15 months

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

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.7 Foreign currency

i. Foreign currency transactions
Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

ii. Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Fiji dollar at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Fiji dollar at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3.8 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.9 Government grants

Government grants are initially recognised in the statement of financial position as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions attached with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

3.10 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI. The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

i. Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.11 Value Added Tax (VAT)

Revenues, expenses, assets and liabilities are recognised net of the amount of Value Added Tax (VAT), except:

(a) where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(b) for receivables and payables which are recognised inclusive of VAT.

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

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

3.12 Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12 (see Note 3.10).

3.13 Inventories

Inventories comprise of merchandise, computer hardware, spares, accessories and other consumables, and are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of selling.

The cost incurred in acquiring the inventories and bringing them to their existing location and condition are accounted using the following formulae:

i) Merchandise and other consumables – first-in-first-out basis.

ii) Computer hardware, spares, accessories and other consumables – weighted average basis.

Inventory obsolescence is considered as part of determining the net realisable value, based on reviews of inventories.

3.14 Financial instruments

i) Recognition and initial measurement

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

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

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.14 Financial instruments (cont'd)

ii) Classification and subsequent measurement

Financial assets

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

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.14 Financial instruments (cont'd)

ii) Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment (Cont'd)

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

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

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.14 Financial instruments (cont'd)

ii) Classification and subsequent measurement (cont'd)

Financial assets: Subsequent measurement and gains and losses (cont'd)

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPTL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Modifications of financial assets

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

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.14 Financial instruments (cont'd)

iv) Modifications of financial assets (cont'd)

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income (refer note 3.16).

v) Offsetting

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

3.15 Impairment of non-derivative financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost and contract assets.

No impairment loss is recognised on equity investment.

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

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

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

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.15 Impairment of non-derivative financial assets (cont'd)

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's or BBB- or higher per Standards and Poor's.

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

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

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

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

Write-off

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

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.16 Finance income and finance costs

The Group's finance income and finance costs include:

- Interest income
- Interest expense
- the foreign currency gain or loss on financial assets and financial liabilities
- impairment losses (and reversals) on investments in debt securities carried at amortised cost

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

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

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

3.17 Fair value measurement

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

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

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

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

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

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.18 Cash and cash equivalents

For the purpose of statements of cash flows, cash and cash equivalents include cash on hand, cash at banks; short term deposits with banks and bank overdrafts. Bank overdrafts are included within borrowings and disclosed as current liabilities in the statements of financial position.

3.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

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

3.20 Employee entitlements

Wages and salaries

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

Annual leave and sick leave

Liability for annual leave is recognized in the provision for employee entitlements. Liabilities for annual leave are expected to be settled within 12 months of the balance date and are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates prevailing at that time.

Long service leave and retirement benefits

Liability for long service leave is recognised in the provision for employee entitlements and measured at the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the balance date on government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Liability for retirement benefits is recognised in the provision for employee entitlements and measured at the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, periods of service and probability of pay-out. Expected future payments are discounted using market yields at the balance date on government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Bonus plans

The Group pays bonuses to employees based on the achievement of individual objectives by the employees and performance of the respective subsidiary companies. The Group recognises a provision where contractually obliged or where there is a past practice, subject to performance evaluation.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

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

3.20 Employee entitlements (cont'd)

Termination benefits

The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a formal plan without the possibility of withdrawal or providing termination benefits as a result for an offer made for redundancy. Benefits falling due more than 12 months after the balance date are disclosed at present value.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

3.21 Segment reporting

Operating Segments

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments.

For reporting purposes, the Group considers itself to be operating predominantly in the telecommunications industry and revenue from other sources are not material.

The Group has disclosed three reportable segments as follows:

- Fixed line telecommunications ("Fixed Line Telecom") segment includes all fixed line telecommunication services including the sale or lease of telecommunications related office equipment, accessories and services including prepaid telephony and card services;

- Mobile telecommunications ("Mobile Telecom") segment includes all mobile telecommunication services including the sale of associated equipment, accessories and services;

- Other segment comprises of provisions of international public and dedicated telecommunications, data and internet services, sale of computer hardware and software, provision of technical support services and directory services.

The accounting policies adopted for segment reporting are the same accounting policies adopted for preparing and presenting consolidated financial statements of the Group.

Geographical segment

A geographical segment constitutes the provision of products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

The Holding Company and four subsidiary companies operate in Fiji while its other subsidiary companies operate in Kiribati, Vanuatu, American Samoa, Samoa, Cook Islands, New Zealand (non-operating), United States of America (non-operating), Papua New Guinea, Singapore and Australia.

The segment reporting has been disclosed under note 32.

3.22 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by executive management. Executive management identifies, evaluates and monitors financial risks in close co-operation with the operating units.

a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rate, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimising the return on risk.

Unfavourable changes to duty and tax regulations may expose the Group to a decline in revenue. The Group operates in a number of countries and changes to respective government's policies therefore affect the economic situation and ultimately the revenue of the Group. To address this, the Group reviews its pricing and product range regularly and responds appropriately to these changes.

i) Foreign exchange risk

The Group largely procures most of its telecommunication equipment and supplies from overseas and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Management has set up a policy that requires the Group companies to manage its foreign exchange risk against their functional currency. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency other than the functional currency of the respective Group companies. For significant settlements, the Group companies seek quotations from recognised banks and use the most favourable exchange rate for settlement purposes.

As at year end, financial liabilities (trade and other payables) denominated in foreign currencies are significant and hence changes in the US dollar by 10% (increase or decrease) are expected to have a significant impact on the net profit and equity balances currently reflected in the Group's financial statements. The carrying amount of the Group's significant foreign currency denominated monetary liabilities at the end of the reporting period are as follows:

	2022 F$'000	2021 F$'000
USD	162,194	136,757

As at yearend, there were no financial assets denominated in foreign currencies.

The following significant exchange rate against FJD was applied during the year:

	Reporting date spot rate	
	2022	2021
USD	0.478	0.483

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (cont'd)

a) Market risk (cont'd)

i) Foreign exchange risk (cont'd)

A reasonably possible strengthening (weakening) of the US dollar against the Fiji dollar at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. A sensitivity rate of 10% is used when reporting foreign currency risk internally to key management personnel which also represents management's assessment of the reasonably possible change in foreign exchange rates.

	Profit or (loss)		**Equity**	
	Strengthen F$'000	**Weaken F$'000**	**Strengthen F$'000**	**Weaken F$'000**
31 March 2022				
USD	(16,219)	16,219	(16,219)	16,219
31 March 2021				
USD	(13,676)	13,676	(13,676)	13,676

ii) Interest rate risk

Interest rate risks are managed closely by the directors and management within the approved policy parameters. For re-investment and additional borrowings, the Group negotiates an appropriate interest rate with banks and other lenders and invests with or borrows from banks or other financial institutions which offers the best overall commercial terms, including the interest rate.

The Group has interest-bearing assets in the form of debt investment securities and advances to related entities. Generally, these are at fixed interest rates, hence, there are no uncertainties related to interest rate cash flows during the period of investment.

Furthermore, the subsidiary companies, Amalgamated Telecom Holdings (Kiribati) Limited and Vodafone Fiji Pte Limited have significant interest-bearing borrowings from ANZ Bank (Kiribati) Limited, and Fiji National Provident Fund, respectively. These borrowings are at fixed interest rate over the remaining 2 - 15 years' term of the loan.

Given the fixed nature of interest rates, the Group has a high level of certainty over the impact on cash flows arising from interest income and expense. Accordingly, the Group does not require simulations to be performed over impact on net profits arising from changes in interest rates.

The Holding Company has significant borrowings from Australia and New Zealand Banking Group Limited in respect to acquisition of subsidiary companies, Telecom Vanuatu Limited and the Bluesky Group for which repayments are based on notional term of 13-15 years and are at variable interest rate.

Also, the subsidiary company, Telecom Vanuatu Limited, has significant interest-bearing borrowings from ANZ Bank (Vanuatu) Limited and Vanuatu National Provident Fund at variable interest rates.

The subsidiary companies, Bluesky SamoaTel Investments Limited, Teleraro Limited and Bluesky Samoa Limited, have significant interest-bearing borrowings from ANZ Bank (Samoa) Limited at variable interest rates.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (cont'd)

a) Market risk (cont'd)

ii) Interest rate risk (cont'd)

At the reporting date the profile of the Group's variable interest bearing financial instruments was as follows:

	2022 $'000	2021 $'000
Bank overdraft	4,222	20,983
Borrowings	179,538	173,953
	183,760	194,936

Sensitivity analysis
A 100 basis points (bp) increase in interest rates at the reporting date would have decreased equity and the profit or loss by amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

	Equity $'000	Profit or loss before tax $'000
31 March 2022		
Variable rate instruments	1,838	1,838
31 March 2021		
Variable rate instruments	1,949	1,949

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties, where available, are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by management on a regular basis.

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

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets and contract assets represent the maximum credit exposure.

Refer note 20(c) for details of impairment losses on financial assets and contract assets recognised in profit or loss.

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the country in which customers operate.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (cont'd)

b) Credit risk (cont'd)

Trade receivables and contract assets

At 31 March, the exposure to credit risk for gross trade receivables and contract assets by geographic region was as follows:

	2022 $'000	2021 $'000
Fiji	62,728	64,755
Kiribati	1,484	987
Vanuatu	5,979	4,997
American Samoa	3,863	3,020
Samoa	10,483	14,206
Cook Islands	3,456	3,498
	87,993	91,463

Expected credit loss assessment

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

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 31 March 2021 and 2022:

	Gross Carrying amount $'000	Loss allowance $'000	Credit Impaired
31 March 2022			
Current (not past due)	35,859	1,176	No
1- 30 days past due	12,756	842	No
31 - 60 days past due	5,022	866	No
61 - 90 days past due	8,221	4,957	No
More than 90 days past due	9,942	7,847	Yes
	71,800	15,688	
Debtors specifically assessed	16,193	9,784	
	87,993	25,472	
31 March 2021			
Current (not past due)	35,077	1,029	No
1- 30 days past due	6,690	574	No
31 - 60 days past due	3,529	599	No
61 - 90 days past due	7,264	4,423	No
More than 90 days past due	14,249	8,897	Yes
	66,809	15,522	
Debtors specifically assessed	24,654	9,365	
	91,463	24,887	

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (cont'd)

b) Credit risk (cont'd)

Loss rates are based on actual credit loss experience over the past two years.

Impact of COVID-19
In response to COVID-19 and the Group's expectations of economic impacts, the loss rates utilised in the Group's calculation of ECL have been revised. At reporting date, the expected impacts of COVID-19 have been captured via incorporating an economic overlay in the historical loss rates. The economic overlay reflects the uncertainty given the unprecedented impacts of COVID-19. The economic overlay was determined based on an evaluation of the Groups customer base, the industries and geographies in which those customers operate in and the magnitude of the impact of COVID-19 to those industries and geographies. Notwithstanding the economic overlay, the fundamental ECL model mechanics and methodology underpinning the Group's calculation of ECL have remained consistent with prior periods.

The impacts of COVID-19 have resulted in significant estimation uncertainty in relation to the measurement of the Group's ECL for trade receivables and contract assets. The impacts of COVID-19 on consumers and businesses as well as the government stimulus packages deployed are unprecedented, accordingly significant adjustments to the ECL could occur in future periods as the full effects of COVID-19 are better understood.

Cash and cash equivalents
The Group held cash and cash equivalents of $116,302,000 at 31 March 2022 (2021: $100,334,000). The cash and cash equivalents are primarily held with banks, which are rated B to AA-, based on Standards and Poor's (S&P) ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities. The Group did not recognise an impairment allowance against cash and cash equivalents as at 31 March 2022 (2021: nil).

Debt investment securities
The Group held debt investment securities of $18,315,000 at 31 March 2022 (2021: $15,295,000). The debt investment securities are held with banks and credit institutions. Debt investment securities held with banks are primarily rated B to AA-, based on S&P ratings. In relation to debt investment securities held with credit institutions the Group monitors changes in credit risk by reviewing available press and regulatory information.

Impairment on debt investment securities held with banks and credit institutions has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group did not recognise an impairment allowance against debt investment securities as at 31 March 2022 (2021: nil).

