2015
Annual Report

COMMUNICATIONS HAVE NEVER BEEN IN BETTER HANDS

Group of Companies

VISION

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

MISSION

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

VALUES

Integrity
Practising good corporate governance and being faithful to our stakeholders.

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

Innovation
Being at the forefront of product development and offerings.

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

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

GOALS

Enhance shareholder value.

Exploit convergence between the information and telecommunication sectors to enter new areas of business.

Acquire existing businesses or create and invest in newly established businesses to achieve growth.

Become a company operating internationally and prominent in the Pacific.

Adopt international best practices, standards and methods of operation.

INSIDE THIS REPORT...

Chairman's Report 2015

Five years after a period of consolidation and restructure of the companies in the ATH Group began, we have collectively emerged this year as a leaner, stronger entity that is financially robust, well equipped to serve our core markets and also prepared to capitalise on the expansion opportunities that exist in the Pacific region.

We can all be proud of the fact that over the past few years, our group has realised a quantum leap transformation in Fiji's connectivity infrastructure, changing and way in which Fijians connect and communicate.

Furthermore, the ATH Group has truly lived up to its vision of ensuring that the outcome of its operations, always results in the empowerment and enrichment of peoples lives and enterprises.

Our priority at this stage is to ensure that ongoing and planned strategic investments that support the future growth of the Group are not compromised, and that the growth momentum achieved in the previous years is sustained through investments in infrastructure and customer experience enhancements.

The Challenge Ahead: Structural Transformation and Industry Profitability

Telecommunications operators world over, along with the wider industry in which they operate, today face the stark challenges of the techno-economic transformation characteristic of the emerging digital era. Paradoxically, the transformations enabled through the ubiquitous rollout of broadband networks and services, are also enablers of disruptive business models which ride "On Top Of" High Speed Broadband and Internet Protocol (IP) based infrastructures they build.

Disruptive competition in this respect comes in the form of OTT (Over the Top) service providers who compete with operators by offering Free or Freemium communication services spanning the breadth of Voice, Messaging and Video connectivity. Such disruptive business models are typically funded by advertising revenues that are only viable on a global scale, thus threaten also to squeeze out local innovators.

Fundamentally, the fact that the high-speed broadband infrastructures invested in by Telecommunications Operators enable the existence of OTT services, which challenge the services provided by the underlying networks pose serious challenges to the long-term economics of building network infrastructure.

Therefore, long-term changes to the structure and cost basis of providing various services in the industry will require significant realignment to ensure that broadband infrastructure and network investments remain attractive to investors.

Proactive Adjustment of Industry Techno-Economics

The ultimate outcome of the digital era and the empowerment it delivers to people everywhere unquestionably delivers immense benefit to users.

The disruption it also enables and brings about is not inherently a bad thing, for such innovations enable inefficiencies, wherever they exist to be revealed and challenged.

The key issues confronting telecommunications stakeholders, including but not limited to operators, regulators, government and tax authorities, is to allow the flexibility and freedom for telecommunications operators to adapt to industry change and disruption in a holistic manner without being hamstrung by outdated rules and regulations.

While there are some technical and potentially structural issues to be addressed with such realignment and transformation, the key challenge will be in respect of pricing to enable return profiles that match investment.

In dealing with these issues, the role of the Telecommunications Authority of Fiji and the Commerce Commission is vital to enabling a sustainable, broadband, digital future.

While Telecommunications and Broadband service availability, affordability and adoption demonstrate significantly positive indicators relative to regional and even global benchmarks, ***I share the concern of industry counterparts that industry sustainability is at risk unless structural corrections with respect to industry pricing and cost structures are implemented.***

Consolidation

During the year, ATH subsidiaries improved collaboration and co-operation to ensure that the interests of our customers and end-users are met.

As a consequence, there is evident positive overall effect on the individual subsidiaries as well as the parent company, resulting in the Group being well positioned to respond to the opportunities and challenges ahead.

With the telecoms market being fiercely competitive and approaching saturation, our growth focus in the coming years will be to continue the journey of expansion into other countries in the region, which present attractive investment opportunities.

Apart from investment in infrastructure and technology upgrades, the ATH Group of companies have had to redefine our relationships with our customers by listening to their needs and aspirations.

During the year, as outlined later in this report, a major event for the ATH Group was the acquisition by the Fiji National Provident Fund (FNPF) of the remaining 49% in Vodafone Fiji Limited from Vodafone International Holdings BV. The Vodafone brand continues to exist through a Partner Market Agreement with the Vodafone Group, which among other things continues to provide valuable support and services.

Telecom Fiji Limited, on 31 March 2015, sold its Ganilau House property to ultimate parent entity, FNPF, for $16.25 million. Also on 31 March 2015, ATH successfully secured the right to operate telecommunications business in Kiribati and purchased the assets of Telecommunications Services Kiribati Limited. The acquisition was completed in May 2015, through ATH's 100% Kiribati subsidiary. This acquisition is important for ATH since it extends our presence into the central Pacific and helps realise our vision of becoming a regional telecoms powerhouse.

Economic Outlook

The Reserve Bank of Fiji estimates an economic growth for 2015 of 4.3%, which will come on the back of six years of positive growth. This follows an estimated 4.5% growth in 2014, which was better than the previous estimate of 4.2%. The positive economic figures have been helped by the return to democratic governance in September 2014 and also by the continued Government investment in infrastructure projects.

In its 2015 Budget, the Government stepped up its emphasis on improving the state of roads, water supply and other infrastructure, which in turn should drive other sectors of the economy including improvements in telecommunications. Tax concessions in the ICT sector, should help boost activity in the telecoms sector and provide more opportunities for our companies.

Group Results

I am happy to report that during the year under review, the ATH Group demonstrated strong growth in revenue across Mobile, Broadband and Fixed Line businesses to record consolidated revenues of FJD310.67 million representing an increase of FJD 29.66 million Year on Year (YoY). On the backdrop of strong revenue growth, Group EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) for FY 2015 was recorded at FJD129.9 million, an increase of FJD36.8 million YoY. The Group EBITDA margin for FY 2015 was recorded at 41.8%. Leading on from robust EBITDA, Group Net Profit After Tax (NPAT) grew 113.3% YoY was recorded. While we take pride in the achievements of our Company, more importantly we are further encouraged by the fact that the sustainability, of delivering robust financial returns, realising aggressive performance gains in today's market place, have delivered operational and capital efficiencies, while continuing to improve and innovate in products, services and value delivered to customers.

Financially, the Group position of (9.5%) Net Debt to EBITDA, supports ATH's strategy of further investment in Fiji and beyond, leveraging our operational and strategic strengths, to growth, improvement and value to our customers and the new market investments.

During the year, non-operating companies within the group – ATH Technology Park Limited, ATH Call Centre Limited, Transtel Limited, Xceed Pasifika Limited and Internet Services Fiji Limited – were wound up, with only formalities for the winding up of Internet Services still outstanding. TFL was able to save on administration costs with its wound-up outlets, focussing its efforts on its regional outlets.

The Board of Directors approved and paid out an interim dividend of 3.5 cents per share, to reflect the positive performance of the ATH Group of Companies.

Key Personnel Changes

On 30 June 2014, Mr Aslam Khan officially ended his tenure as Managing Director of Vodafone Fiji Limited. He had held the position since the company's inception 20 years before. I would like to acknowledge his contribution not only to Vodafone but also to the wider telecommunication industry in Fiji.

Mr Pradeep Lal was promoted from Chief Operating Officer to succeed Mr Khan. Mr Lal has been with Vodafone for more than 15 years and has a wealth of knowledge and experience in the telecoms industry.

In December 2014, new appointments were made at FINTEL with Chief Executive Officer Mr George Samisoni being confirmed in the position that he had acted in since the beginning of the year. Mr Samisoni has been with FINTEL for the past 35 years. Mr Samisoni's leadership at a very challenging time has made enormous improvements to the company.

Trends and Opportunities

Growth in the telecoms sector overall will be driven by ongoing consumer obsession with their devices. Electronic devices have become a critical part of our daily lives. Indeed, Deloitte predicts that in 2015, one billion smartphones will be purchased as upgrades for the first time. Smartphone upgrade volumes will continue to increase over the next three years, according to Deloitte. In 2015 smartphone sales will be greater in units and revenues than the PC, television, tablet and games console sectors combined. (Source: http://deloitte.wsj.com/cio/2015/02/23/one-billion-smartphone-upgrade-in-2015/) The smartphone's share of units and revenue should continue growing through 2018.

This has wide-ranging implications for our businesses.

The Asia Pacific region is now the fastest growing telecom market in the world and ATH is well placed to capitalise on this fact and should act swiftly when opportunities present themselves, such as we are doing with our acquisition in Kiribati.

Looking to the Future

In line with the growth trends, we envisage even greater uptake of data driven through the phenomenal demand for smartphones and over-the-top applications. Another key trend is the growth of audio and video streaming among smartphone users. This growth trend will be well served by the improvements to current infrastructure and increasing bandwidth availability on the Southern Cross Cable.

After earlier connecting Tonga and Vanuatu to the Southern Cross Cable Network, FINTEL is now poised to also connect Samoa to the network and its also positive about adding an additional submarine fiber link for New Caledonia.

Our regional vision is taking shape with our Kiribati acquisition and other countries still presenting opportunities. Our presence in regional countries should help boost connectivity and bring Internet access to ordinary Pacific Islanders, which in turn should contribute to closing the digital divide.

The performance of the ATH Group stands testimony to the courage, determination and excellence of the ATH team, consisting of all the Boards, executives, management and staff of the companies. It has been an honour and privilege to work alongside them.

We embark on the future with great excitement as we stand at the cusp of an era where broadband technologies transform the lives of people, the workings of our economies and hence the future of our country. Our excitement is enshrined in our confidence that as the market leader, will continue to lead our peoples, economies and nations to a better future.

In conclusion, as the opportunities and challenges of Industry Transformation unfold, the ATH Group Companies draws confidence from the fact that proactive strategies commenced years ago, place the group in commanding position to thrive in the current and future environment.

We are confident that we have built the necessary skills, discipline and innovation to enable us to continue delivering the enveloping imperatives of innovation, customer service, financial returns and leadership in the digital era.

We view the future with extreme diligence but equally with an abundance of excitement and unbridled energy. The group will consider all opportunities for growth to deliver greater returns for our shareholders.

We recognise the imperative for structural realignment of the fundamental economics of our industry, a task that we will initiate and co-operate with key stakeholders.

In line with our Corporate Vision, our strategies under all circumstances, is to empower and enrich peoples lives, enterprises and nations through broadband. We are mindful that sustainability of a "digital future" is predicated on broadband inclusion through relevant, accessible and affordable broadband to all.

My Deep Gratitude

As always it gives me immense pleasure to extend my profound appreciation to all the stakeholders of our businesses, principal amongst which are our Customers, Shareholders and Employees.

I wish to accord recognition and gratitude to the efforts and achievements of all group staff, led by our inspirational Chief Executives, Messrs George Samisoni, Pradeep Lal, Mothilal De Silva, Ivan Fong and Navin Nand.

Finally, I also wish to thank my fellow Board Directors for the advice, guidance and support that has made 2015 a year we can reflect upon with pride and satisfaction.

Ajith Kodagoda
Chairman

General Manager's Report 2015

Five years since the commencement of transformation and realignment to reshape the subsidiaries in the ATH Group, we are pleased to announce a solid result for the financial year 2015. The ATH group of companies has emerged as an efficient and robust group, retaining its pole position in Fiji and well prepared for the next stage of growth. ATH financial indicators for the financial year 2015 reflects these improvements.

In the 17 years that the ATH Group has been in existence, there have been enormous developments and disruptions in the industry. Throughout the journey, ATH has had to be able to adapt to the new market conditions, from starting out as group of legacy telecommunications companies, to being a group that is now fully providing ICT and broadband services to end users in Fiji and beyond.

Indeed, data and broadband internet usage and adoption now outpaces growth in traditional voice and messaging revenues and that trend is most likely to continue into the future as the way people use and interact with their digital devices becomes more customised and personal.

The Group's subsidiaries mostly recorded improved performances across the board, which reflected positively on the Group's year-end financial results. Increased earnings from Vodafone Fiji Limited and Telecom Fiji Limited, together with significant cost savings in FINTEL, TFL and Fiji Directories all contributed to the encouraging results.

Consolidated sales revenue for the Group grew by 10.6% to $310 million, compared to last year's sales revenue growth of 3.9%.

The Group's Gross profit improved by 6.4% to $206.7 million following a decline the year before of about $2.3 million. Consolidated EBITDA increased by 39.5% to $129.9 million and net operating cashflow for the group was up by 23.4%, from $94.2 million to $116.3 million recorded for the reported financial year.

The Holding Company's net profit after income tax increased by 30% to $28.67 million, compared to $22 million the previous financial year.

This year was momentous in many ways. Vodafone Fiji Limited, in the lead up to its 21st year of operation, became a wholly owned Fijian entity, following FNPF's acquisition of 2,490,000 shares from Vodafone International Holdings BV.

Efforts to improve efficiencies in our businesses continued during the year with the sale of Telecom Fiji Limited's Ganilau House property to ultimate parent entity FNPF for $16.25 million.

The ATH Group also adhered to its vision of expanding into the region during the financial period. In March 2015, ATH was finalising a bid to purchase the assets of Telecommunications Services Kiribati Limited, the telecommunications operator in the Republic of Kiribati. Subsequent to balance date, we were pleased to announce that the acquisition was completed in May 2015. As a result, ATH capitalised and incorporated a new wholly owned subsidiary, Amalgamated Telecom Holdings Kiribati Limited, which was the corporate entity that consummated the transaction for AU$7.3 million. This acquisition marks the start of achieving ATH's objective of reaching out across the Pacific, to leverage the skills and resources available within the group to the benefit of these markets.

With this start, ATH has capacity and appetite to continue exploring all opportunities for growth and participation in the region. With subscriptions in the Fiji market expected to plateau, our presence in new markets outside of Fiji is key to continued long-term growth.

Also subsequent to the end of the financial year, Vodafone Fiji Limited also acquired Datec (Fiji) Limited, an ICT company. It is expected that this acquisition will add value to customers and shareholders due to the ability to provide one-stop-shop solutions for business customers.

On the other side of the coin, entities that are no longer operating will be shut down to avoid incurring administrative expenses. In this regard, formalities relating to the voluntary winding up of subsidiaries ATH Technology Park Limited, ATH Call Centre Limited, Transtel Limited and Xceed Pasifika Limited have commenced and it will be expected that these will be completed early in the next financial year.

Telecom Fiji Limited

TFL achieved a momentous turnaround after a few years of losses. From a loss of $15.3 million during the previous financial year, TFL improved this result with an $18.4 million net profit after tax in the current reporting period. Profit for the year includes gain on sale of Ganilau House property amounting to $11.6 million, net off capital gain tax. Overall revenue growth was 3.3%, with an increase in EBITDA from $24.4 million to $44.6 million.

Growth in revenue was largely attributed to data network and internet revenue which improved by 15.9%. This was backed by increased revenue from equipment and ancillaries and rental. Furthermore, a significant reduction in overall cost by $23.4 million or 21.6% was recorded for the year. In the prior year, a one-off adjustment for the impairment of near obsolete telecommunications equipment amounting to $8.1 million was recorded.

While this year, reduction in cost was realised across all expenses with key savings from personnel, Operations, finance, depreciation and amortisation. The company has improved its service delivery and fault-rectification turn-around times. TFL has expanded its offerings for the corporate market with special emphasis on small-to-medium enterprises, which often fall between the cracks of service providers. The company aims to continue upgrading its ICT infrastructure including expanding its fibre network and cable rehabilitation of the existing copper and fibre network to support higher speed and quality of broadband services.

Vodafone Fiji Limited

Fiji was the first country in the South Pacific to commercially launch 4G Internet services in 2014. The uptake of Vodafone's 4G products was so spectacular that Fiji was propelled into the top tier of regional countries with the most well connected wireless broadband population.

As discussed in the Vodafone Fiji report, the current financial year has been a year of transformation for Vodafone Fiji, including shareholder changes and the appointment of a new Chief Executive Officer in Mr Pradeep Lal, who replaced founding CEO, Mr Aslam Khan. Vodafone Fiji continues to capitalise on the phenomenal growth in data products with a 56% growth in total data revenues and 86% growth in mobile Internet. 4G broadband revenues grew by 66% month-on-month and by an impressive 151% in 4G mobile Internet revenues.

The company closed the financial year with an increased Profit after income tax of $44.8 million, a $5.8 million improvement from last year. While the overall cost increased by $20.6 million during the year, it was more than made up for by improvement in total revenues of $27.4 million, thus providing a $6.8 Million contribution to profits. Vodafone Fiji continues to be the main revenue contributor to the group and declared dividend of $33.0 million out of the results of the financial year, payable to its shareholders, ATH and FNPF.

FINTEL

FINTEL has come out from period of reorganisation and change in leadership admirably during this financial year, while also marking its 100th Board Meeting since the founding of the company in 1976. FINTEL recorded an operating profit of $7 million, a 8.2% decrease over the previous financial year. Despite the massive drop in international voice calling revenues, as is the global trend, FINTEL has been able to remain profitable largely on the back of growth of international bandwidth demand and positioning itself as a wholesale carrier.

Following the successful connection of Tonga and Vanuatu to the Southern Cross Cable Network, more developments look headed this way with the Samoa Submarine Cable Corporation looking certain to build a new cable connecting Samoa to Fiji and a good prospect of the second New Caledonia submarine fiber cable also landing in Fiji.

Fiji Directories Limited

Fiji Directories retains its overwhelming market share in the printed directory market, but following on from the move to digital products several years ago, it is ramping up efforts to serve customers on several digital platforms.

The company recorded a net profit after tax of $1.67 million, a 6.5% increase compared to the year before, and continues the turnaround which began in 2012.

After eight months without a Chief Executive, Mr Navin Nand was appointed to lead the company as it aims to develop sustainable products to counter the cannibalising impact of web search on its business. The challenge will be to develop ways to allow people/users to connect instantly and directly to business advertisers.

Vodafone ATH Fiji Foundation

The Vodafone ATH Fiji Foundation, the Group's philanthropic arm, continued reaching out to improve lives and communities through the technologies at our disposal.

Projects carried out during the year related to health and fitness, education, economic development, youth issues and farming.

The Foundation's philanthropic investment this year increased to $728,107 That includes $270,652 for Mobile for Good; $15,288 for Double Your Dollar; $183,500 for Sustainable Funding; $258,667 for World of Difference programme.

Under the Mobile for Good programme, efforts are directed at national health care and complementing education strategies. Through this programme, 57 clubs, schools, associations, welfare organisations and other entities were granted assistance. Through Double Your Dollar, Vodafone staff helped raise funds for 15 organisations, while under the Sustainable Funding programme nine organisations were assisted.

Looking to the Future

The ATH Group is poised to play an even greater role in people's lives with the ubiquity of digital devices, the ease of access to the Internet and saturation of mobile phones.

Certainly with cloud services and applications becoming mainstream, the opportunities for the group and its customers to innovate and re-think how they build services without necessarily making heavy investments in infrastructure are endless, and only limited by one's imagination.

Furthermore, as the 'Internet of Things' becomes more prevalent in Fiji and the Pacific, essentially everything has the potential to become connected. Wearable and nano-technology, connected devices, connected homes, smart grids, smart cities and smart nations will all present realistic opportunities and challenges to how we are currently accustomed to life.

The future of broadband networks and devices in emerging markets such as ours still has tremendous growth potential as that is where the unconnected are. We will continue in our efforts to close the digital divide in Fiji and the region by investing where opportunities present themselves to connect communities that are not connected and to deliver modern, innovative products and services that drive overall development.

Ivan Fong
General Manager and Company Secretary

BOARD OF DIRECTORS

Ajith Kodagoda - Chairman

Taito Waqa - Director

Arun Narsey - Director

Isikeli Voceduadua - Director

Tom Ricketts - Director

Umarji Musa - Director

Ivan Fong - Company Secretary and General Manager

In accordance with the Reserve Bank of Fiji's Corporate Governance Code, ATH provides the following corporate governance statement for the year ending 31 March 2015.

Role of the Board

The role of the Board is to assume accountability for the success of the company by taking responsibility for its direction and management in order to meet its objective of enhancing corporate profit and shareholder value.

The regular business of the Board, during its meetings, covers business investments and strategic matters, governance and compliance, the General Manager's report, and the performance of subsidiary companies.

Composition of the Board

The Board comprises of six Non-Executive Directors of which three are Strategic Investor Directors appointed by FNPF and three are Fiji Directors appointed by Government.

The Directors in office on 31 March 2015 are:

Name		Date of Appointment
Ajith Kodagoda	Fiji Director	16 July 2009
Umarji Musa	Fiji Director	23 August 2010
Isikeli Voceduadua	Fiji Director	22 October 2014
Taito Waqa	Strategic Investor Director	21 August 2008
Arun Narsey	Strategic Investor Director	1 September 2010
Tom Ricketts	Strategic Investor Director	6 August 2009

The directors are appointed in line with the company's Memorandum of Association and are elected at the company's Annual General Meeting. One third retires by rotation each year and is eligible for re-election. The FNPF is excluded from participating in this election process.

A total fee of $55,208 was paid to Directors for their service during the year in accordance with the shareholders resolution at the 16th Annual General Meeting. A further sum of $3,900 was paid as allowances for various Committee meetings. The company also met other expenses mainly for travel and accommodation which were incurred during the course of their duties for ATH.

