

# 2022 ANNUAL REPORT



COMMUNICATIONS  
FIJI LIMITED



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## CFL DIRECTORS



**William Parkinson**  
Chairman



**Sufinaaz Dean**  
Director



**Emily King**  
Director



**Josephine Yee Joy**  
Director



**Thelma Savua**  
Director



**Maciu Lumelume**  
Director



**Seini Tinaikoro**  
Company Secretary

## CFL EXECUTIVE COMMITTEE



**Charles Taylor**  
General Manager



**Yvette Samson**  
Group HR Team Leader



**Vijay Narayan**  
News Director



**Satya Nand**  
Snr. Content Director



**Jyoti Khatri**  
Chief Financial Officer



**Philip Smith**  
Chief Engineer



**Doris King - Southwick**  
Group Sales Director

Auditors	Solicitors	Bankers	Registered Office	Share Registry



## PNG FM DIRECTORS



**Peter Aitisi**  
*Chairman*



**Sundar Ramamurthy**  
*Director*



**Pramesh Sharma**  
*Director*



**William Parkinson**  
*Director*

## PNG FM EXECUTIVE COMMITTEE



**Rosemarie Botong**  
*General Manager*



**Yvette Samson**  
*Group HR Team Leader*



**Mary Korau**  
*Sales & Marketing Director*



**Genesis Ketan**  
*Director News/ Company Secretary*



**Sindhiya Singh**  
*Operations Manager*



**Michelle Lai**  
*Snr Content Director*



**Sam Kopi**  
*IT Support*



## MANAGEMENT TEAM



Fiji



**Joana Ravono**  
Content Director  
**FM96**



**Victoria Vollmer**  
Content Director  
**Legend FM**



**Sneha Chaudhry**  
Content Director  
**RADIO Sargam**



**Atu Kurumudu**  
Content Director  
**VITI FM**



**Aaron Ah Yuk**  
Digital Director



**Nora Taufaga**  
Administration Manager



**Pratika Kumar**  
Financial Controller- Fiji



**Elena Tukuwasa**  
Events Manager



PNG



**George Kavil**  
Production Manager  
**Magic Factory**



**Francine Malum**  
Content Director  
**Legend FM**



**Kepiniu Manuai**  
Admin & Operations Coordinator



**Dolores Kokoani**  
Events Coordinator



**Talitha Ligo**  
Social Media Manager



**Vivian Dumit**  
Content Director  
**YUMI FM**



**Marion Taule**  
Asst. Content Director  
**NAU FM**



## CHAIRMAN'S REPORT



I am pleased to report that Communications Fiji Ltd (CFL) has emerged from a turbulent few years in good shape and ready to tackle what looks like being very exciting times!

CFL delivered a final group profit after tax of \$1,551,061 (2021 \$797,336) for the year ended December 31st, 2022.

It was a good result as 2022 was a challenging year in both Fiji and Papua New Guinea. CFL's Fiji operations recorded an improvement in performance delivering an after-tax profit of \$842,840 (2021 \$364,350).

Our Fiji team came under unprecedented political pressure through repeated attacks in Parliament and financially as active attempts were made to block advertising spending from Government and related organisations. I was particularly proud of our team as they stuck to our core values of independence and accuracy. Fijivillage is now established as the nation's leading news website and has gone a long way to achieving our goal of making it the news source "of record" for the country.

Papua New Guinea also faced elections mid-2022. As in the past we found this had a negative impact on revenue as advertisers cut back, waiting on results and for the market to settle. Unlike Fiji, PNG FM has never received much elections related advertising as campaigns are usually locally driven and there is very little advertising from the PNG Election Commission. PNG FM recorded an after-tax profit of K1,146,464 (2021: K756,909).

The increase in profit resulted from the events which were back on track after Covid 19 related interruptions.

Communications Fiji Ltd announced a final dividend of 13 cents per share. This takes dividends paid out for the year ended December 31st, 2022, to 17 cents per share (2021: 8 cents).

The fact that we emerged from this difficult time with limited debt and a very strong balance sheet is important going forward.

Now to the future!

Fiji: It would be an understatement to say that much has changed since the beginning of 2023. Two substantial threats have now been removed. The first is the Media Industry Development Act 2010. This not only threatened our existence through draconian penalties relating to news and programming content, but excessive cross media controls severely limited growth.

There has been speculation that this will lead to a concentration of ownership in the Fiji media industry. I want to stress that we believe that this will be controlled by regulatory bodies like the Fiji Commerce Commission. Our interest primarily is not in taking over other traditional print, radio and television organisations but exploring multimedia online opportunities.



## CHAIRMAN'S REPORT *(continued)*

The second threat we faced was the potential takeover of our transmission by the Government owned Walesi organisation. We have seen how destructive this has been for the Television industry and we were very concerned about plans to do the same to radio. Fortunately, this threat has now been removed.

The repeal of MIDA removes restrictions on foreign ownership. Once again there has been speculation about the impact of the removal of the 10% foreign ownership limit on the Fiji media market. The immediate effect is that the potential market for CFL shares widens considerably, we believe the bulk of new shareholder interest will come from the Fiji diaspora and international investors who already have a stake in the region.

In terms of immediate plans our CFL Fiji management team have been preparing for a return to growth and general opening of the market. Over the last year we have been steadily improving our transmission network boosting coverage of Labasa town and shortly Serua covering a long-time gap on the Queens highway.

We have leased a new storage and engineering facility just up the road from our studios at 255 Waimanu Rd. This allows us to increase our investment in Total Events Company equipment plus provides offsite disaster recovery options and back up studios. We are also keen to start work on renovating and upgrading studio facilities at 231 Waimanu Rd. We expect work on this to commence in the second half of 2023.

The CFL Fiji team expect growth in the coming year to come from an improving economy, boosted in our case with the removal of restrictions on advertising from Government and other advertisers. We are also thrilled about the return of Fiji Showcase to the Vodafone Arena. Shareholders may recall this was a major contributor to CFL's bottom line and it has been many years (2017) since we have been able to host a full event. We are expecting strong growth from our Total Event Company thanks to a booming tourism sector and of course our ongoing investment online led by Fijivillage and content created by the Magic Factory.

Papua New Guinea: PNGFM faces equally exciting times with the construction of our new studio complex commencing shortly to be completed in the second quarter 2024. Land was purchased in 2020 for K5.5 million, a particularly good deal thanks to the pandemic. We plan to invest a further K11.5 million on construction. We have secured appropriate debt finance. However, we are also keen to use this as an opportunity to raise local equity

from the sale of a minority stake (up to 40%) in PNG FM Ltd. This is a long-time goal deferred mainly because local investors made it clear that equity investment needed to be linked to a significant capital project.

The Papua New Guinea economy looks like it is heading back into a growth phase with the announcement of several new gas and mineral projects. We know from experience how quickly the PNG market can turn so this investment appears well timed.

We recognise in both markets that one of our biggest threats is increased global demand for talent and the impact this is having on cost of operations. We're counteracting this by focusing on improving productivity through investment in technology but also increased sharing of talent, in particular senior executives, across Fiji and PNG operations. This allows us to reward key talent appropriately and provide a more interesting and challenging work environment.

Exciting times indeed! It is difficult to predict accurately how the next few years will unfold but I am confident the Communications Fiji Ltd Group is ready for whatever the future might throw at us.

William Parkinson  
**Chairman**





## GENERAL MANAGER'S REPORT

The year started with the third wave of COVID-19 and most members of the Fiji team down and/or working from home. This onset of Omicron coupled with Cyclone Cody had a negative effect on business, and the market only started to normalize in March. Radio revenue in PNG was also behind budget in the first quarter so the focus was on selling Pot of Gold packages along with programmes and features sponsorships.

Vodafone's entry into the PNG market at the beginning of the second quarter helped boost revenue for radio and TEC but, unfortunately, Elections advertising failed to come through. In Fiji, the team achieved its overall revenue target for the first time in April with the help of a smaller Fiji Elections Office advertising campaign. Advertising for fijivillage was ahead of last year but Magic Factory and TEC revenue was still down. TEC revenue began to pick up in May with the exhibition booth builds resuming.

Work on the transmission gap filler project, which was on hold due to COVID, got underway. It was due for completion in November, but shipping delays have meant that the project will be completed in the first half of 2023.

Following a Job Evaluation Exercise conducted by Price Waterhouse Coopers, the first round of salary increments recommended in the report was done in July. Plans are underway to do the same in PNG. Also in July, Fiji and PNG team members resumed trips between the two countries, which had stalled due to COVID, and continued for the rest of the year.

In August, Fiji radio and fijivillage revenue, although still behind budget, was well ahead of 2021. TEC revenue started to come in from events like the Digicel Come & Play launch.

We secured the lease for a warehouse to help with TEC equipment storage, additional office space and as an option for remote backup.

In the last quarter, TEC Fiji ended the year strongly by successfully executing more exhibition booth builds and two Elections counting center booth builds along with managing a corporate fun day, an open day and providing sound at the Stir It Up Concert in Nadi. TEC PNG continued to bring in consistent revenue from events, delivering our first major event for the year - the 3rd European Union/PNG Business Trade and Investment Conference. Unfortunately, the YUMI FM Musik Awards was postponed until 2023.

Radio revenue in Fiji was strong leading into December, but the Elections and all the uncertainty surrounding it had an impact on radio sales. Live Client Events and Christmas promotion sponsorships were most affected, nevertheless we ended the year ahead of our overall budget for radio. PNG FM ended the year strongly as well with a boost in sales in October coming from SP Brewery and Coca-Cola Christmas Activation in December.

2022 was a very busy year and on top of that both newsrooms effectively handled General Elections with transparency and fairness despite all the challenges. 2023 looks bright for both entities with Fiji Showcase and the completion of the gap filler project in Fiji, and in PNG the start of the building project. During the year CFL reviewed its strategic plan, post-COVID, and surmised Reach, Revenue, Accountability and Group as pillars to focus on as we move ahead. PNG FM's strategic session was planned for the first quarter of 2023.

In conclusion, there will be a big focus on increasing revenue for both our websites and Magic Factory. A Team Leader Sales fijivillage/Magic Factory has been appointed to focus on this area in Fiji, while in PNG the team will be undergoing training with our website consultants. We believe this will help lift these revenue centers.



Charles Taylor  
CFL General Manager



Rosemarie Botong  
PNG FM General Manager





# CORPORATE SOCIAL RESPONSIBILITY REPORT

As a wholly owned and operated Fijian brand, we have always understood that we do not only live in the community, but we are part of it. To that end, since first going on-air in 1985, Communications Fiji Limited has tried its best to live up to that responsibility.

Our listeners and Online users have and always will come first. Everything we do on-air and online is an attempt to reflect that. We entertain and brighten up their day in the good times and in the hard times, we inform them to the best of our ability. This is especially true during cyclones and in the uncertainty during the Covid 19 lockdowns. Whilst we live in an ever-changing world, one of the constants is that FM96, Navtarang, VITI FM, LegendFM & Radio Sargam, WILL place their listener and online user at the forefront.