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations for its liabilities. Prudent liquidity risk management requires maintaining sufficient cash and marketable securities to ensure availability of funding. Proper management of the Group's liquidity position is essential in order to ensure that adequate funds are available to meet the Group's ongoing financial obligations.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (cont'd)

c) Liquidity risk (cont'd)

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group monitors liquidity through rolling forecasts of the Group's cash flow position and maintaining adequate funding arrangements. Also, a reasonable portion of revenue is billed and collected in advance or generally within 30 days of invoice. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	On demand $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 3 and 5 years $'000	Over 5 years $'000	Total $'000
Financial liabilities						
31 March 2022						
Trade and other payables	-	255,071	4,100	-	-	259,171
E-value in circulation*	74,915	-	-	-	-	74,915
Borrowings	4,222	105,474	55,241	147,179	133,656	445,772
	79,137	360,545	59,341	147,179	133,656	779,858
31 March 2021						
Trade and other payables	-	251,733	16,646	-	-	268,379
E-value in circulation*	37,120	-	-	-	-	37,120
Borrowings	20,983	65,259	46,637	102,885	108,811	344,575
	58,103	316,992	63,283	102,885	108,811	650,074
Financial assets						
31 March 2022						
Debt investment securities	-	18,315	-	-	-	18,315
Trade and other receivables	-	133,543	3,059	-	-	136,602
M-PAiSA trust account*	74,915	-	-	-	-	74,915
Cash and cash equivalents	116,302	-	-	-	-	116,302
	191,217	151,858	3,059	-	-	346,134
31 March 2021						
Debt investment securities	-	15,295	-	-	-	15,295
Trade and other receivables	-	115,035	2,957	-	-	117,992
M-PAiSA trust account*	37,120	-	-	-	-	37,120
Cash and cash equivalents	100,334	-	-	-	-	100,334
	137,454	130,330	2,957	-	-	270,741

* M-PAISA is a mobile phone-based money transfer service that enables customers to send and receive money anywhere in Fiji. This service is provided by the subsidiary company, Vodafone Fiji Pte Limited. A similar service is provided by the subsidiary company, Bluesky Samoa Limited, that enables customers to send and receive money anywhere in Samoa.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (cont'd)

c) Liquidity risk (cont'd)

* E-value in circulation represents the outstanding value of money in the customers M-PAiSA account as at year end. M-PAiSA trust account is the equivalent value of cash held by the subsidiary companies, Vodafone Fiji Pte Limited and Bluesky Samoa Limited.

4.2 Other risks

a) Operational risk

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

b) Regulatory risk

The Group's profitability can be significantly impacted by regulatory agencies which govern the telecommunication sector. Specifically, retail and wholesale prices are regulated by Fijian Competition and Consumer Commission and the Group's operating environment is regulated by Telecommunications Authority of Fiji, Communications Commission of Kiribati, Telecommunications and Radio Communications Regulator of Vanuatu, National Information and Communications Technology Authority of Papua New Guinea, Office of the Regulator of Samoa, Government of the Cook Islands, Federal Communication Commission (FCC) of USA, the Governor of American Samoa, Infocomm Media Development Authority of Singapore and Australian Communications and Media Authority of Australia.

4.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and/or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.3 Capital risk management (cont'd)

The gearing ratios at 31 March 2022 and 2021 were as follows:

	2022 $'000	2021 $'000
Total borrowings	349,714	306,573
Less: Cash and cash equivalents	(116,302)	(100,334)
Net debt	233,412	206,239
Total equity	622,788	549,731
Total capital (Total equity plus Net debt)	856,200	755,970
Gearing ratio (Net debt / Total capital x 100)	27%	27%
Debt to equity ratio % (Net debt / Total equity)	37%	38%

NOTE 5. USE OF JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 31 – consolidation: whether the Group has de facto control over an investee

Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties at 31 March 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 15(a) – impairment test of goodwill: key assumptions underlying recoverable amounts; and
- Notes 3.15 and 4.1(b) – measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate

Coronavirus (COVID-19) pandemic
The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of these financial statements. The Group has developed various accounting estimates in these financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 March 2022 about future events that the Directors believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing these forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Group. Accordingly, actual economic conditions may be different from those forecast since anticipated events may not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements. The significant accounting estimates particularly impacted by these associated uncertainties are predominantly related to the recoverable amount assessments of non-financial assets and expected credit losses for trade and other receivables and contract assets. The impact of the COVID-19 pandemic on each of these accounting estimates is discussed further below. Readers should carefully consider these disclosures in light of the inherent uncertainty described above.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 5. USE OF JUDGEMENTS AND ESTIMATES (continued)

Coronavirus (COVID-19) pandemic (continued)

- Goodwill impairment
  The assumptions underpinning the value-in-use calculations used to evaluate the supportability of goodwill were adjusted to reflect reasonable estimates of the impact of COVID-19 and the increased risks associated with the estimated cash flows. There is a heightened level of uncertainty around key assumptions in the current environment. This has the potential to materially impact the value-in-use assessment moving forward and potentially the carrying value of the respective goodwill. Refer to Note 15 for further details on goodwill.

- Expected credit losses
  The impact of COVID-19 on the recoverability of trade and other receivables and contract assets has been considered. While the methodologies and assumptions applied in the expected credit loss (ECL) calculations remained unchanged from those applied in the prior financial year, the Group has incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic. Whilst no material recoverability issues have been identified, there is a risk that the economic impacts of COVID-19 could be deeper or more prolonged than anticipated, which could result in higher credit losses than those modelled. Refer to Note 20 and 4.1(b) for further details on ECL.

i. Measurement of fair values
When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

	2022 $'000	2021 $'000
NOTE 6. REVENUE		
A. Revenue streams		
Revenue from ordinary activities are as follows:		
Revenue from contracts with customers	638,027	574,662
Other revenue		
- Equipment and lease circuit rental	2,627	5,103
Total revenue	640,654	579,765

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 6. REVENUE [CONT'D]

B. Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major products and service lines.

	2022 $'000	2021 $'000
Major products/service lines		
Call revenue	202,851	211,660
Computer hardware, software and technical support services revenue	62,313	71,027
Data network and internet revenue	250,047	206,865
Directory revenue	1,904	2,946
Equipment and ancillaries revenue	91,104	62,849
Other sales and services	29,808	19,315
Total revenue	638,027	574,662

C. Contract balances

The following table provides information about gross receivables, contract assets and contract liabilities from contracts with customers.

	2022 $'000	2021 $'000
Receivables, included in 'trade and other receivables and contract assets'	86,295	87,989
Contract assets, included in 'trade and other receivables and contract assets'	1,698	3,474
Contract liabilities, included in 'trade and other payables'	27,111	14,572

The contract assets primarily relate to the Group's rights to consideration for mobile handsets provided to customers but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to advance consideration received from customers under the mobile contracts and from prepaid products and fixed monthly charges billed in advance. Revenue under mobile contracts are recognised when customers source the hardware from the Group. Revenue from prepaid products and fixed monthly charges billed in advance is recognised as revenue either once the related service has been provided or when the product date has expired, whichever occurs earlier.

The amount of $14,572,000 included in contract liabilities at 31 March 2021 has been recognised as revenue in 2022 (2021: $18,289,000).

No information is provided about remaining performance obligations at 31 March 2022 or at 31 March 2021 that have an original expected duration of one year or less or where the Group recognises revenue based on the amount it has a right to invoice, as allowed by IFRS 15.

The Group recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less, as allowed by IFRS 15.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 7. DIRECT COSTS

	2022 $'000	2021 $'000
Airtime and PSTN charges	57,051	51,942
Computer hardware, software and technical support services	54,212	46,449
Directory production costs	184	476
Equipment and ancillary costs	90,528	64,519
Satellite/Bandwidth charges	50,685	47,478
Stock obsolescence	17	1,308
Total direct costs	252,677	212,172

Direct costs represent the specific costs that the Group considers in pricing its products and services disclosed under note 6(b).

NOTE 8. OTHER INCOME

	2022 $'000	2021 $'000
Bad debts recovered	1,744	-
Gain on sale of property, plant and equipment	52	-
Insurance claim	-	2,615
Universal service fund	2,027	2,037
VAT reversal	-	1,307
Other miscellaneous income	6,198	5,207
Total other income	10,021	11,166

NOTE 9. PERSONNEL COSTS

	2022 $'000	2021 $'000
Wages and salaries, including leave pay and other benefits	63,220	61,122
Superannuation contributions	3,842	2,680
Other personnel costs	6,308	4,858
Total personnel costs	73,370	68,660

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

	2022 $'000	2021 $'000
NOTE 10. NET FINANCE COSTS		
Interest income under the effective interest method on:		
- Debt investment securities	564	1,265
- Advances to related parties	30	30
Total interest income arising from financial assets measured at amortised cost	594	1,295
Net realised foreign exchange gain	1,030	2,403
Net unrealised foreign exchange gain	15,541	11,981
Finance income – other	16,571	14,384
	17,165	15,679
Financial liabilities measured at amortised cost – interest expense on:		
- Lease liabilities	(4,362)	(4,641)
- Borrowings	(16,543)	(15,932)
- Contingent consideration payable	(220)	-
Net unrealised foreign exchange loss	(2,297)	-
Finance costs	(23,422)	(20,573)
Net finance costs recognised in profit or loss	(6,257)	(4,894)

NOTE 11. OTHER EXPENSES

	2022 $'000	2021 $'000
Auditor's remuneration:		
• Audit fees – group auditor	496	496
– other auditors	122	42
• Other services – group auditor	79	90
- other auditors	20	34
Consultancy and contractors fees	1,480	943
Directors' remuneration – fees and allowances	710	715
Electricity	17,165	15,018
Insurance	11,794	10,996
Impairment of goodwill on consolidation (note 15(a))	2,200	2,500
Impairment loss on capital equipment	-	4
Legal and professional fees	2,870	4,013
Licence and support service fees	19,377	17,907
Rent and rates	14,257	9,385
Repairs and maintenance	5,526	4,836
Travelling and transportation	4,039	1,329
Loss on sale of property, plant and equipment	-	1,319
Personnel costs (note 9)	73,370	68,660
Depreciation of property, plant and equipment (note 14)	94,994	91,639
Depreciation of right of use assets (note 16)	10,994	9,372
Amortisation of intangible assets (note 15)	9,819	9,264
Other miscellaneous expenses	21,131	33,014
Total other expenses	290,443	281,576

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

	2022 $'000	2021 $'000
NOTE 12. INCOME TAX		
a) Income tax expense		
Profit before tax	69,125	54,744
Prima facie income tax expense at 10% (2021: 10%)	6,913	5,474
Impact of difference in tax rates	8,817	12,262
Tax effect of:		
• Non-deductible expenses	128	253
• Tax concessions and incentives	(430)	(766)
Tax effect of temporary differences and tax losses recognised	(2,746)	(513)
Movement in temporary differences not brought to account	-	(848)
Under/(over) provision in prior year	589	(2,492)
Income tax expense	13,271	13,370
Income tax expense comprises of:		
Current tax expense	30,169	23,706
Deferred tax benefit	(17,487)	(7,844)
Under/(over) provision in prior year	589	(2,492)
	13,271	13,370
b) Deferred tax assets		
Allowance for expected credit loss	6,080	5,744
Employee entitlements	892	862
Allowance for stock obsolescence	957	853
Difference in carrying value of right of use assets and lease liabilities for accounting and income tax purpose	2,653	1,083
Carried forward tax losses	18,237	6,866
Unrealised foreign exchange loss	1,547	46
Total deferred tax assets	30,366	15,454
c) Deferred tax liabilities		
Difference in carrying value of property, plant, equipment, computer software, IRU network capacity, customer relationship and contracts, brand and spectrum licences for accounting and income tax purpose	26,051	29,155
Others	567	35
Total deferred tax liabilities	26,618	29,190

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

	2022 $'000	2021 $'000

NOTE 12. INCOME TAX (CONT'D)

d) Current tax liability

	2022 $'000	2021 $'000
Balance at beginning of year	306	3,601
Current tax expense	30,169	23,706
Income tax paid	(20,401)	(23,955)
Tax deducted at source – Resident Interest Withholding Tax	(297)	(342)
Effect of movements in exchange rates	(386)	(432)
Others	(308)	220
Under/(over) provision in prior year	589	(2,492)
Balance at end of year	9,672	306

e) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items as it is not probable that future taxable income will be available against which the Holding Company can utilise the tax benefits. The benefit will only be obtained if:

i. the Holding Company derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses to be realised;
ii. the Holding Company continue to comply with the conditions for deductibility imposed by the law; and
iii. no change in tax legislation adversely affect the Holding Company in realising the benefit from the deductions for the losses.

