ATH Group of Companies

2021 ANNUAL REPORT

Group of Companies

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

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

Values
ATH's values are:

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

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

Innovation
Being at the forefront of product service and service offerings.

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

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

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

Contents

Chairperson's Report

On behalf of the Board of Directors, I am pleased to present the Annual Report of the ATH Group for the financial year ended 31 March 2021.

COVID-19 continues, during the financial year, to have a significant adverse effect on many economies and the impacts have overwhelmed health systems, devastated lives and livelihoods. It is a health crisis of the kind not witnessed in generations. My heart goes out to all who have suffered the loss of loved ones. Given the scientific progress we have made over the past year, I am confident we will eventually get the pandemic under control. Until then, I urge you to stay safe and follow COVID-19 discipline.

Financial year 2021 was a year of paradoxes for the telecommunication industry. While the macro-economic environment and Government restrictions posed several challenges to our operations, the global movement towards accelerated digitisation, with increased spending on telecommunications and technology, provides a strong tailwind to propel our business in the coming years.

The pandemic has made it clear that a robust telecommunications infrastructure is an essential service for delivering connectivity to people, homes, offices, and Government, and which keeps our lives going on in as normal a way as possible. While it was always known that digitisation, and a highly connected world, were the way forward, COVID-19 accelerated this transformation and increased demand for reliable high bandwidth services. To deliver these high bandwidth services, telecommunication and internet service providers need to make capital investments in optical transmission and fiber broadband access equipment, which is the focus area of our Group and very much aligned to the Group's investment strategy.

Unfortunately, inclement weather also impacted business operations, whereby Fiji was hit by three cyclones during this financial year, the busiest trading period for the Group was severely impacted with Category 5 Tropical Cyclone Yasa making landfall on the Fiji Group on 22 December 2020. The natural disasters and tropical cyclones experienced by the community during the latter part of the financial year impacted purchasing patterns and the intentions of the public, creating more challenging and competitive environment for the ATH Group.

The Group proved more than equal to the task in a turbulent year, marked more by events of disruptions in numerous macroeconomics fronts, that tested the resilience of the Group throughout the year.

It was a challenging year for the ATH Group. The pandemic, together with the adverse weather conditions in the current financial year, resulted in muted consumer demand, along with disruptions in production, supply chain and retail networks. The ATH Group is charting out a disciplined path towards a robust and resilient future. Accordingly, the Group's key focus areas were securing the safety of our people; the viability of the ecosystem; and securing the health of the business through a laser focus on cash flows. This assisted the Group to navigate the crisis well.

Our conservative risk approach and strategies implemented throughout the year, allowed us to achieve a revenue of $579.77 million (2020: $675.95 million). The Group achieved a profit before tax of $54.74 million (2020: $70.42 million) and earnings per share was 3.26 cents compared to 3.38 cents per share last year.

Appointments

I am very pleased to announce the appointments of Mr Viliame Baleitavua Vodonaivalu, Mr Pravinesh Kumar Singh and Ms Tupou'tuah Latianatoba Baravilala to the ATH Board as Directors effective from 16 December 2020.

Mr Vodonaivalu is currently the Chief Executive Officer of FNPF and he was also the incumbent Chief Investment Officer (CIO). He holds a Masters in Applied Finance from the University of Melbourne, a Post Graduate Diploma in Accounting and Finance from Victoria University, and a Bachelor of Arts Majoring in Accounting and Information Systems from the University of the South Pacific.

Mr Singh is the Chief Operating Officer (COO) of FNPF. Prior to taking up the COO role, he was the Chief Financial Officer (CFO), a position he held since 2009. He holds a Bachelor of Arts in Accounting, Financial Management and Economics from the University of the South Pacific. He is the current President of the Fiji Institute of Accountants.

Ms Baravilala is the Acting Permanent Secretary for Communications. She is also the Director-General for Digital Government Transformation, Cybersecurity and Communication and is passionate about digital transformation with a focus on digital equity and inclusion. As Fiji's Director-General for Digital Government Transformation, Cybersecurity and Communications, Ms Baravilala is helping bridge the digital divide through an ambitious effort to digitise the Fijian Government's operations and services. She served as a Principal Legal Officer with the Office of the Solicitor-General prior to joining the Ministry of Communications.

Chairperson's Report (Cont'd)

I take this opportunity to sincerely thank the outgoing Directors for providing consistent and thoughtful guidance through several transactions and bringing oversight and perspective to the organisation during their tenure on the Board. The Group is appreciative for their insights, ideas, dedication and advocacy for ATH during their time on the Board.

Mr Justin Tuiasosopo was appointed as the Chief Executive Officer (CEO) and Company Secretary of AST Telecom, LLC on 15 January 2021, replacing Mr Raj Deo. Mr Tuiasosopo is an accomplished professional, who maintains a track record of proven academic excellence, earning his MBA in Accounting from Chaminade University, Hawaii. His professional experience comprises of senior financial leadership positions at Enterprise Holdings, overseeing the Sacramento and Orange Country regions in California, before joining Bluesky upon his return to American Samoa.

Consolidation and Restructure Outlook

We will continue to look at opportunities for the region that are accretive to the Group's earnings and contributive to long term value for our shareholders, all as part of ATH's strategy of consolidation and investment. Wherever they exist, we will explore, and, if fits our plan, we will pursue how best to participate in these markets.

There are obvious key markets that ATH is keen to participate in. In view of opportunities presenting themselves, ATH will take a measured approach in considering opportunities as they arise, to ensure the greatest chances of success. In regional investments, in addition to the financial and strategic merits of an acquisition or other investments, ATH primarily looks for key strategic local partners who will not only assist drive business, but also provide guidance on the ground. In that way, our partners play a crucial role in ensuring that we are attuned to the local and cultural contexts of the diverse markets we participate in. Such an approach for ATH reflects true regional co-operation and goodwill, as each local operation also gets to benefit from the success of the business.

This year we also continue restructure efforts across the ATH Group. This has been on-going and looks certain to continue, to reflect the evolvement of products and services in the market. We continue to explore all avenues for improvement, including the on-going consolidation of Group companies, to improve performance and deliver portfolio optimisation.

Changes in technology will always drive the structure and operations of the Group. We will, therefore, always review the need to constantly adapt and ensure that the Group is aligned with the latest technology and tuned to the needs of the customers and markets we serve. As we survey the state of technology development, new wireless broadband technologies are on the horizon and will support increased broadband capacity with low latency services, to enable Internet of Things and many other new innovations to be widely deployed. This in turn is promising as it will drive demand for more optical fiber deployments, data centres, international cable connectivity and infrastructure investments, to adequately provide consumers' the services they want.

Acknowledgement

Overall, it is undisputable that the 2021 financial year is an unforgettable year for all of you, as shareholders, and, for us as the Board, where we had to undergo various challenges to secure the business. This, however, would not have been possible without a well-versed and committed Board of Directors and key management personnel.

Finally, I would like to commend the shareholders, our valuable customers, and management of the ATH Group for their commitment and contribution towards the business. We look forward, as a team, to exceed expectations in the coming years.

Kalpana Kushla Lal
Chairperson

Chief Executive Officer's Report

It goes without saying that these are extraordinary times, as we are two years down the road in a pandemic, that has impacted everyone. We are extremely grateful to our employees, business partners and customers, who showed tremendous commitment and resolve, ensuring that our business continued smoothly, and that we could deliver essential services, without significant interruptions. I sincerely appreciate their efforts and am grateful for their support, as we continue to deliver on our commitment to all stakeholders, despite these challenging times.

The global COVID-19 pandemic is a significant health crisis from which recovery now appears a longer-term process, requiring governments and companies to take extraordinary actions, to support their citizens and stakeholders across twin dimensions of health and economic recovery. It is testing companies' abilities to simultaneously serve their employees, clients, shareholders and communities, while grappling with the profound challenges created by the virus.

ATH expresses its sincere gratitude for shareholders who participated in the recent Rights Issue, which was extended from the original closing date of 18 June 2020, total applications for 56 million shares were received. Despite the extenuating circumstances, the support by shareholders and investors was truly heartening. The success of the Rights Issue, viewed in the context of the prolonged nationwide lockdown necessitated by the COVID-19 pandemic, is a strong vote of confidence, by both domestic investors, foreign investors and retail shareholders. This capital raise has enabled ATH to strengthen its balance sheet and accelerate its post COVID-19 plans and fully fund its earmarked portion of equity in the PNG Project.

Financial Results

These are, for sure, some of the most challenging times in ATH Group's history. However, the Group, with its positive vision and resilient spirit, worked on overcoming the challenges it was confronted with, and achieved a positive result for the year.

The impact of COVID-19, compounded by the disruptions caused by the tropical cyclones during the financial year, had a negative impact on the economy and society, and the ATH Group's business development was no exception.

Operating revenue of the Group, for the financial year ended 31 March 2021, was $580 million, representing a decline of 14.11%, compared to the same period last year. With its stringent cost management, direct costs reduced by 15.44%, compared to the same period last year. The effect of these measures improved the gross profit margin from 62.9% in the financial year 2020, to 63.4% in the current financial year.

The Group EBITDA amounted to $171.5 million, representing a decline of 22%, compared to the same period last year.

Net financing cost decreased to $5 million, from $33 million, mainly due to the weakening of USD against the Fijian dollar during the year.

The Group's net profit before tax amounted to $54.7 million, representing a decline of 22% over the same period last year.

Consolidated profit after income tax, attributed to the members of the holding Company for the financial year, was $14.6 million compared to $14.3 million last year.

Despite the subdued operating environment and investment pressure, the Group continues to maintain a healthy cash flow, driven by stable growth in its business operations, disciplined cost controls, and the continuing realisation of economies of scale available within the Group companies, due to the regional expansion.

The Group will continue to uphold prudent financial policies, and strictly monitor and control financial risks, to maintain healthy cash flow generation capabilities, as well as value preservation and enhancement capabilities. Going forward, the Group will focus on realignment of its capital structure, and reinforce and develop favourable economic benefits, in order to continuously create value for its shareholders.