Directors were also covered under a Directors' and Officers' Insurance Policy and a Personal Accident Insurance Policy.

Board Sub-Committees

The Board met five times during the financial year ended 31 March 2015. Attendance was as follows:

Director	Number of Meetings Entitled to Attend	Number of Meetings Attended	Apologies Received
Ajith Kodagoda	5	4	1
Umarji Musa	5	5	0
Isikeli Voceduadua	2	2	0
Taito Waqa	5	3	2
Arun Narsey	5	4	1
Tom Ricketts	5	2	3

The Board has formally constituted three committees: the Corporate Governance Committee, the Audit and Finance Committee and the Human Resources Committee.

The Corporate Governance Committee comprises of all the Directors, and is also chaired by the Board Chairman.The Corporate Governance Committee is responsible for ensuring that the Board operates effectively and efficiently and that the company has appropriate employment practices.

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

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

General Manager and Company Secretary

Mr Ivan Fong is the General Manager for ATH. The General Manager is responsible for developing and implementing business strategies and policy guidelines; managing budgets, financial report and key performance indicators; providing company secretarial duties and functions; ensuring compliance with regulatory and statutory requirements; managing effective relationships with internal and external parties; and leading and developing a team of staff.

Timely and Balanced Disclosure

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

Ethical and Responsible Decision Making

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

Register of Interests

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

Rights of Shareholders

In line with South Pacific Stock Exchange's requirements, the company issues market announcements of material information, six monthly unaudited financials, audited financials and annual report. The same information is posted on SPSE and ATH websites. All shareholders are invited to the AGM and are given an opportunity to communicate directly with the Board of Directors.

Accountability and Audit

ATH is audited annually by an independent external auditor. The company also has an Audit and Finance Committee which provides oversight of the company's internal controls and operations, verifying and safeguarding the integrity of the company's financial reporting.

Risk Management

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

Establishment and Ownership

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

ATH commenced operations on 16 December 1998 following the sale of a 49% strategic stake in the company to the Fiji National Provident Fund ("FNPF") as part of a tender in which a number of international parties participated.The FNPF subsequently consolidated its control of ATH in September 1999 after it acquired a further 2% of the issued shares in accordance with contractual obligations. Government's shareholding as a result, was reduced to 49%.

In February 2002, Government sold a further 9.7% of its shares through a Private Placement with institutional investors, including the FNPF, which acquired further shares. An additional 4.7% of Government's shares were sold in a Public Offer a month later. Government is currently ATH's second largest shareholder with 34.6% interest, while the FNPF is the largest shareholder with 58.3%.

The Company

ATH is Fiji's principal telecommunications holding company, through its investments and provision of direct services in a broad range of telecommunications and related services. The principal activities of the ATH Group include the provision of:

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

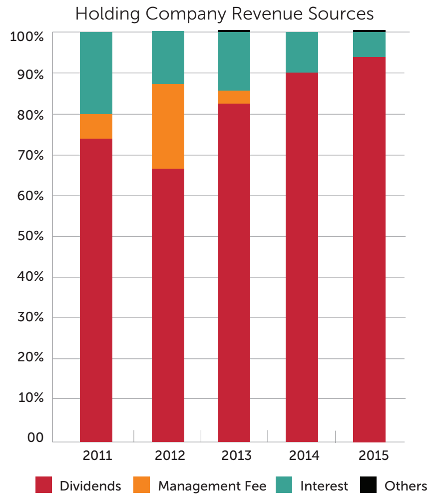
Group Structure

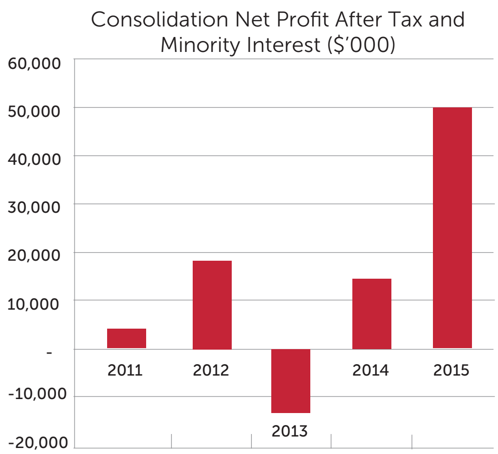
Telecom Fiji Limited is a 100% owned subsidiary of ATH and provides fixed telephony services, broadband internet, international voice and data connectivity, sale of telephone equipment and sale of office and computer equipment.

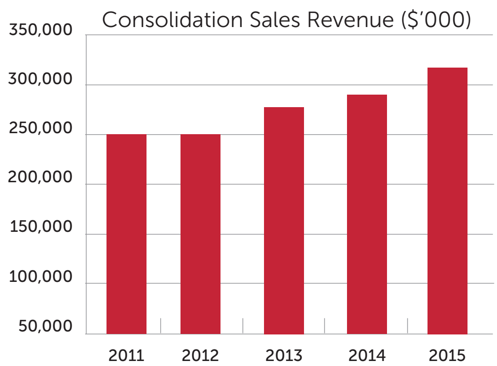
Fiji's telephone directory is published by Fiji Directories Limited, a joint venture between ATH (90%), and Edward H O Brien (Fiji) Limited (10%). Fiji Directories Limited's principal business activities are compiling and publishing the Fiji telephone directory and providing access to the same online.

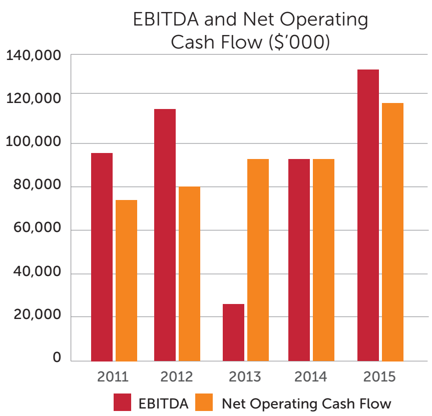
Vodafone Fiji Limited (Vodafone) is the country's leading provider of mobile telecommunications service and mobile phone money transfer service. Until 30 June 2014, it was a joint venture between ATH (51%) and Vodafone International Holdings BV (49%) (VIH). On 1 July 2014, Fiji National Provident Fund purchased VIH's 49% shareholding in Vodafone.

Fiji International Telecommunications Limited (FINTEL) is a wholly owned ATH subsidiary which provides international telecommunication facilities and internet related services.


Holding Company Revenue Sources
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
00
2011
2012
2013
2014
2015
Dividends
Management Fee
Interest
Others


Consolidation Net Profit After Tax and Minority Interest ($'000)
60,000
50,000
40,000
30,000
20,000
10,000
-
-10,000
-20,000
2011
2012
2013
2014
2015


Consolidation Sales Revenue ($'000)
350,000
300,000
250,000
200,000
150,000
100,000
50,000
2011
2012
2013
2014
2015


EBITDA and Net Operating Cash Flow ($'000)
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
2011
2012
2013
2014
2015
EBITDA
Net Operating Cash Flow


vodafone
Fintel
BEYOND THE CALL
tfL
Vodafone
ATH Fiji
Foundation
Fiji
yellow pages™

Tom Ricketts Chairman	**Sashi Singh** Director	**Tevita Kuruvakadua** Director	**Isikeli Tuituku** Director
Umarji Musa Director	**Arun Narsey** Director	**Mothilal De Silva** Chief Executive Officer	**Samuela Vadei** Company Secretary

Telecom Fiji Limited

The financial year ended 31st March 2015 is a landmark year for Telecom Fiji as it had been a turnaround year. Telecom Fiji Limited is elated to announce a profit of $18.49 million for the period. This turnaround has been achieved after few years of financial losses. This was achieved through persistent initiatives addressing key business performance areas.

Our broad strategies were focused on four fronts:

- Cost rescaling or minimization;
- Revenue maximization in a segmented market;
- Effective utilization and monetization of existing resources and investment rationalization;
- Organization restructuring to increase efficiency by consolidating and streamlining business processes.

The company embarked on a major cost rescaling and resources rationalization programme almost 18 months ago. This required some difficult operational decisions such as reductions in human capital and disposal of certain assets within the company. In addition to this, the company also rationalized expenses in the areas of electricity consumption, annual maintenance, licence fees, and floor space considerably.

In addition to the cost rescaling and rationalization initiatives, Telecom Fiji continued to closely monitor its service delivery functions and performance which was an area of concern in terms of revenue realization and customer satisfaction. The company's service delivery matrix showed tremendous improvements over the last 12 months and this was reflected in its customer satisfaction ratings and revenue growth. We streamlined end-to-end service delivery processes to ensure customers received great service.

These targeted cost rescaling and resources rationalization strategies have resulted in organizational restructuring and transformation.

The improvements in business performance have been stimulated by more efficient utilization of existing resources within the company.

Telecom Fiji simultaneously focused on strengthening its commercial activities in its endeavor to protect and enhance revenues and market share. The company is pleased to record a growth of 3.25% or $2.85 million of its core operational revenue which was achieved through focused sales and marketing initiatives. Revenue growth was driven by 16% growth in the business customers who required faster speeds, higher resiliency and greater availability of communications networks. It is noteworthy to announce that the overall revenue growth of 3.25%, EBITDA at 37% of revenue and Revenue per Employee productivity indicators recorded by Telecom Fiji exceeded benchmark figures and in some cases, better than some progressive Fixed Line operators globally.

In order to ensure enterprise-wide concerted effort and goal congruence, the company introduced and implemented a robust Performance Management Framework aligned to its overall strategic plan. Furthermore, an Enterprise Programme Management Office was established to ensure key strategic initiatives are implemented effectively and efficiently.

Going forward Telecom Fiji will continue to enhance its infrastructure and services with an aim to meet customer demands and further improve its service delivery. The company will continue to exercise prudency in its investment decisions in its endeavor for business growth and enhancing shareholder value. Telecom Fiji is also working in closer collaboration with other subsidiaries within the ATH Group to leverage from existing resources within the group and with a view to minimizing infrastructure duplication.

Ajith Kodagoda Chairman	**Isikeli Tikoduadua** Director	**Robin Yarrow** Director	**Russell Hewitt** Director
Fiona Harnett Director	**Anthony Zac Summers** Director	**Pradeep Chand Lal** Chief Executive Officer	**Divik Deo** Company Secretary

Vodafone Fiji Limited

A Year of Change

The last financial year will be regarded as one of considerable changes for Vodafone Fiji. During the year, the company witnessed the appointment of a new Chief Executive Officer, FNPF's acquisition of Vodafone Holdings BV's 49% shareholding in the company, and most important of all, the transformation from a traditional mobile telecommunications company into a fully-fledged ICT service provider. These significant changes at the company have strengthened its strategic position to prepare for the next phase of growth.

In a fast-moving industry where change is the only constant, we need no reminding that maintaining market leadership can only be achieved by being agile, adaptive and responsive.

In June 2014, Mr Pradeep Lal was appointed by the Vodafone Fiji Board as the Chief Executive Officer to take over from the inaugural, long-serving CEO, Mr Aslam Khan. Prior to this, Mr Lal was the Chief Financial and Operating Officer of Vodafone Fiji, serving more than 15 years with the company.

In July 2014, the Fiji National Provident Fund acquired the remaining 49% shareholding of the company held by Vodafone Holdings BV, thus ensuring Vodafone Fiji shareholding was fully and ultimately retained by Fijians.

Operationally, Vodafone Fiji performed exceptionally. With the Fiji market remaining very competitive, the company achieved EBITDA of $75 million, NPAT of $45 million and as a result declared and paid a dividend of $33 million to its shareholders. These performance figures are the highest ever in the history of the company. These results bode well for our shareholders and by extension, ordinary Fijians who, through ATH and the FNPF, are the majority owners of Vodafone Fiji.

In the financial year 2015, Vodafone led a consortium of sponsorship partners to make a significant investment in three of the country's major sports: rugby union, rugby league and football. After a lapse of 10 years, the company-led consortium secured sponsorship of the Fiji Rugby Union. With rugby being the national sport, commanding the biggest fanatical following, Vodafone and the consortium is proud to support and contribute to the development of the sport in Fiji. In the first year of securing the rugby sponsorships, the Vodafone Fiji 7s side had an outstanding season, which culminated with winning the prestigious IRB 7s World Series title, a monumental achievement after a lapse of 10 years.

Similarly, the Vodafone Under-20 soccer team also qualified for the FIFA U20 World Cup where they were able to defeat five-time consecutive World Cup qualifiers, Honduras, in their first-ever World Cup outing and narrowly missing out on qualification to the knock-out stages.

Repositioning the Company for the ICT Era

Vodafone Fiji continues to be the leading provider of mobile telecommunications services in the country. However, unprecedented changes in the way people communicate, share their lives, consume information and entertainment presents both challenges and opportunities for the business.

The digitisation of information, entertainment, financial services, videos and photos means that we are increasingly accessing content and services previously delivered over one channel and one device, to now accessing these over multiple devices and channels.

With this overwhelming array of choices, devices and networks must now adapt to users' needs, instead of the other way around. Improvements in mobility and the growth of cloud computing means that content, applications and services are now truly untethered and seamlessly follow users, cutting through the dimensions of time and distance, enabling users to use their applications and data wherever they are, whenever they need. As a consequence, these changes and developments place power ultimately in the hands of end-users and customers.

Vodafone Fiji will continue to use its network leadership, product innovation capabilities and exceptional customer service to retain and grow its customer base. Our device range continues to expand and shared data plans which enable our customers to pool wireless data allowances across multiple devices on a single bill is an attractive offering delivering good growth in data revenues.

The company is ready to take advantage of growth opportunities in the short to medium-term. Last year Vodafone Fiji launched its 4G LTE service covering more than 65% of Fiji's population in all major towns and cities. In a speed test, this service was rated as achieving the fastest in data speed in the Asia Pacific. Furthermore, the 3G mobile coverage now extends to 96% of Fiji's population providing broadband Internet access and helping to bridge the digital divide. Affordable smartphones are now a reality and were offered in the market to make broadband Internet more affordable. As a result, more than 51% of Vodafone customers are now connected to a broadband Internet service.

Cloud Services

Vodafone continues to strive to be at the forefront of embracing technologies that will shape the future. With cloud computing, Vodafone's investments in public and private cloud infrastructure are starting to bear fruit as customers increasingly use our data centre services and infrastructure as a service ("IaaS") solutions. At this stage most customer requirements are for off-site storage, virtualisation and disaster recovery. However, this is only the tip of the iceberg and Vodafone foresees the future potential for an almost unlimited number of applications of cloud technologies.

In addition to infrastructure and hardware virtualisation, Vodafone also offers software as a service ("SaaS") solutions, primarily related to email, firewall and filtering services. The latest addition to this is Vodafone's cloud private branch exchange ("cPBX") solution, which delivers cloud hosted PBX telephony services. This solution was recently accorded a best-in-class industry innovation award at the Global Telecoms Business

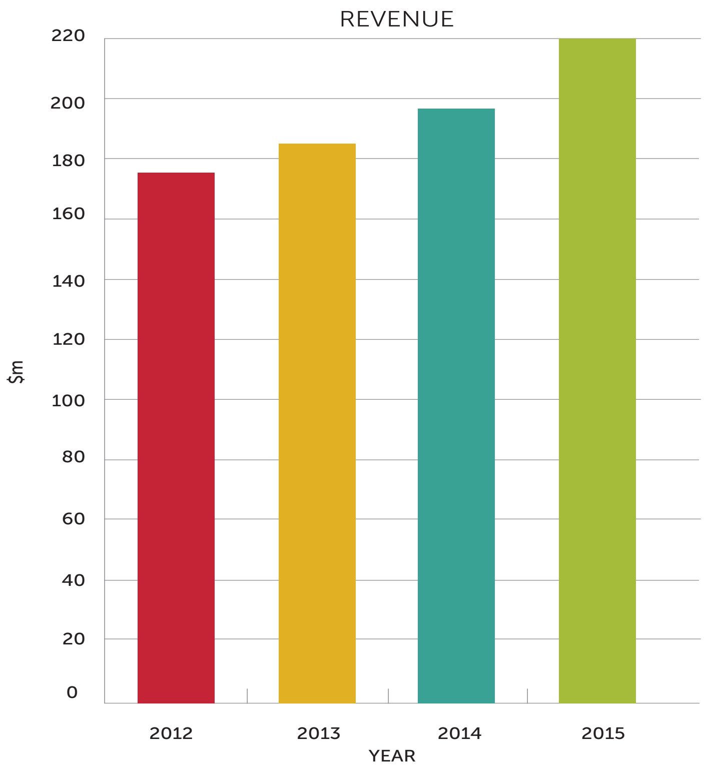
Awards and Innovation Summit in London.

No longer limited to providing connectivity, operators are now expected to provide the full range of ICT solutions for customers, hence the need to innovate, and build capacity to serve the full requirements of customers. In May 2015 Vodafone acquired Datec, a company, which provides ICT solutions to corporate, and business customers. This extends Vodafone's capability along the full value chain to be one-stop shop service provider that can fully serve the needs of its business customers.

Business Performance

Data growth continues to drive business growth. The prepaid consumer market achieved 56% growth in total data revenues and 86% growth in mobile internet volumes over the same period last year, driven largely through new data connections. 4G broadband revenues grew by an impressive 66% month-on-month. Tailor-made plans were launched to further complement the growth in data allowing customers to customize plans that best suited their individual preferences.

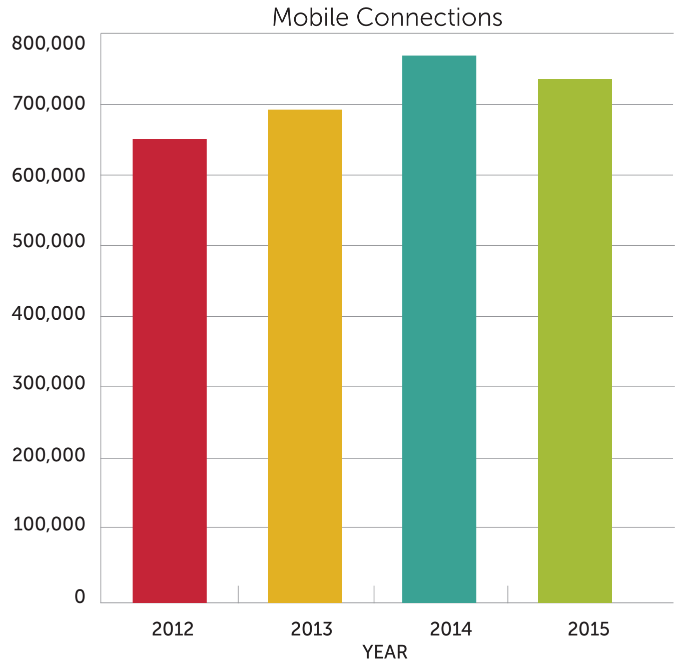
While data was undoubtedly the star performer, other key revenue items delivered strong performance as well, resulting in overall revenues closing at a record $220 million.



Customer Numbers

Despite the slight decline in net subscriber numbers, more value was delivered to the existing customer base, resulting in increased Average Revenue Per user (ARPU) as well as total revenue growth.

The Mobile internet customer base grew by an impressive 80% on the last financial period. Additionally, the increase in new 4G broadband customer base was also above expectations with an average growth of 35% month-on-month with over 100,000 4G devices connected.



Looking Ahead

The Fiji market has reached saturation point for mobile subscriptions with mobile devices significantly greater than the country's population base. Future growth can only be achieved by delivering greater value to the existing customer base or winning back market share. Whilst these are opportunities the business will continue to pursue, Vodafone Fiji is also looking at opportunities for growth in the ICT sector across the region.

A number of management services contracts with network operators in the region have been entered into. The business also continues to evaluate opportunities for growth through mergers, acquisitions, strategic alliances and management services contracts in the ICT sector to continue to deliver growth for shareholders.

Ajith Kodagoda Chairman	**Sashi Singh** Director	**Tevita Kuruvakadua** Director
Vilash Chand Director	**Aisake Taito** Director	**George Samisoni** Chief Executive Officer and Company Secretary

Fintel

Overview

FINTEL recorded solid financial results during the year, a timely achievement that occurred as the Board of Directors held its 100th Board meeting.

The landmark Board meeting since FINTEL's inception in 1976 was celebrated with a look at how far Fiji's international telecommunications development have come. In 1902, the first telecommunications submarine cable that landed in Fiji was very limited and only capable of transmitting character-based messages via telex. Whereas today, Fiji's state-of-the-art connectivity to the Southern Cross Cable has the capacity to stream the equivalent of over 700,000 ultra HD (4K) videos simultaneously or download more than 180 million Blu-Ray discs per month.

With cable systems from Tonga and Vanuatu landing at FINTEL in Fiji, together with ongoing negotiations on proposed cable systems from Samoa and New Caledonia, Fiji is now firmly established as a regional hub of South Pacific telecommunications and the focal point of regional business activity.

FINTEL's past efforts to focus on streamlining organisational structure, reducing costs and increasing efficiency, together with concentrating it strengths on the local, regional and international connectivity markets are reaping rewards.

Given Fiji's position as the hub for the South Pacific, FINTEL's key strategic business is on regional cable landings, onwards Southern Cross Cable Network Access, co-location services and broadband Internet for carriers and service providers.