Employee entitlements	15	32
	15	32

NOTE 13. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Profit attributable to equity holders of the Holding Company	34,818	14,603
Weighted average number of ordinary shares (in thousands)	471,912	447,912
Basic and diluted earnings per share (cents per share)	7.38	3.26

During the year, new shares were issued pursuant to the rights issue offer.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings $'000	Telecommunications equipment and plant $'000	Computer equipment $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Capital equipment $'000	Capital work in progress $'000	Total $'000
Year ended 31 March 2022								
Opening net book amount	41,503	395,777	19,021	9,851	7,583	1,502	222,167	697,404
Additions	370	12,712	3,484	3,106	3,947	1,048	127,008	151,675
Effect of movements in exchange rates	1,591	1,459	(2)	2,184	654	81	605	6,572
Disposals	(1)	-	(2)	-	(1,328)	-	(29)	(1,360)
Transfers	21	24,499	2,615	87	268	-	(27,490)	-
Reclassification	(786)	863	-	(44)	(4)	-	(29)	-
Depreciation	(2,502)	(77,950)	(7,281)	(4,052)	(3,209)	-	-	(94,994)
Closing net book amount	40,196	357,360	17,835	11,132	7,911	2,631	322,232	759,297
At 31 March 2022								
Cost	94,100	1,430,620	88,593	94,544	25,862	2,721	322,232	2,058,672
Accumulated depreciation and impairment allowance	(53,904)	(1,073,260)	(70,758)	(83,412)	(17,951)	(90)	-	(1,299,375)
Net book amount	40,196	357,360	17,835	11,132	7,911	2,631	322,232	759,297

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and buildings $'000	Telecommunications equipment and plant $'000	Computer equipment $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Capital equipment $'000	Capital work in progress $'000	Total $'000
Year ended 31 March 2021								
Opening net book amount	45,162	404,803	8,917	10,016	8,915	1,655	143,404	622,872
Additions	333	22,139	2,498	3,006	1,082	949	151,062	181,069
Effect of movements in exchange rates	(1,691)	1,970	152	(1,243)	439	-	(4,816)	(5,189)
Disposals	(18)	(2,027)	(599)	(368)	(77)	-	-	(3,089)
Impairment loss	-	-	-	-	-	(4)	-	(4)
Transfers	168	46,299	12,882	2,186	430	(1,098)	(67,483)	(6,616)
Depreciation	(2,451)	(77,407)	(4,829)	(3,746)	(3,206)	-	-	(91,639)
Closing net book amount	41,503	395,977	19,021	9,851	7,583	1,502	222,167	697,404
At 31 March 2021								
Cost	85,172	1,270,506	82,493	83,209	20,214	1,673	222,167	1,765,434
Accumulated depreciation and impairment allowance	(43,669)	(874,729)	(63,472)	(73,358)	(12,631)	(171)	-	(1,068,030)
Net book amount	41,503	395,777	19,021	9,851	7,583	1,502	222,167	697,404

a) All properties, plant and equipment of the Holding Company and subsidiary companies, Amalgamated Telecom Holdings (Kiribati) Limited and Telecom Vanuatu Limited have been pledged to ANZ Banking Group Limited (Fiji), ANZ Bank (Kiribati) Limited and ANZ Bank (Vanuatu) Limited, respectively as security in accordance with the security arrangements for term loan facilities. Furthermore, land and buildings located at Bluesky Headquarters at Maluafou, Samoa are subject to a first charge against Bluesky Samoa Limited's bank loans with ANZ Bank (Samoa) Limited.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

	2022 $'000	2021 $'000
NOTE 15. INTANGIBLE ASSETS		
Goodwill (a)	132,388	123,456
Computer software (b)	5,965	2,882
Spectrum licences (c)	18,615	20,912
Brand (d)	7,827	7,827
Customer relationship and contracts (e)	16,265	22,180
Total intangible assets, net	181,060	177,257
a) Goodwill		
Gross carrying amounts:		
Goodwill on acquisition of :		
Datec (Fiji) Pte Limited and Subsidiary Company (i)	3,401	3,401
Telecom Vanuatu Limited (ii)	5,711	5,711
Bluesky Group (iii)	114,055	114,055
Digitec Group (iv)	20,221	9,089
Balance as at 31 March	143,388	132,256
Accumulated impairment:		
Opening balance	8,800	6,300
Impairment loss	2,200	2,500
Balance as at 31 March	11,000	8,800
Net book amount as at 31 March	132,388	123,456

i) On 29 May 2015, subsidiary company, Vodafone Fiji Pte Limited acquired 100% shareholding in Datec (Fiji) Pte Limited and its Subsidiary Company. Goodwill of $3,401,000 was recognised as the excess of the consideration transferred over the fair value of net assets acquired at acquisition-date.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of $20,494,000 (2021: $27,066,000). The key assumptions used in the estimation of value in use were as follows:

	2022	2021
Discount rate	11.3%	9.4%
Terminal value growth rate	2.0%	2.0%
Budgeted EBITDA growth rate (average of next five years)	6.0%	3.0%

The discount rate was a post-tax measure based on the rate of 30-year US government bonds as well as 10-year NZ government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 14.11% (2021: 11.32%).

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal gross domestic product (GDP) rates for the country in which the CGU operates.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years taking into account an estimate of the impact of COVID-19 as at reporting date.

Management has identified that a reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 15. INTANGIBLE ASSETS [CONT'D]

a) Goodwill (cont'd)

ii) On 27 March 2017, the Holding Company acquired 100% shareholding in Telecom Vanuatu Limited. Goodwill of $5,711,000 (accumulated impairment losses of $2,500,000) was recognised as the excess of the consideration transferred over the fair value of net assets acquired at acquisition-date.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of $56,625,000 (2021: $55,819,000). The key assumptions used in the estimation of value in use were as follows:

	2022	2021
Discount rate	15.8%	14.3%
Terminal value growth rate	2.0%	2.0%
Budgeted EBITDA growth rate (average of next five years)	3.0%	4.0%
Average annual maintenance capital expenditure	$5,300,000	$5,300,000

The discount rate was a post-tax measure based on the rate of 30-year US government bonds as well as 10-year NZ government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 15.80% (2021: 14.30%).

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal gross domestic product (GDP) rates for the country in which the CGU operates.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated subscriber base for the next five years taking into account an estimate of the impact of COVID-19 as at reporting date.

Management has identified that a reasonably possible change in the key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which the key assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal recoverable amount
Discount rate	1.04%
Terminal value growth rate	1.80%
Budgeted EBITDA growth rate	0.63%
Average annual maintenance capital expenditure	$1,300,000

iii) On 1 January 2019, the Holding Company acquired 100% membership in AST Telecom LLC and 100% shareholding in eLandia Technologies Inc. Goodwill of $114,055,000 was recognised as the excess of the consideration transferred over the fair value of net assets acquired at acquisition-date. The goodwill was allocated to the operating companies within the Group as follows:

a. American Samoa Telecom LLC - $31,279,000

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of $69,307,000 (2021: $53,631,000).

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 15. INTANGIBLE ASSETS [CONT'D]

a) Goodwill (cont'd)

The key assumptions used in the estimation of value in use were as follows:

	2022	2021
Discount rate	8.3%	8.2%
Terminal value growth rate	2.0%	2.0%
Budgeted EBITDA growth rate (average of next five years)	4.0%	4.0%

The discount rate was a post-tax measure based on the rate of 30-year US government bonds as well as 10-year NZ government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 11.35% (2021: 11.23%).

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal gross domestic product (GDP) rates for the country in which the CGU operates.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated subscriber base for the next five years taking into account an estimate of the impact of COVID-19 as at reporting date.

Management has identified that a reasonably possible change in the key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which the key assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal recoverable amount
Budgeted EBITDA growth rate	2.5%

b. Bluesky Samoa Limited - $18,886,000 (accumulated impairment losses of $8,500,000)

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be higher than its recoverable amount of $48,828,000 (2021: $58,182,000) and an impairment loss of $2,200,000 during 2022 (2021: nil) was recognised. The impairment loss was fully allocated to goodwill and included in "other expenses".

	2022	2021
Discount rate	14.5%	13.1%
Terminal value growth rate	2.0%	2.0%
Budgeted EBITDA growth rate (average of next five years)	8.0%	5.0%

The discount rate was a post-tax measure based on the rate of 30-year US government bonds as well as 10-year NZ government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 18.79% (2021: 16.95%).

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 15. INTANGIBLE ASSETS [CONT'D]

a) Goodwill (cont'd)

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal gross domestic product (GDP) rates for the country in which the CGU operates.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated subscriber base for the next five years taking into account an estimate of the impact of COVID-19 as at reporting date.

Following the impairment loss recognised, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

c. Telecom Cook Islands Limited - $23,970,000

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of $73,096,000 (2021: $75,496,000). The key assumptions used in the estimation of value in use were as follows:

	2022	2021
Discount rate	10.1%	10.0%
Terminal value growth rate	2.0%	2.0%

The discount rate was a post-tax measure based on the rate of 30-year US government bonds as well as 10-year NZ government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 12.01% (2021: 11.86%).

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal gross domestic product (GDP) rates for the country in which the CGU operates.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated subscriber base for the next five years taking into account an estimate of the impact of COVID-19 as at reporting date.

Management has identified that a reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 15. INTANGIBLE ASSETS [CONT'D]

a) Goodwill (cont'd)

d. Vodafone Fiji Pte Limited - $39,920,000

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of $682,252,000 (2021: $615,597,000). The key assumptions used in the estimation of value in use were as follows:

	2022	2021
Discount rate	11.3%	9.4%
Terminal value growth rate	2.0%	2.0%
Budgeted EBITDA growth rate (average of next five years)	3.0%	4.0%

The discount rate was a post-tax measure based on the rate of 30-year US government bonds as well as 10-year NZ government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 13.67% (2021: 11.26%).

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal gross domestic product (GDP) rates for the country in which the CGU operates.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated subscriber base for the next five years taking into account an estimate of the impact of COVID-19 as at reporting date.

Management has identified that a reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount

iv) On 1 January 2019, ATH International Venture Pte Limited acquired 70% shareholding in Etech ICT Pty Limited of Australia, Etech ICT Pte Limited of Singapore and Digitec Communication Limited (collectively Digitec group) of Papua New Guinea. Goodwill of $20,221,000 (2021: $9,089,000, see note 33) was recognised as the excess of the consideration transferred over the fair value of net assets acquired at acquisition-date. The entire goodwill was allocated to Digitec Communications Limited.

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used (see Note 5(i)). The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the industry and have been based on historical data from both external and internal sources.

	2022	2021
Discount rate	14.3%	13.8%
Terminal value growth rate	2.0%	2.0%

The discount rate was a post-tax measure estimated based on an industry weighted-average cost of capital, with a possible debt leveraging of 30% at a market interest rate of 12.5% to 13% (2021: 11.8% to 12.3%). The pre-tax discount rate was 18.87% (2021: 17.37%).

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 15. INTANGIBLE ASSETS (CONT'D)

a) Goodwill (cont'd)

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience and different market analysis, adjusted for the anticipated revenue growth. Revenue growth was projected talking into account the past experience of the Group, the business plan of Digitec Communications Limited, and the estimated subscriber base for the next 5 years taking into account an estimate of the impact of COIV-19 as at reporting date.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately $475,498,000 (2021: $503,652,000).

Management has identified that a reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount.

Impact of COVID-19

The following factors were considered by the Group when determining the impact of COVID-19:

- travel bans and the associated impact on visitor arrivals and the extent of each CGUs reliance on the tourism sector to generate EBITDA.
- duration of travel restrictions, shutdown of border and expected gradual opening up of the international borders.
- flow on impact on the CGUs of a sharp deterioration in economic conditions driven by significant restrictions and lockdowns.

The impact of COVID 19 has been mainly limited to the value of roaming revenue previously generated by the CGUs with average growth over the next 5 years being largely based on the average growth over the past 5 years except for Bluesky Samoa Limited as the Group believes that a higher growth can be achieved for this CGU.

	2022 $'000	2021 $'000
b) Computer software		
Gross carrying amount:		
Balance at beginning of year	41,571	39,555
Additions	4,405	1,807
Transfer from work in progress	77	-
Disposals	-	(2)
Effect of movement in exchange rates	40	211
Balance at end of year	46,093	41,571
Accumulated amortisation:		
Balance at beginning of year	38,689	37,576
Amortisation	1,410	955
Disposals	-	(2)
Effect of movement in exchange rates	29	160
Balance at end of year	40,128	38,689
Net book amount as at 31 March	5,965	2,882

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

	2022 $'000	2021 $'000
NOTE 15. INTANGIBLE ASSETS (CONT'D)		
c) Spectrum licences		
Gross carrying amount:		
Balance at beginning of year	27,252	27,498
Additions	-	315
Effect of movements in exchange rates	171	(561)
Balance at end of year	27,423	27,252
Accumulated amortisation:		
Balance at beginning of year	6,340	4,080
Effect of movements in exchange rates	(38)	(90)
Amortisation	2,506	2,350
Balance at end of year	8,808	6,340
Net book amount as at 31 March	18,615	20,912

Spectrum licences include licenses acquired by the subsidiary companies, Telecom Fiji Pte Limited and Vodafone Fiji Pte Limited on 2 September 2013 from Department of Communications. Spectrum licences also include licence acquired by the subsidiary companies, Amalgamated Telecom Holdings (Kiribati) Limited on 27 May 2016 from Communications Commission of Kiribati and Digitec Communications Limited on 19 December 2018 from National Information and Communications Technology Authority.

The licences of Telecom Fiji Pte Limited and Vodafone Fiji Pte Limited had an initial 5-year term starting from 2 September 2013, then extending to further 10 years' conditional on compliance with implementation requirements. The purchase consideration has been capitalised to intangible assets.

The licence of Amalgamated Telecom Holdings (Kiribati) Limited had an initial 15-year term starting from 27 May 2016, then extending to further 5 years' conditional on compliance with implementation requirements. The purchase consideration has been capitalised to intangible assets.

The licence of Digitec Communications Limited is for a 10-year term starting from 18 December 2018.

	2022 $'000	2021 $'000
d) Brand		
Gross carrying amount:		
Balance at beginning of year	15,407	15,407
Balance at end of year	15,407	15,407
Accumulated amortisation:		
Balance at beginning of year	7,580	7,580
Amortisation	-	-
Balance at end of year	7,580	7,580
Net book amount as at 31 March	7,827	7,827

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 15. INTANGIBLE ASSETS (CONT'D)

d) Brand (cont'd)

In 2020, the value of the Bluesky brand attributable to the Samoa and Cook Islands business had been fully amortised as the Group had discontinued using the Bluesky brand in those markets. The carrying amount as at year end relates to the value of the Digitec brand attributable to Digitec ICT Limited of $1,400,000 and the value of the Bluesky brand attributable to American Samoa Telecom LLC of $6,427,000. The Group has assessed that these brand values have an indefinite useful life as the brands are mature and contribute significant value to the businesses and its abandonment would represent an unrealistic decision given the market in which the businesses operate, the industry in which the brands are being used and the nature of services that the entities provide. Impairment of brand has been tested together with impairment of goodwill (see Note 15(a)).