Notwithstanding the current challenges, the Group will continue its efforts to grow shareholder value, by increasing its expansion in the region, with immediate focus on the Papua New Guinea (PNG) broadband network construction, where successful delivery of services into a market of 9 million population, will be a great milestone for the Group.

Chief Executive Officer's Report (Cont'd)

The greenfield network rollout project in PNG is nearing readiness for commercial launch, with the construction of a number of cell tower sites, and completion of modern data centres now hosting the Next Generation Core Network systems.

Business Development

While the current global crisis has had a short-term adverse impact on our businesses, the macro drivers remain robust, for the reason that telecommunications remain the critical underlying infrastructure that will be required to enable rapid digitisation of businesses, e-commerce, digital payments and flexible working arrangements, as essential elements of the road to recovery for the economy as a whole.

With no end in sight to the continued growth in consumption of broadband, the Group continues to build fiber infrastructure to homes, as well as deliver multi-gigabit speeds, to connect cell towers, to support telecommunication service providers, in upgrading the capacity and reach of their access, as well as backbone networks.

Outlook

At present, the digital transformation of our national economy and society is accelerating, driven by the need to employ digital technologies, to reinforce the foundations of economies as an important part of the recovery efforts. The communications industry is now well placed to play a leading role here, and will surely look to capitalise on opportunities, that will present themselves

The ATH Group continues completing the projects that are underway, and, subsequently, working on realising the potential synergies and efficiencies that are evident and available from a Group perspective. While achieving these synergies, and expanding our regional footprint, we will also ensure that our customers receive the best experience from us, regardless of whether they are in Fiji, or in any other market, where the ATH Group is currently operating.

Acknowledgement

I would like to extend my sincere appreciation to the Board of Directors for their continued guidance and support. I also wish to thank all stakeholders, including our shareholders, customers for their continued faith in the Company, and standing by the ATH Group, especially during these challenging times. Special gratitude is extended to the management and employees of the Group, for their tireless efforts, and the great sacrifices made, to ensure delivery of the results of the Group. I am confidently optimistic about the opportunities that lie ahead of us. I look forward to taking the ATH Group to greater pinnacles, and achieving many more successes, in the years to come.

Ivan Fong
Chief Executive Officer and Company Secretary

Board of Directors

Kalpana Kushla Lal
Chairperson

Viliame
Baleitavua Vodonaivalu
Director

Tupou'tuah
Latianatoba Baravilala
Director

Pravinesh Kumar Singh
Director

Taito Roba Waqa
Director

David Kolitagane
Director

Umarji Musa
Director

Ivan Fong
**Chief Executive Officer
and Company Secretary**

Company Profile

Establishment and Ownership

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

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

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

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

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

A Rights Issue offer was approved by the shareholders at the ATH Annual General Meeting on 6 November 2021. Consequently, FNPF increased its shareholding from 72.3% to 73.22%, while Government's shareholding moved from 17.3% to 16.29%.

As at 31 March 2021, the remaining 10.49% belongs to 1,466 shareholders and individuals.

The Company

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

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

Group Structure

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

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

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

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

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

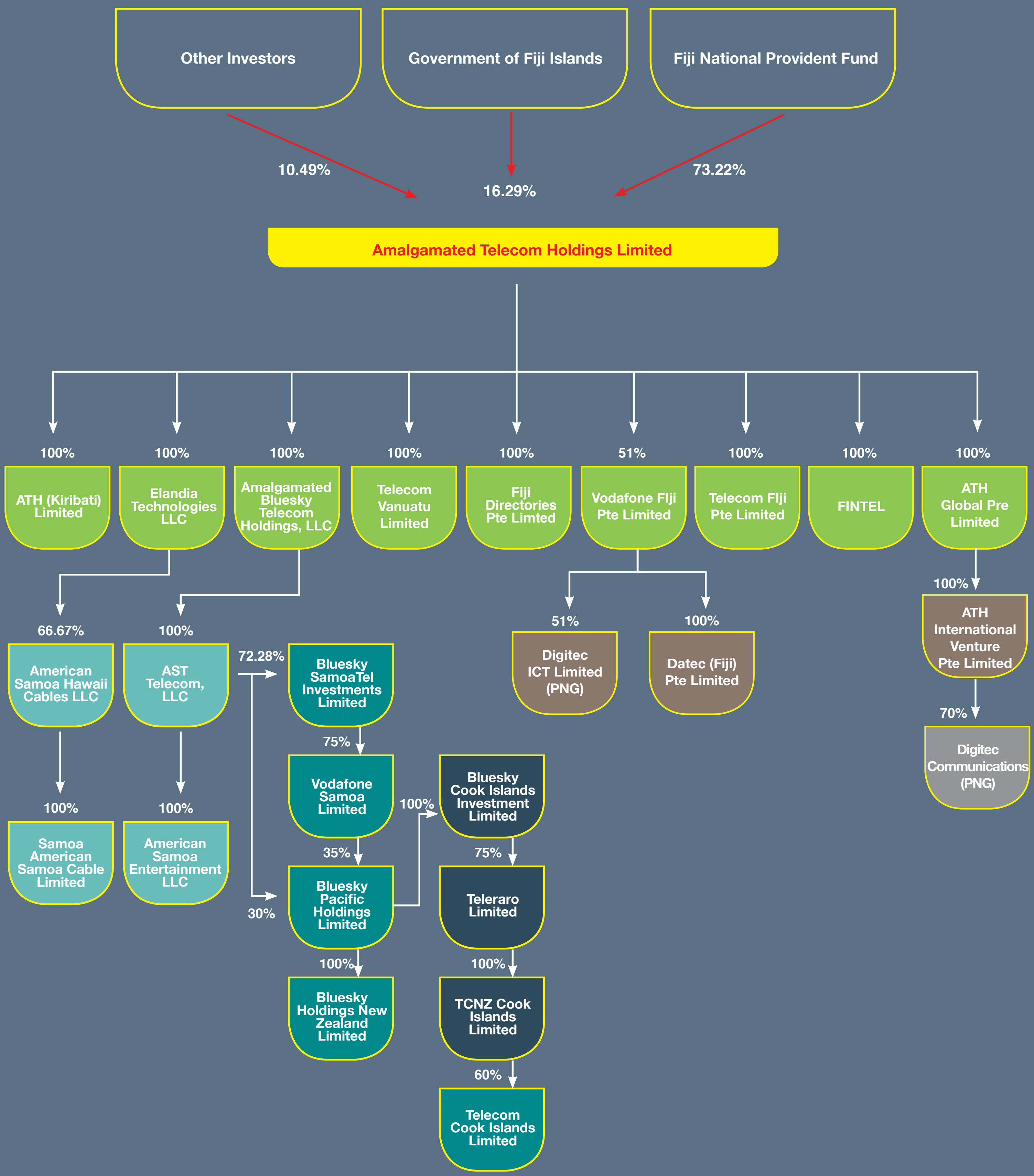
ATH acquired substantially all the assets of Telecommunications Services Kiribati Limited (TSKL) on 26 May 2015 and incorporated a new company, Amalgamated Telecom Holdings (Kiribati) Limited (ATHKL), now trading as Vodafone Kiribati Limited, to hold and operate the assets and provide telecommunication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

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

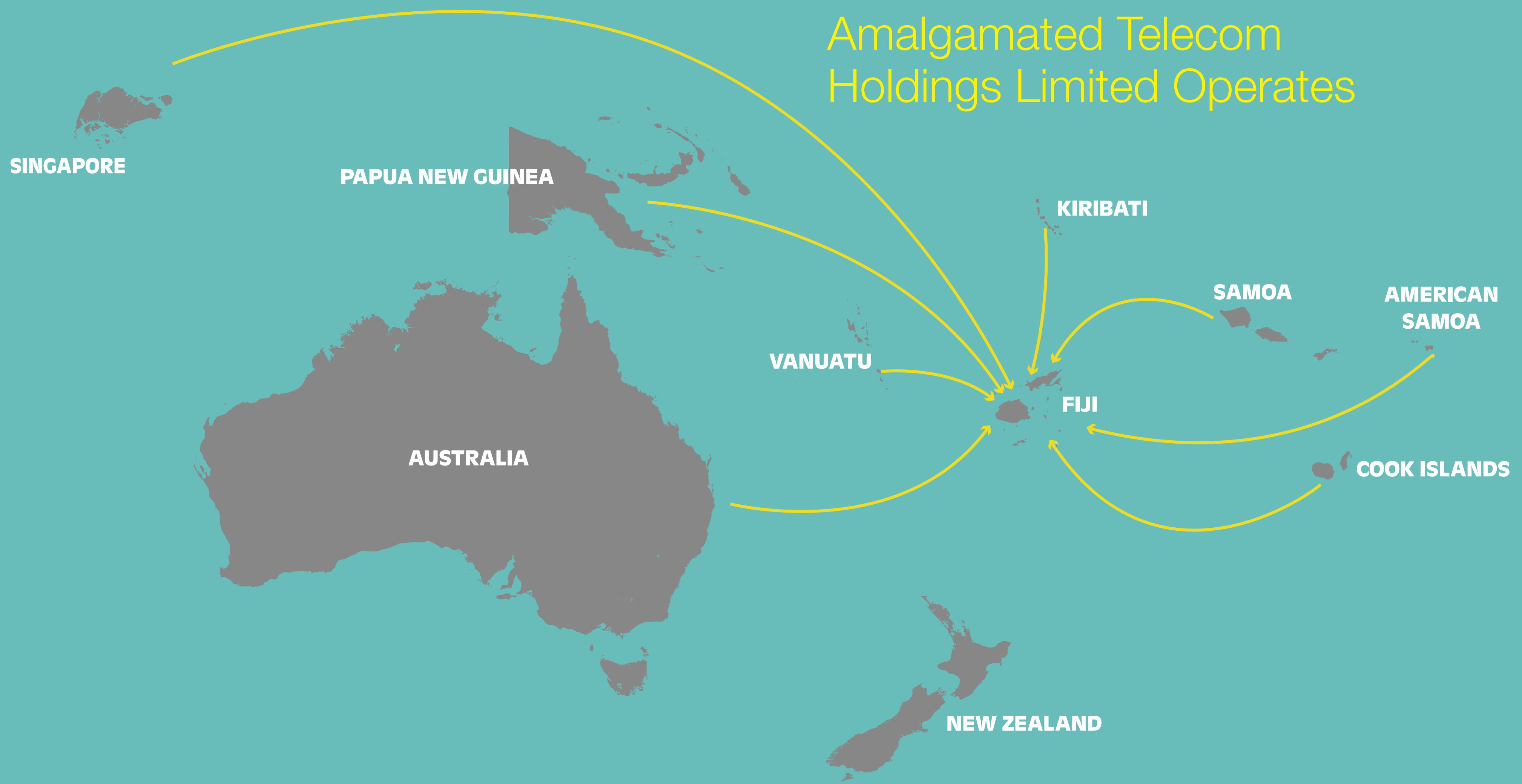
ATH completed its transaction with Amper SA to acquire its interests in the Bluesky Group on 22 February 2019. The Bluesky Group consists of key telecommunication operators and submarine cables in the telecommunications industry in Samoa, Cook Islands and the Territory of American Samoa. The Bluesky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

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

ATH Group Structure



Countries in which Amalgamated Telecom Holdings Limited Operates



Corporate Governance

ATH provides the following corporate governance statement for the year ended 31 March 2021 in accordance with the Reserve Bank of Fiji's Corporate Governance Code.