Throughout the year, all our radio brands are involved or have organized events that help us get to know our listeners better and vice versa.

Some of the events that our stations were part of are as follows:

- **Garden City Market Day, Uprising Music Festival, Coca-Cola Games, Marist 7's:**

Our stations (FM96/LegendFM/VITI FM/Navtarang) wholeheartedly supported and still support these events. We look forward to being part of these as we get to be among our audience and enjoy these events together.

- **Fiji Fashion Week:**

Our target market for FM96 listeners, according to the latest updated version of it, is a very fashionable young woman so Fiji Fashion Week is considered one of our main events that we support. Not only do we show our audience the amazing talent and skills that they potentially can tap into, but we also encourage our audience to think outside the box when it comes to fashion.

- **Fiji Bitter Namalata Kadavu 7's:**

First time for VITI FM brand to visit the Island of Kadavu. With much anticipation they wanted all the VITI FM staff to come over.

- **Fiji Netball Quad Series:**

VITI FM was also part of this wonderful tournament, and we had good online content. VITI FM will always support our Girls for the upcoming Netball World cup.

- **Navtarang and Sargam Holi & Diwali Show**

We had the Holi & Diwali Show in March and October respectively. Both the shows were a huge success, with about 8,000 people in attendance. Despite adverse weather conditions, the Diwali show went ahead, providing amazing entertainment with crowd interaction.

- **Tebara Carnival**

Navtarang and Sargam had the pleasure of being part of the Tebara Carnival and got to meet a lot of people from all walks of life. It was great being part of an event of this magnitude post COVID. We were also part of the Ramayan Program that was held in Navua. It was something different for our audience. So, you can imagine thousands of people turned up to this to be part of something excitingly new and different.

As members of our community, we are well aware that climate change on a global level and environmental issues on a more local level impact our listeners and this is why all 5 stations have covered issues related to both through fiji village News and in our on-air content. The hugely successful Sasa Your Yasa campaign from a few years ago on all our radio brands was an idea initially from LegendFM. We will continue to highlight and inform our listeners about the environment.

Our goal is to provide and continue to provide a space where our listeners can be entertained, informed, and armed with the relevant knowledge to navigate their way through a world that is changing rapidly. A space where there is good music, good humor and good support. It is important to re-iterate the cornerstone of all our radio brands:

**THE LISTENER AND ONLINE USER COME FIRST!**









# CORPORATE GOVERNANCE

Communications Fiji Limited

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Principle	Requirement	Compliance Status
1. Establish clear responsibilities for board oversight	Separation of duties: Clear separation of duties between Board and Senior Management.	<p>The role of the Board is to set corporate strategies and strategic direction to enhance shareholder's value. Decisions made by the Board should safeguard the interests of the shareholders by overseeing Management and regularly assessing controls and accountability systems. The Board is also responsible for establishing the organization's strategic goals, monitoring organisational performance and evaluating the achievement of the strategic and business plans. The two board sub-committees, Audit, Risk &amp; Compliance and Remuneration &amp; Human Resources, chaired by independent directors, are in place as part of good corporate governance and best practice.</p> <p>In addition, the Board of Communications Fiji Ltd adopted the Board Charter in early 2019. Charters are reviewed annually and updated as appropriate. Policies and procedures on whistle blowing, shareholder grievances and the preservation of documents are in place.</p>
	Board Charter: Adopt a Board charter detailing functions and responsibilities of the Board.	
2. Constitute an effective Board	Board Composition: Balanced Board Composition with Executive and Non-Executive directors of which 1/3rd of total number of directors to be independent directors.	<p>The CFL Board comprises of six directors two of which are independent and four representing significant shareholders. All Directors are qualified individuals with wide experience in the media industry and/ the commercial sector. Appointments are based on qualification, skill, experience, knowledge and integrity of the individual. All appointments and removal of directors are confirmed at the Annual General Meeting.</p> <p>The Board adopted a Diversity Policy to ensure that the Board comprises men and women with the relevant blend of differing skills, experience and perspectives. Current board composition has 4 female and 2 male Directors.</p>
	Gender Diversity: Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?	



# CORPORATE GOVERNANCE

Communications Fiji Limited

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (continued)

Principle	Requirement	Compliance Status
	Nomination Committee: Selection, approval, renewal and succession of Directors to be conducted by Nomination Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.	The Human Resources sub-committee acts where necessary as the nomination sub-committee
	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 is still in the process of being formulated.
	Directors Training: Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively.	The Company supports ongoing directors' training. All board members have completed AICD training. An induction program is in place for new directors.
	Board Sub-committees:  Board must have sub-committees which must at a minimum include - • Audit Committee; • Risk Management Committee; and • Nomination Committee/Recruitment Committee.	The two sub-committees in place are Audit, Risk & Compliance sub-committee which is chaired by Ms. Josephine Yee Joy and Remuneration & Human Resources sub-committee which is chaired by Ms. Thelma Savua. The chairs of these committees are Independent Directors.
3. Appointment of General Manager	To appoint a suitably qualified and competent General Manager	The General Manager for CFL and PNGFM are in place to oversee operations. Both are highly experienced and long-term members of our organisation.
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 Chair, for all compliance and governance issues.	In recognition of the increasing demands arising from corporate governance, the Board contracted Siwatibau and Sloan, solicitors, to provide company secretarial services since 2019. They in turn nominated Ms. Seini Tinaikoro who continues to serve as Company Secretary.
5. Timely and balanced disclosure	Annual Reports: Timely and accurate disclosures are made in Annual reports as per Rule 51 of Listing Rules.	Board meetings are held on a quarterly basis where the company's performance, strategies and operating results are discussed. Major decisions are deliberated and approved by the Board.
	Other disclosures are made in accordance with SPX Compliance.	Board sub-committee meetings are currently scheduled for 2-3 times per year. All the required material information is released periodically to the public through market announce-



# CORPORATE GOVERNANCE

Communications Fiji Limited

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (continued)

Principle	Requirement	Compliance Status
		ments, as required under the rules of the South Pacific Stock Exchange. In between meetings, the Board is kept informed by management on all the relevant matters transacting during the period.
	Payment to Directors and Senior management: Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.	Annual Report discloses all payments made to directors and senior management.
	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.	All the disclosures are made in timely manner and are available on CFL's corporate website and SPX website.
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 Board realizes that no organization can flourish if there is an absence of ethical and responsible decision making. Therefore, the Board has placed strong emphasis on encouraging management to engage in discussions and training that would foster improved ethical and responsible decision making.  The Board has established a Code of Conduct which is posted on CFL's website.
7. Register of Interests	Conflicts of Interest:  Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.	The declarations of interests of directors are noted during Board meetings, as and when a situation arises.
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.	The shareholders of CFL are well informed through market announcements, media briefings and the Annual General Meeting. Shareholders are invited to participate in AGM and are given an opportunity to communicate with the Board of Directors in that forum. The Company also has an official website <a href="https://cfl.com.fj">https://cfl.com.fj</a> which is updated on a regular basis.

# CORPORATE GOVERNANCE

Communications Fiji Limited

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (continued)

Principle	Requirement	Compliance Status
	<p>Website:</p> <p>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.</p>	<p>CFL has a corporate website <a href="https://c-fl.com.fj">https://c-fl.com.fj</a> where all the information related to the entity is published for the benefit of our shareholders.</p>
	<p>Grievance Redressal Mechanism:</p> <p>To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.</p>	<p>Company Secretary and Compliance Officer are the first point of contact for grievance redressal.</p>
	<p>Shareholders' Complaints:</p> <p>To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.</p>	<p>There were no complaints received during the year.</p>
	<p>Corporate Sustainability:</p> <p>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.</p>	<p>The Company remains continuously committed to ensuring that there is a reasonable return to shareholders by remaining revenue driven and being cost conscious.</p>
9. Accountability and audit	<p>Internal Audit:</p> <p>To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.</p>	<p>Each subsidiary is audited annually by an external auditor and an Independent audit report is presented to the Board. This report also forms part of the Annual Report. External auditors are appointed every year by shareholders in the Annual General Meeting.</p> <p>The Company does not have an internal audit team. Special projects relating to Audit are performed by the Finance team and reports are presented to Management, Audit, Risk &amp; Compliance sub-committee and the Board.</p>



# CORPORATE GOVERNANCE

Communications Fiji Limited

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (continued)

Principle	Requirement	Compliance Status
		The establishment of the Board Audit, Risk & Compliance sub-committee in 2019 has enhanced the oversight role in the internal controls process.
	External Audit:  To appoint an external auditor who reports directly to the Board Audit Committee.	The appointment of an external auditor is done in the AGM by shareholders.
	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.	As part of good governance and best practice, CFL appointed BDO as our new external auditors in 2019 for a 3-year term. Tenders will be called as and when required and will be reviewed by the Audit, Risk & Compliance sub-committee and approved by the board and then shareholders in the AGM.
	Audit Committee:  To establish an Audit Committee comprising of at least 3 members of which majority are independent and Chair is not Chair of the Board.	We have Audit, Risk & Compliance sub-committee which is spearheaded by independent director Ms Josephine Yee Joy, who has wide experience in Finance and corporate governance.
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 function.	The Board Audit, Risk & Compliance sub-committee has strengthened risk management initiatives. Both Fiji and Papua New Guinean operations have internal risk management committees in place that report directly to the Executive Committee, GM and ultimately to their respective Boards.
	Whistle Blower Policy:  As part of risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behavior, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX Rules or Companies Act. [Refer Rule 68 of the Listing Rules]	The Company Secretary is appointed as the Whistle Officer under the Whistle Blower Policy and is appointed to receive Protected Disclosures from Whistle Blowers and handle investigations of the Protected Disclosures in accordance with the Whistle Blower Policy.

## Communications Fiji Limited & Subsidiary Companies

### DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors of Communications Fiji Limited (the "Company"), the Directors herewith submit the consolidated statement of financial position of the Company and its subsidiaries (collectively "the Group") as at 31 December 2022, the related consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and report as follows:

#### Directors

Directors at the date of this report are:

William Parkinson	Thelma Savua
Emily King	Sufinaaz Dean
Josephine Yee Joy	Maciu Lumelume

#### Principal activity

The principal business activity of the holding Company and its subsidiaries in the course of the year was the operation of commercial radio stations, events organization and owners of property. There has been no significant change in this activity during the year. The associate companies provide cinema entertainment and renting of a property respectively.

#### Results

The operating profit of the Group for the year was \$1,551,061 (2021: \$797,336) after providing for income tax expense of \$513,038 (2021: \$278,811).

#### Dividends

The dividends declared during the year was \$284,640 (2021: \$284,640).

#### 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 financial statements as they believe that the Group has plans and strategies, together with the support of its principal shareholders and lenders to generate required funding to meet its liabilities as and when they fall due over the next twelve months. Accordingly, the Directors believe that the classification and carrying amounts of the assets and liabilities as stated in the financial statements to be appropriate.

#### Bad Debts and Allowance for Impairment Loss

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

As at the date of this report, the Directors are not aware of any circumstances, which would render the 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.