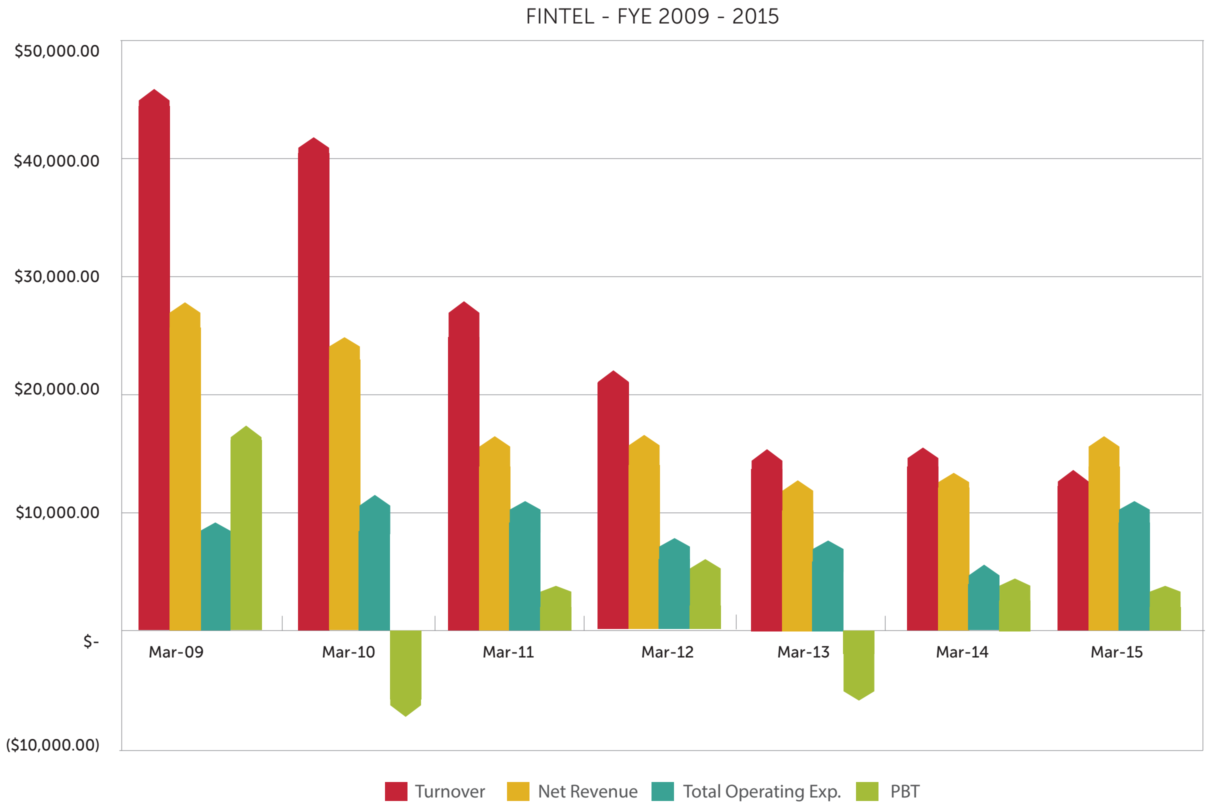
Financial Performance

FINTEL recorded Operating Profit of $7.0 million for the financial year ended 2015 ($7.6 million Operating profit in the financial year ended 2014) resulting in Net Profit After Tax (NPAT) of $5.8 million for the year and total Dividends paid and declared to shareholders of $4.5 million.

This positive growth forecast is expected to continue with the exciting prospect of two more Pacific Island cable systems landing in Fiji and the continued growth in broadband Internet from the existing market base.

Technology

The current global submarine cable market is forecasted to continue the strong investment of the past years. More importantly, and closer to home, 56% of globally announced cable systems that are being deployed during 2014-2016, will be in the Pacific region, thus representing tremendous opportunities ahead for FINTEL.



Worldwide international bandwidth volume growth continues to grown rapidly and Fiji's international capacity usage on the Southern Cross Cable experienced the same, with bandwidth increasing 10.0 fold over the last 6 years (CAGR of 46%).

FINTEL continues to maintain and provide a modern, efficient network to ensure customers and end-users in the region are provided with telecommunications and ICT connectivity that is on par with more advanced markets.

FINTEL'S Network development activities in the near future will be on the enhancement of its core, Internet and data infrastructures that are crucial to cater for the continued volume growth and service delivery to key customers over broadband networks.

Operational Performance

FINTEL'S main lines of business are the provision of international cable connectivity, submarine cable landing and maintenance, co-location and telehousing, and retail broadband.

With the digital revolution touching all facets of life, work and recreation, from monitoring your health, remote virtual classes and 3D printing, to name a few applications, all things and people are increasingly being connected, and these downstream applications will continue to drive FINTEL's future volume growth.

Broadband internet demand also remains strong, particularly as 4G mobile broadband services now being deployed continue to allow wireless users to consume more data.

FINTEL, however, continues to face the twin challenges of demand growth and persistent price and margin erosion. Ever growing bandwidth requirements drive carriers to upgrade their infrastructure.

At the same time, downwards price pressures constrain an operator's ability to expand indefinitely. From a regulatory perspective, it is important that prices remain sustainable in order for Fiji to continue to invest in submarine cables and to maintain its key position as a hub for the Pacific that provides quality services.

Other ancillary services provided by FINTEL such as video conferencing, occasional use of television and streaming continue to generate stable revenues from serving niche market requirements that are not provided by other service providers.

Telehousing and co-location services at FINTEL's Vatuwaqa Communications Centre continue to witness growth in line with the domestic, regional and international opportunities presented.

As FINTEL's operational, security and redundancy practices are deployed in accordance with international cable station standards, customers automatically benefit from these international standards that govern its operations.

Southern Cross Cable Network (SCCN)

The commercial and working life of the Southern Cross Cable Network has been extended by a second five-year period to be able to provide service until 2030. The impact of this second extension, which increases the original end of life from 2020 to 2030, means that users in Fiji and other connected countries will continue to derive substantial benefits due to the extension of service life.

Furthermore, Southern Cross Cables Limited added an additional 1 Tb/s of lit capacity on its cable system with a projection of growing this to 12Tb/s this year. Using 100Gb/s technologies and advances in transmission technologies, the cable can today convey 60 times more traffic than the maximum capacity that was possible when the cable was commissioned in 2000.

With Tonga and Vanuatu now connecting to Fiji via FINTEL, we are optimistic that Samoa, New Caledonia and other Pacific Island neighbours will also connect to Fiji to connect to the world.

Aslam Khan
Chairman

Arun Narsey
Director

Kim Askew
Director

Navin Nand
Chief Executive Officer

Sitla Chandra
Company Secretary

Fiji Directories Limited

Overview

Fiji Directories Limited (FDL) remains the market leader with dependable local search resources in all homes and businesses in Fiji predicated on its printed directory, which traditionally is the core product. However, with the increase in smartphone penetration, digital marketing is increasing exponentially and undoubtedly represents the future of search and directory services.

While the printed directory remains the prime search media, the advent of new social and online tools together with smartphones has dramatically changed the way people search for businesses and transact – using tools that are accessible, convenient and uniquely customisable. The phonebook has moved to search engines and social media is connecting business and customers in real time.

The Fiji Directories Yellow Pages is the largest online advertising platform in Fiji with an average of 35,000 online users per month.

With Yellow Pages mobile online search now also available, users can search for local business while on the go.

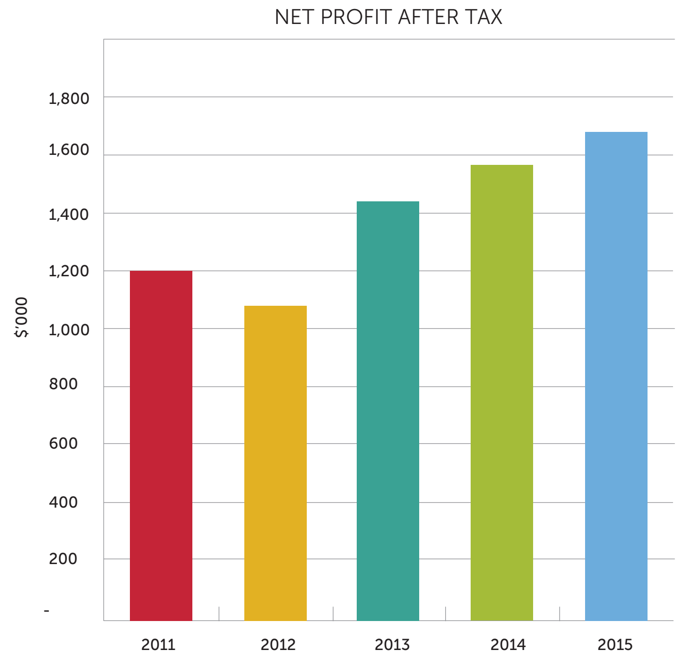
Financial Results

For the year ended 31 March 2015, the company recorded a net profit after tax of $1.66 million. This compares to net profit after tax of $1.56 million for the same period last year.

The increase in NPAT for the financial year being reported has been largely due to a reduction in operating expenses by 6.06%.

The company declared a dividend of $1.55 million to shareholders. This represents an increase of 10.71% over the dividend declared and paid to shareholders for the previous financial year.

With the departure of the previous Chief Executive Officer, Mr Navin Nand was appointed CEO of FDL by the Board of Directors. Mr Nand brings with him over 15 years of ICT experience including sales and marketing locally and regionally.



Looking Ahead

Diversification

- A key focus for Fiji Directories Limited is to continuously enhance and improve its website to cater for online and smartphone-enabled search. With the increasing penetration of smartphones in Fiji, we envisage that features such as online and mobile advertising, location-based, predictive search capabilities, live search results, event updates and dynamic product offerings will be key determinants of value ahead.

Enhancing our market strategy

- Promoting customer acquisition and retention.

Improving business efficiencies

- The company continues to actively streamline operations to manage costs, ensure long-term profitability and cash flow generation thus maintaining value to its shareholders.

Vodafone ATH Fiji Foundation

Lionel Yee
Chairman

Elenoa Biukoto
Director

Ivan Fong
Director

Iliesa Volau
Director

Divik Deo
Director

Arunesh Vishwa
Director

Ambalika D Kutty
Foundation Executive/ Secretary

Vodafone ATH Fiji Foundation

Vodafone ATH Fiji Foundation is the philanthropic arm of Vodafone Fiji Limited and Amalgamated Telecom Holdings Limited. This year the Foundation celebrated its tenth anniversary serving communities in Fiji. It implemented over 140 projects, including the Duke of Edinburgh International Award programme, which many schools, clubs and societies for leadership participated in. Other projects included sustainable micro entrepreneurship and technology rollout; preventable blindness; health screening; mobility for the disabled; access to water and mEducation.

Programme	Funds Spent ($)
Mobile for good	270,652
Double Your Dollar	15,288
Sustainable Funding	183,500
World of Difference	258,667
Total	728,107

Mobile for Good

All technology rollouts during the year were aligned to promoting health and fitness, education, economic development, youth issues and farming. The Mobile for Good initiative supplements national health care initiatives and complements the strategies of the education sector in Fiji. Currently, more than 120,000 people subscribe to mChannels, an initiative that broadcasts SMS advice on contemporary issues, such as ensuring safer communities for women and children, and access to justice. These services are working as a catalyst in bringing Government's strategic development plans to reality.

With NCDs and other chronic lifestyle ailments now at an alarming rate, the Foundation launched the mFitness channel in response. The mFitness channel broadcasts daily messages via social media to encourage and motivate people to live healthy, active lifestyles in order to reduce the prevalence of lifestyle diseases.

World of Difference

Ten Vodafone World of Difference participants continued to work for charities and organisations that empower people in making real changes to their communities. The Spinal Injury Association, a charity partner in the World of Difference Programme, secured approximately $7.2 million worth of mobility devices, medical supplies and hospital equipment which have been donated to people with disabilities, the Labasa Hospital, the CWM Hospital and the Ba Mission Hospital.

Double Your Dollar

As a manifestation of our "passion for the world around us", 18 Vodafone staff helped raise funds for individuals and various charitable causes. The total amount raised by, including the doubling contribution from the Foundation was $15,288

Outlook

Our FY2016 focus is on "building a stronger and connected vanua". In building a stronger vanua, we aim to uplift individuals and communities and in connecting the vanua we aim to link people with technology, people with people through integration with our programmers. The underlying premise is that if people are connected, we effectively bring about social change.

To build capacity, we will focus on linking the Sustainable Funding, World of Difference, and Mobile for Good programmes to provide holistic community solutions. Key focus groups are youth, women, health and education.

The universal agenda for all our activities are sustainability through generation of social profit, and wealth creation through entrepreneurship/micro-enterprise.

We will continue strengthening our relationships with the community services sector, government agencies, and partners to address social issues, especially to those in the communities most in need and under-privileged, to produce the best possible outcomes. In the past ten years, in excess of $15 million worth of social good has been carried out by the Foundation.

Mobile for Good	$270,652		$
Spinal Injury Association	$35,000	Namuka District School	$2,500
Northern Charity Alliance	$20,000	Vunibau Youth Club	$2,500
Fiji Council of Social Services	$20,000	Korovuli Youth Club	$2,500
mFarm Western Charity Alliance	$12,050	Veivueti Youth Club	$2,500
mWomen Empowerment Network	$12,500	Tabualima Youth Club	$2,500
mFitness _Fitness Inspiration Fiji	$12,050	Nabunikavula Womens Club	$2,500
Rotary Club of Taveuni	$10,000	Delakado Community	$2,500
Lions Club of Ba	$10,000	National Volunteer Centre Tavua	$2,500
Rotary Club of Labasa	$10,000	National Volunteer Centre Nausori	$2,500
Naduri District School	$2,500	National Volunteer Centre Sigatoka	$2,500
mSeries Awareness Channel	$6,000	Viwawa Youth Club	$2,500
Lions Club of Lautoka	$5,000	Kalabu Secondary School	$2,500
Lions Club of Suva	$5,000	Naleba Multiracial Women's Club	$2,500
Fiji National Council for Disabled Persons – Lomaiviti Disable Project	$5,000	Mataniwai Women's Club	$2,500
Rama Krishna Mission	$5,000	Nakavisa Youth Club	$2,497
Rotary Club of Ba	$5,000	Empower Pacific	$2,272
Fiji Nursing Association	$4,467	Deuba Community	$2,000
FCOSS National Volunteer Centre	$4,467	Naqara Women's Community	$2,000
Renal Dialysis Centre	$4,467	Naule Community	$2,000
Save Fiji Project	$4,467	Vunibau Community	$1,000
Bainivalu Primary School	$3,885	Natusara Primary School	$905
Yasawa High School	$3,870	Treasure Home	$841
Kama District School	$3,870	Veilomani Boys Home	$841
Fiji Medical Association	$3,016	St Christopher's Home	$841
National Volunteer Centre Ba	$2,500	Juvenile Boys Centre	$841
National Volunteer Centre Rakiraki	$2,500	Lomani Au Children's Home	$841
Natewa District School	$2,500	Labasa Special School	$841
Vuanisaki District School	$2,500		
Naweni District School	$2,500		
Lions Club of Labasa	$10,000		
Double Your Dollar	**$15,288**		
Wavuwavu Primary School	$1,000	Navai	$1,000
Navai Primary School	$1,000	Northern Charity Alliance	$700
Vuanisaki Primary School	$1,000	Youth Conquerors	$597
Ram Charit Ramayan Mandali	$1000	St Christopher's Home	$500
AG Youth Group	$1000	Fiji Cancer Society	$360
Fiji Muslim League	$3831	Home of Compassion	$300
Wainidova Youth Club	$1000		
Makoi Navyuvak Club	$1000		
Ramayan Bajal Mandali	$1000		
Sustainable Funding	**$183,500**		
Rotary Pacific Water for Life	$50,000	Fiji Council of Social Services	$10,000
Spinal Injury Association	$50,000	Lions Club of Nadi	$5,000
Rotary Club of Taveuni	$28,500	Colonial War Memorial Hospital	$5,000
Fiji Crippled Children's Society	$20,000	Fiji Table Tennis Association	$5,000
Fiji National Council for Disabled Persons Duke of Edinburgh Awards Programme	$10,000		
World of Difference	**$258,667**	**Grand Total**	**$728,107**

Amalgamated Telecom Holdings Limited and Subsidiary Companies

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

INSIDE THIS REPORT...

Amalgamated Telecom Holdings Limited and Subsidiary Companies

DIRECTORS' REPORT

In accordance with a resolution of the board of directors, the directors herewith submit the statements of financial position of Amalgamated Telecom Holdings Limited (the holding company) and of the group as at 31 March 2015, the related statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended and report as follows:

Directors

The names of directors in office at the date of this report are:

Mr Ajith Kodagoda – Chairman
Mr Isikeli Voceduadua
Mr Arun Narsey
Mr Tom Ricketts
Mr Taito Waqa
Mr Umarji Musa

Principal Activities

The principal activities of the holding company during the year were that of investments and provision of management services.

The principal activities of the operating subsidiary companies are as follows:

Entity	Principal Activities
Telecom Fiji Limited	Telecommunication, ICT and data services, post and pre-paid telephony services, sale of telephone equipment, sale of office and computer equipment, provision of internet related services, and marketing and selling of prepaid transactions cards.
Vodafone Fiji Limited	Cellular mobile telecommunication services.
Fiji International Telecommunications Limited	International telecommunications facilities and provision of internet related services.
Fiji Directories Limited	Compiling and publishing online and print Fiji telephone directory services.

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

During the year, subsidiary companies ATH Technology Park Limited, ATH Call Centre Limited, Transtel Limited, Xceed Pasifika Limited, and Internet Services Fiji Limited, being the non-operating companies within the group, were under the Members' Voluntary Winding Up and the winding up formalities as set out in the Companies Act were in progress as at balance date. Subsequent to balance date, as at the date of this report, except for Internet Services Fiji Limited, winding up formalities of all other companies were completed.

Results

The profit after income tax of the holding company for the year was $28,670,543 (2014: $22,026,508).

The consolidated profit after income tax attributable to the members of the holding company for the financial year was $49,811,616 (2014: $14,468,993).

Dividends

Interim dividends of $14,773,670 were paid and final dividends of $14,773,670 were provided by the holding company during the year ended 31 March 2015 (2014: interim dividends of $12,663,146 were paid and final dividends of $8,442,097 were provided).

Reserves

It is proposed that no amounts be transferred to reserves within the meaning of the Seventh Schedule of the Companies Act, 1983.

Amalgamated Telecom Holdings Limited and Subsidiary Companies

DIRECTORS' REPORT - (CONT'D)

Bad and Doubtful Debts

Prior to the completion of the financial statements of the holding company and the group, the directors took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the making of allowance for doubtful debts. In the opinion of the directors, adequate allowance has been made for doubtful debts.
As at the date of this report, the directors are not aware of any circumstances, which would render the amount written off for bad debts, or the allowance for doubtful debts in the holding company and the group, inadequate to any substantial extent.

Current and Non-Current Assets

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

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

Unusual Transactions

In the opinion of the directors, the results of the operations of the holding company and 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 holding company and the group in the current financial year.

Significant Events During the Year

During the year:

i) On 1 July 2014, ultimate parent entity, Fiji National Provident Fund (FNPF), acquired 2,490,000 shares (49% shareholding) in Vodafone Fiji Limited from Vodafone International Holdings B.V. Vodafone Group continues to provide propriety services and branding to the company under a Partner Market Agreement.

ii) On 31 March 2015, subsidiary company Telecom Fiji Limited sold the Ganilau house property to its ultimate parent entity, Fiji National Provident Fund, for a consideration of $16,250,000.

iii) On 31 March 2015, the holding company was selected by the Government of the Republic of Kiribati via the State Owned Enterprises Reform Steering Committee as the successful bidder of the sale by auction of the telecommunication business and assets of Telecommunications Services Kiribati Limited.

    This acquisition was completed and settled in May 2015 through 100% subsidiary Amalgamated Telecom Holdings Kiribati Limited, a limited liability company incorporated in Kiribati (refer Events Subsequent to Balance Date).

The financial effects of the above events, if any, have been incorporated in the financial statements for the year ended 31 March 2015.

Events Subsequent to Balance Date

Subsequent to balance date:

i) On 30 April 2015, following the holding company's successful bid of the sale by auction of the telecommunication business and assets of Telecommunications Services Kiribati Limited, a new subsidiary company Amalgamated Telecom Holdings Kiribati Limited (ATHKL) was incorporated in Kiribati to provide telecommunications and ICT services in the Republic of Kiribati.

    On 26 May 2015, the holding company and the Government of Kiribati completed all the transactions required of the parties pursuant to the Asset Purchase Agreement dated 31 March 2015 between ATH, the Government of the Republic of Kiribati and Telecom Services Kiribati Limited. This included the acquisition of assets, including leasehold interest, telecommunication equipment, network and towers, and licenses, together with certain rights and obligations with the final adjusted consideration payment of AU$7,268,958 to the Government of Kiribati. The transaction was financed through term loan from Westpac Banking Corporation of FJ$15,000,000.