Principle 1: Establishing Clear Responsibilities for Board Oversight

Separation of Duties

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

Board Charter

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

Principle 2: Constitute an Effective Board

Board Composition

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

Ms Tupou"tuah Baravilala, Messrs Viliame Baleitavua Vodonaivalu and Pravinesh Kumar Singh were appointed as Directors on 16 December 2020.

The Directors in office on 31 March 2021 were:

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

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

The Company announced the appointment of Ms Kalpana Kushla Lal as the Chairperson of the Board on 18 March 2021.

The Board met seven times during the financial year ended 31 March 2021. Attendance was as follows:

Name	Board	
	Number of meetings	
	Attended	Held
Ms Kalpana K Lal	7	7
Mr Taito R Waqa	7	7
Mr Viliame B Vodonaivalu	2	2
Mr Pravinesh K Singh	2	2
Mr Umarji Musa	7	7
Mr David Kolitagane	5	7
Ms Tupou'tuah L Baravilala	2	2

Gender Diversity

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

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

Board Evaluation

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

Directors Training

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

Board Sub-Committees

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

The Audit, Finance and Risk Committee is responsible for finance matters, for monitoring and recommending to the

Corporate Governance (Cont'd)

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

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

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

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

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

Board Sub-Committee meetings and attendance during the financial year ended 31 March 2021 were as follows:

Name	Audit, Finance and Risk Committee		Human Resources Committee		Nominations Committee	
	Number of Meetings		Number of Meetings		Number of Meetings	
	Attended	Held	Attended	Held	Attended	Held
Ms Kalpana K Lal	2	2			1	1
Mr Taito R Waqa			14	14	1	1
Mr Viliame B Vodonaivalu	1	1				
Mr Pravinesh K Singh	1	1				
Mr Umarji Musa	3	3	14	14	1	1
Mr David Kolitagane					1	1

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

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

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

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

Payment to Directors and Senior Management

A total fee of $210,000 was paid to Directors for their service during the year in accordance with the shareholders resolution at the 22nd Annual General Meeting. The Company also met other expenses, mainly for travel and accommodation, which were incurred during the course of their duties for ATH. ATH Directors were also covered under a Directors and Officers Insurance Policy and a Personal Accident Insurance Policy. Payment to senior management is disclosed in the annual report under Key Management Personnel Compensation.

Continuous Disclosure

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

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

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

Principle 7: Register of Interests

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

Principle 8: Respect the Rights of Shareholders

Communication with Shareholders

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

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

Website

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

Grievance Redressal Mechanism

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

Shareholders Complaints

No complaints were received from shareholders during the year.

Corporate Sustainability

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

Principle 9: Accountability and Audit

Internal Audit, External Audit and Rotation of Auditor

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

Audit, Finance and Risk Committee

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

Principle 10: Risk Management

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

Whistle Blower Policy

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

Vodafone Fiji Pte Limited

Overview

The 2021 financial year has been very challenging due to the economic impact of the COVID-19 pandemic globally and on the domestic economy. The year-long impact due to constant lockdowns, travel restrictions, reduced operating hours, and supply logistical issues have had far reaching impacts on businesses and the public. As a result, many businesses have scaled down operations significantly as a matter of survival.

To continue operating in a challenging economic environment, businesses have had to evolve and adapt to new protocols of doing business. The changing market dynamics have forced businesses to reinvent, restrategise and conform to what has been called “the new normal’ to remain relevant and accessible to their customers. This in turn has resulted in major modifications in terms of how individuals live, work and communicate with each other. The digital channels have become far more important than ever before. The demand for access to information and entertainment have also been redefined with more people now streaming content from different platforms for their infotainment needs and carrying out business meetings and work collaborations via video conferencing platforms.

Most businesses have adapted to the new normal, and the new business environment has bolstered opportunities, especially in the Micro-SME sector. Overall, business demand for mobile services has remained strong relative to the situation, enabling safe and secure access to voice and data services.

Vodafone Fiji’s significant investment in the data network over the past few years has positioned it well to meet the unprecedented high consumer demand for network bandwidth due to a surge in data traffic. COVID-19 restrictions forced many employees to work from home whilst children had to take online classes to continue their education. The Company was able to provide its customers with various work from home solutions and also enabled many businesses to operate from anywhere, at any time, through the digital platform. This has opened up new business opportunities as more businesses realised the importance of digital channels to keep their business operational. Together with this, we expanded our ICT product portfolio with SD WAN services, cloud-based IaaS, PaaS and SaaS offerings, security solutions and managed services.

The Company’s new brand positioning “Together we can” was launched in Fiji concurrently with Vodafone global. It was a timely repositioning of the brand that resonated well against the backdrop of the COVID-19 global pandemic with the message that a collective effort of everyone working together, humanity and technology can discover solutions to any problem, to create a better future for all.

Our Infrastructure

Fiji needed strong, adaptable technology infrastructure to continue to power businesses, communities and people in a challenging environment. Vodafone Fiji led the way once more in providing reliable, secure and efficient network connectivity to Fijians to keep the businesses and economy going. It continued with its network enhancements and rollout of new 4G+ sites to increase cell density as well as implementing a range of advanced technological solutions in radio and core networks to improve network performance. Capacity expansions on the back-end core networks and modernisation of the billing platforms now offer greater flexibility and efficiency in delivering more tailored solution to customers.

As the dependency on technology in everyday life and business becomes increasingly important, organisations and individuals look to Vodafone Fiji for a robust, reliable and technologically superior infrastructure, to guide them through their transitional journey, into a digital world. In addition to the $200 million capital programme completed recently, Vodafone Fiji has successfully brought forward another $37 million investment in modernising its network by upgrading its high performing base stations to support 4G+ technology as well as commissioning additional new base stations through the infrastructure sharing arrangements with another service provider. The completion of these upgrades has enabled Vodafone Fiji to deliver greater digital connectivity to ordinary Fijians whilst providing access to digital platform for rural industries such as agriculture, tourism and transport.

Vodafone Fiji continues to maintain its status as the premier ICT provider in the country, deploying innovative digital solutions, enabling businesses to evolve and transition to a digital economy. The Company has ensured that businesses and individuals continue to operate as normally as possible via the provision of an e-commerce platform integrated with mobile payment solution. It enables third party vendors to trade online via its Vitikart platform. The M-PAiSA mobile wallet also established as a reliable, safe and highly accessible mode of contact-less and cashless payment positioning itself ahead of the curve in delivering the next generation of cashless services and payment systems in Fiji.

In addition to providing a robust network and supporting platforms, the business has successfully deployed Cloud and Analytics platform by Oracle - a globally reputable vendor that helps businesses make improved, well-informed and real time decisions to increase their revenue potential and keep ahead of competition.

Our People

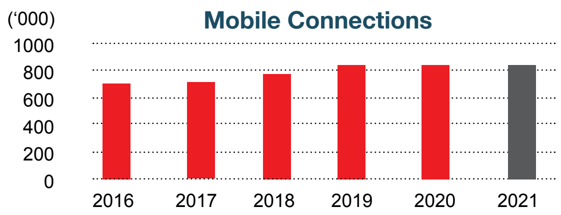
At Vodafone Fiji, our people are our key drivers of excellence. A group of dynamic and empowered individuals who are integral to our current and future success. The spirit of our people and their collective passion and drive defines Vodafone Fiji and makes it a great place to work. Our shared behaviour and beliefs help make Vodafone Fiji a positive and inclusive place of work. Even during the current crisis, we continue to invest heavily in our people through education, training and development to keep them abreast with industry trends. More than 60% of our people are Post Graduate and Masters certified professionals.

The Company promotes equal opportunity and women empowerment grooming more females to take up more leadership and management roles in the organisation. Our people have the freedom and opportunity to be innovation pioneers by adopting the latest technology in a bid to create a future we want and in turn enriching the lives of our customers. Vodafone Fiji places great importance in establishing a working environment that attracts, develops and retains the best talent.

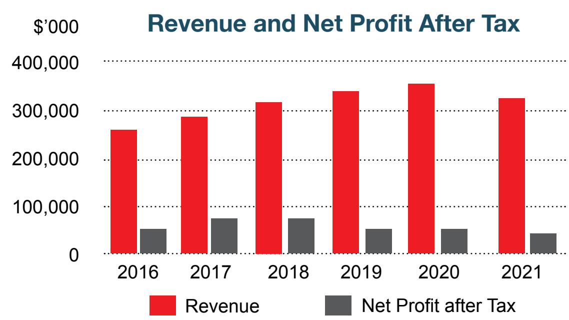
Financial Highlights

Taking into consideration the challenges presented during the year, Vodafone Fiji and its subsidiaries acted swiftly to restrategise and reduce all non-essential expenditure across the business, to ensure that the business remained on a sound financial footing. Savings were redirected to new and emerging opportunities, to ensure the business remained agile and flexible, to capitalise on new revenue opportunities. Whilst the impact on the business performance has been significant, Vodafone Fiji recorded only a slight decline in net subscribers from 833,000 the previous year, down to 828,000, due to sustained focus on customer retention through better value propositions.