### Significant Events During the Year

FM Haus Ples Limited's initial construction planning was approved by the board. The construction tender has been approved and awarded to CRCC (China Railway Construction Group Co. Ltd).

Communications (Fiji) Limited's profit had significantly increased this year as a result of increased revenue from campaign advertisements that were driven by the General Elections held in Fiji in December 2022.

### Events Subsequent to Balance Date

Subsequent to the balance date, the directors have resolved to transfer 7,295,000 shares in its associate company, Paradise Cinemas (PNG) Limited to City Pharmacy Limited for a consideration of K1.00. The investment has been fully impaired in the prior years. The Group is in the process of completing the formalities relating to the share transfer.

Apart from the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### Other circumstances

As at the date of this report:

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

As at the date of this report, the Directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the 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 those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements or received as the fixed salary of a full-time employee of the Group or of a related corporation) by reason of a contract made by the Group or by a related corporation with the Director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.



**Directors' Interests**

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

	<b>Direct interest</b>	<b>Indirect interest</b>
Thelma Savua	2,000	Nil
Sufinaaz Dean	Nil	925,345.50
William Parkinson	Nil	925,345.50

**Auditor Independence**

The Directors have obtained an independence declaration from the Group's auditor, BDO. A copy of the auditor's independence declaration is set out in the *Auditor's Independence Declaration to the Directors* on page 18.

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

Dated this 29th day of March 2023.

  
.....  
Director

  
.....  
Director

## Communications Fiji Limited & Subsidiary Companies

### DIRECTORS' DECLARATION

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

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

- (i) In the Director's opinion, the financial statements and notes of the Group for the financial year ended 31 December 2022;
  - a) give a true and fair view for the financial position of the Group as at 31 December 2022 and of the performance of the Group for the year ended 31 December 2022;
  - b) have been made out in accordance with the Companies Act 2015.
- (ii) they have received declarations as required by Section 395 of the Companies Act 2015;
- (iii) At the date of this declaration, in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Dated this 29th of March, 2023.



.....  
Director



.....  
Director





*Communications Fiji Limited & Subsidiary Companies*

**AUDITOR'S INDEPENDENCE DECLARATION**

**TO THE DIRECTORS OF COMMUNICATIONS FIJI LIMITED**

As Group auditor for the audit of Communications Fiji Limited and Subsidiary Companies for the financial year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

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



**Wathsala Suraweera**  
Partner  
Suva, Fiji



**BDO**  
**CHARTERED ACCOUNTANTS**  
29 March 2023

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## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Communications Fiji Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Communications Fiji Limited and its subsidiary companies (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

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 December 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 (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our 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

Key audit matters are those matters that, in our professional judgement, 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.

Key Audit Matter	How our audit addressed the matter
<p><b>Goodwill on Consolidation (Refer Disclosure Note 16)</b></p> <p>The carrying value of goodwill balance in the consolidated financial statements of the Group in relation to PNG FM Limited is \$1,137,000 as at 31 December 2022 (2021: \$1,137,000). Management is required to carry out an annual impairment test for goodwill being an asset with an indefinite useful life. This process is complex and highly judgmental given the involvement of complex calculations, judgements, estimates and assumptions.</p> <p>Risk exist that goodwill is overstated in the books of account should any judgments or assumptions be considered inappropriate.</p>	<p>We have:</p> <ul style="list-style-type: none"> <li>assessed the design and implementation of the Group's practice and methodology around the impairment assessment process;</li> <li>performed a detailed review of the valuation methodology used including, the key assumptions used;</li> <li>assessed the reasonableness of forecasted future cash flows by comparison to historical performance and future outlook considering future uncertainties;</li> </ul>



## INDEPENDENT AUDITOR'S REPORT To the Shareholders of Communications Fiji Limited

### Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the matter
<b>Goodwill on Consolidation (Refer Disclosure Note 16) (continued)</b>	
<p>The Group has used an external valuer to assess the fair value and value in use of the subsidiary entity, PNG FM Limited for assessment of impairment of Goodwill.</p> <p>Primarily, Future Maintainable Earnings method and Discounted Cash Flow method have been used by the external valuer for the purpose of determining fair value less costs to sell and value in use of the cash generating unit.</p> <p>Future Maintainable Earnings method is based on assumptions about future maintainable earnings and earnings multiples which is based on forecasted results for future and earnings multiples of comparable similar businesses.</p> <p>Discounted Cash Flow method involves key assumptions in relation to the expected future cash flows for the five year forecasting period, discount rates, future growth rates and perpetual growth rate of the subsidiary entity.</p> <p>Given determination of recoverability of carrying value of goodwill requires significant estimates and judgements concerning the future maintainable earnings and future cash flows, associated discount rates, growth rates and earnings multiples of the business based on managements' view of future business prospects, we considered this as a key audit matter.</p> <p>Refer to the goodwill impairment critical accounting judgment and note 3(c) of the financial statements for further details.</p>	<ul style="list-style-type: none"> <li>assessed the reasonability of key assumptions such as future-maintainable earnings and earnings multiples, discount rate, future and perpetual rate;</li> <li>in assessing the reasonability of earning multiples, cash flows, discount rates and growth rates used by the valuer, we evaluated the reasonability and appropriateness of the assumptions used and factors considered by the valuer in relation to business prospects in PNG for the industry, size of the business, liquidity risk, competition, inflation, interest rates economic condition and political instability in PNG;</li> <li>performed sensitivity analysis on key assumptions, including multiples used, discount rate and growth rate;</li> <li>performed a detailed review of the disclosures made in the financial statements in respect of testing of goodwill for impairment in line with the requirements of applicable accounting standards.</li> </ul>





## **INDEPENDENT AUDITOR'S REPORT** *(continued)*

### **To the Shareholders of Communications Fiji Limited** *(continued)*

#### **Other Information**

The Management and Directors are responsible for the other information. The other information that we received comprise of the information included in the directors report and the Annual Report of the Group for the year ended 31 December 2022 but does not include the financial statements and the auditor's report thereon. The Annual Report is expected to be made available to us after the date of the auditor's report.

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

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement 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.



## INDEPENDENT AUDITOR'S REPORT *(continued)*

### To the Shareholders of Communications Fiji Limited *(continued)*

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and directors.
- Conclude on the appropriateness of the management's and directors' 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 material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the companies in 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.

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

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

#### Report on Other Legal and Regulatory Requirements

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

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



BDO  
CHARTERED ACCOUNTANTS



Wathsala Suraweera  
Partner  
Suva, Fiji  
29 March 2023





**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
Radio income	7(a)	12,264,389	9,393,331
Other revenue	7(b)	655,088	642,979
Salaries and employee benefits	7(c)	(4,242,089)	(3,519,505)
Depreciation and amortisation	7(d)	(2,325,938)	(2,171,989)
Impairment loss on trade receivables		(46,779)	(369)
Other expenses	7(e)	(4,146,287)	(3,251,400)
<b>Profit from operations</b>		<b>2,158,384</b>	<b>1,093,047</b>
Finance costs, net	7(f)	(256,075)	(168,771)
Share of profit of associate or joint venture	15(a)	161,790	151,871
<b>Profit before income tax</b>		<b>2,064,099</b>	<b>1,076,147</b>
Income tax expense	8	(513,038)	(278,811)
<b>Net profit for the year</b>		<b>1,551,061</b>	<b>797,336</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operation	25	108,311	(172,153)
Other comprehensive income/(expense) for the year		108,311	(172,153)
<b>Total comprehensive income for the year</b>		<b>1,659,372</b>	<b>625,183</b>
Earnings per share - cents	9	43.59	22.41

The accompanying notes form an integral part of this Consolidated Statement of Profit or Loss and Other Comprehensive Income.

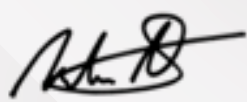



Communications Fiji Limited & Subsidiary Companies  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
<b>Current assets</b>			
Cash and cash equivalents	12	2,188,537	1,760,700
Trade receivables	11	2,153,813	2,021,334
Inventories - capital spares	14	76,920	-
Prepayments and other assets	13	418,957	318,338
Current tax asset	8(b)	224,100	299,165
Other investments	22	500,000	284,462
<b>Total current assets</b>		<b>5,562,327</b>	<b>4,683,999</b>
<b>Non-current assets</b>			
Investment in associates and joint ventures	15(a)	3,409,769	3,387,979
Intangible assets	16	1,268,573	1,305,001
Property, plant and equipment	17	9,422,548	8,438,332
Right-of-use assets	18	1,381,808	1,495,696
Deferred tax assets	8(c)	160,133	133,474
<b>Total non-current assets</b>		<b>15,642,831</b>	<b>14,760,482</b>
<b>Total assets</b>		<b>21,205,158</b>	<b>19,444,481</b>
<b>Current liabilities</b>			
Trade and other payables	20	1,291,364	909,788
Employee benefit liabilities	24	191,759	194,692
Interest-bearing borrowings	21	242,143	123,112
Lease liability	19	425,529	509,399
<b>Total current liabilities</b>		<b>2,150,795</b>	<b>1,736,991</b>
<b>Non-current liabilities</b>			
Employee benefit liabilities	24	25,207	20,494
Interest-bearing borrowings	21	1,362,687	1,441,615
Deferred tax liability	8(c)	255,086	180,501
Lease liability	19	1,058,701	1,086,930
<b>Total non-current liabilities</b>		<b>2,701,681</b>	<b>2,729,540</b>
<b>Total liabilities</b>		<b>4,852,476</b>	<b>4,466,531</b>
<b>Net assets</b>		<b>16,352,682</b>	<b>14,977,950</b>
<b>Shareholders' equity</b>			
Share capital	23	3,619,500	3,619,500
Foreign currency translation reserve	25	(1,018,240)	(1,126,551)
Retained earnings		13,751,422	12,485,001
<b>Total equity</b>		<b>16,352,682</b>	<b>14,977,950</b>

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

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

  
 Director

  
 Director





Communications Fiji Limited & Subsidiary Companies  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
<b>Operating activities</b>			
Receipts from customers		13,205,703	10,754,202
Payments to suppliers and employees		(8,700,622)	(7,194,405)
Interest and bank charges paid		(285,063)	(207,379)
Income tax paid		(334,311)	(449,694)
<b>Net cash from operating activities</b>		<b>3,885,707</b>	<b>2,902,724</b>
<b>Investing activities</b>			
Proceeds from sale of plant and equipment		44,699	163,231
Acquisition of plant and equipment		(2,120,306)	(3,797,813)
Interest income received		28,988	38,608
Net proceeds for other investments		(174,165)	337,328
Dividends received		140,000	100,000
<b>Net cash flows used in investing activities</b>		<b>(2,080,784)</b>	<b>(3,158,646)</b>
<b>Financing activities</b>			
Dividends paid to equity holders of the parent		(284,640)	(284,640)
Loan proceeds		630,298	1,623,355
Loan repayments		(667,398)	(58,628)
Repayment of lease liability		(999,593)	(822,826)
<b>Net cash flows from/(used in) financing activities</b>		<b>(1,321,333)</b>	<b>457,261</b>
Net increase in cash held		483,590	201,339
Cash and cash equivalents at the beginning of year		1,760,700	1,986,939
Effects of exchange rate changes on opening cash balances		(55,753)	(427,578)
<b>Cash and cash equivalents at the end of year</b>	12	<b>2,188,537</b>	<b>1,760,700</b>

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



Communications Fiji Limited & Subsidiary Companies  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
<b>Retained earnings</b>			
Balance at the beginning of the year		12,485,001	11,972,305
Operating profit after tax		1,551,061	797,336
Dividends paid	10	(284,640)	(284,640)
Balance at the end of the year		13,751,422	12,485,001
<b>Foreign currency translation reserve</b>			
Balance at the beginning of the year		(1,126,551)	(954,398)
Movement arising on translation of the financial statements of foreign subsidiary		108,311	(172,153)
Balance at the end of the year	25	(1,018,240)	(1,126,551)
<b>Share capital</b>			
Balance at the beginning of the year		3,619,500	3,619,500
Balance at the end of the year	23	3,619,500	3,619,500
<b>Total equity</b>		<b>16,352,682</b>	<b>14,977,950</b>

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





*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**1. General Information**

**a) Corporate Information**

The consolidated financial statements of Communications Fiji Limited and its subsidiary companies (the Group) for the year ended 31 December 2022 were authorised for issue with a resolution of the Directors on 29 March 2023. Communications Fiji Limited (the holding Company) is a limited liability company incorporated and domiciled in Fiji whose shares are publicly traded on the South Pacific Stock Exchange.