Amalgamated Telecom Holdings Limited and Subsidiary Companies

DIRECTORS' REPORT - (CONT'D)

Events Subsequent to Balance Date - (Cont'd)

ii) On 29 May 2015, subsidiary company Vodafone Fiji Limited, acquired 100% shareholding (412,345 ordinary shares) in Datec (Fiji) Limited, an ICT company based in Fiji, with business operations predominantly in Fiji and in certain Island countries for a consideration of $3,300,000.

iii) The formalities relating to Members' Voluntary Winding Up of subsidiary companies ATH Technology Park Limited, ATH Call Centre Limited, Transtel Limited and Xceed Pasifika Limited were completed, and these companies are now wound up voluntarily under Members' Voluntary Winding Up.

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 companies in the group, the results of those operations, or the state of affairs of the companies in the group in future financial years.

Other Circumstances

As at the date of this report:

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

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

(iii) no contingent liabilities or other liabilities of any company in the group have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the holding company or 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 holding company's and the group's financial statements which would make adherence to the existing method of valuation of assets or liabilities of the holding company and the group misleading or inappropriate.

Directors' Benefits

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

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

Dated this 17th day of June 2015.

....
Director

....
Director

Amalgamated Telecom Holdings Limited and Subsidiary Companies

STATEMENT BY DIRECTORS

In accordance with a resolution of the board of directors of Amalgamated Telecom Holdings Limited, we state that in the opinion of the directors:

(i) the accompanying statements of profit or loss and other comprehensive income of the holding company and of the group are drawn up so as to give a true and fair view of the results of the holding company and of the group for the year ended 31 March 2015;

(ii) the accompanying statements of changes in equity of the holding company and of the group are drawn up so as to give a true and fair view of the changes in equity of the holding company and of the group for the year ended 31 March 2015;

(iii) the accompanying statements of financial position of the holding company and of the group are drawn up so as to give a true and fair view of the state of affairs of the holding company and of the group as at 31 March 2015;

(iv) the accompanying statements of cash flows of the holding company and of the group are drawn up so as to give a true and fair view of the cash flows of the holding company and of the group for the year ended 31 March 2015;

(v) the financial statements have been prepared in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, 1983;

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

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

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

Dated this 17th day of June 2015.

....	....
Director	Director

Amalgamated Telecom Holdings Limited and Subsidiary Companies
INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Members of Amalgamated Telecom Holdings Limited

We have audited the accompanying financial statements of Amalgamated Telecom Holdings Limited (the holding company) and of the group, which comprise the statements of financial position as at 31 March 2015, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 27 to 71.

Director's and Management's Responsibility for the Financial Statements

Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, 1983, and for such internal control as the directors and management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the holding company and of the group as at 31 March 2015, and its financial performance, cash flows and changes in equity for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In our opinion:

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

b) the financial statements are in agreement with the books of account; and

c) to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1983 in the manner so required.

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

BDO
BDO
CHARTERED ACCOUNTANTS

SUVA, FIJI
17 JUNE 2015

Amalgamated Telecom Holdings Limited and Subsidiary Companies

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Group 2015 $'000	Group 2014 $'000	Holding Company 2015 $'000	Holding Company 2014 $'000
Continuing Operations					
Revenue	8	310,668	281,004	27,779	22,381
Direct costs	9	(104,001)	(86,680)	-	-
Gross profit		**206,667**	**194,324**	**27,779**	**22,381**
Other income	10	16,169	6,567	78	24
Amortisation of intangible assets	17	(4,779)	(7,064)	-	-
Depreciation	16	(39,852)	(39,381)	(8)	(8)
Impairment loss on property, plant and equipment	16	(46)	(8,641)	-	-
Reversal of allowance for doubtful debts	23	-	390	-	-
Reversal of provision for stock obsolescence		385	513	-	-
Marketing and promotion expenses		(9,394)	(7,515)	(10)	(16)
Personnel costs	11	(34,916)	(37,814)	(276)	(273)
Restructure costs		-	(700)	-	-
Other operating expenses	13	(48,962)	(54,015)	(934)	(1,805)
Operating profit		**85,272**	**46,664**	**26,629**	**20,303**
Finance (cost) / income – net	12	(229)	(2,195)	2,187	1,965
Profit before income tax		**85,043**	**44,469**	**28,816**	**22,268**
Income tax expense	14(a)	(13,074)	(11,643)	(145)	(241)
Profit after income tax		**71,969**	**32,826**	**28,671**	**22,027**
Discontinued Operations					
Gain on disposal of a subsidiary company	7	-	912	-	-
Profit for the year		71,969	33,738	28,671	22,027
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**71,969**	**33,738**	**28,671**	**22,027**
Profit attributable to:					
Equity holders of the holding company		49,812	14,469	28,671	22,027
Non-controlling interests		22,157	19,269	-	-
		71,969	33,738	28,671	22,027
Total comprehensive income attributable to:					
Equity holders of the holding company		49,812	14,469	28,671	22,027
Non Controlling Interest		22,157	19,269	-	-
		71,969	33,738	28,671	22,027
Earnings per share for profit attributable to the equity holders of the holding company during the year (expressed in cents per share)					
- Basic and diluted earnings per share	15	11.8	3.4		

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

Amalgamated Telecom Holdings Limited and Subsidiary Companies

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Attributable to equity holders of the holding company					
Group	Issued capital $'000	Share premium reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total $'000
Balance as at 1 April 2013	105,526	2,074	64,012	171,612	38,006	209,618
Profit for the year	-	-	14,469	14,469	19,269	33,738
Increase in equity due to acquisition of 51% non-controlling interests of Fiji International Telecommunications Limited (Note 6)	-	-	8,319	8,319	-	8,319
Decrease in non-controlling interests of Fiji International Telecommunications Limited upon acquisition of non-controlling interest (Note 6)	-	-	-	-	(17,319)	(17,319)
Decrease in non-controlling interests of a subsidiary company	-	-	-	-	(979)	(979)
Dividends paid or provided (Note 31)	-	-	(21,105)	(21,105)	(14,840)	(35,945)
Balance as at 31 March 2014	**105,526**	**2,074**	**65,695**	**173,295**	**24,137**	**197,432**
Profit for the year	-	-	49,812	49,812	22,157	71,969
Dividends paid or provided (Note 31)	-	-	(29,547)	(29,547)	(16,325)	(45,872)
Balance as at 31 March 2015	**105,526**	**2,074**	**85,960**	**193,560**	**29,969**	**223,529**

Holding Company				
Balance as at 1 April 2013	105,526	2,074	120,810	228,410
Profit for the year	-	-	22,027	22,027
Dividends paid or provided (Note 31)	-	-	(21,105)	(21,105)
Balance as at 31 March 2014	**105,526**	**2,074**	**121,732**	**229,332**
Profit for the year	-	-	28,671	28,671
Dividends paid or provided (Note 31)	-	-	(29,547)	(29,547)
Balance as at 31 March 2015	**105,526**	**2,074**	**120,856**	**228,456**

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

Amalgamated Telecom Holdings Limited and Subsidiary Companies

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2015

Assets	Notes	Group 2015 $'000	Group 2014 $'000	Holding Company 2015 $'000	Holding Company 2014 $'000
Non-current assets					
Property, plant and equipment	16	242,720	230,108	19	19
Intangible assets	17	22,352	25,210	-	-
Investment in subsidiary companies	18	-	-	181,860	183,860
Held-to-maturity investments	22	34,993	34,997	34,993	34,997
Deferred tax assets	14(b)	5,281	5,571	1	4
Trade and other receivables	23	4,998	6,137	4,983	4,983
		310,344	**302,023**	**221,856**	**223,863**
Current assets					
Prepaid expenses		106	109	-	-
Advance tax	14(e)	43	595	163	305
Investment in subsidiary companies	18	-	-	2,000	-
Inventories	19	6,838	11,333	-	-
Held-to-maturity investments	22	20,625	7,208	860	2,000
M-PAiSA trust account		3,365	3,950	-	-
Trade and other receivables	23	42,537	42,232	30,764	30,033
Cash on hand and at banks		33,247	29,363	1,120	4,457
		106,761	94,790	34,907	36,795
Total assets		**417,105**	**396,813**	**256,763**	**260,658**
Shareholders' equity and liabilities					
Shareholders' equity attributable to members of the holding company					
Issued capital	25	105,526	105,526	105,526	105,526
Share premium reserve		2,074	2,074	2,074	2,074
Retained earnings		85,960	65,695	120,856	121,732
Equity attributable to the owners of the company		193,560	173,295	228,456	229,332
Non-controlling interests		29,969	24,137	-	-
Total shareholders' equity		**223,529**	**197,432**	**228,456**	**229,332**
Liabilities					
Non-current liabilities					
Deferred tax liabilities	14(d)	20,750	18,906	-	-
Borrowings	27	37,903	62,512	7,445	17,368
Finance lease liabilities	26	804	3,390	-	-
Provisions	28	-	513	-	-
Trade and other payables	29	3,995	3,890	-	-
Deferred income	30	215	260	-	-
		63,667	**89,471**	**7,445**	**17,368**
Current liabilities					
Borrowings	27	18,238	14,257	5,570	5,235
Finance lease liabilities	26	4,498	5,158	-	-
Provisions	28	20,188	14,580	14,817	8,477
Trade and other payables	29	83,620	71,965	475	246
E-value in circulation		3,365	3,950	-	-
		129,909	109,910	20,862	13,958
Total liabilities		**193,576**	**199,381**	**28,307**	**31,326**
Total equity and liabilities		**417,105**	**396,813**	**256,763**	**260,658**

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

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

Director

Director

Amalgamated Telecom Holdings Limited and Subsidiary Companies

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Operating activities				
Receipts from customers	325,107	283,208	-	-
Payments to suppliers and employees	(197,787)	(182,963)	(827)	(734)
Net cash generated from / (used in) operations	**127,320**	**100,245**	**(827)**	**(734)**
Interest received	2,426	2,741	2,693	2,726
Interest paid	(3,018)	(4,686)	(598)	(750)
Dividends received	-	-	17,949	22,080
Income taxes paid	(10,388)	(4,048)	-	(463)
Net cash inflows from operating activities	**116,340**	**94,252**	**19,217**	**22,859**
Investing activities				
Payments for property, plant and equipment	(55,669)	(33,372)	(7)	(20)
Payments for intangible assets	(414)	(8,163)	-	-
Proceeds from sale of property, plant and equipment, net of capital gains tax	16,239	9,872	-	-
Redemption of held-to-maturity investments	3,000	12,229	2,000	11,329
Payment for held-to-maturity investments	(16,713)	(4,308)	(860)	-
Payments to acquire non-controlling interest	-	(9,000)	-	(9,000)
Proceeds from sale of a subsidiary company	-	850	-	850
Advance for relocation of telecommunication cables	3,896	-	-	-
Advances (to) / from related companies, net	(3)	(270)	9,110	(5,910)
Net cash (used in) / from investing activities	**(49,664)**	**(32,162)**	**10,243**	**(2,751)**
Financing activities				
Dividends paid to equity holders of the holding company	(23,216)	(25,326)	(23,216)	(25,326)
Dividends paid to non-controlling interests	(14,840)	(18,087)	-	-
Advances from subsidiary company	-	-	-	4,057
Loan repayments	(20,987)	(1,239)	(9,581)	(2,281)
Finance lease repayments	(5,217)	(138)	-	-
Payment towards the FNPF redraw facility, net	(2,670)	(10,830)	-	-
Proceeds from borrowings	-	-	-	7,000
Net cash used in financing activities	**(66,930)**	**(55,620)**	**(32,797)**	**(16,550)**
Net (decrease) / increase in cash and cash equivalents	(254)	6,470	(3,337)	3,558
Effect of exchange rate movement on cash and cash equivalents	809	474	-	-
Reduction in cash and cash equivalents due to disposal of shares in a subsidiary company	-	(1,839)	-	-
Cash and cash equivalents at the beginning of the financial year	30,163	25,058	4,457	899
Cash and cash equivalents at end of year (Note 24)	**30,718**	**30,163**	**1,120**	**4,457**

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

Amalgamated Telecom Holdings Limited and Subsidiary Companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 1. GENERAL INFORMATION

a) Reporting Entity

Amalgamated Telecom Holdings Limited is a limited liability company incorporated and domiciled in Fiji. The holding company is listed on the South Pacific Stock Exchange, Suva. The address of its registered office and principal place of business is Harbour Front Building, Rodwell Road, Suva.

b) Consolidated financial statements

The financial statements for the year ended 31 March 2015 comprise "the holding company" referring to Amalgamated Telecom Holdings Limited and "the Group" referring to the companies whose accounts have been consolidated therein.

c) Parent company

The holding company's parent undertaking is Fiji National Provident Fund (FNPF), which is an entity incorporated in Fiji.

d) Principal activities

The principal activities of the holding company during the year were those of investments and provision of management services.

The principal activities of the operating subsidiary companies are as follows:

Entity	Principal Activities
Telecom Fiji Limited	Telecommunication, ICT and data services, post and pre-paid telephony services, sale of telephone equipment, sale of office and computer equipment, provision of internet related services, and marketing and selling of prepaid transactions cards.
Vodafone Fiji Limited	Cellular mobile telecommunication services.
Fiji International Telecommunications Limited	International telecommunications facilities and provision of internet related services.
Fiji Directories Limited	Compiling and publishing online and print Fiji telephone directory services.

There were no significant changes to the nature of principal activities of the group during the financial year.

During the year, ATH subsidiary companies: ATH Technology Park Limited, ATH Call Centre Limited, Transtel Limited, Xceed Pasifika Limited, and Internet Services Fiji Limited, being the non-operating companies within the group, were undertaking the Members' Voluntary Winding Up and the winding up formalities as set out in the Companies Act were in progress as at balance date. Subsequent to balance date, as at the date of signing of this financial statements, except for Internet Services Fiji Limited, winding up formalities of all other companies were completed.

NOTE 2. BASIS OF PREPARATION

a) Basis of preparation

The financial statements of the holding company and of the group have been prepared under the historical cost convention. Cost is based on the fair values of the consideration given in exchange for goods and services.

In the application of International Financial Reporting Standards, management is required to make judgments, estimates and assumptions about the 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 recognised in the period of the revision

Amalgamated Telecom Holdings Limited and Subsidiary Companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 2. BASIS OF PREPARATION - (CONT'D)

a) Basis of preparation - (Cont'd)

and future periods if the revision affects both current and future periods. Judgments made by management in the application of International Financial Reporting Standards 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. Those areas involving a higher degree of judgment or complexity, or those areas where assumptions and estimates are critical to the financial statements are disclosed in note 5.

b) Statement of Compliance

The financial statements of the holding company and the group have been prepared in accordance with International Financial Reporting Standards (IFRS) as required by the Fiji Institute of Accountants and the requirements of the Companies Act, 1983.

c) Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of all the companies that comprises the group, except FINTEL Internet Services Limited (subsidiary of Fiji International Telecommunications Limited), which was struck off during the year. A list of subsidiary companies appears in note 35 to the financial statements.

The holding company determines whether or not it controls an investee on the basis of the three elements of control listed below.

Control is achieved when the holding company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

When the holding company has less than the majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The holding company considers all relevant facts and circumstances in assessing whether or not the holding company's voting rights in an investee are sufficient to give it power, including:

- the size of the holding company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the holding company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the holding company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company occurs when the holding company is determined to exert control over the subsidiary company and ceases when the holding company is determined not to be able to exert control of the subsidiary company.

The acquisition method of accounting is used to account for the acquisition of subsidiary companies by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. The excess of the cost of the acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the group's statement of profit or loss as gain on bargain purchase.

Changes in the holding company's ownership interest in a subsidiary company that does not result in the holding company losing control of the subsidiary company are equity transactions (i.e. transactions with owners in their capacity as owners) and accordingly reflected directly in the statement of changes in equity of the group.

The group derecognises the assets and liabilities of the former subsidiary (including goodwill) from the group's statement of financial position upon loss of control over a subsidiary company effective from the date the group losses its control. Furthermore, the resulting gain or loss associated with the loss of control attributable to the former controlling interest is recognised in the statement of profit or loss.

NOTE 2. BASIS OF PREPARATION - (CONT'D)

c) *Basis of consolidation - Subsidiaries - (Cont'd)*

Inter-company transactions, balances and unrealised gains or losses on transactions between group companies are eliminated. The financial statements of subsidiary companies are prepared in compliance with group's accounting policies, except for long service leave and retirement benefits (refer note 3.20).

The financial statements of the subsidiary companies are prepared for the same reporting period as the holding company, which is twelve months ending 31 March.

The financial statements of Amalgamated Telecom Nominees Limited have not been incorporated in the consolidated financial statements for the reasons stated in note 35.

Non-Controlling Interests

The profit or loss and net assets of subsidiaries attributable to equity interests that are not owned by the parent, directly or indirectly through subsidiaries, are disclosed separately under the heading 'Non-Controlling Interest'.

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

d) Presentation and functional currency

The consolidated financial statements are presented in Fiji Dollars (FJD), the group's functional and presentation currency, which is the primary economic environment in which the holding company operates. Each entity in the group uses the currency of the primary economic environment in which they operate as their functional currency.

Amounts are rounded to the nearest thousand ($'000), unless otherwise stated.

e) Comparatives

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

f) Changes in accounting policies

New standards, interpretations and amendments effective from 1 April 2014

One new interpretation and a number of amendments are effective for the first time for annual periods beginning on (or after) 1 January 2014. Neither the interpretation, nor the amendments have a material effect on the group's annual financial statements.

Interpretation and amendments which are relevant to the group are presented below.

i) IFRIC 21 – Levies
IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the group as it has applied the recognition principles under IAS 37 Provisions, Contingent Liabilities and Contingent Assets consistent with the requirements of IFRIC 21 in prior years.

ii) IAS 36 – Recoverable Amount Disclosures – Amendments to IAS 36
iii) IAS 32 – Offsetting Financial Assets and Liabilities – Amendments to IAS 32
iv) IFRS 10, IFRS 12, IAS 27 – Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27

New standards, interpretations and amendments that have been issued but are not mandatorily effective as at 31 March 2015

The following new standards, interpretations and amendments, which are not yet mandatorily effective and have not been adopted early in these financial statements, will or may have an effect on the group's future financial statements. The group intends to adopt these standards, interpretations and amendments, if applicable, when they become effective.

i) IFRS 15 - Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach

NOTE 2. BASIS OF PREPARATION - (CONT'D)

f) Changes in accounting policies - (Cont'd)

to measuring and recognising revenue. The new revenue standard is applicable to all companies and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

ii) Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the group given that the companies in the group have not used revenue-based methods to depreciate their non-current assets.

iii) IFRS 9 - Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the group's financial assets, but will have no impact on the classification and measurement of the group's financial liabilities.

iv) Amendments to IAS 27 - Equity Method in Separate Financial Statements

The amendments will allow companies to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Companies already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the group's financial statements.

v) Amendments to IAS 1 – Disclosure Initiative

The amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Although the amendments do not require specific changes, they clarify a number of presentation issues and highlight that entities are permitted to tailor the format and presentation of financial statements to their circumstances and the needs of users.

The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. The group is currently assessing the disclosure requirements of the amendments and plans to adopt the amendments on the required effective date.

vi) Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

vii) Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of Value Added Tax (VAT), returns, rebates and discounts and after eliminating sales within the group.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

3.1 Revenue recognition - (Cont'd)

The group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the group and when specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The group provides telecommunication services which include fixed line, mobile and internet communication services, M-PAiSA services, sale of telecommunications related equipment, compilation and publication of the Fiji Telephone Directory, provision of management and call centre services.

a) Sale of telecommunication, data and internet services

Revenue from telephony services is recognised based on billing cycles through the month. Unbilled revenue from the billing cycle date to the end of each month is recognised as revenue in the month the service is provided.

Revenue from prepaid products and fixed monthly charges billed in advance is deferred and recognised as revenue either once the related service has been provided or when the product date has expired, whichever occurs earlier.

Revenue from international public and dedicated telecommunications services is recognised upon the use of service by the customers.

Revenue from the provision of data and internet services is recognised upon the use of service by its customers.

Revenue from installation, connection and associated costs are recognised upon completion of the installation or connection.

Revenue is brought to account on an accrual basis.

b) Airtime and gaming revenue

Revenue from airtime and gaming services is recognised when earned.

Revenue is deferred in respect of that portion of fixed monthly charges, which have been billed in advance. Allowance is made for the amount of prepaid airtime revenue as at balance date in respect of which service has not been provided.

c) M-PAiSA

M-PAiSA is a service provided by subsidiary company, Vodafone Fiji Limited (VFL), allowing customers to transfer money using a mobile phone. M-PAiSA is available to all VFL subscribers (Prepay and PostPay). Revenue from this service is earned on transfer and withdrawal transactions performed by customers. The tariff generated depends on the quantum of funds being transacted, and is applied on all transactions which cumulatively are reported as M-PAiSA transaction commission revenue.

d) Sale of equipment

Sale of equipment is recognised when a group entity sells a product to the customer. Revenue is recognised at the point the product is dispatched from the warehouse or sold at a group retail outlet.

e) Revenue from published and on-line directory

Revenue from the publication of telephone directories is recognised upon dispatch of the directories for distribution. Advance billings and monies collected in advance are deferred. Costs including overhead expenses incurred in relation to securing advertisements and in the publication of the directories are also deferred until the associated revenues are recognised.

Revenue from contracts in relation to on-line directory services are recognised over the term of the contract.

f) Rental income

Rental income is recognised on a normal accrual basis. Rental income represents income earned from renting out of building space.

g) Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

3.1 Revenue recognition -(Cont'd)

h) Management fee income

Management fee income is recognised on an accrual basis.

i) Dividend income

Dividend income from investments is recognised when the right to receive payment is established.