In April 2021, Vodafone Fiji also expanded its ICT group of companies portfolio, purchasing shares in Digitec ICT group of companies; now owning 51% in these companies. This is in addition to the 100% ownership of Datec Fiji Pte Limited. The Company, during the year, received a total dividend of $3.8 million from its ICT investments.



The Group consolidated revenue decreased by 6% from the previous financial year to $330 million as the various group companies continue to operate in a challenging economic environment. Compounding the pressures of the revenue lines were an increase in the regulated fiber lease line rentals. While the telecommunication revenue continues to come under pressure, the diversification in product portfolio into m-commerce and into management services to the ATH Group of Companies, has ensured that there continues to be consistent returns to the shareholders.



Looking Ahead

We remain committed and continue our investments in innovative technology that positions the Company for future growth whilst constantly evaluating existing product portfolio. Customer retention and new technology implementations such as Cloud Analytics, Autonomous Solutions, Chatbots, Integration Cloud and various other Security and Data Protection Solutions remain the focus in the short to medium term. The accelerated pace of adoption of digital platforms by businesses as it reaches out to the new and growing segment of online shoppers created new opportunities in e-commerce and digital financial services. The Company is well positioned to capitalise on these opportunities with its Vitikart e-commerce platform, digital wallet and payment gateway solutions that have seen significant uptake this year. The use of IoT and M2M solutions have, and will continue to be instrumental, in enabling cashless transactions, remote device management, tracking and monitoring capabilities. Our strategy is to maintain our position as technology leaders in Fiji and the region. We have forged strong partnerships and built alliances with strategic technology partners. We believe our unique footprint and expansion into the wider Pacific and extensive partnership relationships, will provide us with a unique and competitive advantage in driving our Digital Transformation agenda.

Corporate Governance

Vodafone Fiji is committed to meeting high standards of corporate governance, which it considers critical to business integrity, maintaining investors' trust, long term performance and sustainability. Hence, it provides the following corporate governance statement for the year ended 31 March 2021.

Principle 1: Establishing Clear Responsibilities to Board Oversight

Separation of Duties

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

Principle 2: Constitute an Effective Board

Board Composition

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

The Directors in office on 31 March 2021 were as follows:

Name	Title	Date of Appointment
Ms Kalpana K Lal	Chairperson	05.02.2021
Mr Andrew Fairgray	Director	20.04.2015
Mr Russell Hewitt	Director	15.07.2009
Mr Robin Yarrow	Director	09.09.2009
Mr Isikeli Tikoduadua	Director	09.09.2009
Mr Sanjay L Kaba	Director	17.03.2021

Mr Ajith Upendra Kodagoda resigned as the Board Chairperson on 17.12.2020 and Ms Kalpana Kushla Lal was appointed as the new Chairperson effective from 05.02.2021.

The Board met five (5) times during the financial year ended 31 March 2021. Attendance was as follows:

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Ajith U Kodagoda	3	4
Mr Andrew Fairgray	5	5
Mr Russell Hewitt	5	5
Mr Robin Yarrow	5	5
Mr Isikeli Tikoduadua	5	5
Ms Kalpana K Lal	5	5
Mr Sanjay L Kaba	-	-

Gender Diversity

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

Directors Training

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

Board Sub-Committees

The Board has formally constituted two (2) committees; namely the Remuneration Committee (REMCO) and the Audit and Risk Committee.

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

The Remuneration Committee comprised of two (2) Independent Non-Executive Directors as at the end of the financial year. Mr Russell Hewitt was appointed the new Chairperson of the Remuneration Committee following the resignation of Mr Ajith Upendra Kodagoda as the former Chairperson and Ms Kalpana Kushla Lal, also joined the Committee as a Director. REMCO consists of Mr Russell Hewitt - Chairperson, Ms Kalpana Kushla Lal - Director. REMCO meetings and attendance during the financial year ended 31 March 2021 were as follows:

Name	Remuneration Committee	
	Number of Meetings	
	Attended	Held
Mr Ajith U Kodagoda	3	3
Mr Russell Hewitt	4	4
Ms Kalpana K Lal	1	1

On the other hand, the Audit and Risk Committee was established at the Company's 101st Board meeting held on 19 November 2020. The Audit and Risk Committee is responsible for maintaining oversight and ensuring the integrity of the Company's governance, internal and external audit, financial controls, monitoring and recommending to the Board the Company's financial plans and strategies which are consistent with the business strategies of the Company, recommending to the Board the Company's financial policies, assessing risks and proposing risk mitigation measures accordingly.

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

The Committee, as at the end of the financial year, comprised of two Independent Non-Executive Directors, namely Ms Kalpana Kushla Lal - Chairperson and Mr Andrew Fairgray - Director.

There were no Audit and Risk Committee meetings held during the financial year as the first meeting of the Committee was held in April 2021.

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

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

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

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

Payment to Directors

The total Directors fees incurred during the year was $104,000. Vodafone Fiji Directors are also covered under a Directors' and Officers' Insurance Policy. The payment to senior management is disclosed in the Financial Statements under Key Management Personnel Compensation.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

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

Principle 7: Register of Interests

Conflict of Interest

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

Principle 8: Respect the Rights of Shareholders Rights

Communication With Shareholders

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

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

Website

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

Corporate Social Sustainability

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

Principle 9: Accountability and Audit

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

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

Principle 10: Risk Management Policy

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

Corporate Social Responsibility

Community and Staff Involvement

Vodafone Fiji has been at the forefront of corporate philanthropy in the country giving back to the community in ways that make real difference to people's lives. Its corporate social contributions impact different levels of society through the activities of Vodafone Fiji as a business entity and also through its charitable arm - Vodafone ATH Fiji Foundation (the Foundation).

The Foundation has continued with its commitment to assisting vulnerable communities through its mobile for social good programmes through the goodwill and generous contributions of its staff who donate their skills and personal time to deliver technology solutions for the benefit of the community. Employees are also encouraged to participate in projects, particularly amongst the vulnerable communities, to steer them out of the cycle of social ills. The Foundation's sustainable funding and employee engagement supported 13 charities during the year with various community projects. Vodafone Fiji's highly impactful World of Difference and Mobile for Good expended a total of $154,883 to 14 charities that tapped into the special skills and expertise of persons who wish to donate their time for social good community projects.

With the COVID-19 pandemic taking a devastating toll on Fiji's economy, that resulted in many people losing their jobs and livelihood, Vodafone Fiji stepped in to provide three months of free data, SMS and calls to its entire subscriber base as part of its initial COVID-19 relief assistance. The Company also assisted with free calls and data to those affected by Tropical Cyclone Yasa (TC Yasa) so that families could contact their loved ones and first responders for assistance.

In an act of solidarity, and standing up for the people of the Vanua Levu who were affected by Category 5 TC Yasa, Vodafone Fiji activated its "Vodafone Red Alert TC Yasa Relief" initiative, under which 500 cartons of essential food items, basic tools and tarpaulins worth over $100,000, was personally distributed to families by Vodafone Fiji's team led by its Regional Chief Executive Officer.

In addition, Vodafone Fiji pledged $300,000 in cash assistance to help repair and rebuild schools in the Northern Division that were damaged by TC Yasa recognising the importance of children being in school to continue their intellectual and personal development.

Women Empowerment

Acknowledging and honouring diversity has been essential in maximising and capitalising on the different skills of our people. We continue to pursue equality of opportunity and inclusion for all employees through our employment policies where everyone feels respected and valued. At Vodafone Fiji, we endeavour to raise the profile of female role models and celebrate women's achievements, with visible support from our executive management, as we celebrated and recognised the contribution and achievement of our various female employees through a social media campaign leading up to the International Women's Day with an apt theme #ChooseToChallenge.

Vodafone Fiji continues to empower women through the power of technology, driving huge societal shifts by connecting hundreds of women in Fiji, to a better future through greater financial inclusion via its M-PAiSA platform, provision of health care, education, economic opportunity and independent communication. This transferal, in itself, is progress that we all can be proud of.

Commitment to Environment

Our key obligation is to ensure we distribute a dependable network, offer valued products and an exceptional customer service experience whilst being aware of our wider corporate social responsibilities. We are well acquainted with global issues such as climate change and global warming emanating from greenhouse gas emissions.

Whilst Vodafone Fiji is primarily a service organisation, we nevertheless use our influence and customer relations to reduce the impact of our business on the environment. One of Vodafone Fiji's biggest input costs is the consumption of power which is primarily sourced from the national grid. We commenced a number of initiatives to make the business more energy efficient. These include the use of solar power, wherever possible, and the utilisation of LED lights in the office and retail outlets.

Additionally, the Company continues to reduce waste by cutting back on paper usage and reusing old network equipment and handsets where possible. Some of our successful projects on environmental waste reduction and energy conservation include paperless e-billing, online innovation portal, online training portal, digitising contracts and network services agreements and customer registrations via registration applications, cashless payments and offering video conferencing and home working solutions to corporate customers to reduce travel and other environmental related impacts.

Vodafone Fiji will continue to streamline its processes and systems to make it more energy efficient and environmentally friendly.

Sponsorship

Vodafone Fiji has long been a leader in the sponsorship of sports and community events in the country. However, sponsorship was significantly scaled down during the financial year as the Company took proactive steps and prudent decisions to safeguard the financial interest of the Company and its employees. Mutual arrangements were entered into with contracted sponsored properties to limit the Company's financial exposure to non-essential activities. As a result of restrictions placed on large gatherings due to the COVID-19 pandemic, a number of events sponsored by Vodafone Fiji also did not eventuate. The Company also exited sponsorship commitment of a major sports on mutual basis.

One of the sporting bodies that managed to successfully complete part of its programme for the year was the Fiji National Rugby League which managed to complete the domestic cup competition. The Company made partial disbursement to its other sporting sponsorship commitments to assist in the important area of office administration through the difficult period,

On another note, Vodafone Fiji has persistently supported the professional accounting bodies in the country such as the Fiji Institute of Accountants and CPA Fiji, which bring together business leaders and industry leaders who deliberate on important business and economic issues, for the consideration by policy makers.