	2022 $'000	2021 $'000
e) Customer relationship and contracts		
Gross carrying amount:		
Balance at beginning of year	36,113	35,891
Effect of movements in exchange rates	(528)	222
Balance at end of year	35,585	36,113
Accumulated amortisation:		
Balance at beginning of year	13,933	7,508
Amortisation	5,903	5,959
Effect of movements in exchange rates	(516)	466
Balance at end of year	19,320	13,933
Net book amount as at 31 March	16,265	22,180

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 16. LEASES

Information about leases for which the Group is a lessee is presented below.

A. Right of use assets

i) Property leases

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

Additions	2022 $'000	2021 $'000
Balance at beginning of year	62,362	59,884
Additions	12,641	14,183
Effect of movements in exchange rates	165	(2,241)
Remeasurement	470	(2,943)
Disposals	(120)	(46)
Depreciation charge for the year	(8,250)	(6,475)
Balance at end of year	67,268	62,362

ii) IRU Network Capacity

Balance at beginning of year	26,199	15,136
Additions	4,014	13,960
Effect of movements in exchange rates	132	-
Depreciation charge for the year	(2,744)	(2,897)
Balance at end of year	27,601	26,199
Total right of use assets	94,869	88,561

(a) Indefeasible Right of Use ("IRU") capacity relates to the lease of IRU network capacities by subsidiary companies, Telecom Fiji Pte Limited, Fiji International Telecommunications Pte Limited and American Samoa Holdings Limited. The IRU network capacity purchase consideration or lease consideration has been capitalised and is amortised over its estimated economic useful life.

In 2019, the subsidiary company, Fiji International Telecommunications Pte Limited entered in an agreement with Southern Cross Cables (SX Next), to lease a new submarine cable route for a period of 15 years via Australia and USA links, amounting to USD 20,000,000. The company paid FJD 4,610,113 for Marine Route Survey. Remaining balance is disclosed as part of capital commitments. Refer Note 29(a). The projected 'Ready for Service' date for SX Next is 2023.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

	2022 $'000	2021 $'000
NOTE 16. LEASES (CONT'D)		
B. Lease liabilities		
Lease liabilities included in the statement of financial position		
Current		
IRU network capacity	4,774	1,575
Property leases	5,101	4,909
Total current lease liabilities	9,875	6,484
Non-current		
IRU network capacity	3,884	5,174
Property leases	64,941	58,463
Total non-current lease liabilities	68,825	63,637
Total lease liabilities	78,700	70,121
Amounts recognised in profit or loss		
Interest on lease liabilities	4,362	4,641
Expenses relating to short-term leases and variable lease payments	32,871	31,081
	37,233	35,722
Amounts recognised in the statement of cash flows		
Total cash outflow for leases	47,885	42,344
Maturity analysis - contractual undiscounted cash flows		
Less than one year	12,178	7,825
One to five years	31,461	29,849
More than five years	87,141	80,465
Total undiscounted lease liabilities as at 31 March	130,780	118,139

Real estate leases

The Group leases various premises, base stations, land and buildings for its office premises, tower sites and access roads. These range over periods from one to ninety-nine years. Some leases include an option to renew the lease for an additional period after the end of the contract term. Some leases provide for additional rental payments that are based on changes in local price indices.

Extension options

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 17. NON-CONTROLLING INTEREST

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

31 March 2022	Vodafone Group $'000	Bluesky Group $'000	Digitec Group $'000	Intra-group eliminations $'000	Total $'000
NCI Percentage*	49.0%	*	30%		
Non-current assets	380,139	165,521	287,400		
Current assets	186,063	57,029	66,866		
Non- current liabilities	(144,014)	(49,872)	(19,396)		
Current liabilities	(236,992)	(41,741)	(364,188)		
Net assets	185,196	130,937	(29,318)		
Net assets attributable to NCI	100,462	52,633	(8,796)	(403)	143,896
Revenue	378,111	111,773	-		
Profit / (loss)	52,289	1,487	(20,198)		
OCI	394	(1,214)	(4,230)		
Total comprehensive income	52,683	273	(24,428)		
Profit / (loss) allocated to NCI	27,933	(1,205)	(6,059)	367	21,036
OCI allocated to NCI	291	(653)	(1,269)	1,582	(49)
Cash flows from operating activities	116,513	12,122	(42,376)		
Cash flows from investment activities	(114,724)	(8,474)	23,911		
Cash flows from financing activities (dividends to NCI: $16,932,000)	10,260	(4,476)	27,935		
Net increase in cash and cash equivalents	12,049	(828)	9,470		

31 March 2021	Vodafone Fiji Pte Limited $'000	Bluesky Group $'000	Digitec Group $'000	Intra-group eliminations $'000	Total $'000
NCI Percentage*	49.0%	*	30%		
Non-current assets	322,009	113,122	190,470		
Current assets	152,749	43,354	16,615		
Non- current liabilities	(93,011)	(33,472)	(28,560)		
Current liabilities	(210,497)	(9,744)	(183,417)		
Net assets	171,250	113,260	(4,892)		
Net assets attributable to NCI	93,125	51,051	(1,468)	6,164	148,872
Revenue	329,908	82,018	-		
Profit / (loss)	42,405	3,529	4,452		
OCI	(4,323)	-	(369)		
Total comprehensive income	38,082	3,529	4,083		
Profit / (loss) allocated to NCI	23,487	1,949	1,336	-	26,771
OCI allocated to NCI	(3,209)	(268)	111	(1,377)	(4,743)
Cash flows from operating activities	102,630	18,585	(22,434)		
Cash flows from investment activities	(40,966)	(12,619)	(31,585)		
Cash flows from financing activities (dividends to NCI: $16,365,000)	(60,375)	(5,158)	57,750		
Net increase (decrease) in cash and cash equivalents	1,289	808	3,731		

* Refer note 31 for percentage ownership in the Bluesky Group.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

	2022 $'000	2021 $'000
NOTE 18. INVENTORIES		
Merchandise and consumables	60,325	34,106
Less: allowance for stock obsolescence	(4,479)	(4,138)
	55,846	29,968
Goods in transit	2,980	2,014
Total inventories, net	58,826	31,982

In 2022, inventories of $90,528,000 (2021: $64,519,000) were recognised as an expense during the year and included in "direct costs".

NOTE 19. DEBT INVESTMENT SECURITIES

Current		
Term deposits	18,315	15,295
Total debt investment securities	18,315	15,295

(a) The carrying amount of debt investment securities are considered to be a reasonable approximation of fair value.

(b) Term deposits held with financial institutions attract interest rates in the range of 0.10% to 2.25% per annum (2021: 0.10% to 3.30% per annum) and will mature within 12 months from balance date.

NOTE 20. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

Non-current		
Advance to Amalgamated Telecom Nominees Limited (Note 30(h))	2,482	2,482
Refundable deposits and others	577	475
Total non-current trade and other receivables and contract assets	3,059	2,957
Current		
Trade receivables	86,295	87,989
Contract assets	1,698	3,474
Less: allowance for expected credit losses	(25,472)	(24,887)
Trade receivables and contract assets, net	62,521	66,576
Receivable from related parties (Note 30(g))	1,136	872
Other receivables and advances	46,112	26,174
Prepayments	20,368	18,402
Total current trade and other receivables and contract assets, net	130,137	112,024

(a) The carrying amount of trade and other receivables and contract assets are considered to be a reasonable approximation of fair value.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 20. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS (CONT'D)

(b) Trade receivables principally comprise amounts outstanding for sale of telephones, office equipment and computer equipment and rendering of telecommunication, data and internet related services. Trade receivables are non-interest bearing and are generally settled on 15 - 60 day terms.

(c) Movements in the allowance for expected credit loss of trade and other receivables and contract assets, including contract assets, are as follows:

	2022 $'000	2021 $'000
Balance at beginning of year	24,887	21,452
Net re-measurement of loss allowance	2,003	8,923
Effect of movement in exchange rates	(410)	(812)
Amounts written off during the year	(1,008)	(4,676)
Balance at end of year	25,472	24,887

The Group generally obtains security deposits for all new land line and internet connections. Apart from these, it does not hold any collateral as security.

NOTE 21. NOTES TO THE STATEMENT OF CASH FLOWS

Cash and cash equivalents included in the statement of cash flows comprise the following:

	2022 $'000	2021 $'000
Cash on hand and at bank	116,302	100,334
Bank overdraft	(4,222)	(20,983)
Total cash and cash equivalents	112,080	79,351

Financing facilities

Financing facilities available to the Group includes bank overdrafts. Financing facilities of $26,144,000 were available to the Group as at 31 March 2022 (2021: $25,672,000) of which $4,222,000 (2021: $20,983,000) was utilised. See also note 24.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

	2022 $'000	2021 $'000
NOTE 22. SHARE CAPITAL		
Issued and Paid Up Capital		
Balance as at 31 March 2022: 471,912,453 (2021: 447,911,912) ordinary shares	220,570	159,214

All issued shares are fully paid. Shares have no par value.

NOTE 23. Foreign currency translation reserve

The foreign currency translation reserve relates to foreign currency translation as at year end on consolidation of subsidiary companies operating in foreign jurisdictions whose financial statements and transactions are denominated in a currency other than the presentation currency of the Group.

NOTE 24. BORROWINGS

	2022 $'000	2021 $'000
Non-current		
Term loan – Fiji National Provident Fund (a)(i)	51,427	60,310
Term loan – Fiji National Provident Fund (a)(ii)	60,000	-
Term loan – ANZ Bank (Kiribati) Limited (c)	160	793
Term loan – ANZ Bank (Vanuatu) Limited (d)	5,857	8,235
Term loan – ANZ Banking Group Limited – Fiji (e)	116,930	127,483
Term loan – ANZ Bank (Samoa) Limited (g)	22,327	29,368
Total non-current borrowings	256,701	226,189
Current		
Term loan – Fiji National Provident Fund (a)(i)	11,147	14,867
Term loan – Fiji National Provident Fund (a)(iii)	42,589	-
Term loan – Westpac Banking Corporation (b)	-	1,634
Term loan – ANZ Bank (Kiribati) Limited (c)	631	2,202
Term loan – ANZ Bank (Vanuatu) Limited (d)	2,439	2,210
Term loan – ANZ Banking Group Limited - Fiji (e)	11,466	17,818
Term loan – Bred Bank (Vanuatu) Limited (f)	-	988
Term loan - ANZ Bank (Samoa) Limited (g)	4,695	4,097
Term loan – Vanuatu National Provident Fund (h)	15,824	15,585
Bank overdraft - Bred Bank (Vanuatu) Limited (f)	3,350	4,752
Bank overdraft - ANZ Bank (Samoa) Limited (g)	872	841
Bank overdraft - Westpac Banking Corporation (i)	-	15,390
Total current borrowings	93,013	80,384
Total borrowings	349,714	306,573

The Group did not have any defaults of principal or interest or other breaches with respect to its borrowings during the years ended 31 March 2022 and 2021.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 24. BORROWINGS (CONT'D)

(a) Term loan - Fiji National Provident Fund

(i) During 2019 financial year, the subsidiary company, Vodafone Fiji Pte Limited entered into a loan agreement with FNPF for $80m. The loan is at a fixed interest rate of 4.30% (2021: 4.30%) per annum. Total term of the loan is 7 years.

(ii) During 2022 financial year, the subsidiary company, Vodafone Fiji Pte Limited entered into a loan agreement with FNPF for $60m. The loan is at a fixed interest rate of 6.25% per annum. Total term of the loan is 7 years.

A corporate guarantee has been provided by the subsidiary company for the loan.

(iii) During 2022 financial year, the Holding Company entered into a loan agreement with FNPF for USD 20m (FJD 42.6 million). The loan is at a fixed interest rate of 6% per annum. Total term of the loan is 6 months.

(b) Term loan - Westpac Banking Corporation

The Holding Company had a loan facility with Westpac Banking Corporation which was unsecured and subject to a variable interest rate, which was 4.95% per annum at 31 March 2021. The term loan was repayable by monthly instalments of $150,800. This loan was fully paid off during the year.

(c) Term loan - ANZ Bank (Kiribati) Limited

The term loan from ANZ Bank (Kiribati) Limited is subject to interest at a rate of 5.9% (2021: 5.9%) per annum. The term loan is subject to a fixed interest rate and is repayable by monthly instalments of AUD 35,029 (2021: AUD 109,265 and AUD 35,572) (inclusive of interest).

The term loan is secured by the following:

i) Limited Guarantee provided by the Holding Company to the amount of AUD 9,577,000 plus interest, costs and other amount.

ii) First registered mortgage debentures given by the subsidiary company, Amalgamated Telecom Holdings (Kiribati) Limited being a fixed and floating charge over all present and future assets, undertakings (including goodwill) and unpaid or uncalled capital of that security provider.

iii) Deed of Subordination with the Holding Company, the subsidiary company, Amalgamated Telecom Holdings (Kiribati) Limited and ANZ Bank (Kiribati) Limited, covenanting that the loan from the Holding Company to the subsidiary company will not reduce without prior written consent of ANZ Bank (Kiribati) Limited and ANZ Bank (Kiribati) Limited has priority to extend the facilities provided.

(d) Term loan - ANZ Bank (Vanuatu) Limited

The term loan from ANZ Bank (Vanuatu) Limited is subject to a variable interest rate, which was 6% (2021:6%) per annum at balance date.