**b) Principal activity**

The principal business activity of the holding Company and its subsidiaries in the course of the year was the operation of commercial radio stations, events organisation and owners of property. There has been no significant change in this activity during the year. The associate companies provide cinema entertainment and renting of a property respectively.

**2. Basis of preparation**

**a) Basis of preparation**

The consolidated financial statements have been prepared under the historical cost convention, except for the valuation of financial assets at fair value through other comprehensive income. Historical cost is based on the fair values of the consideration given in exchange for assets.

In the application of International Financial Reporting Standards (IFRS), management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the future periods are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are critical to the financial statements have been disclosed under notes to the financial statements, where applicable.

**b) Statement of compliance**

The financial statements of the Group have been prepared in accordance with IFRS and in compliance with the requirements of the Companies Act, 2015.



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Basis of preparation** *(continued)*

**c) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the holding company and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

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

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

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

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



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Basis of preparation** *(continued)*

**c) Basis of consolidation** *(continued)*

On consolidation, the subsidiary company PNG FM Limited's and FM Haus Ples Limited's assets and liabilities has been translated at the rate of exchange ruling at balance date. Revenue and expense accounts have been translated using the average of the exchange rates ruling at the end of each month during the current financial year. The rate used to translate the assets and liabilities of PNG FM was 1.7094:1 (2021: 1.7778:1) while the average rate used to translate revenue and expense accounts was 1.5345:1 (2021: 1.6307:1).

**d) Comparatives**

Where necessary, comparative figures have been re-grouped to conform with changes in presentation in the current year.

**e) Changes in accounting policies**

New standards, interpretations and amendments effective during the year

New and amended standards that have been adopted in the annual financial statements for the year ended 31 December 2022, but have not had a significant effect on the Group are:

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before intended Use ;
- Amendments to IFRS 1 and IFRS 9;
- Amendments to IFRS 3 References to Conceptual Framework; and
- Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract.

New standards, interpretations and amendments not yet effective

The following amendments are effective for the period beginning 1 January 2023:

- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies;
- Amendments to IAS 8 Definition of Accounting Estimates; and
- Amendments to IAS 12 Deferred Tax Related to Assets and Liabilities arising from a Single Transaction.

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





*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Basis of preparation** *(continued)*

**f) 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 they believe that the Group has plans and strategies, together with the support of its principal shareholders and lenders to generate required funding to meet its liabilities as and when they fall due over the next twelve months. Accordingly, Directors believe that the classification and carrying amounts of the assets and liabilities as stated in the financial statements to be appropriate.

**3. Summary of significant accounting policies**

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

**a) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of intangible asset.



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Summary of significant accounting policies** *(continued)*

**a) Intangible assets** *(continued)*

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change is the useful life assessment from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognising of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised.

**b) Investment in Associate or Joint Venture**

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

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

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

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

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss and other comprehensive income and represents profit or loss after tax.

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

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



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Summary of significant accounting policies** *(continued)*

**b) Investment in Associate or Joint Venture** *(continued)*

Upon loss of significant influence over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence, the fair value of the retained investment and proceeds from disposal is recognised in profit or loss and other comprehensive income.

**c) Impairment of non-financial assets**

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

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

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

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

**Goodwill**

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

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





*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Summary of significant accounting policies** (continued)

**c) Impairment of non-financial assets** (continued)

***Intangible assets***

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

***Associate and joint venture***

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

**d) 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 Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**(ii) Classification and subsequent measurement**

***Financial assets***

On initial recognition, a financial asset is classified as measured at: amortised cost; (Fair Value through Other Comprehensive Income (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.



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Summary of significant accounting policies** *(continued)*

**d) Financial Instruments** *(continued)*

**(ii) Classification and subsequent measurement** *(continued)*

**Financial assets** *(continued)*

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated 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.

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: Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Financial assets: Subsequent measurement and gains and losses

**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.

**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.

**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.



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Summary of significant accounting policies** *(continued)*

**d) Financial Instruments** *(continued)*

**(ii) Classification and subsequent measurement** *(continued)*

**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.

**(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 (see (3(d) (iii))) and a new financial asset is recognised at fair value.

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 (see (3(e))), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income (see (3(f))).





*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Summary of significant accounting policies** *(continued)*

**d) Financial Instruments** *(continued)*

**(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.

**e) Impairment of financial instruments**

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. 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 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 and 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 borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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.



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Summary of significant accounting policies** *(continued)*

**e) Impairment of financial instruments** *(continued)*

**Measurement of ECLs**

ECLs are a probability-weighted estimates of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive); and
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

ECLs are discounted at the effective interest rate of the financial asset.

**Credit-impaired financial assets**

At each reporting date, the 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 borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Companies 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.



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Summary of significant accounting policies** *(continued)*

**f) Finance income and finance costs**

The Group's finance income and finance costs include:

- interest income on term deposits;
- bank administration and interest charges;
- Interest expense on lease liabilities.

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.

**g) Cash and cash equivalents**

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

**h) Trade and other payables**

Liabilities for trade payables and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Group.

**i) Property, plant and equipment**

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

Buildings	2%
Plant and equipment	5% - 30%
Motor vehicles	15% - 25%

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





*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Summary of significant accounting policies** *(continued)*

**i) Property, plant and equipment** *(continued)*

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

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

**j) 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 assesses whether:

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

At inception or on reassessment 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 stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

**Group as lessee**

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.



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Summary of significant accounting policies** *(continued)*

**j) Leases** *(continued)*

**Group as lessee** *(continued)*

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the 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 remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group'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.

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

**Short-term leases and leases of low-value assets**

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

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



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Summary of significant accounting policies** *(continued)*

**k) Revenue**

The Group recognises revenue from selling goods or services to customers at an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. Revenue is recognised at an amount that reflects the consideration that the Group is expected to be entitled to in exchange for transferring goods or services to a customer, using a five-step model for each revenue stream as prescribed in IFRS 15. The five-step model is as follows:

- (i) Identification of the contract;
- (ii) Identification of separate performance obligations for each good or service;
- (iii) Determination of the transaction price;
- (iv) Allocation of the price to performance obligations; and
- (v) Recognition of revenue.

**Rendering of services**

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

**Dividends**

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

**Rental income**

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

**l) Employee benefits**

**Annual leave**

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

**Long service leave**

The liability for long-service leave is recognised in the provision for employee entitlements and measured as the present value of expected future payments to be made in respect to services provided by employees up to the reporting date. Consideration is given to future wage/salary rates, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date.





*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Summary of significant accounting policies** *(continued)*

**m) Foreign currencies**

The consolidated financial statements are presented in Fijian dollars, which is the holding company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at balance date. All differences are taken to profit or loss.

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

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

**n) Business combinations and goodwill**

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

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

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

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



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Summary of significant accounting policies** *(continued)*

**n) Business combinations and goodwill** *(continued)*

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

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

**o) Taxes**

**Current income tax**

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

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

**Deferred tax**

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

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

- where the deferred tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. Summary of significant accounting policies** *(continued)*

**o) Taxes** *(continued)*

**Deferred tax** *(continued)*

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that it is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

**Sales tax**

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

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

The net amount of sales taxes recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**4. Risk management**

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk), credit risk and liquidity risk.



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**4. Risk management** (continued)

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. The Board of Directors provide policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

**a) Financial risks**

The main financial risks to the Group are the following:

**i. Foreign currency risk**

The Group has investments in Papua New Guinea. The movement in the Kina/Fiji dollar exchange rates are recorded in equity and will be realised on disposal of the investment. The Group has transactional currency exposures. Such exposures arises from purchases by the Group in currencies other than Fijian dollars.

**ii. 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 are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management on a regular basis.

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 recorded in the financial statements, net of any allowances for losses, represents the group's maximum exposure to credit risk.

Net impairment loss on financial assets amounting to \$46,779 (2021: \$369) was recognised in profit or loss for the year.

**Trade and other receivables**

Expected credit loss assessment for trade and other receivables as at 31 December 2022

The Group uses an allowance matrix to measure the ECLs of trade receivables 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.





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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**4. Risk management** (continued)

**a) Financial risks** (continued)

**ii. Credit risk** (continued)

**Trade and other receivables** (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 31 December 2022:

	Weighted- average loss rate %	Gross carrying amount \$	Loss allowance \$
31 December 2022			
Current (not past due)	3.62%	1,138,444	41,189
30 days past due	5.68%	556,245	31,591
60 days past due	9.62%	338,750	32,589
More than 90 days past due	18.31%	276,324	50,581
		<u>2,309,763</u>	<u>155,950</u>
Debtors specifically assessed		<u>131,463</u>	<u>131,463</u>
		<u><u>2,441,226</u></u>	<u><u>287,413</u></u>

Loss rates are based on actual credit loss experience over the past years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Scalar factors are based on actual and forecast GDP.

Movements in the allowance for impairment loss in respect of trade receivables

The movement in the allowance for impairment loss in respect of trade receivables during the year was as follows:

	2022 \$	2021 \$
Balance at 1 January	272,615	345,818
Charge for the year	46,779	214,604
Debtors written off against allowance	(40,424)	(67,273)
Reversed during the year	-	(214,235)
Translation adjustment	8,443	(6,299)
	<u>287,413</u>	<u>272,615</u>



Communications Fiji Limited & Subsidiary Companies  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**4. Risk management** (continued)

**a) Financial risks** (continued)

**ii. Credit risk** (continued)

**Cash at bank**

The Group held cash and cash equivalents of \$2,188,537 at 31 December 2022 (2021: \$1,760,700). It also held term deposits of \$500,000 (2021: \$284,462) as at balance date. Cash are held with bank and financial institutions, which have sound credit ratings.