---

datec Datec (Fiji) Pte Limited

Mr Andrew Fairgray - Chairman
Mr Pradeep C Lal - Director
Mr Satyen Singh - CEO
Mr Vinit Nand - Company Secretary

Overview

Datec, with over 35 years of experience since its establishment in 1985, continues to technologically catalyse businesses across Fiji and the South Pacific Islands, and cementing itself as the end-to-end digital transformation provider for the region. Datec has established partnerships with the world's leading technology companies like Microsoft, HP, Dell, Lenovo, HPE, Cisco, Sage, Epicor, Oracle, Fortinet, Forcepoint, VMware, Eaton, IBM, TCS, CommScope, Dahua and other major IT technology providers. We have invested in a talented and certified workforce to implement solutions that cater for customers diverse business needs.

The Company has vast experience in the South Pacific marketplace, and is well represented across regional organisations, in the commercial, banking, finance, Government, hospitality, and service sectors. Datec is a fully owned subsidiary of Vodafone Fiji Pte Limited.

During the year, Datec became a Platinum partner for the global brand Dell Technologies. The Company was also recognised by Sage as the marketing partner of the year.

Our People

Currently Datec employs over 100 staff in sales, technical and support roles in offices located in Suva and Nadi (Fiji). Our people are our greatest asset. We believe in having highly qualified, motivated, and a multi-skilled workforce that promotes productivity, flexibility, quality and innovation.

We put our staff at the forefront with on-going employee training and development plans in place for all staff.

In addition a proper succession planning process is followed to upgrade and prepare employee for career growth and succession.

Financial Highlights

The financial performance was above last year's result as the turnover grew by 18.5% and net profit after tax by 27.8%. The Company, during the year, declared a dividend of $1 million.

While there were challenges posed by the COVID-19 pandemic, the business took quick action and implemented relevant measures to remain a financially viable Company. Management continues to work on cost optimisation strategies and explore other opportunities arising from the pandemic.

The pandemic has forced the world to accept digital transformation as an imperative. Datec will continue to work with its technology partners, to empower customers in their digital transformation journey, from adoption to acceleration. The strategic focus is on the Digital workplace, Cyber-Security, Managed Services, Enterprise-Wide Digitalisation, training and consulting services.

Corporate Social Responsibility

Datec has embedded considerations of the societal well-being in its vision and strategies. With this era of modern digitisation, Datec plays an integral part in introducing new and sustainable IT products into the market which keep the society at the same global pace.

The Company, together with numerous vendors, organised multiple refresher and booth camp training for the IT professionals for free, to broaden the knowledge of new developments in the ICT industry.

Datec has been closely working with universities and the education sector in disseminating ICT industry knowledge to students. Senior leaders are invited to attend multiple seminars at USP, FNU and other organisations. Datec also runs a three-month internship programme and three-year graduate trainee programme for university students to join the workforce and learn practical applications. Datec also provides giveaways during the Open Day and sponsors the best IT student award.

Women Empowerment

Datec strongly believes in women empowerment and achieving gender equality for the sustainable development of not only the organisation, but the nation as a whole. Datec offers equal employment opportunity by hiring more females in the earlier recognised “male dominated” field with the vision of empowering women. To celebrate all the hard work and contribution of every women in our Company, we often engage in acknowledging their presence and importance. One of the most important days to celebrate our “super” women is the International Women’s Day.

Looking Ahead

Datec, with its core strength and over 35 years of ICT experience, will continue to support the sectors within Fiji and the region for digital readiness by allowing business and individuals to continue their life as normal as possible during this pandemic. Additionally, we will ensure that necessary infrastructure is available, to support a digitised world, and, stay current in the latest technology that will be essential for organisations, to remain operational and competitive in a post-COVID-19 world.

The ICT industry is keeping the world connected and helping organisations remain operational during the current crisis and plays a pivotal role in ensuring economic activities continue.

Achieving superior customer service, through continuous improvement processes, and further strengthening of stakeholder relationships, will remain the focal point for the Company, which is driven through its ISO Quality Management Framework.

Datec is proud to be the ICT hub for Fiji and Pacific Island nations and will strive to accomplish its vison of being the leading ICT solutions provider in Fiji and the region.

Corporate Governance

Datec Fiji Pte Limited provides the following corporate governance statement for the year ended 31 March 2021.

Principle 1: Establishing Clear Responsibilities to Board Oversight

Separation of Duties

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

Board Charter

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

Principle 2: Constitute an Effective Board

Board Composition

The Board comprises of two Directors. The Directors in office on 31 March 2021 were as follows:

Name	Title	Date of Appointment
Mr Andrew Fairgray	Chairman	18.02.2021
Mr Pradeep C Lal	Director	29.05.2015

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

Mr Ajith Upendra Kodagoda resigned, during the year, as the Board Chairman on 17.12.2020 and Mr. Andrew Fairgray was appointed as the new Chairman effective from 18.02.2021.

The Board met four times during the financial year ended 31 March 2021. Attendance was as follows:

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Ajith U Kodagoda	2	2
Mr Andrew Fairgray	2	2
Mr Pradeep C Lal	4	4

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

Mr Satyen Singh is the Chief Executive Officer responsible for developing and implementing business strategies, managing budgets, key performance indicators and managing effective relationships with the respective stakeholders. Mr Vinit Nand is the Company Secretary responsible for providing Company secretarial duties and functions and ensuring compliance with regulatory and statutory requirements.

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

Datec believes that accurate, timely, and reliable data disclosed to its management and stakeholders is needed in order to make best decisions that ensure business wide visibility. This includes audited Financial Statement and Annual Report.

Payment to Directors and Senior Management
Payments to senior management are disclosed in the Financial Statements under Key Management Personnel Compensation.

Continuous Disclosure
Datec continuously make timely, accurate and full disclosure to the Board and shareholders.

Principle 6: Promoting Ethical and Responsible Decision Making
Code of Conduct
The Company has a Code of Corporate Governance which is relayed to the Directors upon appointment to the Board. Datec believes that all Directors and executives uphold the code of conduct and ethical standards of the Company.

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

Principle 8: Respect the Rights of Shareholders Rights
Communication With Shareholders
All shareholders are invited to the AGM, receive a copy of financial statement, notice of meeting prior to the AGM and an opportunity to communicate directly with the Board of Directors.

Grievance Redressal Mechanism
Datec fosters and promotes effective communication with shareholders and effective participation at general meetings.

No complaints were received from shareholders during the year.

Principle 9: Accountability and Audit
Internal Audit, External Audit and Rotation of Auditor
Datec is audited annually by an independent external auditor and the accounts are prepared and audited in compliance with IFRS standards. The Auditor verifies whether the internal controls, processes, guidelines and policies are adequate, check the compliance with governmental requirements, industry standards and Company policies, fraud delectation as well as compliance with ISO procedures and standards and continuous process improvements. The Company also has an Internal Audit Committee, which provides oversight of the Company's internal controls and operations, verifying and safeguarding the integrity of the Company's financial and internal process reporting.

Principle 10: Risk Management Policy
Datec critically evaluates risks to ensure that they do not impede the achievement of the strategic goals. The risks are identified and discussed in various fora such as the weekly Executive Committee meetings, fortnightly business performance meetings, fortnightly tender debrief meetings and in the weekly departmental meetings. Short and long term challenges are captured in the SWOT analysis and identified as short or long term based on the key objectives that they are aligned to achieve. Furthermore, the risks are recorded in the Risk Register for tracking and implementation of mitigation plans and contingencies are set as the need arises.

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

Digitec
Innovative Solutions

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

Overview

Digitec ICT Limited in Papua New Guinea (PNG) caters for a wide range of ICT products and services. Related entities Etech ICT Pte Limited and Etech ICT Pty Limited operating out of Singapore and Australia respectively, are distributors of ICT products.

Digitec ICT Limited is one of PNG's fastest-growing companies, renowned for its stellar growth trajectory. Digitec's success is based on innovative products, customer support, courteous service and transparency to our customers and stakeholders.

Digitec ICT is also one of PNG's leading ISP and Hosted Data Centre providers. Digitec ICT has established partnerships with major world renowned brands such as Dell, HP, Lenovo, Apple, Sophos, Ricoh, Oki, Powershield, Microsoft, Veeam, VMware, and Sage, to provide cutting edge technology to customers throughout PNG. Digitec ICT is the Platinum Partner for Dell EMC in the Pacific region and continues to be recognised as a key partner from the number of awards received at the 2020 Dell Partner Awards event.

Digitec ICT holds ISO 9001, ISO-27001, and ISO/IEC 20000-1:2018 certification and received a number of local and international awards and recognition. Dell Technologies recently awarded Digitec ICT the "Key Strategic Win" and "Best Performer – Storage" awards at the Asia Pacific 2020 Conference.

Etech ICT Pte Limited in Singapore distributes world-renowned brands such as Dell EMC's full range of products in the entire Pacific region, excluding Australia and New Zealand.

In addition, the brands that Etech distributes are Powershield, Adata, Matrix, Yealink, Yeastar, Racom, and Telrad. Etech also has its own OEM branded networking products such as Networking cables, Racks, PDU, and other accessories.

Financial Highlights

All the three ICT group companies recorded impressive growth in the 2020-2021 financial year.

Digitec ICT Limited

The financial year was marked by many challenges that included COVID-19 disruptions, negative economic growth, and intense competition. These challenges have driven overall consumer and business confidence to its lowest level for some time. Despite this, Digitec ICT continued to consolidate its market leadership position as PNG's premier ICT solution provider, whilst delivering strong financial performance across all key performance indicators.

Digitec ICT grew turnover by 16%, which was accompanied by growth in the ISP subscriber base, adoption of professional services, and related-party sales. The growth in revenues, as well as cost rationalisation initiatives, resulted in an increase in EBITDA of 19% from last year. Digitec ICT declared a dividend of PGK 10 million for the financial year ended March 2021.