3.2 Expenditure Recognition

Expenses are recognised in the profit or loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of operational service has been charged to the statement of profit or loss.

For the purpose of presentation of the statement of profit or loss and other comprehensive income, the "nature of expenses" method has been adopted, on the basis that it fairly presents the elements of the group's performance.

3.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to be ready for their intended use or sale, are added to the cost of those assets, until such time as those assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statements of profit or loss in the period in which they are incurred.

3.4 Dividend distribution

Dividend distribution to the holding company's shareholders is recognised as a liability in the holding company's financial statements in the period in which the dividend is declared by the holding company's directors.

Dividend distribution to the non-controlling shareholders of subsidiary companies is recognised as a liability in the consolidated financial statements in the period in which the dividend is declared by the relevant subsidiary companies' directors.

3.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition and installation of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of a replaced part is de-recognised. All other repairs and maintenance are charged to the statements of profit or loss during the financial period in which they are incurred.

Cost of leasehold land includes the initial premium payment or price paid to acquire leasehold land including acquisition costs.

Freehold land is not depreciated.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives. The annual depreciation rates are as follows:

- Leasehold land	Term of lease
- Leasehold buildings and improvements	2.5% - 10%
- Exchange plant and telecommunication infrastructure	6% - 10%
- Subscriber equipment	5% - 10%
- Trunk network plant	6% - 10%
- Plant and machinery	6% - 25%
- Motor vehicles	20% - 25%
- Furniture, fittings and office equipment	10% - 20%
- Computer equipment	20% - 25%

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

3.5 Property, plant and equipment - (Cont'd)

Where estimated useful lives or recoverable values have diminished due to technological change or market conditions, depreciation is accelerated. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are taken into account in determining the results for the year.

Capital work in progress principally relates to costs and expenses incurred for capital works in the nature of property, plant and equipment. Capital work in progress is stated at historical cost and is not depreciated.

3.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Group as lessor

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial indirect costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Group as lessee

Assets held under finance leases are included as property, plant and equipment or intangible assets and are initially recognised at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statements of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the statements of profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset, and the lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis would be more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.7 Intangible assets

a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiary companies is included in 'intangible assets'. Goodwill on acquisitions of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

b) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives; generally over two to five years.

Amalgamated Telecom Holdings Limited and Subsidiary Companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

3.7 Intangible assets - b) Computer software - (Cont'd)

Costs associated with developing or maintaining computer software programmes are recognised as an expense when incurred. Costs directly associated with the development of identifiable and unique software products controlled by the group, and generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include the software development, employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives.

c) IRU network capacity

The subsidiary company, Telecom Fiji Limited, had acquired indefeasible rights to use (IRU) network capacity in Southern Cross Cables. As a result, the subsidiary company entered into an agreement with Optus Networks Pty Limited to lease IRU network capacity for a period of 3 years (for IP Transit) and 12 years (for STM-1 and STM-4) via Australia and USA links. The acquisition price is recognised at cost less accumulated amortisation and impairment losses.

The subsidiary company, Fiji International Telecommunications Limited, had also acquired indefeasible rights to use (IRU) network capacity in Southern Cross Cables. As a result, the subsidiary company entered into an agreement with Southern Cross Cables Limited to lease IRU network capacity for a period of 3 to 10 years via Australia and USA links. The IRU network capacity is recorded at cost less accumulated amortisation and impairment losses.

The IRU network capacities are amortised over their estimated economic useful lives, as follows:

	Australia Link	USA Link
- IP Transit	33.33% - 50%	33.33%
- STM-1	6% - 8%	6% - 8%
- STM-4	6% - 8%	6% - 8%

The estimated economic useful lives of the IRU network capacities are reviewed, and adjusted if appropriate, at each balance date.

d) Spectrum licences

Spectrum licences are capitalised on the basis of the costs incurred to acquire the licences. The licences are capable of being used as at the date of purchase, but cannot be used until the associated network assets necessary are available for use. Amortisation of the licences commence when the associated network assets are deployed and economic benefits are derived. The licences are amortised over shorter of the remaining licence rights and their estimated economic useful lives.

3.8 Business combination and goodwill

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

Acquisition related costs are expensed as incurred and included as administrative 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, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration which is deemed to be an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value either in profit or loss or as a change to other comprehensive income (OCI). If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in statements of profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

3.9 Associates

Associates are all companies over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of profit or loss and other comprehensive income, and its share of post-acquisition movements in reserves is recognised through other comprehensive income in changes in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3.10 Foreign currency translation

Transactions and balances

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at balance date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in the statements of profit or loss in the period in which they arise.

3.11 Impairment of non-financial assets

At each balance date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised in the statements of profit or loss immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in the statements of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.12 Government grants

Government grants are recognised in the statements of financial position initially as deferred income where there is reasonable assurance that they will be received and that the group will comply with the conditions attached to them. Grants that compensate the group for expenses incurred are recognised as revenue in the statements of profit or loss on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the group for the cost of an asset are recognised in the statements of profit or loss as revenue on a systematic basis over the useful life of the asset.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

3.13 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements, and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable profit nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the assets and liabilities giving rise to them are realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted by reporting date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the statements of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

Capital Gains Tax

Capital Gains Tax (CGT) is applicable at 10% on capital gains realised on the sale or disposal of certain 'capital assets' as set out in the Capital Gains Tax Decree. Accordingly, where capital assets are stated at fair value, the group provides for potential capital gains tax liability that may arise if capital assets are to be ultimately sold or traded.

3.14 Value Added Tax (VAT)

Revenues, expenses, assets and liabilities are recognised net of the amount of Value Added Tax (VAT), except:

(a) where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(b) for receivables and payables which are recognised inclusive of VAT.

The amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

The VAT component of cash flows arising from operating and investing activities which is recoverable from or payable to, the taxation authority is classified as part of operating cash flows.

3.15 Non-current assets held for sale and discontinued operations

The group classifies non-current assets (and disposal groups) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets (and disposal groups) classified as held for sale are measured, with certain exceptions, at the lower of carrying amount and fair value less costs to sell.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

3.15 Non-current assets held for sale and discontinued operations - (Cont'd)

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for such a sale and the sale is highly probable. The sale of the asset (or disposal group) must be expected to be completed within one year from the date of classification, except in the circumstances where sale is delayed by events or circumstances outside the group's control and the group remains committed to a sale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement. Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

3.16 Inventories

Inventories comprise of merchandise and consumables, and are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Cost includes expenditures incurred in acquiring the inventories and bringing them to their existing condition and location. The cost of inventories has been determined on a weighted average cost basis or first-in-first-out principle.

Provisions for inventory obsolescence are recorded based on reviews of inventories. Inventories considered obsolete or un-saleable are written off in the year in which they are identified.

3.17 Financial instruments - initial recognition and subsequent measurement

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 – Financial instruments: Recognition and measurement are classified as loans and receivables and held-to-maturity investments. The group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, in the case of assets not at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs.

The loans and receivables of the group includes cash in hand and at bank and trade and other receivables which have been explained under note 21.

ii) Held-to-maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to- maturity when the group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

3.17 Financial instruments - initial recognition and subsequent measurement - (a) Financial assets - (Cont'd)

The held to maturity investments of the group include investment in government stock and short term deposits with banks which are explained in note 22.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the group has transferred substantially all the risks and rewards of the asset, or

(b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the group's continuing involvement in it. In such case, the group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

b) Impairment of financial assets

The group assesses at each balance date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred' loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Interest income is recorded in the statement of profit or loss. Loans, together with the associated allowances, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to statement of profit or loss.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

c) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 – Financial instruments: Recognition and measurement are classified as loans and borrowings. The group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The financial liabilities of the group include trade and other payables, finance lease liabilities, loans and borrowings (including bank overdraft).

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

i) Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the consolidated statement of financial position only if there is a current enforceable legal right to offset the recognised amounts and an intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

e) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques.

Such techniques may include:

- Using recent arm's length market transactions;
- Reference to the current fair value of another instrument that is substantially the same;
- A discounted cash flow analysis or other valuation models.

The details on the fair value of the financial assets and financial liabilities of the group is explained under notes 20 and 21, respectively.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

3.18 Cash and cash equivalents

For the purpose of statements of cash flows, cash and cash equivalents include cash on hand, cash in banks; and short term deposits with banks, net of outstanding bank overdrafts. Bank overdrafts are included within borrowings in current liabilities in the statements of financial position.

3.19 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

3.20 Employee benefits

Wages and salaries

Liabilities for wages and salaries expected to be settled within 12 months of the balance date are accrued up to the balance date.

Annual leave and sick leave

Liability for annual leave is recognized in the provision for employee entitlements. Liabilities for annual leave are expected to be settled within 12 months of the balance date and are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates prevailing at that time.

Long service leave and retirement benefits

Liability for long service leave is recognised in the provision for employee entitlements and measured at the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the balance date on government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

Liability for retirement benefits is recognised in the provision for employee entitlements and measured at the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, periods of service and probability of payout. Expected future payments are discounted using market yields at the balance date on government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

As part of the Cost Reduction programme of subsidiary company, Telecom Fiji Limited, with respect to the reduction of Human Resources costs through the implementation of the Redundancy programme and the Organisational Structural consolidation exercise initiated in the previous year, all employees will be on contracted employment with the company, effective from 1 April 2015. Accordingly, provision for long service leave and retirement benefits have been utilized or paid out to the majority of the employees. The year-end balances of subsidiary company, Telecom Fiji Limited, have been reclassified as current, considering revised contracts of employment.

Bonus plans

The group pays bonuses to employees based on the achievement of individual objectives by the employees and performance of the respective subsidiary companies. The group recognises a provision where contractually obliged or where there is a past practice, subject to performance evaluation.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONT'D)

3.20 Employee benefits - Bounus Plan - (Cont'd)

Termination benefits

The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a formal plan without the possibility of withdrawal or providing termination benefits as a result for an offer made for redundancy. Benefits falling due more than 12 months of the balance date are disclosed at the present value.

Defined contribution plans

Contributions to Fiji National Provident Fund are expensed when incurred.

3.21 Earnings per share

Basic earnings per share

Basic earnings per share (EPS) is determined by dividing net profit or loss after income tax attributable to members of the holding company by the weighted average number of ordinary shares during the year.

Diluted earnings per share

Diluted EPS is the same as the basic EPS as there are no ordinary shares which are considered dilutive.

3.22 Segment reporting

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

For reporting purposes, the group considers itself to be operating predominantly in the telecommunications industry and revenue from other sources are not material. In addition, the group operates predominantly in Fiji only and hence presents one geographical segment for reporting purposes. The group has disclosed three reportable operating segments as follows (as outlined in note 37):

- Fixed line telecommunications ("Fixed Line Telecom") segment includes all fixed line telecommunication services including the sale or lease of telecommunications related office equipment, accessories and services including prepaid telephony and card services;
- Mobile telecommunications ("Mobile Telecom") segment includes all mobile telecommunication services including the sale of associated equipment, accessories and services; and
- Other segment comprises provision of international public and dedicated telecommunications, data and internet services, directory services, call centre and management services.

The accounting policies adopted for segment reporting are the same accounting policies adopted for preparing and presenting consolidated financial statements of the group.

3.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTE 4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by executive management. Executive management identifies, evaluates and monitors financial risks in close co-operation with the operating units.

NOTE 4. FINANCIAL RISK MANAGEMENT - (CONT'D)

4.1 Financial risk factors - (Cont'd)

a) Market risk

Market risk is the risk that is subject to changes in market prices, such as foreign exchange rates and interest rate that affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimising the return on risk.

Unfavourable changes to duty and tax regulations may expose the group to a decline in revenues. The group operates in Fiji and changes to government's policies therefore affect the economic situation and ultimately the revenue of the group. To address this, the group reviews its pricing and product range regularly and responds appropriately to these changes.

i) Foreign exchange risk

The group largely procures most of its telecommunication equipment and supplies from overseas and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Euro. Foreign exchange risk arises from future commercial transactions and recognised liabilities.

Management has set up a policy to require the group companies to manage its foreign exchange risk against their functional currency, in this case the Fiji dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the Fiji dollar. For significant settlements, the group companies seek quotations from recognised banks and use the most favourable exchange rate for purposes of the settlement.

As at year end, liabilities denominated in foreign currencies are significant and hence changes in the US dollar and Euro by 10% (increase or decrease) are expected to have a significant impact on the net profit and equity balances currently reflected in the group's financial statements.

The carrying amount of the group's significant foreign currency denominated monetary liabilities at the end of reporting period are as follows:

	Group	
	2015 F$'000	2014 F$'000
US Dollars	6,498	12,076
Euro	7,208	5,531

Further, the following table details the group's sensitivity to a 10% increase and decrease in the Fiji dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only significant outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. If the FJD strengthen/weaken by 10% against the USD and the Euro with all other variables held constant, pre-tax profit impact is as follows:

	Group			
	Profit or (loss) 2015		Profit or (loss) 2014	
	Strengthen F$'000	Weaken F$'000	Strengthen F$'000	Weaken F$'000
US Dollars	591	(722)	1,208	(1,476)
Euro	655	(801)	554	(677)

ii) Interest rate risk

The group has interest-bearing assets in the form of short-term and long-term deposits. Generally, these are at fixed interest rates and hence, there are no interest rate risks during the period of investment. For re-investment of short and long term deposits, the group negotiates an appropriate interest rate with the banks and invests with the bank which offers the highest interest return.

NOTE 4. FINANCIAL RISK MANAGEMENT - (CONT'D)

4.1 Financial risk factors - ii) Interest rate risk - (Cont'd)

Given the fixed nature of interest rates on this, the group has a high level of certainty over the impact on cash flows arising from interest income. Accordingly, the group does not require simulations to be performed over impact on net profits arising from changes in interest rates.

The holding company obtained a loan from its parent entity, Fiji National Provident Fund in the year ended 31 March 2014. The borrowing is at fixed interest rate over the remaining 4 year term of the loan.

The subsidiary company, Telecom Fiji Limited, has significant interest-bearing borrowings. Borrowing from its ultimate parent entity, Fiji National Provident Fund, is at fixed interest rate for the first 2 years of the loan term, effective from 1 April 2014 and varied for the remaining 2 years of the loan term. Accordingly, the subsidiary company is not exposed to interest rate risk for the initial 2 years of the loan term.

The subsidiary company, Vodafone Fiji Limited, also has significant interest-bearing borrowings from its ultimate parent entity, Fiji National Provident Fund. The borrowings are at fixed interest rate over the remaining 2 year term of the loan.

In relation to bank overdrafts, the group is exposed to interest rate risk as bank overdrafts are provided at floating interest rates.

The risks are managed closely by the directors and the management within the approved policy parameters. For additional borrowings, the group negotiates an appropriate interest rate with banks and other lenders with the board approval and borrows from banks and other financial institutions which offers the overall favourable terms, including the interest rate.

b) Credit risk

Credit risk is the risk of financial loss as a result of failure by a customer or counterparty to meet its contractual obligations. Credit risk is managed at group and at individual company level. Credit risk arises from cash at banks, deposits with banks, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

Deposits are made only with reputable financial institutions which are regulated by Reserve Bank of Fiji with known sound financial standing.

All new customers undergo a credit check before a credit account is allowed. Individual credit limits are set based on internal ratings in accordance with limits set by the executive management. The utilisation of credit limits is regularly monitored. Sales to retail customers can be on credit depending on whether the customer has a pre-approved credit account, otherwise sales are transacted in cash. The group holds security deposits for a large number of its customers.

i) Risk exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts (without consideration of collateral, if available). Following table shows the maximum risk positions:

	2015 $'000	% of Allocation	2014 $'000	% of Allocation
Group				
Held-to-maturity investments	55,618	44%	42,205	38%
Trade and other receivables	37,453	30%	38,166	35%
Cash on hand and at bank	33,247	26%	29,363	27%
Total credit exposure	126,318	100%	109,734	100%
Holding company				
Held-to-maturity investments	35,853	50%	36,997	49%
Trade and other receivables	35,003	49%	34,301	45%
Cash on hand and at bank	1,120	1%	4,457	6%
Total credit exposure	71,976	100%	75,755	100%

Amalgamated Telecom Holdings Limited and Subsidiary Companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 4. FINANCIAL RISK MANAGEMENT - (CONT'D)

4.1 Financial risk factors - (Cont'd)

c) Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting obligations for its financial liabilities. Prudent liquidity risk management requires maintaining sufficient cash and marketable securities to ensure availability of funding. The group monitors liquidity through rolling forecasts of the group's cash flow position and maintaining adequate funding arrangements. Also, reasonable portion of revenues are billed and collected in advance or generally within 30 days.

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

			Group		
31 March 2015	Less than 1 year $'000	Between 1 and 2 years $'000	Between 3 and 5 years $'000	Over 5 years $'000	Total $'000
Financial liabilities:					
Trade and other payables (Note 29)	68,791	100	-	-	68,891
Finance lease liabilities (Note 26)	4,498	744	60	-	5,302
Provisions (Note 28)	20,188	-	-	-	20,188
Borrowings (Note 27)	18,238	33,983	3,920	-	56,141
	111,715	34,827	3,980	-	150,522
31 March 2014					
Financial liabilities:					
Trade and other payables (Note 29)	58,992	15	-	-	59,007
Finance lease liabilities (Note 26)	5,158	3,363	27	-	8,548
Provisions (Note 28)	14,580	513	-	-	15,093
Borrowings (Note 27)	14,257	34,851	23,023	4,638	76,769
	92,987	38,742	23,050	4,638	159,417

4.2 Other risks

a) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, and fraud to external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The group cannot eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the group is able to manage risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment procedures.

b) Regulatory risk

The group's profitability can be significantly impacted by regulatory agencies which govern the telecommunication sector in Fiji. Specifically, retail and wholesale prices are regulated by Fiji Commerce Commission and the group's operating environment is regulated by Telecommunications Authority of Fiji.

4.3 Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and/or sell assets to reduce debt. The group monitors capital on the basis of the gearing ratio.

NOTE 4. FINANCIAL RISK MANAGEMENT - (CONT'D)

4.3 Capital risk management - (Cont'd)

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash on hand and at bank and short term deposits. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

	Group	
	2015 $'000	2014 $'000
The gearing ratios at 31 March 2015 and 2014 were as follows:		
Total borrowings (Note 27)	56,141	76,769
Less: Cash on hand and at bank (Note 24)	(33,247)	(29,363)
Less: Short term deposits (Note 24)	(500)	(800)
Net debt	22,394	46,606
Total equity	223,529	197,432
Total capital (Total equity plus Net debt)	245,923	244,038
Gearing ratio (Net debt /Total capital x 100)	9%	19%
Debt to equity ratio % (Net debt /Total equity)	10%	23%

4.4 Fair value estimation

The carrying value less allowance for doubtful debts of trade receivables and payables are assumed to approximate their fair values. The carrying values of financial liabilities are estimated to approximate their fair values.

NOTE 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In application of the group's accounting policies, which are described in note 3, the directors and the management 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 recognized 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, 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.

a) Impairment of property, plant and equipment

The group assesses whether there are any indicators of impairment of all property, plant and equipment at each reporting date. Property, plant and equipment are tested for impairment and when there are indicators that the carrying amount may not be recoverable, a reasonable allowance for impairment is created. The directors' and management's assessment of recoverable amount involves making a judgment, at the particular point in time, about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

For the year ended 31 March 2015, allowance for impairment amounting to $46,000 (2014: $8,641,000) has been made on property, plant and equipment. The directors and the management reasonably believe that no further indicators for impairment exist as at balance date.

NOTE 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS - (CONT'D)

b) Depreciation of property, plant and equipment

In relation to acquired property, plant and equipment, the directors and the management apply judgement to determine the depreciation period based on the expected useful lives of the respective assets. Where estimated useful lives or recoverable values have diminished due to technological change or market conditions, depreciation is accelerated. The directors' and management's assessment of useful lives or recoverable amount involves making a judgement, at the particular point in time, about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

c) Amortisation / impairment of intangible assets

In relation to acquired intangible assets, the directors and the management apply judgement to determine the amortisation period based on the expected useful lives of the respective assets. Where estimated useful lives or recoverable values have diminished due to technological change or market conditions, amortization is accelerated or allowance for impairment is made. The directors' and management's assessment of useful lives or recoverable amount involves making a judgement, at the particular point in time, about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

The directors and the management reasonably believe that no indicators for impairment exist as at balance date and therefore, no impairment provision was made during the year.

d) Impairment of accounts receivable

Impairment of accounts receivable balances is assessed at an individual as well as on a collective level. At a collective level, all debtors in the +120 days category (excluding those covered by a specific impairment provision) are estimated to have been impaired and are accordingly fully provided for. Receivables considered uncollectable are written off in the year in which they are identified.

e) Deferred tax assets

Deferred tax assets are recognized on deductible temporary differences and for all tax losses to the extent it is probable that taxable profits will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely level of future taxable profits together with future planning strategies. The directors' and management's assessment of taxable profit forecast involves making a judgment, at the particular point in time, about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

f) Deferred tax liabilities

Deferred tax liabilities are recognised on taxable temporary differences over accounting and tax carrying amounts in respect of property, plant and equipment, computer software, IRU network capacity and unrealised exchange gain, and are measured at the tax rates that are expected to apply in the period in which the liabilities are expected to be settled. The management's decision in recording its deferred tax liabilities require significant judgment about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that may be different from the assessment.

g) Provision for stock obsolescence

Provision for stock obsolescence is assessed and raised on a specific basis based on a review of inventories. Inventories considered obsolete or un-serviceable are written off in the year in which they are identified. The directors and the management have performed a comprehensive assessment of the inventories as at balance date, and reasonably believe that adequate provisions have been maintained.

h) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The subsidiary companies, Telecom Fiji Limited and Fiji International Telecommunications Limited, have arrangements for Indefeasible Rights of Use capacity which have been accounted as finance leases. Refer notes 17 (b) and 26.