The term loan is secured by registered equitable mortgage debenture over the assets of the subsidiary company, Telecom Vanuatu Limited.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 24. BORROWINGS (CONT'D)

(e) Term loan – ANZ Banking Group Limited – Fiji

In the prior years, the Holding Company obtained loans from ANZ Banking Group Limited (ANZ) to finance acquisition of Telecom Vanuatu Limited and Amper SA interest in certain subsidiaries of Bluesky Group.

The loan facilities from ANZ Banking Group Limited (ANZ) are secured and subject to variable interest rates. The term loans are secured by the following:

i) First registered mortgage debentures over all assets and undertakings including uncalled capital and unpaid premiums of the Holding Company.

ii) Authority to appropriate and set off term deposit held with ANZ.

iii) Deed of Assignment dated 23 November 2016 assigning the Holding Company second priority over the assets of AST Telecom LLC to ANZ.

Details of outstanding term loans are as follows:

Borrowing for acquisition of Telecom Vanuatu Limited
The term loan amounting to FJD 15 million (2021: FJD 18 million) at year-end was obtained for the purpose of funding the transaction to acquire Telecom Vanuatu Limited.

The loan is payable at monthly repayments of FJD 299,947 (2021: FJD 299,947) based on notional term of 14 years and at variable interest rate, which was 4.75% (2021: 4.75%) per annum at the balance date.

Borrowing for acquisition of Amper SA interest in certain subsidiaries of Bluesky Group
The term loans amounting to USD 53 million (FJD 114 million) (2021: USD 57 million (FJD 121 million)) at year-end were obtained for the purpose of funding the transaction to acquire Amper SA's interest in certain subsidiaries of the Bluesky Group.

The loans are payable at monthly repayments of USD 494,627 (2021: USD 485,491) based on notional terms of between 13 – 15 years and at variable interest rate, which was 3.63% (2021: 3.58%) per annum at balance date.

Borrowing to fund Digitec Communication Limited mobile network rollout
The term loan amounting to USD 3 million (FJD 7 million) at 31 March 2021 was obtained for the purpose of funding the establishment of a new mobile telecommunications network in Papua New Guinea.

The loan was payable at monthly repayments of USD 277,777 based on a notional term of 3 years and at a variable interest rate, which was 3.33% per annum at 31 March 2021. This loan was fully paid off during the year.

(f) Term loan and Bank overdraft – Bred Bank (Vanuatu) Limited

The subsidiary company, Telecom Vanuatu Limited, has a bank overdraft facility of VUV 270 million (FJD 5.3 million) (2021: VUV 270 million (FJD 5.3 million)) at an interest rate of 6.75% (2021: 6.75%) per annum. The subsidiary company, Telecom Vanuatu Limited, had a term loan with Bred Bank (Vanuatu) Limited at a variable interest rate, which was 6.15% p.a. at 31 March 2021, which was unsecured, and was subject to maintaining certain financial covenants. This loan was fully paid off during the year.

A corporate guarantee has been provided by the Holding Company for the bank overdraft.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 24. BORROWINGS (CONT'D)

(g) Term loan and Bank overdraft - ANZ Bank (Samoa) Limited

The subsidiary company, Bluesky Samoa Limited, has a bank overdraft facility of WST 1 million (FJD 803k) (2021: WST 1 million (FJD 796k)) at an interest rate of 7% (2021: 7%) per annum and term loan with ANZ Bank (Samoa) Limited at a variable interest rate, which was 7% (2021: 7%) per annum at balance date. The term loan and bank overdraft facility is secured by the following:

(i) First registered mortgage over leasehold Bluesky Headquarters at Maluafou. Lease is 20 years commencing 2003 with a right of renewal of 20 years and final expiry in 2043.

(ii) First registered mortgage debenture over the fixed and floating assets (including paid and unpaid capital) of Bluesky Samoa Limited.

The subsidiary company, Bluesky SamoaTel Investments Limited, has a term loan with ANZ Bank (Samoa) Limited at a variable interest rate, which was 7% (2021: 7%) per annum at balance date. The term loan is secured by the following:

(i) First registered mortgage debenture, being a fixed and floating charge, over all present and future assets, undertakings and unpaid or uncalled capital of Bluesky SamoaTel Investments Limited.

(ii) Corporate guarantee and indemnity unlimited as to amount plus interest, costs and other amounts given by the Holding Company in favour of ANZ Bank (Samoa) Limited.

The subsidiary company, Teleraro Limited, has a term loan with Australian and New Zealand Banking Group Limited at a variable interest rate, which was 6.85% (2021: 6.85%) per annum at balance date. The term loan is secured by the following:

(i) First registered mortgage debenture, being a fixed and floating charge, over all assets and undertakings (including paid and unpaid capital) of Teleraro Limited.

(ii) First registered mortgage over 100% of the shares held in TCNZ Cook Islands Limited by Teleraro Limited.

(iii) Corporate guarantee given by subsidiary company, AST Telecom LLC, in favour of Teleraro Limited.

(iv) Corporate guarantee given by subsidiary company, Bluesky Samoa Limited, in favour of Teleraro Limited.

(h) Term loan – Vanuatu National Provident Fund

The subsidiary company, Telecom Vanuatu Limited, has an equity convertible loan from Vanuatu National Provident Fund at a variable interest rate, which was 6% (2021: 6%) per annum at balance date.

A corporate guarantee has been provided by the Holding Company for the loan.

(i) Bank overdraft and Finance lease – Westpac Banking Corporation

The subsidiary company, Vodafone Fiji Pte Limited, has a bank overdraft facility of $20 million (2021: $20 million) at a variable interest rate, which was 4.35% (2021: 4.35%) per annum at balance date, with Westpac Banking Corporation which is unsecured and subject to maintaining certain financial covenants.

The subsidiary company, Datec (Fiji) Pte Limited, has a standard finance lease facility at an interest rate of 4.5% (2021: 4.5%) per annum which is secured by the following:

(a) Registered first fixed and floating charge over all the assets of the subsidiary company.

(b) Undertakings including uncalled and called but unpaid capital of the subsidiary company.

(c) Letter of support from the subsidiary company, Vodafone Fiji Pte Limited.

(d) Standard lease schedule over the subsidiary company's motor vehicles.

In addition, Datec (Fiji) Pte Limited has a bank overdraft facility of $1 million with Westpac Banking Corporation. Interest is payable at a rate of 4.35% (2021: 4.35%) per annum.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 24. BORROWINGS (CONT'D)

(j) Other Bank Facilities – ANZ Banking Group Limited - Fiji

The subsidiary company, Telecom Fiji Pte Limited, has an indemnity guarantee and visa business credit card facilities with ANZ Banking Group Limited - Fiji. These facilities are secured by letter of charge over term deposit funds.

Reconciliation of movement of liabilities to cash flows from financing activities			
	Other borrowings ($'000)	**Lease liabilities ($'000)**	**Total ($'000)**
Balance at 1 April 2021	285,590	70,121	355,711
Changes from financing cash flows			
Proceeds from borrowings	103,048	-	103,048
Repayment of borrowings	(44,429)	-	(44,429)
Payment of lease liabilities	-	(10,652)	(10,652)
Total changes from financing cash flows	**344,209**	**59,469**	**403,678**
The effect of changes in foreign exchange rates	**1,283**	**6,240**	**7,523**
Other changes - liability related			
New leases	-	12,641	12,641
Re-measurement	-	470	470
Disposal	-	(120)	(120)
Interest expense	16,543	4,362	20,905
Interest paid	(16,543)	(4,362)	(20,905)
Total liability related other changes	**-**	**12,991**	**12,991**
Balance at 31 March 2022	**345,492**	**78,700**	**424,192**

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 24. BORROWINGS (CONT'D)

Reconciliation of movement of liabilities to cash flows from financing activities

	Other borrowings ($'000)	Lease liabilities ($'000)	Total ($'000)
Balance at 1 April 2020	350,172	61,306	411,478
Changes from financing cash flows			
Proceeds from borrowings	8,134	-	8,134
Repayment of borrowings	(59,339)	-	(59,339)
Payment of lease liabilities	-	(6,622)	(6,622)
Total changes from financing cash flows	(51,205)	(6,622)	(57,827)
The effect of changes in foreign exchange rates	(13,377)	4,243	(9,134)
Other changes - liability related			
New leases	-	14,183	14,183
Re-measurement	-	(2,943)	(2,943)
Disposal	-	(46)	(46)
Interest expense	15,932	4,641	20,573
Interest paid	(15,932)	(4,641)	(20,573)
Total liability related other changes	-	11,194	11,194
Balance at 31 March 2021	285,590	70,121	355,711

NOTE 25. PROVISIONS

	2022 $'000	2021 $'000
Non-current		
Retirement benefits	685	393
Current		
Employee entitlements	5,137	4,709
Directory production costs	21	37
	5,158	4,746

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 26. TRADE AND OTHER PAYABLES	2022 $'000	2021 $'000
Non-current		
Trade payables and accruals (a)	-	12,625
Subscriber deposits	4,100	4,021
Total non-current trade and other payables	4,100	16,646
Current		
Trade payables and accruals (b)	169,478	201,326
Owing to related parties (Note 30(g))	58,588	22,808
Advance for relocation of telecommunication cables	937	40
Dividend payable	25,640	26,237
	254,643	250,411
Security deposits	1,365	1,362
Contract liabilities	27,111	14,572
Total current trade and other payables	283,119	266,345
Total trade and other payables	287,219	282,991

(a) In prior year, noncurrent trade payables principally comprised of capital creditors for the subsidiary company, Digitec Communications Limited, which related to vendor finance of PGK 21.5 million (FJD 12.6 million). Per the vendor finance agreement, the subsidiary company was to only pay interest for one year from the date when "Equipment Arrival Certificate" was signed following which principal repayment was to come into effect. Therefore, the amount was been classified as noncurrent however this amount has been fully settled as at 31 March 2022.

(b) Trade payables principally comprise amounts outstanding for trade purchases and on-going costs. Trade payables are non-interest bearing and are normally settled on a 30 – 60-day term.

The carrying amount of trade and other payables are considered to be a reasonable approximation of fair value.

NOTE 27. DIVIDENDS	2022 $'000	2021 $'000
Ordinary shares		
Interim dividend ($0.02 per share (2021: $Nil))	9,572	-
Total dividends	9,572	-

During the year dividends declared by group entities and payable to non-controlling interests was $20,889,000 (2021: 17,912,000).

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

	2022 $'000	2021 $'000
NOTE 28. CONTINGENT LIABILITIES		
Following is a summary of estimated contingent liabilities:		
Bank and performance guarantees	4,886	4,518

a) Legal claims

Various claims have been brought against certain subsidiary companies. The directors have obtained legal advice on these claims and are confident that no significant liability other than those that have been brought to account or have been disclosed will eventuate.

The subsidiary company, Telecom Cook Islands Limited, has been advised of potential claims from some landowners for overdue rent reviews. The lease is held by the Cook Islands Government Property Corporation and the subsidiary company occupies the land under a joint venture agreement between the shareholders of the subsidiary company. A deed of variation of the lease dated 2 October 2007 was prepared by Cook Islands Investment Corporation which included the settlement for overdue rent reviews. However, the legal counsel for the landowners have claimed that the deed is unlawful. The legitimacy of this claim is still being determined, including if successful, whether the subsidiary company would be liable for any potential liability.

Another landowner is also pursuing compensation for occupation of land from the subsidiary company, Telecom Cook Islands Limited. The details of the claim are not clear. There is no formal lease agreement but rental has been paid in accordance with a written agreement with certain family members.

It is not clear if there will be a further liability resulting from these claims, nor any expected amounts beyond that already paid.

b) Other contingent liabilities

i) The subsidiary company, Vodafone Fiji Pte Limited, has provided letter of support to its subsidiary company, Datec (Fiji) Pte Limited, for the bank overdraft facility with Westpac Banking Corporation.

ii) The Holding Company has given a limited guarantee to ANZ Bank (Kiribati) Limited for the term loan obtained by the subsidiary company, Amalgamated Telecom Holdings (Kiribati) Limited, to the amount of AUD 9,577,000 plus interest, costs and other amount relating to the facility.

iii) The Holding Company has given a limited guarantee to Bred Bank (Vanuatu) Limited for the bank overdraft facility obtained by the subsidiary company, Telecom Vanuatu Limited, to the amount of VUV 659,000,000.

iv) The Holding Company has given a guarantee to Vanuatu National Provident Fund for the term loan obtained by the subsidiary company, Telecom Vanuatu Limited, to the amount payable pursuant to the Deed of Loan between Vanuatu National Provident Fund and the subsidiary company.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 28. CONTINGENT LIABILITIES [CONT'D]

b) Other contingent liabilities (cont'd)

v) The Holding Company has given a corporate guarantee and indemnity to ANZ Bank (Samoa) Limited for the term loan obtained by the subsidiary company, Bluesky SamoaTel Investments Limited, unlimited as to amount plus interest, costs and other amounts.

vi) The subsidiary company, AST Telecom LLC, has given a corporate guarantee to ANZ Bank (Samoa) Limited for the term loan obtained by the subsidiary company, Bluesky SamoaTel Investments Limited.

vii) The subsidiary company, Bluesky Samoa Limited, has given a corporate guarantee to ANZ Bank (Samoa) Limited for the term loan obtained by the subsidiary company, Bluesky SamoaTel Investments Limited.

viii) The subsidiary company, Bluesky Samoa Limited, is in discussion with Ministry of Revenue Samoa about certain tax deductions that the Ministry has disallowed. These deductions stem from tax losses created by balance sheet write offs (accelerations of depreciation and inventory write-offs) undertaken after the Group bought 75% of the shares from the Government of Samoa in 2011. The tax impact of the deductions amount to WST 3,737,000. On 25 February 2021, management met with Ministry of Revenue to go through the asset verification exercise. While management considered the meeting with the Ministry to be positive, the Ministry is conducting further internal report closure procedures before they would be able to respond to the subsidiary company. Based on advice from the tax agents, management believes that the tax deductions will be allowed.