The Group considers that its cash have low credit risk based on the external credit ratings of the counterparties.

**iii. Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to ensure availability of funding. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Contractual undiscounted cash flows				
	Carrying amount	Total	Less than a year	1 to 5 years	5+ years
	\$	\$	\$	\$	\$
<b>At 31 December 2022</b>					
Trade and other payables	1,291,364	1,291,364	1,291,364	-	-
Interest-bearing borrowings	1,604,830	2,065,668	340,329	920,181	805,158
Lease liability	1,484,230	2,521,664	506,098	777,655	1,237,911
	<u>4,380,424</u>	<u>5,878,696</u>	<u>2,137,791</u>	<u>1,697,836</u>	<u>2,043,069</u>
<b>At 31 December 2021</b>					
Trade and other payables	909,788	909,788	909,788	-	-
Interest-bearing borrowings	1,564,727	2,101,346	221,194	884,777	995,375
Lease liability	1,596,329	2,635,447	598,013	824,461	1,212,973
	<u>4,070,844</u>	<u>5,646,581</u>	<u>1,728,995</u>	<u>1,709,238</u>	<u>2,208,348</u>



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**4. Risk management** *(continued)*

**b) Other risks**

**i. Operational risks**

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 expect to eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the Group is able to manage risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment procedures.

**ii. Regulatory risks**

The Group's profitability can be impacted by regulatory agencies established which govern the business sector in Fiji and Papua New Guinea.

Also, the salaries and wages payable to workers are subject to the wages regulations and employment legislations. Licensing authorities in respective countries regulate the licensing aspects required for operations.

**5. Critical accounting estimates and judgements**

In application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year and in future are discussed below.

Note 3(c) - Impairment of non-financial assets  
Note 3(e) - Impairment of financial instruments  
Note 3(i) - Depreciation of property, plant and equipment  
Note 3(l) - Provision for employee entitlements  
Note 3(o) - Deferred taxes



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**6. Segment information**

The holding company and its subsidiary, PNG FM Limited operate predominantly in radio broadcasting services industry. FM Haus Pleas Limited owns a property in PNG. The holding company operate in Fiji while its subsidiaries operates in Papua New Guinea.

**Geographical segments**

The following tables present revenue and profit information and certain asset and liability information regarding geographical segments for the years ended 31 December 2022 and 2021.

Year ended 31 December 2022	PNG \$	Fiji \$	Eliminations \$	Total \$
<b>Revenue</b>				
External sales	6,443,702	5,820,687	-	12,264,389
<b>Results</b>				
Segment result	1,263,802	894,634	(52)	2,158,384
Net finance costs	(185,070)	(71,005)	-	(256,075)
Share of profit of joint venture	-	161,790	-	161,790
Profit before income tax	1,078,732	985,419	(52)	2,064,099
Income tax expense	(370,459)	(142,579)	-	(513,038)
<b>Net profit</b>	<b>708,273</b>	<b>842,840</b>	<b>(52)</b>	<b>1,551,061</b>





Communications Fiji Limited & Subsidiary Companies  
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**FOR THE YEAR ENDED 31 DECEMBER 2022**

**6. Segment information** (continued)

<b><u>Year ended 31 December 2022</u></b>	<b>PNG \$</b>	<b>Fiji \$</b>	<b>Eliminations \$</b>	<b>Total \$</b>
<b>Assets and liabilities</b>				
Segment assets	11,671,309	10,511,297	(4,387,217)	17,795,389
Investment in joint venture	-	3,409,769	-	3,409,769
Total assets	<u>11,671,309</u>	<u>13,921,066</u>	<u>(4,387,217)</u>	<u>21,205,158</u>
Segment Liabilities	<u>6,828,688</u>	<u>1,766,834</u>	<u>(3,743,046)</u>	<u>4,852,476</u>
Total liabilities	<u>6,828,688</u>	<u>1,766,834</u>	<u>(3,743,046)</u>	<u>4,852,476</u>
<b>Other segment information</b>				
Capital expenditure:				
- tangible fixed assets	453,785	1,602,782	-	2,056,567
- intangible fixed assets	8,493	-	-	8,493
Amortisation of intangible assets	6,087	39,809	-	45,896
Depreciation - property, plant and equipment	416,802	863,793	-	1,280,595
Depreciation - right-of-use assets	719,084	280,363	-	999,447
Allowance for impairment loss - receivables	<u>-</u>	<u>46,779</u>	<u>-</u>	<u>46,779</u>
Cash flows				
Operating activities	1,688,864	2,186,120		
Investing activities	(149,985)	(1,934,722)		
Financing activities	<u>(846,499)</u>	<u>(460,188)</u>		

<b><u>Year ended 31 December 2021</u></b>	<b>PNG \$</b>	<b>Fiji \$</b>	<b>Eliminations \$</b>	<b>Total \$</b>
<b>Revenue</b>				
External sales	5,250,001	4,143,330	-	9,393,331
<b>Results</b>				
Segment result	818,632	293,366	(18,951)	1,093,047
Net finance costs	(130,690)	(38,081)	-	(168,771)
Share of profit of joint venture	<u>-</u>	<u>151,871</u>	<u>-</u>	<u>151,871</u>
Profit before income tax	687,942	407,156	(18,951)	1,076,147
Income tax expense	<u>(236,005)</u>	<u>(42,806)</u>	<u>-</u>	<u>(278,811)</u>
<b>Net profit</b>	<u>451,937</u>	<u>364,350</u>	<u>(18,951)</u>	<u>797,336</u>

Communications Fiji Limited & Subsidiary Companies  
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**FOR THE YEAR ENDED 31 DECEMBER 2022**

**6. Segment information** (continued)

<b>Year ended 31 December 2021</b>	<b>PNG \$</b>	<b>Fiji \$</b>	<b>Eliminations \$</b>	<b>Total \$</b>
<b>Assets and liabilities</b>				
Segment assets	10,933,704	9,297,850	(4,175,052)	16,056,502
Investment in joint venture	-	3,387,979	-	3,387,979
<b>Total assets</b>	<b>10,933,704</b>	<b>12,685,829</b>	<b>(4,175,052)</b>	<b>19,444,481</b>
Segment liabilities	6,888,776	1,089,740	(3,511,985)	4,466,531
<b>Total liabilities</b>	<b>6,888,776</b>	<b>1,089,740</b>	<b>(3,511,985)</b>	<b>4,466,531</b>
<b>Other segment information</b>				
Capital expenditure:				
- tangible fixed assets	2,963,480	834,333	-	3,797,813
- intangible assets	-	2,004	-	2,004
Amortisation of intangible assets	5,230	37,062	-	42,292
Depreciation - property, plant and equipment	396,290	836,711	-	1,233,001
Depreciation - right-of-use assets	668,142	228,554	-	896,696
Allowance for impairment loss - receivables	(5,396)	5,765	-	369
<b>Cash flows</b>				
Operating activities	1,569,823	1,332,901		
Investing activities	(2,574,928)	(583,718)		
Financing activities	972,674	(515,413)		

**7. Revenue and expenses**

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

	<b>2022 \$</b>	<b>2021 \$</b>
<b>a) Radio income</b>		
Advertising income	10,482,760	8,981,721
Total Event Company Limited income and other commercial income	1,698,904	358,282
Special events	82,725	53,328
	<b>12,264,389</b>	<b>9,393,331</b>
<b>b) Other revenue</b>		
Other income	636,218	586,426
Gain on disposal of assets	18,870	56,553
	<b>655,088</b>	<b>642,979</b>



Communications Fiji Limited & Subsidiary Companies  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**7. Revenue and expenses** (continued)

	2022 \$	2021 \$
<b>c) Salaries and employee benefits</b>		
Superannuation and Fiji National University levy	219,361	164,827
Salaries and wages	3,245,441	2,725,925
Staff commission and bonus	335,578	165,756
Staff training	54,516	83,600
Other staff cost	387,193	379,397
	<b>4,242,089</b>	<b>3,519,505</b>
<b>d) Depreciation and amortisation</b>		
Depreciation	1,280,595	1,233,001
Amortisation of right-of-use assets	999,447	896,696
Amortisation of intangible assets	45,896	42,292
	<b>2,325,938</b>	<b>2,171,989</b>
<b>e) Other expenses</b>		
Auditors remuneration - audit and review fees	55,500	50,500
Other professional services	39,531	19,632
Directors' remuneration	173,005	164,545
Leases payments - short term and low value	34,888	43,692
Other operating expenses	3,843,363	2,973,031
	<b>4,146,287</b>	<b>3,251,400</b>
<b>f) Finance costs, net</b>		
Bank charges	16,577	10,626
Interest on bank loan	126,405	56,658
Interest on lease liability	142,081	140,095
Interest income	(28,988)	(38,608)
<b>Finance costs, net</b>	<b>256,075</b>	<b>168,771</b>

Communications Fiji Limited & Subsidiary Companies  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**8. Income tax**

	2022 \$	2021 \$
<b>a) Income tax expense</b>		
The prima facie income tax payable on profit is reconciled to the income tax expense as follows:		
Accounting profit before income tax	2,064,099	1,076,147
Prima facie tax thereon: - Fiji rate of 10%	98,542	40,716
- PNG rate of 30%	335,273	206,383
Tax effect of non-deductible items	39,883	17,463
Share of profit of associate or joint venture non-taxable	(22,815)	(15,187)
Under provision of income tax expense in prior year	19,787	29,436
Tax effect of change in Fiji's tax rate on deferred taxes	42,368	-
Income tax expense attributable to operating profit	<b>513,038</b>	<b>278,811</b>
<b>b) Current tax asset</b>		
Opening balance	299,165	116,993
Income tax / withholding tax paid	334,311	449,694
Tax liability for the year	(421,013)	(232,260)
Over provision of current tax in prior year	12,248	-
Translation adjustment	(611)	(35,262)
Total current tax asset	<b>224,100</b>	<b>299,165</b>
<b>c) Deferred tax</b>		
Deferred tax assets/liabilities at 31 December relates to the following:		
Allowance for impairment loss	74,937	63,006
Employee entitlements	56,694	50,398
Accelerated depreciation for tax purposes	(255,086)	(180,501)
Difference between right to use asset and lease liabilities	25,270	19,059
Unrealised loss	3,232	1,011
Net deferred tax liability	<b>(94,953)</b>	<b>(47,027)</b>
Represented on the consolidated statement of financial position as:		
Deferred tax asset	160,133	133,474
Deferred tax liability	(255,086)	(180,501)
	<b>(94,953)</b>	<b>(47,027)</b>





Communications Fiji Limited & Subsidiary Companies  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**9. Earnings per share**

	2022 \$	2021 \$
Operating profit after income tax	1,551,061	797,336
Weighted average number of shares outstanding	3,558,000	3,558,000
Basic earnings per share - cents	<b>43.59</b>	<b>22.41</b>

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

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

**10. Dividends paid and proposed**

	\$	\$
Declared and paid in year:		
Final dividend for 2020: 4 cents	-	142,320
1st Interim dividend for 2021: 4 cents	-	142,320
Final dividend for 2021: 4 cents	142,320	-
1st Interim dividend for 2022: 4 cents	142,320	-
Dividends declared and paid	<b>284,640</b>	<b>284,640</b>

**11. Trade receivables**

	\$	\$
Trade receivables	2,441,226	2,293,949
Allowance for expected credit loss	(287,413)	(272,615)
	<b>2,153,813</b>	<b>2,021,334</b>

Trade receivables are non-interest bearing and are generally on 30-90 day terms.