NOTE 6. ACQUISITION OF NON-CONTROLLING INTEREST IN SUBSIDIARY, FIJI INTERNATIONAL TELECOMMUNICATIONS LIMITED (FINTEL)

During March 2012, the holding company acquired 49% shareholding in Fiji International Telecommunications Limited from Cable and Wireless, UK. The remaining 51% shareholding in Fiji International Telecommunications Limited was held by the Government of Fiji. However, the Government's shareholding was managed by the holding company for which management fees were received in prior years by the holding company. The management control included appointment of directors by the company to the Board of Fiji International Telecommunications Limited.

In considering the controlling rights from the management of Government's 51% shareholding, even though the holding company owned less than half of the voting power in Fiji International Telecommunications Limited, from the control point of view, the acquisition of 49% of the issued share capital was treated as the holding company obtaining effective control of Fiji International Telecommunications Limited and accordingly, Fiji International Telecommunications Limited was treated as a subsidiary in the group financial statements effective from financial year ended 31 March 2012.

In prior year July 2013, the holding company entered into a share sale and purchase agreement with Government of Fiji to acquire the remaining 51% shareholding in FINTEL for a consideration of $9,000,000 based on the net assets disclosed in the audited financial statements of FINTEL for the year ended 31 March 2013. The transaction was completed on 22 August 2013 and accordingly, the share transfer took place.

On the basis that negotiations for acquiring 51% shareholding had commenced in prior year ended 31 March 2013 and in principle approvals for the sale and purchase were agreed subject to agreement on consideration which was negotiated and agreed based on the net assets as at 31 March 2013, for the purpose of computing and presenting the effect of this acquisition in the group financial statements, the effective date was taken as 1 April 2013.

The following summarises the consideration transferred and the identifiable net assets acquired of Fiji International Telecommunications Limited as at the effective date of acquisition from 1 April 2013:

51% of identifiable net assets as at 31 March 2013	$	17,319,000
Cash consideration for 51% shareholding	$	(9,000,000)
Increase in equity due to acquisition of 51% shareholding of FINTEL	$	8,319,000

The above increase in equity due to acquisition of additional shareholding of Fiji International Telecommunications Limited was allocated to the equity holders of the holding company in the group's statement of changes in equity during prior year ended 31 March 2014.

NOTE 7. DISPOSAL OF A SUBSIDIARY COMPANY

In prior year September 2013, the holding company entered into a Share Sale and Purchase Agreement with Pacific Electronic Commerce Pty Limited to dispose all of its 51% shareholding in a subsidiary company.

The sale transaction was completed on 6 December 2013 and the subsidiary company's identifiable net assets position as at 30 November 2013 was considered in computing and presenting the effect of this disposal in the group financial statements.

The above transaction was treated as a "Loss of Control of a Subsidiary" in accordance with IFRS 10 – Consolidated Financial Statements and accordingly, assets and liabilities of the former subsidiary company have been de-recognised from the group's statement of financial position as at 31 March 2014.

The effect of the above disposal was presented as a discontinued operation in accordance with IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations. Accordingly, the effect on the disposal of the subsidiary company was presented in the group's statement of profit or loss.

The effect of the disposal of the subsidiary company in the group's financial statements in prior year had been presented as follows:

Group's share of net liabilities de-recognised	$	62,000
Proceeds from disposal	$	850,000
Gain on disposal of subsidiary company	$	912,000

Amalgamated Telecom Holdings Limited and Subsidiary Companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000

NOTE 8. REVENUE

	Group 2015 $'000	Group 2014 $'000	Holding Company 2015 $'000	Holding Company 2014 $'000
Access fees	12,397	13,591	-	-
Call revenue	153,162	140,085	-	-
Card services revenue	2,303	4,515	-	-
Data network and internet revenue	89,334	81,907	-	-
Dividends from subsidiary companies	-	-	27,779	22,260
Directory revenue	4,320	4,318	-	-
Equipment and ancillaries revenue	41,713	33,323	-	-
Gaming revenue	1,620	2,435	-	-
Management fees	-	-	-	121
Other sales and services	5,819	830	-	-
Total revenue	310,668	281,004	27,779	22,381

NOTE 9. DIRECT COSTS

	Group 2015 $'000	Group 2014 $'000	Holding Company 2015 $'000	Holding Company 2014 $'000
Airtime and PSTN charges	64,362	51,452	-	-
Directory production costs	504	462	-	-
Equipment and ancillary costs	39,135	34,766	-	-
Total direct costs	104,001	86,680	-	-

NOTE 10. OTHER INCOME

	Group 2015 $'000	Group 2014 $'000	Holding Company 2015 $'000	Holding Company 2014 $'000
Amortisation of government grant	45	45	1	1
Bad debts recovered	106	131	-	-
Exchange gain:				
- realized	1,600	-	-	-
- unrealized	995	475	-	-
Gain on sale of property, plant and equipment (a)	11,755	4,279	1	-
Other miscellaneous income	1,668	1,637	76	23
Total other income	16,169	6,567	78	24

(a) Gain on sale of property, plant and equipment includes gain on sale of Ganilau House property by subsidiary company, Telecom Fiji Limited, amounting to $11,616,000 (net of capital gains tax of $413,000).

NOTE 11. PERSONNEL COSTS

	Group 2015 $'000	Group 2014 $'000	Holding Company 2015 $'000	Holding Company 2014 $'000
Wages and salaries, including leave pay and other benefits	29,539	31,069	244	242
Superannuation contributions	2,635	3,095	26	25
Other personnel costs	2,742	3,650	6	6
Total personnel costs	34,916	37,814	276	273

NOTE 12. FINANCE (COST) / INCOME – NET

	Group 2015 $'000	Group 2014 $'000	Holding Company 2015 $'000	Holding Company 2014 $'000
Finance income:				
- Interest income on held-to-maturity investments	2,725	2,505	2,385	2,445
- Interest income on advances to related parties	-	-	395	285
Finance cost:				
- Interest on borrowings	(2,954)	(4,700)	(593)	(765)
Finance (cost) / income – net	(229)	(2,195)	2,187	1,965

Amalgamated Telecom Holdings Limited and Subsidiary Companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 13. OTHER OPERATING EXPENSES

	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Auditors' remuneration for:				
- Audit services	111	115	9	8
- Other services	64	44	24	9
Allowance for doubtful debts	1,012	604	269	-
Bad debts	75	63	-	-
Consultancy and contractors fees	186	530	-	-
Directors' remuneration – fees and allowances	229	220	55	60
Electricity	6,370	6,536	9	10
Exchange loss:				
– realized	361	82	-	-
– unrealized	214	285	43	-
Insurance	4,800	4,579	68	82
Legal and professional fees	713	354	138	54
Licence and support service fees	8,657	10,109	-	-
Loss on disposal of property, plant and equipment	-	192	-	-
Operating leases	3,188	4,760	47	47
Provision for stock obsolescence	-	560	-	-
Repairs and maintenance	4,271	4,610	1	2
Travelling and transportation	1,894	2,383	117	53
Other miscellaneous expenses	16,817	17,989	154	1,480
Total other operating expenses	48,962	54,015	934	1,805

NOTE 14. INCOME TAX

Income Tax Rate

Income tax expense for the year ended 31 March 2015 have been computed using tax rate of 10% for the holding company and 20% for the subsidiary companies (2014: 18.50% for the holding company and 20% for the subsidiary companies). Deferred tax assets and liabilities have been computed using tax rate of 10% for the holding company and 20% for the subsidiary companies.

a) Income tax expense
Numerical reconciliation of income tax to prima facie tax expense

	Group 2015	Group 2014	Holding 2015	Holding 2014
Profit before income tax	85,043	44,469	28,816	22,268
Prima facie tax expense	16,288	8,894	2,882	4,120
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:				
Export income allowances	(73)	(73)	-	-
Non-deductible expenses	1,020	431	104	225
Exempt income – dividend and others	(9)	(552)	(2,778)	(4,118)
Investment allowances	(58)	(9)	-	-
Temporary deductible differences and tax losses not recognised	-	864	-	-
Recoupment of prior year unrecognised tax losses	(2,861)	-	-	-
Capital gain on sale of property, net of CGT	(777)	-	-	-
De-recognition of prior years' deferred tax assets on tax losses	-	2,328	-	-
Under / (over) provision in income tax in prior years	(42)	9	(66)	9
Under / (over) provision of deferred income tax in prior years	(110)	(20)	-	-
Effect of change in tax rate for the holding company from 18.5% to 10%	-	6	-	5

NOTE 14. INCOME TAX - (CONT'D)

Income Tax Expense - (Cont'd)

	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Others	(375)	(235)	3	-
	13,003	11,643	145	241
Tax deducted at source – resident interest withholding tax	71	-	-	-
Income tax expense	13,074	11,643	145	241
Income tax expense comprises of:				
Current tax liability	10,940	8,854	142	239
Movement in deferred tax assets	290	3,571	3	2
Movement in deferred tax liabilities	1,844	(782)	-	-
	13,074	11,643	145	241

b) Deferred tax assets

	Group 2015 $'000	Group 2014 $'000	Holding Company 2015 $'000	Holding Company 2014 $'000
Allowance for doubtful debts for trade and other receivables	3,412	3,340	-	-
Provision for employee entitlements	1,065	1,317	1	4
Provision for stock obsolescence	499	576	-	-
Tax losses	-	49	-	-
Deferred income	209	179	-	-
Unrealised exchange loss	34	57	-	-
Others	62	53	-	-
	5,281	5,571	1	4

c) Un-recognised deferred tax assets

Deferred tax assets amounting to $7,203,000 (2014: $16,092,000) relating to estimated tax losses of $36,015,000 (2014: $80,460,000) have not been brought to account by the group as its realisation is not considered to be probable. The deferred tax assets will only be realised if:

i) the respective company in the group derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses to be realised;
ii) the respective company in the group continues to comply with the conditions for deductibility imposed by the law; and
iii) no changes in tax legislation adversely affect the respective company in realising the benefit from the deductions for the losses.

d) Deferred tax liabilities

	Group 2015 $'000	Group 2014 $'000	Holding Company 2015 $'000	Holding Company 2014 $'000
Prepaid expenses	21	21	-	-
Difference in carrying value of property, plant, equipment, computer software, IRU network capacity and spectrum licences for accounting and income tax purpose	20,530	18,790	-	-
Unrealised exchange gain	199	95	-	-
	20,750	18,906	-	-

e) Advance tax

	Group 2015 $'000	Group 2014 $'000	Holding Company 2015 $'000	Holding Company 2014 $'000
Balance at 1 April	595	5,412	305	82
Tax liability for current year	(10,982)	(8, 845)	(208)	(231)
Tax paid during the year	10,388	4,040	-	463
Withholding taxes paid	-	8	-	-
Adjustment upon disposal of Pacific Emerging Technologies (Fiji) Limited	-	(11)	-	-
(Under) / over provision of income tax in prior years	42	(9)	66	(9)
Balance at 31 March	43	595	163	305

Amalgamated Telecom Holdings Limited and Subsidiary Companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 15. EARNINGS PER SHARE

	Group 2015 $'000	Group 2014 $'000
Basic and diluted earnings per share		
Basic and diluted earnings per share are calculated in accordance with the policy outlined in note 3.21.		
Profit attributable to equity holders of the holding company	49,812	14,469
Weighted average number of ordinary shares in issue (Nos.)	422,105	422,105
Basic and diluted earnings per share (cents per share)	**11.8**	**3.4**

NOTE 16. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land and buildings (a) $'000	Telecomm-unications equipment and plant $'000	Computer equipment $'000	Furniture fitness and office euipment $'000	Motor vehicles $'000	Capital equipment $'000	Capital work in progress $'000	Total $'000
Year ended 31 March 2015								
Opening net book amount	19,199	191,258	5,950	4,458	1,919	1,294	6,030	230,108
Additions	136	55,289	543	697	970	1,848	1,328	60,811
Additions transferred to intangible asset – computer software	-	-	-	-	-	-	(643)	(643)
Disposals	(4,174)	(92)	(15)	(134)	(69)	-	(2,248)	(6,732)
Transfers	141	1,838	9	4	-	-	(1,992)	-
Utilised during the year	-	-	-	-	-	(937)	-	(937)
Depreciation (c)	(1,317)	(33,218)	(3,489)	(1,070)	(747)	-	-	(39,841)
Impairment loss (d)	-	-	-	-	-	(46)	-	(46)
Closing net book amount	13,985	215,075	2,998	3,955	2,073	2,159	2,475	242,720
At 31 March 2015								
Cost	30,611	678,588	50,946	18,710	11,271	2,333	2,475	794,934
Accumulated depreciation	(16,393)	(453,151)	(47,948)	(14,755)	(9,198)	-	-	(541,445)
Accumulated impairment allowance	(233)	(10,362)	-	-	-	(174)	-	(10,769)
Net book amount	13,985	215,075	2,998	3,955	2,073	2,159	2,475	242,720

Group	Leasehold land and buildings (a) $'000	Telecomm-unications equipment and plant $'000	Freehold land and buildings (b) $'000	Computer equipments $'000	Furniture fittings and office euipment $'000	Motor vehicles $'000	Capital equipment $'000	Capital work in progress $'000	Total $'000
Year ended 31 March 2014									
Opening net book amount	21,893	212,429	3,358	8,380	4,934	537	1,545	10,788	263,864
Additions	303	3,107	-	1,318	493	1,874	2,684	4,857	24,636
Additions transferred to intangible asset – computer software	-	-	-	-	-	-	-	(852)	(852)
Disposals	(1,596)	(327)	(3,310)	-	-	(1)	-	(856)	(6,090)
Disposals through sale of shares in subsidiary company	-	-	-	(112)	-	-	-	-	(112)
Reclassification to inventories	-	-	-	-	-	-	-	(50)	(50)

Amalgamated Telecom Holdings Limited and Subsidiary Companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 16. PROPERTY, PLANT AND EQUIPMENT - (CONT'D)

Group	Leasehold land and buildings (a) $'000	Telecommunications equipment and plant $'000	Freehold land and buildings (b) $'000	Computer equipment $'000	Furniture fittings and office euipment $'000	Motor vehicles $'000	Capital equipment $'000	Capital work in progress $'000	Total $'000
Transfers	142	16,715	-	527	148	-	-	(17,532)	-
Utilised during the year	-	-	-	-	-	-	(2,930)	-	(2,930)
Depreciation (c)	(1,310)	(32,263)	(48)	(4,163)	(1,117)	(491)	-	-	(39,392)
Project cost written off against accumulated impairment allowance	-	-	-	-	-	-	-	(325)	(325)
Impairment loss (d)	(233)	(8,403)	-	-	-	-	(5)	-	(8,641)
Closing net book amount	19,199	191,258	-	5,950	4,458	1,919	1,294	6,030	230,108
At 31 March 2014									
Cost	42,087	620,258	-	50,668	18,076	11,514	1,421	6,030	750,054
Accumulated depreciation	(22,655)	(418,638)	-	(44,718)	(13,618)	(9,595)	-	-	(509,224)
Accumulated impairment allowance	(233)	(10,362)	-	-	-	-	(127)	-	(10,722)
Net book amount	19,199	191,258	-	5,950	4,458	1,919	1,294	6,030	230,108

Holding Company	Computer equipment $'000	Furniture, fittings and office equipment $'000	Total $'000
Year ended 31 March 2015			
Opening net book amount	18	1	19
Additions	-	8	8
Depreciation	(8)	-	(8)
Closing net book amount	10	9	19
At 31 March 2015			
Cost	158	167	325
Accumulated depreciation	(148)	(158)	(306)
Net book amount	10	9	19
Year ended 31 March 2014			
Opening net book amount	6	1	7
Additions	20	-	20
Depreciation	(8)	-	(8)
Closing net book amount	18	1	19
At 31 March 2014			
Cost	158	165	323
Accumulated depreciation	(140)	(164)	(304)
Net book amount	18	1	19

a) Included in leasehold land and buildings are properties shared by subsidiary company, Telecom Fiji Limited, and Post Fiji Limited and reflects the amount to the extent funded by the subsidiary company up to 30 June 1996 and any subsequent costs incurred by the subsidiary company on the properties thereafter. The titles in relation to the shared land and buildings are not held in the name of subsidiary company. Furthermore, there is an ownership dispute between Post Fiji Limited and the subsidiary company in respect to TFL New Wing Building in Suva. The dispute is currently subject to court proceedings.

b) In March 2014, the freehold land and building of subsidiary company, Fiji International Telecommunications Limited, in Suva City, known as Mercury House, were sold for a consideration of $4,600,000 to ultimate parent entity, Fiji National Provident Fund. Accordingly, the carrying value of the freehold land and building was disposed off from the books during the prior year. The net gain on disposal of the property, net of Capital Gains Tax was $1,226,000.

NOTE 16. PROPERTY, PLANT AND EQUIPMENT - (CONT'D)

c) In the prior year, in the books of the subsidiary company, Fiji Directories Limited, 3 months depreciation expense in relation to plant and equipment of sales department amounting to $11,000 had been deferred and has accordingly been expensed during the year.

d) Based on the impairment assessment performed by the subsidiary companies, Telecom Fiji Limited and Fiji International Telecommunications Limited, an impairment allowance amounting to $46,000 has been recognised on capital equipment for the year ended 31 March 2015 (2014: $8,641,000 recognised on building improvements, telecommunications equipment and plant and capital equipment).

e) In accordance with the security arrangements for borrowings from ultimate parent entity, Fiji National Provident Fund, all properties, plant and equipment except for TFL New Wing building in Suva, have been pledged to FNPF as security of subsidiary company, Telecom Fiji Limited.

NOTE 17. INTANGIBLE ASSETS

	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Gross carrying amount	115,002	113,081	-	-
Less: accumulated amortisation	(87,728)	(82,949)	-	-
Less: accumulated impairment	(4,922)	(4,922)	-	-
Total intangible assets, net	22,352	25,210	-	-

Intangible assets are as follows:

a) Computer software

	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Gross carrying amount:				
Balance as at 1 April	32,954	33,084	-	-
Additions	5	343	-	-
Reclassified from property, plant and equipment	643	852	-	-
Disposals through sale of shares in subsidiary company	-	(1,325)	-	-
Balance as at 31 March	33,602	32,954	-	-
Accumulated amortisation:				
Balance as at 1 April	29,865	28,090	-	-
Amortisation	1,601	2,900	-	-
Disposals through sale of shares in subsidiary company	-	(1,125)	-	-
Balance as at 31 March	31,466	29,865	-	-
Net book amount – Computer software	2,136	3,089	-	-

b) Indefeasible Rights of Use Capacity

	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Gross carrying amount				
Balance as at 1 April	77,064	73,976	-	-
Adjustment	(864)	-	-	-
Additions	2,137	3,088	-	-
Balance as at 31 March	78,337	77,064	-	-
Accumulated amortisation:				
Balance as at 1 April	53,045	48,920	-	-
Amortisation	3,121	4,125	-	-
Balance as at 31 March	56,166	53,045	-	-
Accumulated impairment allowance				
Balance as at 1 April	4,922	4,922	-	-
Balance as at 31 March	4,922	4,922	-	-
Net book amount – Indefeasible Rights of Use Capacity	17,249	19,097	-	-

NOTE 17. INTANGIBLE ASSETS - (CONT'D)

b) Indefeasible Rights of Use Capacity - *(Cont'd)*

Indefeasible Rights of Use ("IRU") capacity relates to the lease of IRU network capacities by subsidiary companies, Telecom Fiji Limited and Fiji International Telecommunications Limited. The IRU network capacity purchase consideration or lease consideration is capitalised to intangible assets, and is amortised over its estimated economic useful life.

In the prior year, the economic useful life of IP transit for Australia and USA link belonging to subsidiary company, Telecom Fiji Limited, had ended. Accordingly, the IP transit for Australia and USA link have been fully amortised.

In prior year, on 29 August 2013, subsidiary company, Telecom Fiji Limited, entered into a variation agreement with Optus Network Pty Limited to swap the existing STM-1 service of USA link and replace with additional capacity comprising one STM-4 service of Australia link. The swap was on the condition that the subsidiary company purchases a minimum 600mbps of bundled IP services under the Evolve SD with a committed term of no less than 12 months. Accordingly, the subsidiary company had purchased IP services on the Australia link in the prior year. The IP services purchase consideration is capitalised to intangible assets, and is amortised over its economic useful life of 2 years. Accordingly, the IP transit for Australia link has been fully amortised in current year.

During the year, there was reduction in the monthly rates of IP transit charges of subsidiary company, Telecom Fiji Limited, which was adjusted against the intangible asset and balance payable to Optus Networks Pty Limited by $864,000.

The useful lives of the IRU network capacity are reviewed, and adjusted if appropriate, at each balance date.