NOTE 29. COMMITMENTS

a) Capital commitments

	2022 $'000	2021 $'000
Capital expenditure commitments as at balance date are as follows:		
Intangible assets	43,689	43,689
Property, plant and equipment	333,076	281,078

Capital expenditure commitments primarily relate to various capital investment projects, programs and initiatives approved by the Board of Directors of the Holding Company and the subsidiary companies. Capital expenditure commitments for the year ended 31 March 2022 also includes $43,643,000 (2021: $43,643,000) for lease of new submarine cable capacity linking Australia and USA.

b) Operating lease expenses

The Group has entered into line rental agreements with various line rental service providers. The arrangement includes variable lease payments based on an index or rate. The Group also has a number of short term leases, for which no right of use assets and liabilities have been recognised. Refer note 16 for rental payments for the year ended 31 March 2022 in respect to the above.

c) Sponsorship agreement with Fiji Rugby Union

On 13 November 2017, the subsidiary company, Vodafone Fiji Pte Limited, entered into a sponsorship agreement with Fiji Rugby Union. As per the terms of the agreement, Fiji Rugby Union granted sponsorship rights in respect to certain properties under the control of FRU, including the Kaji Tournament and the Under 20s Team on an exclusive basis to the subsidiary company. The subsidiary company agreed to the acquisition of such sponsorship rights to be solely for the subsidiary company which include corporate entities for sponsorship in cash and sponsorship in kind for a period of 5 years. The sponsorship is currently under negotiations with FRU for revisions in light of effects of Covid-19.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 29. COMMITMENTS (CONT'D)

d) Sponsorship agreement with Fiji National Rugby League Limited

On 25 January 2018, subsidiary company, Vodafone Fiji Pte Limited, entered into a sponsorship agreement with Fiji National Rugby League Limited.

As per the terms of the agreement, Fiji National Rugby League (FNRL) granted sponsorship rights in respect to its events, including the Fiji Bati team, Vodafone Cup Tournament, and Primary and Secondary School rugby events on an exclusive basis to the subsidiary company. The subsidiary company agreed to the acquisition of such sponsorship rights to be solely for the subsidiary company for sponsorship in cash and sponsorship in kind for a period of 4 years. The sponsorship is currently under negotiations with FNRL for revisions in light of effects of Covid-19.

e) Licence fees

Certain subsidiaries within the Group are committed to pay licence fees to the Government of Fiji, the Government of Kiribati (for Amalgamated Telecom Holdings (Kiribati) Limited), the Government of Vanuatu (for Telecom Vanuatu Limited) and Office of the Regulator (for Bluesky Samoa Limited) based on the audited annual gross revenue which arises directly from the provision of services under the respective licence.

Certain subsidiaries in Fiji are also required to pay Universal Service Levies to the Government of Fiji based on the audited annual gross revenue which arises directly from the provision of services under the respective licence in the current year and such annual gross revenue are calculated net of settlements charges to other licensees paying Universal Service levies in Fiji.

f) Operating lease income

The Group earns rental income from colocations and equipment and lease circuit rental. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during 2022 was $1,427,000 (2021: $825,000). The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	2022 $'000	2021 $'000
Less than one year	1,635	1,644
Between one and five years	544	803
	2,179	2,447

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 30. RELATED PARTIES

a) Parent entity

The ultimate parent company is Fiji National Provident Fund (FNPF), a defined contribution superannuation fund domiciled in Fiji.

b) Directors

The names of persons who were directors of the Holding Company at any time during the financial year are as follows:

Ms Kalpana Lal – Chairperson
Mr Taito Waqa
Mr Umarji Musa
Mr David Kolitagane
Ms Tupou'tuah Baravilala
Mr Viliame Vodonaivalu
Mr Pravinesh Singh

Directors' remuneration is disclosed under Note 11.

c) Government related entity

The Government of Fiji has significant influence over the Group through its shareholding of 15.3% in the Holding Company and also through its influence over the parent company, Fiji National Provident Fund, through the FNPF Act 2011 under which FNPF has been constituted. The Group has transactions with the Government, and other government-related entities, including but not limited to sales and purchases of goods and ancillary materials, rendering and receiving services, lease of assets, and use of public utilities.

d) Sale of goods and services

	2022 $'000	2021 $'000
Interest income (Amalgamated Telecom Nominees Limited)	30	30
Sale of hardware, software and services (FNPF)	1,817	1,946
Advertising income (FNPF)	19	25

e) Purchases of goods and services

Interest expenses and fees (FNPF)	5,274	3,410
Operating lease (FNPF)	1,490	923

f) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entities of the Group, directly or indirectly, including any director (whether executive or otherwise) of those entities. The aggregate compensation to key management personnel are as follows:

Salaries and other short-term employee benefits	5,416	5,675

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 30. RELATED PARTIES [CONT'D]

g) Year-end balances arising from sales/purchases of goods and services

	2022 $'000	2021 $'000
Receivable from related parties (Note 20):		
- Ultimate parent entity	1,136	872
Payable to related parties (Note 26):		
- Ultimate parent entity	23	2
- Unit trust of Samoa and Samoa National Provident Fund	41,832	-
- Austel Investment Pte Limited	16,733	22,806
	58,588	22,808

h) Loans and advances to related parties

Advances to other related entity - Amalgamated Telecom Nominees Limited (Note 20)	2,482	2,482

i) Borrowings from ultimate parent entity

Term loans (Note 24)	165,163	75,177

Refer Note 24 for terms underlying the borrowings from ultimate parent entity.

j) Debt investment securities

Term deposits held with HFC Bank	2,040	2,015

k) Guarantees

Refer Note 28(b) for provision of guarantees to related parties.

l) Commitments

Refer Note 28(b) for provision of letter of support to related parties.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 31. SUBSIDIARY COMPANIES

a) The financial statements of the Group incorporate the assets, liabilities and results of the following subsidiary companies. The basis of consolidation is discussed under note 2 (d).

	Principal place of business	Equity holding 2022	Equity holding 2021
Telecom Fiji Pte Limited	Fiji	100%	100%
Fiji International Telecommunications Pte Limited	Fiji	100%	100%
Vodafone Fiji Pte Limited	Fiji	51%	51%
Datec (Fiji) Pte Limited	Fiji	51%	51%
Datec Australia Pty Limited	Australia	51%	51%
Fiji Directories Pte Limited	Fiji	100%	100%
Amalgamated Telecom Holdings (Kiribati) Limited	Kiribati	100%	100%
Telecom Vanuatu Limited	Vanuatu	100%	100%
ATH International Venture Pte Limited	Singapore	100%	100%
Digitec Communications Limited	PNG	70%	70%
Digitec ICT Limited	PNG	26%	26%
Etech ICT Pty Limited	Australia	26%	26%
Etech ICT Pte Limited	Singapore	26%	26%
eLandia Technologies, LLC	USA	100%	100%
American Samoa Hawaii Cable LLC	American Samoa	66.7%	66.7%
Samoa American Samoa Cable	American Samoa	66.7%	66.7%
Amalgamated Bluesky Telecom Holdings LLC	USA	100%	100%
AST Telecom LLC	American Samoa	100%	100%
American Samoa Entertainment	American Samoa	100%	100%
Bluesky SamoaTel Investments	Samoa	97.2%	97.2%
Bluesky Samoa Limited	Samoa	72.9%	72.9%
Bluesky Pacific Holdings Limited	Samoa	90.5%	60.2%
Bluesky Holding New Zealand Limited	New Zealand	90.5%	60.2%
Bluesky Cook Islands Investment	Cook Islands	90.5%	60.2%
Teleraro Management Limited	Cook Islands	90.5%	60.2%
Teleraro Limited	Cook Islands	81.5%	54.2%
TCNZ Cook Islands Limited	Cook Islands	81.5%	54.2%
Telecom Cook Islands Limited	Cook Islands	48.9%	32.5%

All the subsidiaries have the same balance date as the parent entity which is 31 March.

Although the Holding Company has less than half of the voting rights in Telecom Cook Islands Limited, Digitec ICT Limited, Etech ICT Pte Limited and Etech ICT Pty Limited, management has determined that the Holding Company controls Telecom Cook Islands Limited, Digitec ICT Limited, Etech ICT Pte Limited and Etech ICT Pty Limited. This is on the basis that the Holding Company appoints the majority of the directors for Telecom Cook Islands Limited, Digitec ICT Limited, Etech ICT Pte Limited and Etech ICT Pty Limited and has the majority voting rights.

b) On 1 April 2020, Vodafone Fiji Pte Limited acquired 70% shareholding in Digitec ICT Limited, Etech ICT Pte Limited and Etech ICT Pty Limited from Digitec Communication Limited and ATH International Venture Pte Limited. The transaction was accounted for as a common control transaction as at the time of this transaction Vodafone Fiji Pte Limited, Digitec Communication Limited and ATH International Venture Pte Limited were controlled by the same shareholder, the Holding Company. As the Holding Company was not a party to the common control transaction, these consolidated financial statements were not affected by the transaction. However, on the same day (i.e. 1 April 2020), following transfer of control, Vodafone Fiji Pte Limited disposed 19% interest in Digitec ICT Limited, Etech ICT Pte Limited and Etech ICT Pty Limited decreasing the Groups ownership interest from 70% to 26%. This change in ownership interest has been accounted for as an equity transaction, the effects of which are presented in the merger reserve.

c) In May 2021 the Holding Company acquired 30.34% minority shareholding in Bluesky Pacific Holding Limited. This acquisition of non-controlling interest has been accounted for as an equity transaction, the effects of which are presented in the other equity reserve.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 32. SEGMENT REPORTING

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

a) Operating Segments

	Fixed Line Telecom $'000	Mobile Telecom $'000	Other $'000	Elimination $'000	Total $'000
31 March 2022					
External revenues	89,518	435,437	115,699	-	640,654
Inter-segment revenue	2,460	10,929	34,498	(47,887)	-
Other income	2,013	5,991	2,017	-	10,021
Segment revenue	93,991	452,357	152,214	(47,887)	650,675
Segment profit (loss) before tax	23,614	60,461	13,851	(28,801)	69,125
Interest income	505	1,034	1,451	(2,396)	594
Interest expense	1,208	11,809	12,273	(1,868)	23,422
Depreciation and amortisation	18,231	80,222	12,060	5,294	115,807
Other material non-cash items:					
Impairment losses on trade receivables and contract assets	867	1,409	(199)	(74)	2,003
Impairment losses on non-financial assets	-	2,200	-	-	2,200
Segment assets	170,952	600,578	1,438,499	(740,142)	1,469,887
Capital expenditure	34,189	42,117	83,526	-	159,832
Segment liabilities	76,868	470,931	670,839	(371,539)	847,099
31 March 2021					
External revenues	88,621	384,483	106,661	-	579,765
Inter-segment revenue	30,039	24,372	60,789	(115,200)	-
Other income	3,286	6,817	1,063	-	11,166
Segment revenue	121,946	415,672	168,513	(115,200)	590,931
Segment profit (loss) before tax	28,409	49,810	55,859	(79,334)	54,744
Interest income	640	886	1,724	(1,955)	1,295
Interest expense	1,387	10,456	10,121	(1,391)	20,573
Depreciation and amortisation	20,692	72,066	22,071	(4,554)	110,275
Other material non-cash items:					
Impairment losses on trade receivables and contract assets	2,680	4,679	1,564	-	8,923
Impairment losses on non-financial assets	-	2,500	-	-	2,500
Segment assets	209,453	639,592	980,868	(548,742)	1,281,171
Capital expenditure	18,600	61,010	102,098	(639)	181,069
Segment liabilities	64,233	403,052	450,423	(186,268)	731,440

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 32. SEGMENT REPORTING (CONT'D)

b) Geographical segments

The geographic information analyses the Group's revenue and non-current assets by the Holding Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

	Fiji $'000	Outside Fiji $'000	Elimination $'000	Total $'000
31 March 2022				
External revenues	391,125	249,529	-	640,654
Inter-segment revenue	46,779	1,108	(47,887)	-
Other income	4,628	5,393	-	10,021
Segment revenue	442,532	256,030	(47,887)	650,675
Segment profit (loss) before tax	121,440	(23,514)	(28,801)	69,125
Interest income	1,448	1,542	(2,396)	594
Interest expense	16,251	9,039	(1,868)	23,422
Depreciation and amortisation	70,209	40,304	5,294	115,807
Other material non-cash items:				
Impairment losses on trade receivables and contract assets	7	2,070	(74)	2,003
Impairment losses on non-financial assets	-	2,200	-	2,200
Segment assets	1,435,951	774,078	(740,142)	1,469,887
Capital expenditure	56,215	103,617	-	159,832
Segment liabilities	637,178	581,460	(371,539)	847,099
31 March 2021				
External revenues	345,477	234,288	-	579,765
Inter-segment revenue	83,980	31,220	(115,200)	-
Other income	2,263	8,903	-	11,166
Segment revenue	431,720	274,411	(115,200)	590,931
Segment profit (loss) before tax	102,941	31,137	(79,334)	54,744
Interest income	826	2,424	(1,955)	1,295
Interest expense	13,735	8,229	(1,391)	20,573
Depreciation and amortisation	67,837	46,992	(4,554)	110,275
Other material non-cash items:				
Impairment losses on trade receivables and contract assets	7,761	1,162	-	8,923
Impairment losses on non-financial assets	-	2,500	-	2,500
Segment assets	1,210,769	619,144	(548,742)	1,281,171
Capital expenditure	47,623	134,085	(639)	181,069
Segment liabilities	607,612	310,096	(186,268)	731,440

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2022

NOTE 33. CONTINGENT CONSIDERATION PAYABLE

In 2019, the Holding Company had completed the acquisition of the Digitec group, an ICT provider in PNG, Singapore and Australia. At the same time a Shareholders Deed was entered between the Holding Company, Austel Investment Pty Limited ('Austel') and Digitec Communications Limited.