**12. Cash and cash equivalents**

	\$	\$
For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 December:		
Cash at bank (i)	2,188,537	979,454
Short term deposits (ii)	-	781,246
	<b>2,188,537</b>	<b>1,760,700</b>

(i) Cash at bank earns interest at floating rates based on daily bank deposit rates.

(ii) Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

**13. Prepayments and other assets**

	\$	\$
<b>Current</b>		
Refundable deposits	171,464	167,030
Prepayments	182,995	88,564
Other receivables	64,498	62,744
	<b>418,957</b>	<b>318,338</b>



Communications Fiji Limited & Subsidiary Companies  
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**FOR THE YEAR ENDED 31 DECEMBER 2022**

**14. Inventories**

	2022	2021
	\$	\$
Goods in transit	76,920	-

**15. Investment in associate and joint venture**

**a) Investment in 231 Waimanu Rd Holdings Pte Limited**

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

	\$	\$
Current assets, including cash and cash equivalents and prepayments	115,263	75,187
Non-current assets	7,638,922	7,632,130
Current liabilities, including tax payable	(31,299)	(28,010)
Non-current liabilities, including deferred tax liabilities	(903,349)	(903,349)
<b>Net assets</b>	6,819,537	6,775,958
Proportion of the group's ownership	50%	50%
Carrying amount of investment - 231 Waimanu Rd Holdings Pte Limited	<b>3,409,769</b>	<b>3,387,979</b>

Summarised statement of profit or loss of 231 Waimanu Rd Holdings Pte Limited:

Revenue	472,581	472,581
Expenses	(75,319)	(92,747)
Profit before tax	397,262	379,834
Income tax expense	(73,683)	(76,092)
<b>Profit for the year</b>	<b>323,579</b>	<b>303,742</b>
Group's share of profit for the year	161,790	151,871
Total share of profit from associate	<b>161,790</b>	<b>151,871</b>

231 Waimanu Rd Holdings Pte Limited had no contingent liabilities or capital commitments as at 31 December 2022 and 2021.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**15. Investment in associate and joint venture** *(continued)*

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

The subsidiary, PNG FM Limited has a 43.87% (2021:43.87%) shareholding in Paradise Cinemas (PNG) Limited, a company involved in cinema entertainment in Papua New Guinea. The Group's investment in Paradise Cinemas (PNG) Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of Paradise Cinemas (PNG) Limited are set out below:

	2022 \$	2021 \$
Current assets, including cash and cash equivalents and prepayments	2,795,157	337,016
Current liabilities, including tax payables	(3,717,180)	(320,051)
Net assets	<b>(922,023)</b>	<b>16,965</b>
Original investment - Paradise Cinemas (PNG) Limited		
- At 1 January	4,103,385	4,254,884
- Translation adjustments	164,193	(151,499)
	<b>4,267,578</b>	<b>4,103,385</b>
Less: Cumulative share of losses		
- At 1 January	(2,138,925)	(2,217,895)
- Translation adjustments	(85,587)	78,970
	<b>(2,224,512)</b>	<b>(2,138,925)</b>
Less: Impairment loss		
- At 1 January	(1,964,460)	(2,036,989)
Translation adjustments	(78,606)	72,529
	<b>(2,043,066)</b>	<b>(1,964,460)</b>
Net carrying amount of investment - Paradise Cinemas (PNG) Limited	-	-
Summarised statement of profit or loss of Paradise Cinemas (PNG) Limited:		
Revenue	711,918	560,194
Expenses	(842,701)	(592,982)
Loss for the year	<b>(130,783)</b>	<b>(32,788)</b>
Unrecognised Group's share of loss for the year	<b>(57,375)</b>	<b>(14,384)</b>

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**15. Investment in associate and joint venture** (continued)

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

PNG FM Limited had written down its investment in Paradise Cinemas (PNG) Limited to Nil and had settled all guarantees and legal obligations in regards to this investment. Therefore, the Group has not recorded any further share of loss resulting from the operations of PCL. Total share of losses not recorded at 31 December 2022 was K2,388,429 (2021: K2,300,387).

	2022 \$	2021 \$
Total investment in associates and joint ventures	3,409,769	3,387,979

**16. Intangible assets**

	Goodwill \$	Software \$	Total \$
<b>Gross carrying amount</b>			
Balance at 1 January 2022	1,507,569	494,360	2,001,929
Additions	-	8,493	8,493
Disposal	-	(9,974)	(9,974)
Translation adjustment	-	1,937	1,937
At 31 December 2022	1,507,569	494,816	2,002,385
<b>Accumulated amortisation and impairment</b>			
Balance at 1 January 2022	370,569	326,359	696,928
Amortisation charge for the year	-	45,896	45,896
Disposal	-	(9,974)	(9,974)
Translation adjustment	-	962	962
At 31 December 2022	370,569	363,243	733,812
Net written down value:			
At 31 December 2022	1,137,000	131,573	1,268,573
At 31 December 2021	1,137,000	168,001	1,305,001

**i) Impairment testing of goodwill and intangibles with indefinite useful lives**

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

	2022 \$	2021 \$
Carrying amount of goodwill	1,137,000	1,137,000

Goodwill amounting to \$1,507,569 less subsequent impairment allowance of \$370,569 has been recorded by the Group in respect to acquisition of subsidiary, PNG FM Limited.





Communications Fiji Limited & Subsidiary Companies  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**16. Intangible assets** (continued)

**i) Impairment testing of goodwill and intangibles with indefinite useful lives** (continued)

An external expert valuation was obtained to value the PNG FM Limited business. The Discounted Cash Flow (DCF) method and the Future Maintainable Earnings (FME) method indicated a recoverable amount of approximately FJD5.1m for the business as against the current Net Worth of PNG FM Limited of approximately FJD4.8M.

Based on the DCF methodology, 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 key assumptions used in the estimation of value in use were as follows:

FME methodology of valuation determined the future maintainable earnings of the business with earnings multiple of 6X, 7x and 8x.

Considering both the methods, the Group has concluded that there is no goodwill impairment as at balance date.

**17. Property, plant and equipment**

	Land and buildings \$	Plant and equipment \$	Motor vehicles \$	Total \$
<b>Gross carrying amount</b>				
At 1 January 2022	3,538,747	10,828,530	877,364	15,244,641
Additions	136,969	1,901,741	17,857	2,056,567
Disposals	-	(273,535)	(53,182)	(326,717)
Translation adjustment	122,439	160,197	12,218	294,854
At 31 December 2022	3,798,155	12,616,933	854,257	17,269,345
<b>Accumulated depreciation</b>				
At 1 January 2022	394,945	5,988,868	422,496	6,806,309
Depreciation charge for the year	16,500	1,110,902	153,193	1,280,595
Disposals	-	(250,607)	(53,182)	(303,789)
Translation adjustment	549	62,090	1,043	63,682
At 31 December 2022	411,994	6,911,253	523,550	7,846,797
Net written down value:				
<b>At 31 December 2022</b>	<b>3,386,161</b>	<b>5,705,680</b>	<b>330,707</b>	<b>9,422,548</b>
<b>At 31 December 2021</b>	<b>3,143,802</b>	<b>4,839,662</b>	<b>454,868</b>	<b>8,438,332</b>

As at 31 December 2022, the gross carrying amount of fully depreciated property, plant and equipment that is still in use is \$1,045,307 (2021: \$374,201).

**18. Right-of-use assets**

	Office premises \$	Dedicated internet service line \$	Transmission sites \$	Total \$
<b>Gross carrying amount</b>				
At 1 January 2022	141,185	118,319	1,236,192	1,495,696
Additions	674,372	-	104,223	778,595
Depreciation charge for the year	(565,487)	(84,304)	(349,656)	(999,447)
Translation adjustment	41,689	-	65,275	106,964
At 31 December 2022	291,759	34,015	1,056,034	1,381,808

Communications Fiji Limited & Subsidiary Companies  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**19. Leases**

	2022 \$	2021 \$
<b>Lease liabilities</b>		
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Less than one year	506,098	598,013
One to five years	777,655	824,461
More than five years	1,237,911	1,212,973
Total undiscounted lease liabilities at 31 December	<b>2,521,664</b>	<b>2,635,447</b>
<b>Lease liabilities included in the statement of financial position at 31 December</b>		
Balance as at 1 January	1,596,329	1,608,816
Additions	778,595	788,940
Accretion of interest for the year	142,081	140,095
Less: payments made during the year	(1,141,674)	(962,921)
Other adjustments	190	7,943
Translation adjustment	108,709	13,456
	<b>1,484,230</b>	<b>1,596,329</b>
Current	425,529	509,399
Non-current	1,058,701	1,086,930
	<b>1,484,230</b>	<b>1,596,329</b>
<b>Amounts recognised in profit or loss</b>		
Depreciation on right-of-use assets	999,447	896,696
Interest on lease liabilities	142,081	140,095
Short term / variable lease payments	34,888	43,692
	<b>1,176,416</b>	<b>1,080,483</b>
<b>Amounts recognised in the statement of cash flows</b>		
Total cash outflow for leases (principal and interest)	<b>1,141,674</b>	<b>962,921</b>

**20. Trade and other payables**

Trade payables	259,259	187,082
Other payables	1,032,105	722,706
	<b>1,291,364</b>	<b>909,788</b>

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30 to 60-day terms.
- Other payables are non-interest bearing and have an average term of six months.



Communications Fiji Limited & Subsidiary Companies  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**21. Interest bearing borrowings**

	2022 \$	2021 \$
Business loan - Westpac Banking Corporation Limited	1,604,830	1,564,727
Disclosure in the Statement of Financial Position:		
Current	242,143	123,112
Non-current	1,362,687	1,441,615
	1,604,830	1,564,727

**Reconciliation of movement of liabilities to cash flows from financing activities**

	Borrowings \$	Lease liabilities \$	Total \$
Balance at 1 January 2022	1,564,727	1,596,329	3,161,056
<b>Changes from financing cashflows</b>			
Proceeds from borrowing	630,298	-	630,298
Repayment of borrowing	(667,398)	-	(667,398)
Payment of lease liabilities, net	-	(999,593)	(999,593)
Total changes from financing cash flows	(37,100)	(999,593)	(1,036,693)
Other changes - liability related			
Interest expense	126,405	142,081	268,486
Interest paid	(126,405)	(142,081)	(268,486)
New lease liabilities	-	778,595	778,595
Other adjustments and translation	77,203	108,899	186,102
Total liability related other charges	77,203	887,494	964,697
<b>Balance at 31 December 2022</b>	<b>1,604,830</b>	<b>1,484,230</b>	<b>3,089,060</b>

The parent company, Communications (Fiji) Limited had obtained a trade finance facility from Westpac Banking Corporation Limited of \$1,458,400 to assist with the purchase of transmitters. The loan repayments are payable on demand for a term of 90 days. The trade facility is subject to an interest rate of 5.99% p.a. The parent company also obtained a business loan from Westpac Banking Corporation Limited of \$630,298. The loan repayments are for a term of 12 months. The loan is subject to an interest rate of 5.12% p.a. with agreed monthly repayments of \$19,422. Both loan facilities are secured by the following:

- Registered fixed and floating charge given by the borrower over all its assets and undertakings including its uncalled and called but unpaid capital.
- Specific security agreement over the gap filler equipment.