	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
c) Spectrum Licences				
Gross carrying amount:				
Balance as at 1 April	3,063	-	-	-
Additions	-	3,063	-	-
Balance as at 31 March	3,063	3,063	-	-
Accumulated amortisation:				
Balance as at 1 April	39	-	-	-
Amortisation	57	39	-	-
Balance as at 31 March	96	39	-	-
Net book amount - Spectrum Licences	2,967	3,024	-	-

Spectrum licences include licences acquired by the subsidiary companies, Telecom Fiji Limited and Vodafone Fiji Limited during the prior year from Department of Communications. The licences have an initial 5 year term starting from 2 September 2013, then extending to further 10 years conditional on compliance with implementation requirements. The purchase consideration has been capitalised to intangible assets.

As at balance date, subsidiary company, Telecom Fiji Limited, has not amortised the LTE Spectrum licences. The subsidiary company will amortise the LTE Spectrum licences once the subsidiary company has deployed the LTE network and starts to derive economic benefit over shorter of the remaining licence rights and their estimated useful lives. The subsidiary company is currently in the process of evaluating the options for the usage of licence.

As at 31 March 2015, all conditional requirements have been fullfilled.

Amalgamated Telecom Holdings Limited and Subsidiary Companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 18. INVESTMENT IN SUBSIDIARY COMPANIES

Equity investments in subsidiary companies, all of which are unlisted, are carried at cost less any accumulated allowances for impairment and denominated in local currencies (Note 35). Carrying values are as follows:

	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Non-current				
Telecom Fiji Limited	-	-	107,600	107,600
Fiji Directories Limited	-	-	1,210	1,210
Fiji International Telecommunications Limited	-	-	27,600	27,600
Vodafone Fiji Limited	-	-	45,450	45,450
ATH Technology Park Limited (a)	-	-	-	2,000
ATH Call Centre Limited (a)	-	-	-	400
Allowance for impairment	-	-	-	400
Total non-current investment in subsidiaries, net	-	-	181,860	183,860
Current				
ATH Technology Park Limited (a)	-	-	2,000	-
ATH Call Centre Limited (a)	-	-	400	-
Allowance for impairment	-	-	(400)	-
Total current investment in subsidiaries, net	-	-	2,000	-

(a) Subsequent to balance date, in May 2015, the subsidiary companies, ATH Technology Park Limited and ATH Call Centre Limited were wound up under Members' Voluntary Winding Up. Accordingly, as at balance date, investments in ATH Technology Park Limited and ATH Call Centre Limited have been reclassified as current assets.

NOTE 19. INVENTORIES

Merchandise and consumables	9,327	14,078	-	-
Less: provision for stock obsolescence	(2,539)	(2,924)	-	-
	6,788	11,154	-	-
Bus consoles transferred from capital work in progress (a)	558	558	-	-
Provision for stock obsolescence	(558)	(558)	-	-
	-	-	-	-
Goods in transit	50	179	-	-
Total inventories, net	6,838	11,333	-	-

(a) In the prior years, subsidiary company, Telecom Fiji Limited, had acquired e-ticketing bus consoles and related equipment & accessories amounting to $884,000 in respect to the bus fare e-ticketing project which was recorded as capital work in progress. However, the management was of the view that the e-ticketing bus consoles amounting to $558,000 could be used by subsidiary company for other economic benefit subject to further test or configuration and accordingly, these e-ticketing bus consoles had been transferred to inventories. Full provision for stock obsolescence had been recorded on this balance.

NOTE 20. FINANCIAL ASSETS BY CATEGORIES

Group				
Financial assets by categories	Held-to-maturity investments		Loans and receivables	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Non-current				
Fiji Government Registered stock (Note 22)	34,993	34,997	-	-
Trade and other receivables (Note 23)	-	-	4,983	4,983
Total non-current financial assets	34,993	34,997	4,983	4,983
Current				
Fiji Government Registered stock (Note 22)	-	2,000	-	-
Short term deposits (Note 22)	20,625	5,208	-	-
Trade and other receivables (Note 23)	-	-	32,470	33,183
Cash on hand and at bank	-	-	33,247	29,363
Total current financial assets	20,625	7,208	65,717	66,496

NOTE 20. FINANCIAL ASSETS BY CATEGORIES - (CONT'D)

Financial assets by categories	Held-to-maturity investments		Loans and receivables	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Holding Company				
Non-current				
Fiji Government Registered stock (Note 22)	34,993	34,997	-	-
Trade and other receivables (Note 23)	-	-	4,983	4,983
Total non-current financial assets	34,993	34,997	4,983	4,983
Current				
Fiji Government Registered stock (Note 22)	-	2,000	-	-
Short term deposits (Note 22)	860	-	-	-
Trade and other receivables (Note 23)	-	-	30,020	29,318
Cash on hand and at bank	-	-	1,120	4,457
Total current financial assets	860	2,000	31,140	33,775

NOTE 21. FINANCIAL LIABILITIES BY CATEGORIES

Financial liabilities by categories	Financial liabilities at amortised cost			
	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Non-current				
Finance lease liabilities (Note 26)	804	3,390	-	-
Borrowings (Note 27)	37,903	62,512	7,445	17,368
Provisions (Note 28)	-	513	-	-
Trade and other payables (Note 29)	100	15	-	-
Total non-current financial liabilities	38,807	66,430	7,445	17,368
Current				
Finance lease liabilities (Note 26)	4,498	5,158	-	-
Borrowings (Note 27)	18,238	14,257	5,570	5,235
Provisions (Note 28)	20,188	14,580	14,817	8,477
Trade and other payables (Note 29)	68,791	58,992	475	246
Total financial liabilities	111,715	92,987	20,862	13,958

The fair value of the financial assets and financial liabilities do not significantly vary from the value based on amortised cost methodology.

NOTE 22. HELD-TO-MATURITY INVESTMENTS

Non-current				
Fiji Government Registered stock (a)	34,980	34,980	34,980	34,980
Add: unamortised premium	13	17	13	17
Total non-current held-to-maturity investments	34,993	34,997	34,993	34,997
Current				
Fiji Government Registered stock (a)	-	2,000	-	2,000
Short term deposits (b)	20,625	5,208	860	-
Total current held-to-maturity investments	20,625	7,208	860	2,000
Total	55,618	42,205	35,853	36,997

(a) The carrying values of the Fiji Government Registered stock are considered to be the reasonable approximation of the fair values.

The holding company has pledged government bonds amounting to $14,000,000 as security for the loan obtained during the prior year from its parent entity, Fiji National Provident Fund. (Refer Note 27(a)).

Amalgamated Telecom Holdings Limited and Subsidiary Companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 22. HELD-TO-MATURITY INVESTMENTS - (CONT'D)

(b) Short term deposit of $500,000 matures within three months. Accordingly, this deposit has been considered as cash and cash equivalents for the purpose of the statements of cash flows. (Refer Note 24).

NOTE 23. TRADE AND OTHER RECEIVABLES

	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Non-current				
Advance to Amalgamated Telecom Nominees Limited (a)	4,983	4,983	4,983	4,983
Prepayments	15	179	-	-
Other receivables	-	975	-	-
Total non-current trade and other receivables	4,998	6,137	4,983	4,983
Current				
Trade receivables (b)	50,156	50,235	-	-
Less: unearned income	(1,513)	(1,577)	-	-
	48,643	48,658	-	-
Less: allowance for doubtful debts (c)	(17,001)	(16,640)	-	-
Trade receivables, net	31,642	32,018	-	-
Receivable from related parties	1,097	1,165	2,399	12,793
Less: allowance for doubtful debts (c)	(269)	-	(269)	(1,535)
	32,470	33,183	2,130	11,258
Dividends receivable	-	-	27,890	18,060
	32,470	33,183	30,020	29,318
Accrued revenue	2,236	1,727	-	444
Other receivables and advances	7,890	7,382	744	271
Less: allowance for doubtful debts (c)	(59)	(60)	-	-
Total current trade and other receivables, net	42,537	42,232	30,764	30,033

(a) Advance to Amalgamated Telecom Nominees Limited is unsecured, subject to interest at the rate of 1.2% per annum and are not expected to be repaid in next 12 months.

(b) Trade receivables principally comprise amounts outstanding for sale of telephones, office equipment and computer equipment and rendering of telecommunication, data and internet related services. Trade receivables are non-interest bearing and are generally settled on 15 - 60 day terms.

(c) Movements in the allowance for doubtful debts of trade and other receivables are as follows:

	Group 2015	Group 2014	Holding Company 2015	Holding Company 2014
As at 1 April	16,700	17,119	1,535	1,535
Additional allowance during the year	1,012	604	269	-
Amounts written off during the year	(383)	(383)	(1,535)	-
Reversal of provision upon disposal of subsidiary company	-	(250)	-	-
Reversals during the year	-	(390)	-	-
As at 31 March	17,329	16,700	269	1,535

The charge and reversal of allowance for doubtful debts have been included in "Other operating expenses" and "Other income" in the statements of profit or loss (Note 13 and Note 10, respectively). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The holding company impaired and provided for receivable from subsidiary company, ATH Call Centre Limited, amounting to $Nil (2014: $1,535,000). The individually impaired receivables mainly relates to customers who have defaulted in payments.

The other classes within trade and other receivables do not contain impaired assets.

Amalgamated Telecom Holdings Limited and Subsidiary Companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 23. TRADE AND OTHER RECEIVABLES - (CONT'D)

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The group generally obtains security deposits for all new land line and internet connections. Apart from these, it does not hold any collateral as security. The total carrying amount of security deposits in relation to the above trade receivables carried by the group is $5,040,000 (2014: $5,030,000).

(d) As at 31 March 2015 and 2014, the ageing analysis of group's trade receivables (net of allowance for doubtful debts) is as follows:

			Past due but not impaired	
	Total	Neither past due nor impaired	60 - 90 days	>90 days
	$ '000	$ '000	$ '000	$ '000
31 March 2015	31,642	27,083	2,047	2,512
31 March 2014	32,018	27,155	2,451	2,412

NOTE 24. NOTES TO THE STATEMENTS OF CASH FLOWS

Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	Group		Holding Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Cash on hand and at bank	33,247	29,363	1,120	4,457
Short term deposits	500	800	-	-
Bank overdraft	(3,029)	-	-	-
Total cash and cash equivalents	30,718	30,163	1,120	4,457

NOTE 25. SHARE CAPITAL

	Number of issued shares (Nos.)	Value of ordinary shares $'000	Total $'000
As at 31 March 2015 and 2014	422,104,868	105,526	105,526

The total authorised number of ordinary shares of the compoany is 40,000,000,000 shares (2014: 40,000,000,000 shares) with a par value of $0.25 per share (2014: $0.25 per share). All issued shares are fully paid

NOTE 26. FINANCE LEASE LIABILITIES

Non-current

Southern Cross Cables Limited	804	189	-	-
Optus Networks Pty Limited (a)	-	3,201	-	-
Total non-current finance lease liabilities	804	3,390	-	-

Current

Southern Cross Cables Limited	924	162	-	-
Optus Networks Pty Limited (a)	3,574	4,996	-	-
Total current finance lease liabilities	4,498	5,158	-	-

(a) In accordance with the agreement with Optus Networks Pty Limited for the purchase of IRU network capacity, the repayment term consists of monthly repayments of over 2 to 5 year period. In the opinion of the management of subsidiary company, Telecom Fiji Limited, the fair value of the liability equals to the carrying amount, and accordingly the payable value has not been discounted to present value.

Amalgamated Telecom Holdings Limited and Subsidiary Companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 27. BORROWINGS

	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Non-current				
Term loans – Fiji National Provident Fund (a)	35,003	51,463	4,546	6,318
Term loan – Bank of South Pacific Limited (b)	1,782	3,681	1,782	3,681
Term loan – Westpac Banking Corporation (c)	1,118	7,368	1,117	7,369
Total non-current borrowings	37,903	62,512	7,445	17,368
Current				
Bank overdraft - Westpac Banking Corporation (d)	3,029	-	-	-
Term loans – Fiji National Provident Fund (a)	13,461	12,790	1,772	1,711
Term loan – Bank of South Pacific Limited (b)	555	489	555	489
Term loan – Westpac Banking Corporation (c)	1,193	978	1,193	979
Advances – ATH Technology Park Limited	-	-	2,050	2,056
Total current borrowings	18,238	14,257	5,570	5,235
Total borrowings	56,141	76,769	13,015	22,603

(a) Term loans – Fiji National Provident Fund

Borrowing by Amalgamated Telecom Holdings Limited

During the prior year, on 21 August 2013, the holding company obtained a loan amounting to $9,000,000 from its parent entity, Fiji National Provident Fund, to finance the purchase of 51% of Government's shareholding in Fiji International Telecommunications Limited. The interest rate on the loan is fixed at 3.5% over the term of the loan with maturity date of 21 August 2018. The loan is payable at monthly repayments of $164,000 inclusive of interest. The loan is secured by Deed of Assignment over Government bonds amounting to $14,000,000.

Borrowing by Telecom Fiji Limited

Effective 1 April 2014, the interest rate on the loan has been fixed at 4.25% for the first 2 years of the loan term and will be varied for the remaining 2 years of the loan term. The loan is payable at monthly repayments of $1,034,000 inclusive of interest.

Term loan from ultimate parent entity, Fiji National Provident Fund, is secured by:

(i) 1st registered mortgage debenture over all the assets of the subsidiary company except for TFL New Wing building in Suva.

(ii) Comprehensive insurance cover over the property of the subsidiary company with improvements thereon.

The FNPF loan facility also allows the subsidiary company to redraw the excess loan repayments made at any given time with 5 working days' notice during the term of the loan on the condition that there is no breach in security and financial covenants. The excess loan payments made reduces the overall loan balance and can be withdrawn without any penalty or fees. As at 31 March 2015, the available redraw facility amounts to $12,000,000.

Borrowing by Vodafone Fiji Limited

The subsidiary company, Vodafone Fiji Limited, has taken term loan of $20,000,000 from ultimate parent entity, Fiji National Provident Fund, at an interest rate of 4.95%. The loan was rolled-over for three years effective from 27 April 2014 with options for repayment after year 1 or year 2. The loan is secured by a registered equitable mortgage debenture over all assets and undertakings of the subsidiary company, including called and uncalled capital.

(b) Term loan – Bank of South Pacific Limited

The loan from Bank of South Pacific Limited is unsecured and subject to interest rate of 3.5% per annum with monthly repayments of $52,000.

(c) Term loan – Westpac Banking Corporation

The loan from Westpac Banking Corporation is unsecured and subject to interest rate of 3.5% per annum with monthly repayments of $105,000.

Amalgamated Telecom Holdings Limited and Subsidiary Companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 27. BORROWINGS - (CONT'D)

Borrowing by Vodafone Fiji Limited - (Cont'd))

(d) Bank overdraft – Westpac Banking Corporation

The subsidiary company, Vodafone Fiji Limited, has bank overdraft facility of $20,000,000 with Westpac Banking Corporation which is unsecured, and is subject to maintaining certain financial covenants.

(e) Bank Facilities – ANZ Banking Group Limited

The subsidiary company, Telecom Fiji Limited, has indemnity guarantee and visa business credit card facilities with ANZ Banking Group Limited. These facilities are secured by letter of charge over term deposit funds. The subsidiary company has also given negative pledge to ANZ Banking Group Limited.

NOTE 28. PROVISIONS

Group	Employer entitlements (a) $'000	Directory production costs $'000	Dividends $'000	Total $'000
As at 1 April 2014	6,601	50	8,442	15,093
Additional provisions recognized	5,353	39	29,547	34,939
Paid during the year	(6,103)	(39)	(23,216)	(29,358)
Reversal of excess provision	(486)	-	-	(486)
Carrying amount as at 31 March 2015	5,365	50	14,773	20,188
Holding Company				
As at 1 April 2014	35	-	8,442	8,477
Additional provisions recognized	9	-	29,547	29,556
Paid during the year	-	-	(23,216)	(23,216)
Carrying amount as at 31 March 2015	44	-	14,773	14,817

	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Analysis of total provisions:				
Non-current	-	513	-	-
Current	20,188	14,580	14,817	8,477
Total current and non-current provisions	20,188	15,093	14,817	8,477
a) Employee entitlements consists of the following:				
Annual leave	622	692	44	35
Bonus	4,712	5,374	-	-
Long service leave	25	179	-	-
Retirement benefits	6	356	-	-
Total employee entitlements	5,365	6,601	44	35

Annual leave

Generally annual leave is taken within one year of entitlement and accordingly it is expected that a significant portion of the total annual leave balance will be utilised within the next financial year. Note 3.20 outlines the accounting policy and underlying basis for these accruals.

Long service leave and retirement benefits

Long service leave and retirement benefits are accrued for employees entitled to the same under their terms of employment. Note 3.20 outlines the accounting policy and underlying basis for these accruals.

Amalgamated Telecom Holdings Limited and Subsidiary Companies
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 28. PROVISIONS - (CONT'D)

Long service leave and retirement benefits - (Cont'd)

As part of the Cost Reduction programme of subsidiary company, Telecom Fiji Limited, with respect to the reduction of Human Resources costs through the implementation of the Redundancy programme and the Organisational Structural consolidation exercise initiated in previous year, all employees are to be on contracted employment with the company, effective from 1 April 2015. Accordingly, provision for long service leave and retirement benefits has been utilized or paid out to majority of the employees and the year-end balances of subsidiary company, Telecom Fiji Limited, are reclassified as current, considering revised contracts of employment.

Bonus

Bonus provisions are expected to be significantly settled within 12 months after the end of the financial year. Note 3.20 outlines the accounting policy and underlying basis for these accruals.

NOTE 29. TRADE AND OTHER PAYABLES

	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Non-current				
Trade payables and accruals (a)	100	15	-	-
Subscriber deposits	3,895	3,875	-	-
Total non-current trade and other payables	3,995	3,890	-	-
Current				
Trade payables and accruals (a)	48,146	43,398	469	238
Owing to related parties	551	754	6	8
Advance for relocation of telecommunication cables (b)	3,769	-	-	-
Dividend payable	16,325	14,840	-	-
	68,791	58,992	475	246
Security deposits	1,145	1,155	-	-
Deferred revenue	13,684	11,818	-	-
Total current trade and other payables	83,620	71,965	475	246
Total trade and other payables	87,615	75,855	475	246

(a) Trade payables principally comprise amounts outstanding for trade purchases and on-going costs. Trade payables are non-interest bearing and are normally settled on 30 – 60 days term.

The fair value of current liabilities and non-current liabilities equals their carrying amount, as the impact of discounting is not significant.

(b) During the year, subsidiary company, Telecom Fiji Limited received $3,896,000 (VEP) for relocation of underground and overhead telecommunication cables for the Nadi and Suva road upgrading projects. As at balance date, the relocation of underground and overhead telecommunication cables work is currently in progress and the subsidiary company has incurred a cost of $127,000 which have been off-set against the advance received.

NOTE 30. DEFERRED INCOME

Non-current				
Government grant	6,459	6,459	-	-
Less: Accumulated amortization	(6,244)	(6,199)	-	-
Total deferred income, net	215	260	-	-

Amalgamated Telecom Holdings Limited and Subsidiary Companies
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 31. DIVIDENDS

	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Ordinary shares				
Final dividend for the year	14,773	8,442	14,773	8,442
Interim dividend for the year	14,774	12,663	14,774	12,663
Total dividends	29,547	21,105	29,547	21,105

NOTE 32. CONTINGENT LIABILITIES

Following is a summary of estimated contingent liabilities:

Bank and performance guarantees	1,314	1,314	-	-
Letter of credit	227	-	-	-
Litigations	20	110	-	-
	1,561	1,424	-	-

a) *Legal claims*

Various claims have been brought against subsidiary company, Telecom Fiji Limited. The directors have obtained legal advice on these claims and are confident that no significant liability other than those that have been brought to account or have been disclosed will eventuate.

b) *Dispute with Post Fiji Limited*

Included in leasehold land and buildings are properties shared by subsidiary company, Telecom Fiji Limited, with Post Fiji Limited and reflect the amount to the extent funded by the subsidiary company up to 30 June 1996 and any subsequent costs incurred by the subsidiary company on the properties thereafter. The titles in relation to the shared land and buildings are not registered in the name of the subsidiary company. Furthermore, there is an ownership dispute with Post Fiji Limited in respect to Telecom Fiji Limited New Wing Building in Suva. The dispute is currently subject to court proceedings.

Based on the opinion of the solicitors, no significant liability is expected to arise ultimately in respect to this litigation.

NOTE 33. COMMITMENTS

a) Capital commitments

Capital expenditure commitments as at balance date are as follows:

Property, plant and equipment	20,056	48,262	-	-
	20,056	48,262	-	-

Capital expenditure commitments primarily relate to various capital investment schemes, programs and initiatives approved by the Board of Directors of the subsidiary companies.

b) Operating lease expenses

i) The group leases various premises and lands under non-cancellable operating leases. These leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	9,915	3,624	46	46
Later than one year but not later than five years	8,458	7,604	-	137
Later than five years	26,880	25,086	-	-
	45,253	36,314	46	183

NOTE 33. COMMITMENTS - (CONT'D)

b) Operating lease expenses - (Cont'd)

ii) During November 2004, subsidiary company, Vodafone Fiji Limited, entered into a lease agreement with ultimate parent entity, Fiji National Provident Fund, for its head office. The term of the lease is for 10 years beginning from the date of occupation and ending in December 2015. Under the agreement, rent is payable at $42,000 per month.