At the commencement of the Shareholders Deed, the Holding Company was the majority shareholder and Austel was the minority shareholder in Digitec Communications Limited. The Shareholders Deed was intended to document the arrangements between the Holding Company and Austel during the initial network roll-out.

Based on the Shareholders Deed, the Holding Company and Austel's share of the equity contribution to the network cost was to be in proportion to its shareholding in Digitec Communications Limited and both parties had acknowledged and agreed that Austel's equity contribution was to be USD 18m consisting of:

- USD 8m being met by application of deferred payment from sale of Digitec Communications Limited by Austel to the Holding Company; and
- the notional value to be ascribed to the licences owned by Digitec Communications Limited and necessary to utilise for the telecommunications business. The licences were provisionally valued at USD 10m but were to be adjusted depending on the actual cost of the network roll out.

The Group determined that the fair value of this arrangement (i.e. ascribing of USD 10m as the notional value for the licences) was $13,770,355. The Group has determined that $13,770,355 represents contingent consideration under IFRS 3 *Business Combination*. Accordingly, an additional goodwill of $13,770,355 has been recognised and allocated to Digitec Communications Limited. The contra has been recognised as contingent consideration payable as the shareholding in Digitec Communications Limited is yet to be formalised.

During the year, interest expense of USD220,000 was recognised as a result of unwinding of discount in relation to the contingent consideration payable.

NOTE 34. EVENTS SUBSEQUENT TO BALANCE DATE

On 22 April 2022, the Group launched its new mobile broadband telecommunications network in PNG.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Group, the results of those operations, or the state of the affairs of the Group, in subsequent financial years.

NOTE 35. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorised for issue on 30th June, 2022.

1. Statement of interest (direct and indirect) of each Director in the share capital of the company as at 31 March 2022 Under Section 51.2 (iv):

Directors	Direct Interest (Number of Shares)	Indirect Interest (Number of Shares)
Umarji Musa	5,000	-

2. Top 20 shareholders report under Section 51.2 (v):

Shareholders	No. Of Shares
The Fiji National Provident Fund Board	347,964,953
Republic of Fiji Islands	72,966,105
Unit Trust of Fiji (Trustee Company) Limited	19,391,624
Unit Trust of Samoa (Trust)	6,928,710
Itaukei Trust Fund Board	6,501,502
Amalgamated Telecom Nominees Limited	4,700,193
Retirement Fund Board (Tonga)	4,000,000
FHL Trustees Limited ATF Fijian Holdings Unit Trust	3,260,962
FHL Media Limited	2,095,793
BSP Life (Fiji) Limited	2,095,229
Samoa National Provident Fund (SNPF)	1,666,666
Carlisle (Fiji) Limited	488,565
FijiCare Insurance Limited	176,396
Shiu Raj	137,603
Naitasiri Provincial Council	119,980
Jacks Equity Investment Limited	114,013
Kiran Lata Kumar	100,000
Kiritbhai Patel F/N Prabhudas Patel	100,000
Nakuruvakarua Company Limited	100,000
RFMF Army Medical Scheme	100,000
Savendra Prabhu Dayal	99,000
Lomaiviti Provincial Council	94,340
Rewa Provincial Council	94,300

3. Distribution of shareholding under Section 51.2 (vi):

No. of Shareholders	Shareholding	Total Percentage Holding
310	0 - 500	0.03%
941	501 - 5,000 shares	0.38%
120	5001 - 10,000 shares	0.20%
49	10,001 - 20,000 shares	0.15%
15	20,001 - 30,000 shares	0.08%
6	30,001 - 40,000 shares	0.04%
9	40,001 - 50,000 shares	0.09%
16	50,001 - 100,000 shares	0.28%
5	100,001 - 1,000,000 shares	0.22%
11	over 1,000,000 shares	98.53%
1,482		**100%**

South Pacific Stock Exchange - Listing Requirements (Cont'd)

5. Disclosure on the trading results of each subsidiary under Section 51.2 (x):

(Amount in $'000)	Telecom Fiji Limited	Vodafone Fiji Limited & Subsidiary Companies	FINTEL	Fiji Directories Limited	ATH Kiribati Limited	Telecom Vanuatu Limited	Bluesky Group	ATHIV Group
Sales revenue	84,944	378,111	10,572	1,989	31,032	55,921	111,773	-
Other Operating revenue	943	15,704	124	61	- 64	-	4,939	-
(excluding dividends)								
	85,887	393,815	10,696	2,050	30,968	55,921	116,712	-
Depreciation and amortisation	13,408	55,896	1,465	193	3,579	10,610	20,099	-
Impairment loss on trade and other receivable	447	429	- 923	141	113	82	1,751	5,184
Cost of Sales	13,735	166,386	2,683	181	10,749	20,941	49,441	-
Other expenses	33,609	96,373	3,560	780	9,049	22,159	40,617	25,851
Finance cost/(income) net	165	7,062	10	(12)	573	1,590	1,927	2,799
Income tax expense/(benefit)	4,883	15,380	594	150	2,409	-	1,390	- 10,055
	66,247	341,526	7,389	1,433	26,472	55,382	115,225	23,779
Net profit after income tax	19,640	52,289	3,307	617	4,496	539	1,487	- 23,779
(excluding dividends)								
Operating assets	171,198	568,796	25,309	4,603	33,087	70,757	222,550	393,246
Operating liabilities	55,128	383,602	8,828	996	17,635	40,569	91,613	421,347
Shareholders' equity	116,070	185,194	16,479	3,607	15,451	30,188	130,937	- 28,101

6. Share Register

Central Share Registry Pte Limited
Shops 1 and 11
Sabrina Building
Victoria Parade
Suva, Fiji

South Pacific Stock Exchange - Listing Requirements (Cont'd)

7. Group Consolidated Ten Years Financial Performance under section 51.2 (xiv) (xv):

	For the 12 months ended 31 March 2022 ($'000)	For the 12 months ended 31 March 2021 ($'000)	For the 12 months ended 31 March 2020 ($'000)	For the 12 months ended 31 March 2019 ($'000)	For the 12 months ended 31 March 2018 ($'000)	For the 12 months ended 31 March 2017 ($'000)	For the 12 months ended 31 March 2016 ($'000)	For the 12 months ended 31 March 2015 ($'000)	For the 12 months ended 31 March 2014 ($'000)	For the 12 months ended 31 March 2013 ($'000)
Operating Revenue	640,654	579,765	675,947	523,679	460,416	394,702	356,211	310,668	281,004	270,469
EBIT	75,382	59,638	102,973	119,485	118,803	108,411	90,878	85,272	46,664	(31,040)
EBITDA	191,189	169,913	214,720	189,335	173,384	153,611	134,468	129,903	93,109	26,171
Net Earnings	55,854	41,374	43,354	75,024	58,065	54,222	56,725	49,812	14,469	(15,905)
Earnings per share	7.38 cents	3.26 cents	3.38 cents	10.05 cents	13.8 cents	12.8 cents	13.4 cents	11.8 cents	3.4 cents	(4.0 cents)
Return on equity	8.97%	7.53%	9.30%	16.33%	20.56%	22.3%	26.5%	25.7%	8.4%	(9.3%)
Total Assets	1,469,887	1,281,171	1,206,430	1,133,284	682,586	635,313	466,882	417,105	396,813	444,481
Return on assets	3.9%	3.4%	3.8%	6.4%	11.5%	19.2%	23.0%	22.7%	10.7%	(5.6%)
Current Ratio	0.81 times	0.75 times	1.01 times	0.98 times	0.85 times	0.61 times	0.76 times	0.82 times	0.86 times	0.84 times
Net Debt	233,412	206,239	280,150	258,018	99,723	118,233	12,139	22,394	46,606	63,781
Gearing	27%	27%	38%	36%	23%	29%	5.0%	9.0%	19.0%	23.0%
Interest cover	9.15 times	8.81 times	4.74 times	10.53 times	13.82 times	34.9 times	41.5 times	28.9 times	9.9 times	(8.6) times
Net cash flow from operating activities	139,297	161,371	148,024	140,350	129,828	132,590	105,006	116,340	94,252	92,739
Capital expenditure	151,675	181,069	155,043	184,093	84,306	43,412	71,932	60,810	24,636	52,429
Dividend per share	$ 0.002	$0.000	$0.000	$0.025	$0.045	$0.06	$0.08	$0.07	$0.05	$0.045
Net Tangible Asset per share	0.86	0.50	0.33	0.26	$0.60	$0.50	$0.44	$0.41	$0.35	$0.35
Market price per share	$ 1.79	$1.82	$2.58	$3.28	$2.28	$1.32	$1.20	$1.01	$0.80	$0.84
Maximum market price per share	$ 1.84	$2.43	$3.34	$3.28	$2.30	$1.32	$1.25	$1.01	$0.86	$0.89
Minimum market price per share	$ 1.69	$1.80	$2.58	$2.28	$1.32	$1.08	$1.00	$0.81	$0.60	$0.70
Price Earnings ratio	24.25 times	55.83 times	76.33 times	32.64 times	16.52 times	10.3 times	8.9 times	8.6 times	23.5 times	(21.0) times
Dividend Yield	0.11%	0.00%	0.00%	0.76%	1.9%	4.5%	6.7%	6.9%	6.3%	5.4%

Annexure P: Annual Compliance Report on Corporate Governance

Amalgamated Telecom Holdings Limited For the Financial Year Ended on 31 March 2022

Principle	Requirement	Compliance Status
1. Establish Clear Responsibilities for Board Oversight	Separation of Duties Clear separation of duties between Board and Senior Management.	The role of the Board is to ensure the success of the Company by taking responsibility in setting the Company's strategic direction, good governance and guiding management in order to meet its objective of enhancing corporate profit and shareholder value. The major role of the Board covers investments and strategic matters, governance, risk and compliance, being updated by the Chief Executive Officer, and tracking the performance of subsidiary entities. The Board has delegated the responsibility of operating and administering to the Chief Executive Officer, who is accountable to the Board for the performance of these duties.
	Board Charter Adopt a Board Charter detailing functions and responsibilities.	The Company has a Code of Corporate Governance detailing the functions and responsibilities of the Board. Furthermore, in line with improvements in the Group Policy environment and aligning it with best corporate governance practices, a separate Board Charter has been developed and is pending Board approval.
2. Constitute an Effective Board	Board Composition Balanced Board Composition with Executive and Non-Executive Directors of which one third of total number of Directors to be independent Directors.	The Board comprises of seven (7) Non-Executive Directors of which four (4) are Strategic Investor Directors nominated by the Fiji National Provident Fund (FNPF) and three (3) are Fiji Directors nominated by the Government of Fiji. A person may be nominated as a Director at a General Meeting if the person has been nominated by the Directors, or by one or more members holding in aggregate at least 10% of all the voting shares, for election at that meeting. The Directors are appointed/elected in accordance with the Company's Articles of Association. One third of Fiji Directors retire by rotation each year and the retiring Directors are eligible to be nominated again for re-election. Two of the seven Directors have met the necessary SPX required pre-requisites to be regarded as Independent Directors.
	Gender Diversity Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?	Whilst the Company does not have a separate policy on gender diversity at Board level, this will be part of the Board Charter to promote fairness. The Company's Code of Corporate Governance Principles specifies that the Board should at all times be composed of members whose skills, experience and attributes together reflect diversity, balance, cohesion and match the demands facing the Company. The Company values diversity at Board Level. The Board of Directors comprises of five males and two females.
	Nominations Committee Selection, approval, renewal and succession of Directors to be conducted by the Nominations Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.	The Nominations Committee oversees and monitors Board performance, succession planning, Director development and to ensure diversity at both the ATH holding company level and at subsidiaries level. A Nomination Committee Charter has been developed to provide guidance and outline the roles and responsibilities of the Committee.