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**21. Interest bearing borrowings** (continued)

The subsidiary company, PNG FM Limited had obtained a loan from Westpac Banking Corporation Limited of \$1,623,355 to assist with the purchase of commercial property by its subsidiary FM Haus Ples Limited during the prior year. The loan repayments are based on a facility term of 10 years. The loan is subject to an interest rate of 6.50% p.a with agreed monthly repayments of \$18,431 and is secured by the following:

- i) Guarantee and indemnity unlimited as to the amount given by FM Haus Ples Limited on account of PNG FM Limited.
- ii) Registered mortgage given by FM Haus Ples Limited over Allotment 9, Section 225 Hohola, Port Moresby, National Capital District of State Lease Volume 27 Folio 6677.
- iii) Guarantee and indemnity unlimited as to the amount given by Communications Fiji Limited on account of PNG FM Limited.
- iv) General security agreement between the lender and PNG FM Limited over all its assets, undertaking, called and uncalled capital.
- v) General security agreement between the lender and FM Haus Ples Limited over all its assets, undertaking, called and uncalled capital.

**Bank overdraft facility**

- (a) The holding company has an overdraft facility with Westpac Banking Corporation Limited which is secured by a first registered mortgage debenture over the assets of the company and undertakings including its uncalled and called but unpaid capital.

**22. Other investments**

**Current**

Term deposits

- Kontiki Finance Limited

- Credit Corporation Finance Limited (PNG)

	2022 \$	2021 \$
	500,000	-
	-	284,462
	<b>500,000</b>	<b>284,462</b>

Term deposits with Kontiki Finance Limited are held for a period of 12 months at a competitive interest rate.

**23. Share capital**

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

Issued and paid up capital

3,558,000 ordinary shares

	\$	\$
	<b>3,619,500</b>	<b>3,619,500</b>





Communications Fiji Limited & Subsidiary Companies  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**24. Employee benefit liabilities**

	2022 \$	2021 \$
<b>Current</b>		
Annual leave	119,133	112,941
Long service leave	72,626	81,751
Total current employee benefit liabilities	191,759	194,692
<b>Non-current</b>		
Long service leave	25,207	20,494
Total non-current employee benefit liabilities	25,207	20,494
	<b>216,966</b>	<b>215,186</b>

**25. Foreign currency translation reserve**

	\$	\$
Balance as at 1 January	(1,126,551)	(954,398)
Currency translation difference	108,311	(172,153)
Balance as at 31 December	<b>(1,018,240)</b>	<b>(1,126,551)</b>

Foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

**26. Commitments**

	\$	\$
a) Capital expenditure commitments		
Capital expenditure commitments	7,045,389	1,318,415

i) Capital expenditure commitment relates to the purchase of transmitters for various sites, plant and equipment and motor vehicles. It also includes \$5.2m approved and committed capital expenditure for construction of property by FM Haus Ples Limited.

**27. Contingent liabilities**

	\$	\$
Contingent liabilities exist with respect to the following:		
Guarantees, bankers undertaking and deed of guarantee	8,660	17,227

**28. Related party disclosures**

a) **Directors**

The names of persons who were Directors of the holding company at any time during the financial year are as follows:

William Parkinson  
Josephine Yee Joy  
Maciu Lumelume

Thelma Savua  
Sufinaaz Dean  
Emily King

Communications Fiji Limited & Subsidiary Companies  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**28. Related party disclosures** (continued)

**b) Ownership interest in related parties**

	2022	2021
	<b>Ownership Interest</b>	
FM Haus Ples Limited (a)	100%	100%
PNG FM Limited	100%	100%
231 Waimanu Rd Holdings Pte Limited	50%	50%
Paradise Cinema (PNG) Limited	44%	44%

(a) The consolidated financial statements includes subsidiary, PNG FM Limited and FM Haus Ples Limited.

**c) Transactions with related parties**

Transactions with related parties during the year ended 31 December 2022 and 2021 with approximate transaction values are summarized as follows:

<u>Relationship</u>	<u>Nature of Transaction</u>	\$	\$
Shareholder related entities	Sales	30,270	37,757
	Medical insurance	44,435	43,880
Associate company	Rental expense	155,441	155,441
	Dividend	140,000	100,000
	Management and administrative fees	13,526	10,407

**d) Key management personnel remuneration**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the year, the General Manager, Chief Financial Officer and Head of Departments were identified as key management personnel. The aggregate remuneration to the executives for the year ended 31 December 2022 and 2021 were:

	\$	\$
Salaries and short-term employee benefits	884,901	710,311

**e) Director's interests in an employee-share incentive plan**

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



*Communications Fiji Limited & Subsidiary Companies*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**29. Company details**

**a) Company incorporation - Communications Fiji Limited**

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

**b) Registered office/Company operation**

The Company's operations and registered office is located at 231 Waimanu Road, Suva while the subsidiaries are in Papua New Guinea. The Joint Venture Entity namely 231 Waimanu Rd Holdings Pte Limited operates from 231 Waimanu Road, Suva.

**30. Significant Events During the Year**

FM Haus Ples Limited's initial construction planning was approved by the board. The construction tender has been approved and awarded to CRCG (China Railway Construction Group Co. Ltd).

Communications (Fiji) Limited's profit had significantly increased this year as a result of increased revenue from campaign advertisements that were driven by the General Elections held in Fiji in December 2022.

**31. Events subsequent to balance date**

Subsequent to the balance date, the directors have resolved to transfer 7,295,000 shares in its associate company, Paradise Cinemas (PNG) Limited to City Pharmacy Limited for a consideration of K1.00. The investment has been fully impaired in the prior years. The Group is in the process of completing the formalities relating to the share.

Apart from the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.









## LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE

(IV) Schedule of each class of shares held by Directors and Senior Management under listing rule 51.2(iv) as at 31st December 2022

Names	No. of Shares
Parkinson Holdings Ltd	1,850,691
Unit Trust of Fiji (Trustee Company) Ltd	388,627
BSP Life(Fiji) Ltd	275,855
Charles Taylor	5,000
Doris King	4,000
Jyoti Khatri	3,000
Pratika Kumar	2,100
Thelma Florence Kuini Savua	2,000
Philip Wilikibau	1,500
Vijay Narayan	1,000
Ratu Irinale Soqeta Aaron Ah Yuk	1,000
Victoria Louisa Franchesca Vollmer	1,000
Rosemarie Ellie Botong	1,000
Genesis Elleina Ketan	1,000
Sneh Chaudhry	500

(V) Shareholdings of those persons holding twenty largest blocks of shares under listing rule 51.2(v) as at 31st December 2022

Names	No. of Shares	No. of Shares
1. Parkinson Holdings Ltd	1,850,691	52.01
2. Unit Trust of Fiji (Trustee Company) Ltd	388,627	10.92
3. FHL Trustees Ltd ATF Fijian Holdings Unit Trust	292,553	8.22
4. BSP Life (Fiji) Ltd	275,855	7.75
5. JP Bayly Trust	167,333	4.70
6. Deborah Keola Yasmeen Dean	95,262	2.68
7. Carlisle (Fiji) Ltd	52,280	1.47
8. FijiCare Insurance Ltd	35,000	0.98
9. Amy Lynn Bergquist	34,000	0.96
10. Aequi-Libria Associates Insurance Broker Ltd	26,700	0.75
11. Erik Larson and Karla Larson –Wadd,JTwros	24,400	0.69
12. Ian & Loretta Jackson	24,000	0.67
13. Graham Eden	21,624	0.61
14. Tony Singh	14,973	0.42
15. Arthur John Reynolds & Julian Reynolds	12,400	0.35
16. Frazine Dutta	10,000	0.28
17. Jimaima T Schultz	10,000	0.28
18. Jitendra Thakorlal Narsey	8,800	0.25
19. Krishna Nair & Manorma Nair	8,000	0.22
20. Tutanekai Investments Limited	8,000	0.22

## LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE *(continued)*

### (VI) Distribution of shareholding (Annexure E)

Holding	No. of holders	% Holding
Less than 500 Shares	50	0.56%
501 to 5,000 Shares	97	4.65%
5,001 to 10,000 Shares	7	1.60%
10,001 to 20,000 Shares	2	0.77%
20,001 to 30,000 Shares	4	2.72%
30,001 to 40,000 Shares	2	1.94%
50,001 to 100,000 Shares	2	4.15%
100,001 to 1,000,000 Shares	4	31.60%
Over 1,000,000 Shares	1	52.01%
<b>TOTAL</b>	<b>169</b>	<b>100%</b>

### (VII/ VIII) Composition of Board Directors & Committee Members with attendance under listing rule 51.2(vii/viii) as at 31st December 2022.

Directors	No. of meetings held during the year	No. of meetings attended	Apologies
William Parkinson (Chairman)	4	4	
Maciu Lumelume	4	4	
Sufinaaz Dean	4	4	
Thelma Savua	4	4	
Emily King	4	4	
Josephine Yee Joy	4	4	
<b>ARSC Committee</b>			
Josephine Yee Joy (Chair)	3	3	
William Parkinson	3	3	
Emily King	3	3	
<b>HRSC Committee</b>			
Thelma Savua (Chair)	2	2	
Sufinaaz Dean	2	2	
Maciu Lumelume	2	2	



## LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE *(continued)*

X) Statement of Financial Details - Subsidiary Companies under listing rule 51.2(x) as at 31st December 2022.

Holding	PNG FM LTD (GROUP) (PNG) FJD	231 WAIMANU RD (FIJI)
Percentage of Shareholding	100%	50%
	\$	\$
Turnover	6,443,702	472,581
Other Income	48,291	-
	<b>6,491,993</b>	<b>472,581</b>
Depreciation and amortization	(1,141,973)	(1,734)
Interest Expense, net	(185,070)	-
Other Expenses	(4,086,218)	(73,585)
Income Tax (Expense)	(370,459)	(73,683)
	<b>(5,783,720)</b>	<b>149,002</b>
Net Profit after Tax	<b>708,273</b>	<b>323,579</b>
Total Assets	8,338,942	7,754,185
Total Liabilities	(3,496,321)	(934,648)
Shareholders Fund	4,842,621	6,819,537

(XIV) Summary of key Financial Results for the previous five years (Consolidated) under listing rule 51.2(xiv) as at 31st December 2022.