Etech ICT Pty Limited and Etech ICT Pte Limited

During the financial year, Etech ICT Pty Limited grew turnover by 99%. Net profit after tax grew by 174% against last year's actuals.

Etech ICT Pte Limited achieved a 6% increase in its turnover for the financial year ended 31 March 2021. Net profit after tax grew by 3% for the year.

Infrastructure

Software Defined Data Centre Offers Increased Control and Convenience.

Digitec ICT has been at the forefront of innovation and digitisation in the ICT industry in PNG for the last 8 years, propelling the nation's ICT infrastructure to a level of advancement on par with the developed countries. Digitec ICT enables critical co-location, connectivity, and cloud readiness services. Digitec ICT has strengthened its presence in the digital space, and has focused its efforts on a wide portfolio of services, that can leverage the core business of the Company.

Digitec ICT offers a trusted back up and disaster recovery solution, for backing up virtual machines and reliable recovery of virtualised applications and data. Digitec ICT is leveraging on its transformational progress, particularly with its Digitec ICT Cloud Disaster Recovery-as-a-Service (RaaS), which enables it to carry on with business as usual during unexpected downtime due to natural disasters, malware, ransomware, human error, or any other system failure.

Investment and organisational transformation efforts in the coming year will further augment towards developing and driving Digitec's ICT digital transformation culture. Through our services for Data Centre and Cloud, we offer expert advice, proven experience, best practices and innovative tools, to enable flexible, secure, scalable IT services. We provide a complete lifecycle of IT services, from advisory to implementation, optimisation, management, training, and technical services, for faster time-to-market and quicker hybrid IT innovation.

Security of IT systems and infrastructure is critical and therefore it is imperative the data is housed in a protected, resilient and cost effective data centre, with 24/7 monitoring accessibility to authorised personnel only. Digitec provides a state of art three-tier data centre.

Service Centre

Our highly skilled and competent Engineering Services team provides engineering and consulting services for leading brands such as Dell, HP, Lenovo, Apple, Toshiba, Sophos, Ricoh, and Samsung to a host of clients. We provide on-site support services for any products sold by Digitec, including attending to hardware and software related issues, troubleshooting, virus-related issues, transferring of data to new systems, amongst others.

Internet Service Provider (ISP)

Digitec ICT delivers high speed Internet services in PNG via VSAT, Coral Sea Fiber Cable and 5.8 GHz unlicensed and 18GHz licensed band. Digitec's unique data share and secure connectivity offering businesses with an unparalleled level of flexibility, when extending corporate connectivity to the homes of their employees. Finally, our range of corporate VPN products offers capabilities for advanced browsing and restricted access within corporate networks. Digitec internet service is guaranteed for 99% up-time in Port Moresby (POM) and Lae. The network is designed for 99.95% up time.

Our People

Our people is our greatest strength. Our staff are highly trained, competent, and certified engineers with a wealth of experience. This has elevated Digitec ICT into a highly reputable and trusted ICT. The Company supports career development, offering a range of training and development, occupational health and safety, diversity equal opportunity.

Corporate Social Responsibility

The COVID-19 pandemic has wreaked havoc on companies worldwide. To keep their operations going, many companies have resorted to working remotely, and splitting their teams as part of social distancing measures, to avoid the spread of COVID-19. Digitec responded hastily, by offering essential (PPE) safety equipment to Port Moresby General Hospital, and assisted corporate and Government sectors, bundling a suite of services, including flexible and continuous internet connections and conferencing solutions, allowing enterprises to communicate and collaborate securely.

During the disruptive period, Digitec ICT understood the value of our corporate customers, ensured they are connected with internet and increased their bandwidth capacity, as companies activated “work from home” arrangements. As an ISO accredited entity, a quality management system facilitates the responsible management of social impact. How we conduct our business in times of emergencies can have lasting impressions of customer sentiment of the business. Digitec’s Code of Business Ethics and responsibility, encapsulates our approach to business conduct, while our employees abide by our public policy guide, in their day to day interactions with stakeholders.

Women Empowerment

Digitec ICT continues to be an equal opportunity employer. The current staff comprises of 40% women and 60% men which is relatively higher, compared to other PNG based companies, with a similar size to Digitec ICT. Digitec ICT continues to train women in the technical field by providing on the job training, in partnership with Don Bosco Technical College in PNG and the University of PNG.

Looking Ahead

With the pace of digital transformation accelerating, both in the private and public sectors, we see significant opportunities, particularly in Enterprise Solutions and managed services spaces. Digitec ICT will continue to focus on emerging technologies to transform the PNG IT landscape with superior service quality. Meanwhile, growing computer literacy in the country, and increasing connectivity, will continue to drive demand for personal computers.

Digitec ICT strengthened its Enterprise Business via the establishment of Connectivity, Collaboration, Business Networking, Security and Surveillance, Cloud and Co-location service and IoT platforms through constant upgrade and investment in in-house research and development of new products and services, to further strengthen its Enterprise portfolio.

Digitec ICT established a dedicated Enterprise Business Unit for its business customers to support them in their digital transformation journeys and become a reliable partner, by offering technical expertise, advanced solutions, best-in-class services, and converged technologies.

Digitec ICT will continue to pursue cutting-edge technology for the benefit of its customers. With internet penetration in PNG at approximately 18%, there is potential for significant growth in the ISP business, with the introduction of Coral Sea Fiber Cable, that is expected to further reduce the wholesale price for internet access. Digitec ICT continues to pursue opportunities in the consumer market using the 5.8GHz unlicensed band.

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

Digitec ICT will continue to employ an up to date portfolio of access and core network technologies in keeping with a dynamic and regularly reviewed technology and service delivery roadmap architected by keeping the infrastructure in 2021-2022 with global best practices and technology evolution.

Corporate Governance

The ICT Companies (Digitec ICT Limited, Etech ICT Pte Limited and Etech ICT Pty Limited) provide the following corporate governance statement for the year ended 31 March 2021. The Board of Directors of the three companies is committed towards maintaining good corporate governance, whilst pursuing its corporate objectives, to enhance long term shareholder value and sustainable growth.

Principle 1: Establishing Clear Responsibilities to Board Oversight

Separation of Duties

The Board is responsible for the overall governance, management and strategic direction of the organisation and for delivering accountable corporate performance in accordance with the organisation’s goals and objectives through the relevant country legislation.

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

Principle 2: Constitute an Effective Board

Board Composition

The Directors are appointed/elected in accordance with the shareholders deed. The Directors in office as at 31 March 2021 were as follows:

Digitec ICT Limited

Name	Title	Date of Appointment
Mr Ivan Fong	Chairman	01.01.2019
Mr Naibuka U Saune	Director	01.01.2019
Mr Rajnesh R Prasad	Director	01.01.2019
Mr Andrew R Kumar	Director	01.01.2019
Mr Nishith Muchhala	Director	24.07.2018
Mr Nirmal Singh	Director	24.07.2018

Etech ICT Pty Limited

Name	Title	Date of Appointment
Mr Ivan Fong	Chairman	01.01.2019
Mr Naibuka U Saune	Director	01.01.2019
Mr Rajnesh R Prasad	Director	01.01.2019
Mr Andrew R Kumar	Director	01.01.2019
Mr Nirmal Singh	Director	22.08.2018

Etech ICT Pte Ltd

Name	Title	Date of Appointment
Mr Ivan Fong	Chairman	27.06.2019
Mr Naibuka U Saune	Director	27.06.2019
Mr Rajnesh R Prasad	Director	27.06.2019
Mr Andrew R Kumar	Director	27.06.2019
Mr Nirmal Singh	Director	27.07.2018
Mr Ketankumar C Goda	Nominee Director	27.07.2018

Mr Ateen Alvin Kumar resigned on 18 August 2020.

The Board met four times during the financial year ended 31 March 2021. Attendance was as follows:

Digitec ICT Limited

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Ivan Fong	4	4
Mr Naibuka U Saune	3	4
Mr Rajnesh R Prasad	4	4
Mr Andrew R Kumar	4	4
Mr Ateen A Kumar	1	1
Mr Nishith Muchhala	4	4
Mr Nirmal Singh	4	4

Etech ICT Pty Limited

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Ivan Fong	4	4
Mr Naibuka U Saune	3	4
Mr Rajnesh R Prasad	4	4
Mr Andrew R Kumar	4	4
Mr Ateen A Kumar	1	1
Mr Nirmal Singh	4	4

Etech ICT Pte Limited

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Ivan Fong	4	4
Mr Naibuka U Saune	3	4
Mr Rajnesh R Prasad	4	4
Mr Andrew R Kumar	4	4
Mr Ateen A Kumar	1	1
Mr Nirmal Singh	4	4

Directors Training

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

Board Sub-Committees

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

The representatives of the holding Company, Digitec Communications Limited are currently part of the Committee. The two Non-Executive Directors are Mr Ajith Upendra Kodagoda who resigned 17 December 2020 and Mr Pradeep Chand Lal.

Name	Remuneration Committee	
	Number of Meetings	
	Attended	Held
Mr Ajith U Kodagoda	1	1
Mr Pradeep C Lal	1	1

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

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

The following are the Company Secretaries for each of the ICT Companies as at 31 March 2021.

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

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

The Companies disclose accurate, timely, and reliable data to its management and stakeholders to make the best decisions, ensuring business wide visibility. This includes audited financial statement.

Payment to Directors and Senior Management

A total fee of PGK114,398.21 was paid to Directors for their service during the year. The ICT Companies Directors were also covered under a Directors and Officers Insurance Policy and a Personal Accident Insurance Policy. The payment to senior management is disclosed in the annual report under Key Management Personnel Compensation.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

The Companies have a Code of Corporate Governance which is relayed to the Directors upon appointment to the Board.

Principle 7: Register of Interests

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

Principle 8: Respect the Rights of Shareholders Rights

Communication with Shareholders

All shareholders of Digitec ICT Limited, Etech ICT Pty Limited and Etech ICT Pte Limited are invited to the AGM, receive a copy of Financial Statements and notice of meeting prior to the AGM and are given an opportunity to communicate directly with the Board of Directors.

The Companies foster and promote effective communication with shareholders and effective participation at General Meetings.