Annexure P: Annual Compliance Report on Corporate Governance (Cont'd)

Amalgamated Telecom Holdings Limited For the Financial Year Ended on 31 March 2022

Principle	Requirement	Compliance Status
	Board Evaluation Process of evaluation of performance of the Board, its Committees and individual Directors. Evaluation to be linked to key performance indicators of the listed entity.	The Board Evaluation process and guidelines is in place which is managed by the Nominations Committee to oversee and monitor Board performance and director development. It ensures that individual directors and the Board as a whole work efficiently in achieving their functions towards ATH.
	Directors Training Directors training and induction procedure to be in place to allow new Directors to participate fully and effectively.	Director induction is a formal process the Company follows whereby the Chief Executive Officer and the management team present a comprehensive corporate profile of the organisation to the newly appointed directors. It is necessary for all incoming Directors to attend the induction programme. In addition, as and when required, workshops are organised for the directors with external consultants and stakeholders.
	Board Sub-Committees Board must have sub-committees which must at a minimum include: • Audit Committee; • Risk Management Committee; and • Nominations Committee/ Recruitment Committee.	The Board has formally constituted three (3) committees namely the Audit, Finance and Risk Committee; Human Resources Committee; and Nominations Committee. The Board is in the process of constituting a Strategic Committee that will oversee the strategic plans that the subsidiaries have invested or are willing to invest on. **The Audit, Finance and Risk Committee** is responsible on Finance matters, for monitoring and recommending to the Board the Company's financial plans and strategies which are consistent with the business strategies of the Company; monitoring the financial budgets used by management to develop the Company's financial plans and strategies. On Audit matters, the Committee is responsible for monitoring the external audit of the Company's affairs including considering the appointment of the auditors, the audit fee and any issues on their resignation or dismissal; discussing with the auditors, before the commencement of each audit, the nature and scope of their audit and reviewing any problems, reservations, or issues arising from the audit and referring matters of a material or serious nature to the Board and also reviewing annual financial statements before submission to the Board. The Committee also oversees that the risks in the Company is managed and mitigated without having any negative impact on the group and also ensure that all effective controls are in place. **The Human Resources Committee** is responsible for advising the Board on human resources issues which includes the remuneration and conditions of employment of the Chief Executive Officer, senior management and succession planning of the Company. **The Nominations Committee** is responsible for the selection, approval, renewal and succession of Directors in the subsidiary companies of the Group. The corporate governance responsibilities are co-shared amongst the three sub-committees to ensure that effective good governance is implemented in the organization.

Annexure P: Annual Compliance Report on Corporate Governance (Cont'd)

Amalgamated Telecom Holdings Limited For the Financial Year Ended on 31 March 2022

Principle	Requirement	Compliance Status
3. Appointment of Chief Executive Officer	Chief Executive Officer To appoint a suitably qualified and competent Chief Executive Officer	Mr. Ivan Fong was the Chief Executive Officer and Company Secretary for ATH. Currently, Mr. Juan Castellanos de Armas's is Acting CEO as the recruitment process is being finalized for appointment of new CEO. Mr. Ashnil Prasad who is the Manager Risk and Acting Head of Mergers and Acquisition has been appointed as the Company Secretary of ATH. The Chief Executive Officer is responsible for developing and implementing business strategies and policy guidelines; managing budgets, financial reports and key performance indicators; providing Company secretarial duties and functions; ensuring compliance with regulatory and statutory requirements; managing effective relationships with internal and external parties; and leading and development of ATH staff.
4. Appointment of a Board and Company Secretary	Company Secretary Board to appoint a suitably qualified and competent Company Secretary, who is accountable to the Board, through the Chair, for all compliance and governance issues.	
5.Timely and Balanced Disclosure	Annual Reports Timely and accurate disclosures are made in Annual Reports as per Rule 51 of Listing Rules.	As a listed entity, ATH is subject to the rules and regulations for listed companies as set out by the South Pacific Stock Exchange (SPX) and Reserve Bank of Fiji (RBF). This includes market announcements of material information, six-monthly unaudited financials, audited financials and Annual Report.
	Payment to Directors and Senior Management Sufficient information to be provided to shareholders on remuneation paid to Directors and Senior Management.	A total fee of $210,000 was paid to Directors for their service during the year in accordance with the shareholders resolution at the last Annual General Meeting. The Company also met other expenses of directors, mainly for travel and accommodation, which were incurred during the course of their duties for ATH. ATH Directors are also covered under a Directors and Officers Insurance Policy and a Personal Accident Insurance Policy. Payment to senior management is disclosed in the Annual Report under Key Management Personnel Compensation.
	Continuous Disclosure General disclosures or Company announcements to be made in a timely manner. The disclosures should be factual without omitting material information and to be expressed in a clear and objective manner to shareholders.	ATH continues to make timely, accurate and full disclosure to the market as per the SPX listing rules.
6. Promote Ethical and Responsible Decision Making	Code of Conduct To establish a minimum Code of Conduct of the listed entity applicable to Directors, senior management and employees and conduct regular trainings on the same.	The Company has a Code of Corporate Governance which is relayed to the Directors upon appointment to the Board. ATH believes that all Directors, executives and staff needs to uphold the code of conduct and ethical standards of the Company.

Annexure P: Annual Compliance Report on Corporate Governance (Cont'd)

Amalgamated Telecom Holdings Limited For the Financial Year Ended on 31 March 2022

Principle	Requirement	Compliance Status
7. Register of Interests	Conflict of Interest Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for the purpose.	A separate conflict of interest policy has been developed and is pending Board approval. Annual declaration of conflict of interest are done by directors, executives and staff on an ongoing basis and declarations are also done by directors in board meetings subject to conflicting interests in decision making. A register of interests is maintained by the Company in accordance with the Code of Corporate Governance and the new policy.
8. Respect the Rights of Shareholders	Communication with Shareholders To design communication strategy to promote effective communication with shareholders and encourage their participation. Examples: Communication through Annual Reports, Annual General Meetings, or any other means of electronic communication.	In line with SPX continuing listing requirements, the Company issues market announcements of material information, quarterly and six-monthly unaudited financials, annual audited financials and Annual Report. The same information is posted on SPX and ATH websites. All shareholders are invited to the AGM, receive a copy of Annual Report and notice of meeting prior to the AGM and are given an opportunity to communicate directly with the Board of Directors. ATH fosters and promotes effective communication with shareholders and effective participation at General Meetings. The Company explores how best to take advantage of technology to enhance shareholders communications and how to use General Meetings to enhance a two-way communication.
	Website To create and maintain a website of the listed entity to communicate, effectively with shareholders and other stakeholders. All matters of importance to be updated regularly on the website.	ATH maintains an up-to-date website to supplement the official release of information to the market. The website address is: *http://www.ath.com.fj/*
	Grievance Redressal Mechanism To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.	A policy has been developed and is pending board approval on the grievance mechanism which is covered in the Company's Articles of Association and the Corporate Governance Policy. The new policy outlines the grievance details such as the type of complaint, the steps taken to file a grievance at ATH and the resolution process which will assist in addressing shareholder complaints and grievances effectively.
	Shareholders Complaints To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.	One complaint was received from a shareholder during the year. However, the complaint was rectified on the same day and the shareholder was satisfied with the resolution provided. No other complaint was received after this.

Annexure P: Annual Compliance Report on Corporate Governance (Cont'd)

Amalgamated Telecom Holdings Limited For the Financial Year Ended on 31 March 2022

Principle	Requirement	Compliance Status
	Corporate Sustainability To adopt a business approach that creates long term shareholder value by embracing opportunities, managing risks, maximising profits and minimising negative social economic, and environmental impacts.	Our approach to business is outlined in the Company's vision, mission and values statements as tabulated in our Annual Report. The Group is committed to continuously improving its business practices to maximise positive and minimise negative social, environmental and economic impacts and to manage risk alongside increasing shareholder value.
9. Accountability and Audit	Internal Audit To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.	ATH is audited annually by an independent external auditor. The ATH Group and subsidiaries accounts are prepared and audited in compliance with IFRS standards. The Company also has policies and procedures in place to ensure that business activities are carried out as per best practices. The ATH Board is looking into adding an internal audit position in the organization structure and once this is finalized, ATH will have an internal auditor appointed. This is to be finalized by the end of the next financial year.
	External Audit To appoint an external auditor who reports directly to the Board Audit Committee.	External Auditors are appointed by the Shareholders at the Annual General Meeting, and they report to the Audit, Risk and Finance Committee.
	Rotation of External Auditor To appoint the external auditor for a fixed term requiring senior partner of the audit firm to rotate once in every three or less financial years.	The Company rotates its external audit partners every three years or less and the external firm is not appointed for more than five consecutive years.
	Audit Committee To establish an Audit Committee comprising of at least three members of which majority are independent and Chair is not Chair of the Board.	As per the Company structure, the Company has an Audit, Finance and Risk Committee which provides oversight of the Company's internal controls and operations, verifying and safeguarding the integrity of the Company's financial reporting to ensure that the shareholders are provided with transparent financials of the Company. The Committee is made up of three Directors as members and Chair is not the Chair of the Board.

Annexure P: Annual Compliance Report on Corporate Governance (Cont'd)

Amalgamated Telecom Holdings Limited For the Financial Year Ended on 31 March 2022

Principle	Requirement	Compliance Status
10. Risk Management	Risk Management Policy To establish a Risk Management Policy to address risk oversight, risk management and internal control. The Policy to clearly define the roles and responsibilities of the Board, Audit Committee, management and internal audit functions.	A risk management framework has been approved and implemented at ATH which provides the methodology of identifying and managing of risks. The Finance, Audit and Risk Committee is tasked with the responsibility of risk management and enhancing the internal controls in the Company. The Committee also reviews the annual financial statements to be released by the Company, before submission to the Board.
	Whistle Blower Policy As part of the risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behaviour, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX Rules or Companies Act.	Currently, the Company has not received any whistle blower complaints and to manage whistle blower complaint in future, it will be directly referred to the Company CEO for investigation and addressing of the issue and the management strategy will be guided by the FNPF whistle blower policy. A separate Whistle Blower policy is being developed that will provide a mechanism of reporting unethical, actual dishonesty, fraudulent, corrupt or illegal behavior, violation of the Company's code of conduct. This policy shall be approved and implement by the next financial year.

ATH Group of Companies

SUBSIDIARIES CONTACT DETAILS

Vodafone Fiji Pte Limited
168 Princes Road, Tamavua
Private Mail Bag
Suva, Fiji
Phone (679) 3312-000
Fax (679) 3312-007
Website: *www.vodafone.com.fj*

AST Telecom LLC dba Bluesky Communications
Laufou Centre, Nuuuli
P O Box 478
Pago Pago, American Samoa 96799
Phone Number: +1 (684) 699 2759
Website: *www.bluesky.as*

Digitec Communications Limited t/a Vodafone PNG
Section 38, Allotment 32
Waigani Drive
Port Moresby
Papua New Guinea
Phone: +675 81030123
Website: *www.vodafone.com.pg*

Telecom Vanuatu Limited t/a Vodafone Vanuatu
Telecom House, Father Walter Lini Highway
P O Box 146,
Port Vila, Efate, Vanuatu
Phone: (678) 22185
Fax: (678) 22628
Website: *www.tvl.vu*

Fiji International Telecommunications Pte Limited
151 Rifle Range, Vatuwaqa
G P O Box 59
Suva, Fiji
Phone (679) 3312-933
Website: *www.fintel.com.fj*

Datec (Fiji) Pte Limited
Level 1 Garden City Complex
Grantham Road, Raiwai
P O Box 12577
Suva, Fiji
Phone (679) 3314-411
Fax (679) 3300-162
Website: *www.datec.com.fj*

Etech ICT Pte Limited
10 Ubi Crescent #01-93
Lobby E, Ubi Tech Park
Singapore
Email: info@etechict.com
Website: *www.etechict.com*

Vodafone ATH Fiji Foundation
168 Princes Road, Tamavua
Private Mail Bag
Suva, Fiji
Phone (679) 3312-000
Fax +679 3312-007

Telecom (Fiji) Pte Limited
Telecom New Wing Building
Edward Street
Private Mail Bag
Suva, Fiji
Phone (679) 3304-019
Fax (679) 3301-765
Website: *ww.tfl.com.fj*

Bluesky Samoa Limited t/a Vodafone Samoa
Bluesky Samoa, Maluafou Headquarters
Apia, Samoa
Phone (685) 67788
Fax (685) 24123
Website: *www.vodafone.com.ws*

Telecom Cook Islands Limited t/a Vodafone Cook Islands
P O Box 106
Avarua, Rarotonga, Cook Islands
T: (682) 29-680
Website: *ck.info@blueskypacificgroup.com*

Amalgamated Telecom Holdings (Kiribati) Limited t/a Vodafone Kiribati
P O Box 72
Bairiki, South Tarawa
Republic of Kiribati
Phone (686) 74020700
Website: *www.athkl.com.ki*

Fiji Directories Pte Limited
Level 1 My FNPF Centre
Greig Street
G P O Box 16059
Suva, Fiji
Phone (679) 3311-000
Fax (679) 3300-004
Website: *www.yellowpages.com.fj*
www.whitepages.com.fj

Digitec ICT Limited
Sec 451, Lot 7 Cameron Road
Gordons
P O Box 1075, Boroko, NCD 121
Port Moresby, Papua New Guinea
Phone: +675 3139600
Email: info@digitec.com.pg
Website: *www.digitec.com.pg*

Etech ICT Pty Limited
Unit 10/7 Enterprise Street
Molendinar Queensland 4214
Australia
Phone: +61 7 55328300
Email: sales@etechict.com
Website: *www.etechict.com*

Group of Companies

Registered Office
Level 2, Harbour Front Building
Rodwell Road
P.O.Box 11643
Suva
Fiji

Phone (679) 3308700
Fax (679) 3308044

Website: *www.ath.com.fj*