Vodafone Fiji Limited has entered into various lease agreements with various parties for its warehouses and retail outlets throughout the country. The terms of the lease vary from 2 to 5 years and lease rentals range from $1,000 to $20,000 per month. Vodafone Fiji Limited has also entered into various lease agreements with various parties for its base stations. The term of the various leases range from 1 to 99 years and lease rentals range from $1,000 to $12,000 per annum.

c) Sponsorship agreement with Fiji Rugby Union

During February 2014, the subsidiary company, Vodafone Fiji Limited, has entered into a sponsorship agreement with Fiji Rugby Union.

As per the terms of the agreement, Fiji Rugby Union has granted sponsorship rights in respect to its rugby teams and tournaments on an exclusive basis to the subsidiary company. The subsidiary company has agreed to the acquisition of such sponsorship rights to be solely for the subsidiary company and its Consortium sponsors, which include corporate entities outside the group, for sponsorship in cash and sponsorship in kind for a period of 5 years.

d) Sponsorship agreement with Fiji Football Association

During December 2013, the subsidiary company, Vodafone Fiji Limited, entered into a sponsorship agreement with Fiji Football Association.

As per the terms of the agreement, Fiji Football Association (Association) has granted sponsorship rights in respect to its competitions, the Association and, the district affiliate teams on an exclusive basis to the subsidiary company. The subsidiary company has agreed to the acquisition of such sponsorship rights to be solely for the subsidiary company and its Consortium sponsor for sponsorship in cash and sponsorship in kind for a period of 5 years.

e) Sponsorship agreement with Fiji National Rugby League Limited

During September 2013, the subsidiary company, Vodafone Fiji Limited, entered into a sponsorship agreement with Fiji National Rugby League Limited.

As per the terms of the agreement, Fiji National Rugby League (FNRL) has granted sponsorship rights in respect to its events, the Fiji Bati team, the FNRL and, the district affiliate teams on an exclusive basis to the subsidiary company. The subsidiary company has agreed to the acquisition of such sponsorship rights to be solely for the subsidiary company for sponsorship in cash and sponsorship in kind for a period of 4 years.

f) Consortium Sponsorship Participation Agreement

The subsidiary company, Telecom Fiji Limited, is committed to pay a sum of $174,000 per year for 5 years effective from February 2014 to the Government's Sports Fund for rugby sponsorship under the Consortium Sponsorship Participation Agreement with its fellow subsidiary, Vodafone Fiji Limited.

g) Licence fees

Certain subsidiaries within the group are committed to pay licence fees to the Government of Fiji based on the audited annual gross revenue which arises directly from the provision of services under the respective licence in the preceding year and such annual gross revenue shall be calculated net of settlement with other licences in Fiji.

Certain subsidiaries are also committed to pay Universal Service Levies to the Government of Fiji based on the audited annual gross revenue which arises directly from the provision of services under the respective licence in the current year and such annual gross revenue shall be calculated net of settlements with other licences in Fiji.

h) Operating lease income

The group has leased out its building space under non-cancellable operating leases. The lease has varying terms, escalation clauses and renewal rights. On renewal, the term of the lease is renegotiated. The group also earns rental income from colocations.

Amalgamated Telecom Holdings Limited and Subsidiary Companies
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 33. COMMITMENTS - (CONT'D)

h) Operating lease income - (Cont'd)

Commitments for minimum lease payments in relation to non-cancellable operating leases are receivable as follows:

	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Within one year	1,045	999	-	-
Later than one year but not later than five years	410	204	-	-
Later than five years	33	-	-	-
	1,488	1,203	-	-

NOTE 34. RELATED PARTY DISCLOSURES

a) Parent entity

The parent entity of the holding company is Fiji National Provident Fund, which is an entity incorporated in Fiji.

b) Directors

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

Mr Ajith Kodagoda - Chairman
Mr Arun Narsey
Mr Umarji Musa
Mr Tom Ricketts
Mr Taito Waqa
Mr Isikeli Voceduadua (appointed 22/10/2014)

Directors' remuneration is disclosed under Note 13.

c) Sales of services and interest

The following transactions were carried out with related parties:

By ATH:				
- Interest income from other related entity	299	60	299	60
- Interest income from subsidiary companies	-	-	395	285
- Management fee from subsidiary companies	-	-	-	121

During the year, the group provided telecommunication related services to the ultimate parent entity, Fiji National Provident Fund, Government of Fiji, other Government owned entities, directors and director related entities and to executives. These services were provided at normal commercial rates, terms and conditions.

d) Superannuation

Fiji National Provident Fund	2,635	3,095	26	25

e) Purchases of services

Following is a summary of different purchase transactions the holding company had with the subsidiary companies and the related companies, and the group had with the related companies during the year:

Advertising expense	11	10	-	7
Communications and internet	325	305	11	12
Interest expenses and fees	2,246	3,981	-	183
Operating leases – parent entity	47	47	47	47
Rental	568	606	-	-
Sale of property	-	10,100	-	-
Roaming call revenue	-	761	-	-
Roaming call charges	-	179	-	-
Billing charges	-	525	-	-
Network support charges	-	434	-	-

NOTE 34. RELATED PARTY DISCLOSURES - (CONT'D)

f) Other transactions

	Group		Holding Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Dividends from subsidiary companies	-	-	27,779	22,260
Management fees from subsidiary companies	-	-	-	121

All transactions with related parties are conducted on commercial terms and conditions.

g) Key management compensation

Salaries and other short-term employee benefit	3,894	4,523	163	162

h) Year-end balances arising from sales/purchases of services

Receivables from related parties (Note 23):				
Dividend receivable from subsidiary companies	-	-	27,890	18,060
Subsidiary companies	-	-	2,130	12,524
Ultimate holding entity	467	299	269	269
Other related parties of the group	630	866	-	-
Payables to related parties (Note 29):				
Ultimate holding entity	551	539	6	8
Other related parties of the group	-	215	-	-

i) Loans and advances to / (from) related parties

Advance to other related entity - Amalgamated Telecom Nominees Limited (Note 23)	4,983	4,983	4,983	4,983
Advance from subsidiary company - ATH Technology Park Limited (Note 27)	-	-	(2,050)	(2,056)

Refer Note 23 for terms underlying the advance to other related entity.

j) Borrowings from ultimate parent entity

Term loans - Fiji National Provident Fund (Note 27)	48,464	64,253	6,318	8,029

NOTE 35. SUBSIDIARY COMPANIES

The financial statements of the group incorporate the assets, liabilities and results of the following subsidiary companies. The basis of consolidation is discussed under note 2 (c).

	Immediate parent	Class of shares	Equity holding 2015	Equity holding 2014
Telecom Fiji Limited	ATH	Ordinary	100%	100%
Fiji International Telecommunications Limited	ATH	Ordinary	100%	100%
Vodafone Fiji Limited	ATH	Ordinary	51%	51%
Fiji Directories Limited	ATH	Ordinary	90%	90%
ATH Call Centre Limited (a)	ATH	Ordinary	100%	100%
ATH Technology Park Limited (a)	ATH	Ordinary	100%	100%
Internet Services Fiji Limited (a)	TFL	Ordinary	100%	100%
Transtel Limited (a)	TFL	Ordinary	100%	100%
Xceed Pasifika Limited (a)	TFL	Ordinary	100%	100%
FINTEL Internet Services Limited (b)	FINTEL	Ordinary	-	100%

NOTE 35. SUBSIDIARY COMPANIES - (CONT'D)

All companies are incorporated in Fiji and have the same balance date as the parent entity.

The principal activity of Amalgamated Telecom Nominees Limited (ATN) is to hold the shares of Amalgamated Telecom Holdings Limited for the qualifying employees of the group under Employee Share Option Plan. Accordingly, the financial statements of ATN are not consolidated in the group financial statements. In accordance with the Employee Share Option Plan Trust Deed dated 8 October 2002 and amendments thereto, any surplus balance in the Cash Fund upon liquidation of ATN and after satisfaction of all obligations will be paid to the holding company.

(a) These subsidiary companies were non-operating during the year and were undergoing Members' Voluntary Winding Up as at balance date.

(b) FINTEL Internet Services Limited was struck off during the year on application by the subsidiary company.

NOTE 36. ASSOCIATED ENTITY

Entity	Place of Incorporation	% Owned	Investment Book Value $
Amalgamated Telecom Holdings (PNG) Limited (non-operating entity)	PNG	50%	1

NOTE 37. SEGMENT REPORTING

	Fixed Line Telecom $'000	Mobile Telecom $'000	Other $'000	Elimination $'000	Group $'000
31 March 2015					
Revenue					
External customer	80,179	218,037	12,452	-	310,668
Inter-segment	9,385	3,265	36,385	(49,035)	-
Other income	13,434	2,667	68	-	16,169
Total revenue	102,998	223,969	48,905	(49,035)	326,837
Expenses					
Depreciation and amortisation	23,729	18,360	2,708	(166)	44,631
Finance cost/(income)	1,381	1,362	(2,514)	-	229
Direct and other expenditure	58,366	148,582	9,082	(19,096)	196,934
Total expenses	83,476	168,304	9,276	(19,262)	241,794
Segment profit before tax	19,522	55,665	39,629	(29,773)	85,043
Operating assets	165,535	177,780	304,533	(230,786)	417,062
Operating liabilities	79,675	117,112	37,957	(41,168)	193,576
Other disclosures					
Capital expenditure	4,364	55,547	1,149	(250)	60,810
31 March 2014					
Revenue					
External customer	75,682	187,735	13,882	3,705	281,004
Inter-segment - operating	8,003	7,245	31,472	(46,720)	-
Other income	5,203	2,213	4,335	(5,184)	6,567
Total revenue	88,888	197,193	49,689	(48,199)	287,571
Expenses					
Depreciation and amortisation	28,668	14,910	2,867	-	46,445
Redundancy	700	-	-	-	700
Finance cost/(income)	3,160	1,127	(2,092)	-	2,195
Direct and other expenditure	71,838	132,306	14,257	(24,639)	193,762
Total expenses	104,366	148,343	15,032	(24,639)	243,102

Amalgamated Telecom Holdings Limited and Subsidiary Companies

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 - (CONT'D)

NOTE 37. SEGMENT REPORTING - (CONT'D)

	Fixed Line Telecom $'000	Mobile Telecom $'000	Other $'000	Elimination $'000	Group $'000
Segment profit before tax	(15,478)	48,850	34,657	(23,560)	44,469
Operating assets	170,261	157,672	310,326	(242,041)	396,218
Operating liabilities	101,497	108,894	44,414	(55,424)	199,381
Other disclosures					
Capital expenditure	8,636	14,914	1,086	-	24,636

NOTE 38. SIGNIFICANT EVENTS DURING THE YEAR

During the year:

i) On 1 July 2014, ultimate parent entity, Fiji National Provident Fund (FNPF), acquired 2,490,000 shares (49% shareholding) in Vodafone Fiji Limited from Vodafone International Holdings B.V. Vodafone Group continues to provide propriety services and branding to the company under a Partner Market Agreement.

ii) On 31 March 2015, subsidiary company Telecom Fiji Limited sold the Ganilau house property to its ultimate parent entity, Fiji National Provident Fund, for a consideration of $16,250,000.

iii) On 31 March 2015, the holding company was selected by the Government of the Republic of Kiribati via the State Owned Enterprises Reform Steering Committee as the successful bidder of the sale by auction of the telecommunication business and assets of Telecommunications Services Kiribati Limited.

This acquisition was completed and settled in May 2015 through 100% subsidiary Amalgamated Telecom Holdings Kiribati Limited, a limited liability company incorporated in Kiribati (refer Events Subsequent to Balance Date).

The financial effects of the above events, if any, have been incorporated in the financial statements for the year ended 31 March 2015.

NOTE 39. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to balance date:

i) On 30 April 2015, following the holding company's successful bid of the sale by auction of the telecommunication business and assets of Telecommunications Services Kiribati Limited, a new subsidiary company Amalgamated Telecom Holdings Kiribati Limited (ATHKL) was incorporated in Kiribati to provide telecommunications and ICT services in the Republic of Kiribati.

On 26 May 2015, the holding company and the Government of Kiribati completed all the transactions required of the parties pursuant to the Asset Purchase Agreement dated 31 March 2015 between ATH, the Government of the Republic of Kiribati and Telecom Services Kiribati Limited. This included the acquisition of assets, including leasehold interest, telecommunication equipment, network and towers, and licences, together with certain rights and obligations with the final adjusted consideration payment of AU$7,268,958 to the Government of Kiribati. The transaction was financed through term loan from Westpac Banking Corporation of FJ$15,000,000.

ii) On 29 May 2015, subsidiary company Vodafone Fiji Limited, acquired 100% shareholding (412,345 ordinary shares) in Datec (Fiji) Limited, an ICT company based in Fiji, with business operations predominantly in Fiji and in certain Island countries for a consideration of $3,300,000.

iii) The formalities relating to Members' Voluntary Winding Up of subsidiary companies ATH Technology Park Limited, ATH Call Centre Limited, Transtel Limited and Xceed Pasifika Limited were completed, and these companies are now wound up voluntarily under Members' Voluntary Winding Up.

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 companies in the group, the results of those operations, or the state of affairs of the companies in the group in future financial years.

NOTE 40. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 17 June 2015.

Amalgamated Telecom Holdings Limited and Subsidiary Companies

SOUTH PACIFIC STOCK EXCHANGE - LISTING REQUIREMENTS

1. Statement of interest (direct and indirect) of each director in the share capital of the company as at 31 March 2015:

Directors	Direct Interest (Number of Shares)	Indirect Interest (Number of Shares)
Umarji Musa	5,000	-

2. Shareholding of those persons holding the 20 largest blocks of shares:

Shareholders	No. Of Shares
Fiji National Provident Fund	245,960,597
Government of Fiji	145,932,209
Unit Trust of Fiji	8,930,457
Fijians Trust Fund	5,000,000
Amalgamated Telecom Nominees Limited	4,700,193
Yasana Holdings Limited	3,091,363
FHL Trustees Limited – Fijian Holdings Unit Trust	1,706,180
Kiran Lata Kumar	190,000
Colonial Fiji Life Limited	180,324
Naitasiri Provincial Council	115,410
JP Bayly Trust	111,500
RFMF Army Medical Scheme	100,000
Nakuruvakarua Company Limited	100,000
Gerald William Sydney Barrack	100,000
Lomaiviti Provincial Council	94,340
Rewa Provincial Council	94,300
Hari Punja A & Sons Limited	89,907
Carlisle (Fiji) Limited	89,907
Macuata Provincial Council	76,500
Fijicare Insurance Limited	66,422

3. Distribution of share holding under Section 6.31(v):

Holding	No. of Holders	Total % Holding
Less than 500 shares	22	0.00
500 to 5,000 shares	1,334	0.57
5,001 to 10,000 shares	132	0.26
10,001 to 20,000 shares	37	0.14
20,001 to 30,000 shares	12	0.07
30,001 to 40,000 shares	3	0.03
40,001 to 50,000 shares	12	0.14
50,001 to 100,000 shares	14	0.26
100,001 to 1,000,000 shares	4	0.14
Over 1,000,000 shares	7	98.39
Total	1,577	100%

4. Mr Ajith Kodagoda has waived emolument due to him on his appointment as Chairman of the Board of Directors on 18 August 2010.

5. Disclosure on the trading results of each subsidiary under Section 6.31 (viii):

(Amount in $'000)	Telecom Fiji Limited	Vodafone Fiji Limited	FINTEL	Fiji Directories Limited	ATH Call Centre Limited	ATH Technology Park Limited	Transtel Limited	Xceed Pasifika Limited	Internet Services Fiji Limited
Sales revenue	90,442	220,172	15,030	4,409	-	-	-	-	-
Other Operating revenue (excluding dividends)	12,636	4,101	47	97	1,465	-	-	-	3,615
	103,078	224,273	15,077	4,506	1,465	-	-	-	3,615
Depreciation, amortisation and	23,755	18,360	2,514	186	1,465	-	-	-	-

Amalgamated Telecom Holdings Limited and Subsidiary Companies

SOUTH PACIFIC STOCK EXCHANGE - LISTING REQUIREMENTS - (CONT'D)

5. Disclosure on the trading results of each subsidiary under Section 6.31 (viii): - (Cont'd)

	Telecom Fiji Limited	Vodafone Fiji Limited	FINTEL	Fiji Directories Limited	ATH Call Centre Limited	ATH Technology Park Limited	Transtel Limited	Xceed Pasifika Limited	Internet Services Fiji Limited
Impairment Cost of Sales	24,971	84,003	546	504	-	-	-	-	-
Other expenses	33,428	64,884	5,052	1,753	-	8	-	1	-
Finance cost/ (income) net	1,381	1,362	(304)	(23)	-	-	-	-	-
Income tax expense/(benefit)	1,033	10,786	1,424	421	-	(9)	-	(4)	-
	84,588	179,395	9,232	2,841	-	(1)	-	(3)	-
Net profit after income tax (excluding dividends)	18,490	44,878	5,845	1,665	1,465	1	-	3	3,615
Operating assets	158,505	177,780	43,449	5,600	-	2,049	4,108	2,934	-
Operating liabilities	79,675	117,124	6,640	3,127	-	-	-	-	-
Shareholders' equity	78,830	60,656	36,809	2,473	-	2,049	4,108	2,934	-

6. Share Register

Amalgamated Telecom Holdings Limited, Harbour Front Building, Rodwell Road, Suva, Phone: (679) 3308-700

7. Group Consolidated Ten Years Financial Performance

	For the 12 months ended 31 March 2015 ($'000)	For the 12 months ended 31 March 2014 ($'000)	For the 12 months ended 31 March 2013 ($'000)	For the 12 months ended 31 March 2012 ($'000)	For the 12 months ended 31 March 2011 ($'000)	For the 12 months ended 31 March 2010 ($'000)	For the 12 months ended 31 March 2009 ($'000)	For the 12 months ended 31 March 2008 ($'000)	For the 12 months ended 31 March 2007 ($'000)	For the 12 months ended 31 March 2006 ($'000)
Operating Revenue	310,668	281,004	270,469	249,411	247,068	254,783	284,214	269,597	257,361	237,786
EBIT	**85,272**	**46,664**	**(31,040)**	**51,251**	**36,775**	**32,136**	**72,768**	**88,083**	**71,570**	**70,416**
EBITDA	129,903	93,109	26,171	108,603	94,023	80,500	116,830	130,735	125,523	122,825
Net Earnings	**49,812**	**14,469**	**(15,905)**	**18,362**	**4,142**	**15,382**	**33,144**	**46,149**	**41,276**	**34,932**
Earnings per Share	11.8 cents	3.4 cents	4.0 cents	4.0 cents	1.0 cents	3.6 cents	7.9 cents	10.9 cents	9.8 cents	8.3 cents
Return on Equity	**25.7%**	**8.4%**	**(9.3%)**	**8.9%**	**2.1%**	**7.2%**	**15.2%**	**21.4%**	**19.9%**	**17.9%**
Total Assets	417,105	396,813	444,481	518,839	504,054	508,137	502,410	415,554	424,619	424,173
Return on Assets	**22.7%**	**10.7%**	**(5.6%)**	**8.9%**	**5.2%**	**7.4%**	**18.3%**	**26.3%**	**22.4%**	**25.2%**
Current Ratio	0.82 times	0.86 times	0.84 times	0.77 times	0.46 times	0.50 times	0.68 times	0.58 times	0.67 times	1.10 times
Net Debt	**22,394**	**46,606**	**63,781**	**85,098**	**102,493**	**87,883**	**69,204**	**12,120**	**23,579**	**25,003**
Gearing	9%	19.0%	23.0%	24.0%	30.0%	26.3%	22.3%	4.9%	9.6%	12.1%
Interest cover	**28.9 times**	**9.9 times**	**(8.6) times**	**6.2 times**	**5.1 times**	**4.4 times**	*****	*****	*****	*****
Net Cash Flow from Operating Activities	116,340	94,252	92,739	78,949	76,082	72,340	62,201	94,196	119,786	99,483
Capital Expenditure	**60,810**	**24,636**	**52,429**	**27,699**	**73,376**	**63,920**	**69,489**	**53,184**	**82,311**	**34,292**
Dividend per Share	$0.07	$0.05	$0.05	$0.03	$0.03	$0.05	$0.08	$0.09	$0.06	$0.06
Net Tangible Asset per Share	**$0.41**	**$0.35**	**$0.35**	**$0.44**	**$0.51**	**$0.58**	**$0.57**	**$0.56**	**$0.53**	**$0.49**
Market Price per Share	$1.01	$0.80	$0.84	$0.75	$0.89	$1.00	$1.16	$0.91	$0.84	$1.00
Maximum Market Price per Share	**$1.01**	**$0.86**	**$0.89**	**$0.89**	**$1.01**	*****	*****	*****	*****	*****
Minimum Market Price per Share	$0.77	$0.60	$0.70	$0.65	$0.88	*	*	*	*	*
Price Earnings Ratio	**8.6 times**	**23.5 times**	**(21.0) times**	**18.8 times**	**89 times**	**27.8 times**	**14.7 times**	**8.3 times**	**8.6 times**	**12.0 times**
Dividend Yield	6.9%	6.3%	5.4%	4.0%	3.4%	5%	6.9%	9.9%	7.1%	6.0%

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COMMUNICATIONS HAVE NEVER BEEN IN BETTER HANDS

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