	2022	2021	2020	2019	2018	2017
<b>Net Profit After Tax</b>	<b>1,551,061</b>	<b>797,336</b>	<b>824,394</b>	<b>2,234,010</b>	<b>2,943,789</b>	<b>2,922,934</b>
Current Assets	5,562,327	4,683,999	5,178,738	4,809,300	3,475,978	4,715,023
Non- Current Assets	15,642,831	14,760,482	12,436,822	12,923,007	12,257,685	9,514,834
<b>Total Assets</b>	<b>21,205,158</b>	<b>19,444,481</b>	<b>17,615,560</b>	<b>17,732,307</b>	<b>15,733,663</b>	<b>14,229,857</b>
Current Liabilities	2,150,795	1,736,991	1,833,923	2,207,727	1,720,254	2,870,960
Non- Current Liabilities	2,701,681	2,729,540	1,144,230	1,354,212	1,355,609	506,099
<b>Total Liabilities</b>	<b>4,852,476</b>	<b>4,466,531</b>	<b>2,978,153</b>	<b>3,561,939</b>	<b>3,075,863</b>	<b>3,377,059</b>
<b>Shareholders' Equity</b>	<b>16,352,682</b>	<b>14,977,950</b>	<b>14,637,407</b>	<b>14,170,368</b>	<b>12,657,800</b>	<b>10,852,798</b>

# LISTING REQUIREMENTS OF SOUTH PACIFIC STOCK EXCHANGE *(continued)*

## (XV) Information Related to the Equity shares under listing rule 51.2(xv) as at 31st December 2022.

	2022	2021	2020	2019	2018	2017
	Cents	Cents	Cents	Cents	Cents	Cents
Dividend Declared per share	0.04	0.08	0.00	0.20	0.30	0.53
Earnings per share	43.59	22.41	23.17	62.79	82.74	82.15
Net tangible assets per share	4.24	3.84	3.74	3.60	3.17	2.65

Share price during the year (cents per share)	2022
Highest	7.00
Lowest	6.75
On 31st December 2022	6.90

(XVI) The company secretary for 2022 was Ms Seini Tinaikoro.

## (XVII) Registered Office Details

Communications Fiji Limited  
231 Waimanu Rd  
Suva  
PH: +679 3314766

PNGFM Limited (Subsidiary)  
Pacific Palms Property  
Unit 1 (Bldg B)  
Ahuia Street, National Capital District  
Port Moresby  
PNG  
Contact: (675)7373 8806

## (XVIII) Share register, registered and principal administrative office

Central Share Registry Pte Limited (CSRL)  
Shop 1 and 11, Sabrina Building  
Victoria Parade, Suva  
Fiji  
Contact: (679)3304 130  
Email: registry@spx.com.fj





# MINUTES OF THE 2021 37th ANNUAL GENERAL MEETING

Minutes of the Thirty Seventh Annual General Meeting of Shareholders held on the 10th June 2022, at 231 Waimanu Road, Suva, and via Zoom at 12.00pm.

## Present

Mr. William Parkinson (Chairperson)  
Ms. Sufinaaz Dean (Director)  
Ms. Thelma Savua (Director) (via zoom)  
Ms. Josephine Yee Joy (Director) (via zoom)  
Mr. Maciu Lumelume (Director) (via zoom)  
Ms. Seini Tinaikoro (Company Secretary) (via zoom)  
Ms. Wathsala Suraweera (Partner, BDO)  
Mr. Nalin Patel (Partner, BDO)  
Mr. Pretesh Prasad (SPX)  
Ms. Shyama Verma (SPX)  
Ms. Joana Rarase (SPX, CSRL)  
Mr. Mahi Priya Meddepola (UTOF)  
Mr. Varun Deo (UTOF)  
Mr. Gyanesh Ruben (BSP Life)  
Mr. Gary Callaghan (Carlisle (Fiji) Limited)  
Ms. Rosemarie Botong (PNGFM)  
Mr. Charles Taylor (CFL)  
Ms. Jyoti Khatri (CFL)  
Mr. Vijay Narayan (CFL)  
Ms. Doris King Southwick (CFL)  
Mr. Satya Nand (CFL)  
Ms. Pratika Kumar (CFL)  
Mr. Philip Smith (CFL)

## Apologies

NIL

## Quorum

The Quorum required was met and recorded.

## Opening of AGM

The Chairperson welcomed the shareholders and attendees, via zoom and in person, to the 37th AGM for the Company.

The Chairperson acknowledged and welcomed the Company's Directors, Ms. Thelma Savua and Ms. Josephine Yee Joy, the Company's Secretary, Ms. Seini Tinaikoro and the General Manager for PNGFM, Ms. Rosemary Botong, who attended via zoom. (Mr. Maciu Lumelume was also in attendance via zoom).

The Chairperson addressed the AGM with his remarks, which was an update from the Chairperson's report in March published in the Annual Report.

The Chairperson's report contained in the Annual Report quoted a financial paper published in Australia titled "The Black Swans are Flying". In the Chairperson's view this refers to various unpredictable events that would be encountered in the coming year, the outcomes, which would be impossible to predict. However, as the year unfolds there will be an idea of some of the events and the outcomes. We face the impact of an uncertain post global environment, the impact of the current conflict in Ukraine and domestically we are awaiting general elections in Fiji and general elections in PNG. All of these bring about various issues both good and bad, which we must prepare ourselves for.



# MINUTES OF THE 2021 37th ANNUAL GENERAL MEETING *(continued)*

The good news for shareholders, which they would appreciate, is that the Boards and Executive Teams in Fiji and PNGFM have become accustomed to these varying issues and are well prepared. The Group entered into this period with a strong financial position and maintains a healthy Balance Sheet and is ready to weather any storms. More importantly, the Teams are ready to exploit any opportunities that might arise from these uncertain times. The Group is in the process of a Group wide review of corporate strategy and vision, which will result in the development of multiple strategies.

An immediate issue particularly in Fiji, due to the rise in cost of living, has resulted in a wave of wage inflation. It is also observed that there is a drastic shortage in talent, especially in the New Zealand and Australia markets. It is well known that these markets look to Fiji to source talent. Being a creative organization, talent is an absolute critical resource. With this in mind, the Group recently completed a comprehensive review of the salary structures and the changes resulting from that review is currently being implemented. The Chairperson thanked Ms. Thelma Savua, the Chairperson for the Company's HRSC, and Ms. Yvette Samson, the new Group HR Director, for their work in the review. These changes may result in some short term cost but it is critical for the Group's long term growth.

The Group anticipates the new studio home currently being constructed in Port Moresby, PNG, which is scheduled to open in the second half of 2023. The Group also anticipates the opening of borders in the next six months to allow travel between Fiji and PNG. This will allow full utilization of talent within the Group which may help to counter the wage inflation addressed earlier.

The Chairperson thanked the Boards and Executive Teams in Fiji and PNG, who have been working well together, especially throughout the last two years. The Chairperson acknowledged the strength and value in appointing independent directors. At the core is the Group's commitment to remain a trusted independent local voice during difficult times and more so in the upcoming general elections in Fiji and PNG.

With those remarks, the Chairperson opened the Company's 37th AGM.

The Chairperson's remarks were circulated as a statement following the AGM.

## **Confirmation of Minutes**

- The minutes of the 36th Annual General Meeting held on 30th June 2021 were read and approved.
- The minutes were unanimously adopted by shareholders and was moved by Doris Southwick and seconded by Gyanesh Rueben.

## **Matters arising from the Minutes**

- No matters arising.

## **Ordinary Business**

### **1. Adoption of Financial Statements**

- The Chairperson tabled the Annual Report and the Audited Financials. The Auditors were present to answer technical questions on the financial statements, however, no major issues were raised.
- The Audited Financials, Balance Sheet, Profit and Loss and Directors reports were received and adopted. The motion was moved by Gyanesh Rueben and seconded by Gary Callaghan.



# MINUTES OF THE 2021 37th ANNUAL GENERAL MEETING *(continued)*

## **2. Election of Directors**

Appointment of a Director to fill in casual vacancy as Director of the Company

### **(a) Appointment of Ms. Emily King**

To appoint, pursuant to Article 50 of Articles of Association of the Company, Ms. Emily King, who was appointed to fill in the casual vacancy caused by the resignation of Mr. Pramesh Sharma on 3rd November 2021, and whose term of office expires at this Annual General Meeting be and is hereby appointed as a Director of the Company.

There being no objections the motion was moved by Sufinaaz Dean and seconded by Gyanesh Rueben.

Re-appointment of a Director retiring by rotation

### **(a) Re-appointment of Ms. Josephine Yee-Joy**

Ms. Josephine Yee-Joy, an independent Director, who is due for re-appointment by rotation under article 108 of the Company's Article of Association offered herself for re-appointment.

The motion was moved by William Parkinson and seconded by Thelma Savua.

## **3. Re- Appointment of Retiring Auditors**

- It was decided and recommended by the Board that the retiring BDO, Chartered Accountants, be and are hereby re-appointed as the Auditors of the Company to hold office, from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the company as a remuneration as authorized by the Board.

- There being no objections the motion was moved by William Parkinson and seconded by Gyanesh Rueben.

## **4. Declaration of Dividend**

- The meeting noted the Board's recommendation that the Company adopt a dividend of \$142,320.00 (4 cents per share) as a final dividend for the year 2021.

- The motion was unanimously adopted by the Shareholders. The motion was moved by Sufinaaz Dean and second by Mahipriya Meddepola (UTOF).

## **Special Business:**

- The Shareholders were invited to raise any questions relating to the Annual Report

i) Mahipriya Meddepola (UTOF) queried the Company's plans for the next 5 to 10 years regarding diversifying the income streams seeing there has been a reduction in the traditional revenue streams, radio sales, over the last few years.

GM for the Company, Charles Taylor, addressed the shareholders:

a) The reduction of income from radio sales was directly related to COVID-19 as the Company reduced its rates on radio sales during the last two years. The Company is currently in the process of increasing these rates.

b) With regard to diversification of revenue streams:

- the Company is exploring hosting more events and is investing in equipment to assist with this revenue stream.

## MINUTES OF THE 2021 37th ANNUAL GENERAL MEETING *(continued)*

- exploring more online opportunities and monetizing on their website to increase digital revenue.
- Magic Factory, the in house audio visual production company, the Company is further exploring revenue in these areas for both markets, Fiji and PNG.

The Chairperson invited Rosemarie Botong to address the AGM about possible revenue growth for PNGFM for the coming year:

- There has been steady growth since the beginning of 2022. Clients have not been spending as much due to COVID-19 and the upcoming general elections but see there will be an increase in growth towards the end of the year.
- Vodafone's entry into the market has had a positive impact.

ii) Gary Callaghan queried on whether shareholders can expect the dividends to revert to its average.

- The Chairperson addressed this query, there has been some volatility in dividends and saw it increase during the sale of Unwired some years ago. The Company attempts to maintain dividend at the average of 6 to 8 cents per share and reserve its capital. The aim and goal is to try and get back to the normal average dividend of 40% of profit.
- The Chairperson, thanked all attendees, the directors and auditors for their attendances, via zoom and in person.
- There being no other business the Chairperson closed the meeting at 12.22pm.

Approved



William Parkinson  
Chairperson