Website

The ICT Companies maintain an up to date website to supplement the official release of information to the market.

Principle 9: Accountability and Audit

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

The ICT Companies are audited by an independent external auditor and their accounts are prepared and audited in compliance with IFRS standards. The three Boards believe that independent verification is necessary to safeguard the integrity of the Companies' accounting and financial reporting. The three Boards are responsible for approving the terms of engagement of the external auditors including audit fees. The three Boards have oversight responsibility for monitoring and supervising financial processes to ensure integrity, accurate and timely financial reporting. The three Board are also responsible for ensuring adequacy and effectiveness of the Internal Control and Risk Management processes. The Companies rotate its external auditors every three years.

Principle 10: Risk Management Policy

The three Boards acknowledge their overall responsibility in ensuring that a sound system of internal control is maintained to safeguard shareholders' investment and the Companies assets. Therefore the Directors of the three Companies are always mindful of potential risks that may arise during the course of the business. The Companies risk is governed by the Boards. While the Companies do not have a separate Risk Management Committee, they have contingencies in place should the need arise.

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

Telecom Fiji Pte Limited

Mr Umarji Musa - Chairman
Mr Naibuka U Saune - Director
Mr Sashi Singh - Director
Mr Arun K Narsey - Director
Mr Charles Goundar - CEO
Mr Samuela Vadei - Company Secretary

Overview

The financial year 2020-2021 had been a challenging one due to the effects of the global COVID-19 pandemic in the earlier part of the year, effects of the adverse weather conditions and tropical cyclones in the latter part of the year.

Telecom Fiji was not spared from the effects of the pandemic affecting the Company. Firstly, revenue declined from industries directly impacted by the pandemic, such as tourism and hospitality and other tourism dependent businesses. Secondly, there was impact on other areas of the business such as supply chain delays, project delays, amongst others.

As part of our Pandemic Management and Response Plan, which forms part of the Business Continuity Plan (BCP), Telecom Fiji implemented precautionary measures and procedures to ensure the safety and well being of all its staff and their families during these difficult period and also ensure that all Telecom Fiji service and infrastructure remained operational. About 40% of the workforce, enabled by our technologies, worked from home during the height of the pandemic.

Telecom Fiji adopted five (5) key strategic objectives to ensure business activities are aligned to particular areas of priority, these being revenue growth, cost optimisation, transforming customer experience, digital transformation and talent development, innovation and learning.

Despite it being one of our most challenging years, we maintained our growth in broadband uptake and ICT solutions, ensuring that the Company continues to return value to its shareholders and other stakeholders.

The rest of the report provides more details on other activities undertaken by the business during the financial year.

Our Infrastructure

We continued to transform the core backbone network to make it highly resilient, scalable and able to support the high growth in demand for data. The backbone network supports bandwidth requirement for not only Telecom Fiji customers, but for other key stakeholders including Government.

Telecom Fiji commenced replacement of fiber along the Queens Highway, between Deuba and Korolevu, in line with our investment plan.

Fiber-to-the-Home (FTTH) Rollout

Telecom Fiji continued with the deployment of its Ultra-Fast Fiber broadband (UFF) service with the aim of getting high speed, reliable network performance across the nation and reach more customers.

Customers can now enjoy ultra-fast speeds of up to 150Mbit/s, which can be upgraded in the future, to speeds of up to 1Gbit/s.

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

Core Network Migration to Full IP
The roadside exchange nodes were upgraded to Multi-Service Access Node (MSAN) to support voice and broadband services, including fiber to the home. In addition, the last of the legacy Enabler exchange in Lautoka was decommissioned and all traffic was diverted to the NGN network, which is fully IP.

Network Transformation of Our Main Transmission Network to Full IP Transport Network
With the ever increasing demand for data, driven by the uptake of bandwidth-hungry and low-latency applications such as video streaming, gaming, etc, it has been a priority to offer good experience to our customers across all our access networks including fixed broadband, 4G LTE and fiber. To be able to offer a seamless experience, it was therefore imperative to migrate the transmission network from Time Division Multiplexing (TDM) to full IP.

The TDM to IP transition provides scalability for future expansion and upgrades, improves efficiency of operations by bringing more visibility and resiliency through a quicker roll out of any new service. This in turn supports and sustains a high level of service to our corporate customers, Government ministries, residential customers and also other network operators in providing backhaul and inter-site connectivity.

Enhancement of Customer Service Experience
In the year 2020-2021, we continued our focus on transforming our customers' experience by shifting towards various digital, self-service interactions and platforms. This resulted in an increase in customer interactions across our various digital platforms through the provision of our market leading customer experience.

Digital Transformation
By embracing the challenges, finding opportunity during crisis and to adapt and improve our own operations, Telecom Fiji has achieved an efficient and reliable way to bring digital transformation to the Fijian market.

Telecom Fiji began by partnering with the best technology providers, as well as adopting and developing software and applications, to increase operational efficiency, in order to provide the best possible experience to our customers.

These solutions are now on offer to Telecom Fiji customers as well, with the assurance that the solutions are tried and tested, making us more reliable and credible in that regard.

Our People
We employ the best people, invest in them to bring out their full potential, and provide them with the necessary experience and tools. This enables them to develop their capabilities that will align to the Telecom Way, and allows them to progress and focus on what matters to our business and customers.

Supporting Our People Through COVID-19
Our main focus during this pandemic is to keep our staff safe. We had established a COVID-19 Task Force team whose primary role was to ensure the pandemic management and response plan was implemented and followed by all staff. To enable staff working from home, staff were well equipped with online tools and guidelines that helped them stay connected, remain aware of policies and procedures, and allowed management to capture their performance. Staff were also kept updated through regular communication with our COVID-19 Task Force team.

All our frontline workers had been given appropriate PPE (Personal Protective Equipment) to ensure their well being and safety, while, at the same time, ensuring Telecom Fiji's operations continue seamlessly.

Employee Training and Development
New approaches, processes, skills and etiquette are necessary to thrive in a remote work environment. The Company therefore has repositioned itself with a key focus on the Technical and Mandatory - System and Compliance Training, apart from other areas. Leadership training and women empowerment are also encouraged and promoted in the Company with staff being sent to relevant seminars, conferences and training. We have a dedicated training and staff welfare unit that oversees this process. We provide employment to more than 500 Fijians and our local workforce composition is 99.8%.

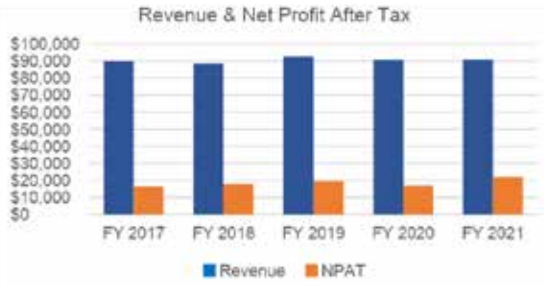
Certification
System Certification is an integral part of our customer obligation by ensuring that our technical personnel are certified to operate the IP, IT and radio system functions operating at different customer sites and premises. The certifications include Alcatel, CISCO, Huawei, Broadworks, NEC, Oracle, VMWare, DELL, Fortinet, Checkpoint, Linux and Microsoft.

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

Our focus on the delivery and execution of our strategic objectives ensured our ability to adapt and respond to such impacts of the pandemic on our business. Our operating revenues slightly increased by 0.1% for the full financial year.

Overhead expenses reduced by 7% when compared to the previous financial year, driven by cost optimisation and rationalisation during the COVID-19 pandemic.

Net profit before income tax was $26.67 million, which is an increase of 29%, when compared to the previous financial year.



Looking Ahead

With Telecom Fiji's various initiatives in place, we strive to be a fully-fledged telecommunications service provider, Fiji's fastest, safest, smartest, and most reliable telecommunications service provider, serving and supporting various customer segments across the nation.

No matter the circumstances, Telecom Fiji will continue to work to make sure that Fiji is on equal footing with the rest of the world in ICT, and Fijians are not left behind.

Telecom Fiji is a 100% locally owned and operated Company and is one of the largest ICT providers in the region.

Corporate Social Responsibility

Assistance to Help Cyclone Yasa Affected Schools

Telecom Fiji contributed $200,000 to assist the Ministry of Education, Heritage and Arts in the rebuilding of schools in the Northern Division that were damaged during the recent cyclones.

To further assist impacted students in the region, Telecom Fiji is also giving free internet for one year to 20 severely affected schools in the Northern Division.

Wifi access points were set up at Nabouwalu, enabling free internet access for the general public. Free on-net calls were offered from remote and maritime areas in the North over its satellite network (VTSAT).

Charitable Organisations

Telecom Fiji donated $5,000 and entered a team for the Frank Hilton Organisation Charity Virtual Wheelbarrow Race. This annual event aims to raise funds to provide education and services to children with disabilities in Fiji.

Disability Awards

The Company sponsored $5,000 for the United Blind Persons of Fiji organised Disability Gala Awards recognition event. We once again sponsored the Entrepreneur of the Year Award and chose it as we see it as being a good fit with our business.

These sponsorships were a part of our corporate social responsibility and we see it as an opportune time to support organisations such as the United Blind Persons of Fiji as it falls in line with our theme of sharing happiness and empowering people.

We believe in the importance of assisting those people who have limited access to opportunities by giving them the opportunity to become self-sufficient and capable of contributing to society.

Pinktober and Movember with Fiji Cancer Society

The months of October and November are breast cancer and prostate cancer awareness months respectively. Telecom Fiji showed support towards the Fiji Cancer Society's cancer awareness initiatives by donating $5,000 for Pinktober and $1,400 for the Men's Prostate Golf Tournament Awareness cause as we do every year. In light of the Pinktober and Movember events, awareness was raised about both types of cancer with Telecom Fiji staff as well as the provision of medical check-ups.

Corporate Governance

Telecom Fiji provides the following corporate governance statement for the year ended 31 March 2021 in accordance with the Company's Act 2015 and the Company's Memorandum and Articles of Association.

Principle 1: Establishing Clear Responsibilities for Board Oversight

Separation of Duties

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

Board Charter

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

Principle 2: Constitute an Effective Board

Board Composition

The Directors are appointed/elected in accordance with the Company's Memorandum and Articles of Association at the Company's Annual General Meeting. The Articles of Association allows for maximum of seven (7) Directors. Currently there are four Directors appointed by the shareholders.

The Directors in office on 31 March 2021 were:

Name	Title	Date of Appointment
Mr Umarji Musa	Chairman	02.02.2011
Mr Naibuka U Saune	Director	04.09.2015
Mr Sashi Singh	Director	14.04.2011
Mr Arun K Narsey	Director	24.10.2014

The Directors met nine times during the financial year ended 31 March 2021. Attendance was as follows:

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Umarji Musa	9	9
Mr Sashi Singh	9	9
Mr Arun K Narsey	9	9
Mr Naibuka U Saune	9	9

Board Evaluation

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

Directors Training

Directors are permitted to attend conferences and workshops as part of their training.

Board Sub-Committees

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

The Audit, Risk and Accounting Committee is responsible for monitoring the internal control processes and monitoring the Company's compliance with applicable laws and regulatory requirements.

The Strategy and Finance Committee is responsible for monitoring the Company's financial plans and strategies, external audit of the Company's affairs and reviewing the financial statements.

The Human Resources and Governance Committee is responsible for ensuring that the Company implements appropriate management and employment practices. It is also responsible for advising the Board on human resource issues, which includes the remuneration and conditions of employment of the Chief Executive Officer, senior management, and succession planning.

Name	Audit, Risk and Accounting Committee		Human Resources and Governance Committee		Strategy and Finance Committee	
	Number of Meetings		Number of Meetings		Number of Meetings	
	Attended	Held	Attended	Held	Attended	Held
Mr Umarji Musa			4	4	9	9
Mr Naibuka U Saune			3	4	6	9
Mr Sashi Singh	3	3	4	4	9	9
Mr Arun K Narsey	3	3	0	4	7	9

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

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

The Company Secretary is Mr Samuela Vadei who provides Company secretarial duties and functions; ensuring compliance with regulatory and statutory requirements; managing effective relationships with internal and external parties; and leading and developing a team of staff.

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

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

Payment to Directors and Senior Management

A total fee of $48,750 was paid to Directors for their service during the year in accordance with the shareholders resolution at the last AGM. The Company also met other expenses, mainly for travel and accommodation, which were incurred during the course of their duties for Telecom Fiji. Directors were also covered under a Directors and Officers Insurance Policy. Payment to senior management is disclosed in the Annual Report under Key Management Personnel Compensation.

Continuous Disclosure

Telecom Fiji assists ATH in the continuous disclosures whenever it is required.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

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

Principle 7: Register of Interests

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

Principle 8: Respect the Rights of Shareholders

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

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

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

Grievance Redressal Mechanism
Telecom Fiji has a collective agreement with the union which has a provision to address grievances. The Company also has developed a “Tell Us” portal which is available for staff to submit their grievances for management’s deliberation.

Corporate Sustainability
Our approach to business is outlined in the Company’s vision, mission and value statements. These are translated into our strategic plans and annual operating plan. This includes our emphasis on soft skills under the “Telecom Way”.

Principle 9: Accountability and Audit
Internal Audit, External Audit and Rotation of Auditor
Telecom Fiji is audited annually by an independent external auditor. The Company’s accounts are prepared and audited in compliance with IFRS standards. The Company also has an Audit, Risk and Accounting Committee and Strategy and Finance Committee which provide oversight of the Company’s internal controls and operations as well as verify and safeguard the integrity of the Company’s financial reporting.

The Company’s external auditors are appointed by ATH. ATH rotates the Group’s external auditors every three years. The Company also has policies and procedures to ensure that business activities are carried out as per best practices.

Audit, Risk and Accounting Committee
The Company has an Audit, Risk and Accounting Committee which provides oversight of the Company’s internal controls and operations, risk mitigation and revenue assurance to safeguard the Company against revenue leakages and controllable risks.

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

Principle 10: Risk Management Policy
The Directors of the Company are always mindful of potential risks that may arise in the course of its business. In that regard the Audit, Risk and Accounting Committee is tasked with the responsibility of risk management. The Committee reviews the annual financial reports to be released by the Company before submission to the Board.

The Risk Management Committee oversees the effectiveness of the risk management framework. The management of risks is a continuous process and forms part of Telecom’s continuous risk monitoring.

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

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

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

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

AST Telecom, LLC (Bluesky Communications)

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

Overview

AST Telecom, LLC (trading as Bluesky Communications) is a leading telecommunications and network service provider in the island nation of American Samoa, a United States (US) territory. AST has been in operation for two decades providing mobile, broadband and television services. AST Telecom, LLC is the parent company of American Samoa Entertainment (ASE Inc) and provides telecommunication services and entertainment services under the regulation of the US Federal Communications Commission. Since its inception AST has grown successfully to become the preferred choice in the territory. AST continues to strengthen its position in serving the people of American Samoa with its products and services under the Bluesky brand. Bluesky's leading market position is powered by its infrastructure, technology adoption and most importantly, its people.

Our Infrastructure

Bluesky is the leader in innovation and continues development and enhancement of its network and services. Bluesky's LTE+ mobile network covers 93% of American Samoa's population and is capable of throughputs of up to 150 Mbps. Bluesky continues to add capacity to its mobile network and is in the process of increasing coverage footprint.

Through its continued commitment to service excellence, Bluesky continues to invest in its network and has recently completed the deployment of its new fixed wireless network that delivers IPTV and high speed broadband to 93% of the population. This new network replaces Hybrid Fiber-Coaxial (HFC) network that previously covered 65% of the population. With this new network, Bluesky has been able to offer high definition video content and increase internet speeds by up to 300% to its customers.

Bluesky continues to harness technology to enhance the lives of its customers and has recently introduced e-commerce capabilities to the territory through its new website. Bluesky is on its digital life initiative and will continue to grow in this area with new partnerships and products. Bluesky has also increased its focus in the ICT sector and remains the preferred choice for businesses and international partners in the territory. With its robust network and solutions, Bluesky can offer a wide range of broadband, data centre, and managed service solutions to enhance and empower businesses.

Our People

Our People are Our Brand and Our Pride. Bluesky takes pride in its people who are at the centre of Company's journey, its experiences and successes. Bluesky brings together talented staff members of diverse ethnicity, gender, educational and professional backgrounds, which contribute to Bluesky's growing strength and competitive edging in the local market. Bluesky's human capital leverages from the dynamics of the different skills, knowledge, and experience that the Bluesky team brings on board. Bluesky continuously works on the best use of the synergies to deliver the best value to all its stakeholders.

Bluesky is committed to the development of its people. Training and development have been a consistent focus and Bluesky continues to gain value from the various technology training, professional courses, e-learning arrangements, soft skill improvements and compliance training. Bluesky pursues on continuously improving the working environment and strives to attract, develop, and retain the best brand of people, that deliver present and future successes. Bluesky untiringly pursues to be the Employer of Choice in American Samoa. Bluesky is passionate about its people and acts with grateful commitment towards its employees, their immediate and extended families, the local community and economy.

Financial Highlights

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

"2019-2020 denotes a 15-month period on account of the change of financial year from April-March as against January-December in prior years"

Bluesky continues to stimulate the market by increasing the revenue attainment in Mobile, Broadband and Television Services whilst progressing to increase market penetration and coverage.

Corporate Social Responsibility

Being a part of the community through various awareness creation initiatives, sponsorships, awards, recognitions, and empowerments have always been Bluesky's way of giving back to the community, thus creating impactful differences in the lives of many in the community.

Sponsorships for Youth Empowerment

Bluesky also remains steadfast in its support of youth empowerment within the community on technology, sports, and cultural aspects. This is reflected in the sponsored events hosted by the American Samoa Department of Education such as the Science, Technology, Engineering, Arts and Mathematics (STEAM) Fairs, Annual Speech Festivals, Annual Song Writing Competition, Special Education events and various Career Days and Pageants at local high schools, including the American Samoa Community College.

Future of American Samoa

To further promote awareness in telecommunications and technology amongst the youth, Bluesky has partnered with the American Samoa Government to employ young adults through its Summer Youth Employment Programme and Work-Based Learning Programme which equip them with real world experiences in their careers of interest.

As a business partner, Bluesky accepted participants from the American Samoa Government Work-Based Learning (WBL) Programme and accepted teachers from the American Samoa Education Department programme for career and technical education. Bluesky has also uplifted the growth of the future generation through internships to students from the American Samoa Community College and scholarships for deserving students to study in the United States (US) mainland and serve the community on their return.

Looking Ahead

Bluesky's roadmap for forward business development and organisational growth, embraces the pillars of customer advocacy, high performing culture, ensuring return on investment with maximum utilisation of the network, and diversification in the products and service areas. Bluesky's growth path involves maximising results from the existing investments, products and services, and monetising from new investments.

With the borders closed since March 2020, the remotely located island faces challenges that directly and indirectly impact the business. However, Bluesky, with its preparations, meets the business challenges by successfully tapping into the opportunities in the local business market, progressing with network enhancements and coverage expansions, and continuously striving to improve its services, to deliver the best outcomes.

Bluesky continues to leverage from the network infrastructure projects and technology advancement, to provide innovative products, services and solutions to its valued customers, and continues to be the technology leader in the local market.

Corporate Governance

AST Telecom, LLC provides the following corporate governance statement for the year ended 31 March 2021.

Principle 1: Establishing Clear Responsibilities to Board Oversight

Role of the Board

Separation of Duties

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

Board Charter

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

Principle 2: Constitute an Effective Board

Board Composition

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

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

As at 31 March 2021 the Directors in office were:

Name	Title	Date of Appointment
Mr Ivan Fong	Chairman	01.08.2019
Mr Julian (Jules) M Maher	Director	19.04.2018
Mr Naibuka U Saune	Director	22.02.2019
Mr Pradeep C Lal	Director	24.09.2020

The Board met ten times during the financial year ended 31 March 2021 and attendance was as follows:

Name	Board	
	Number of Meetings	
	Held	Attended
Mr Ivan Fong	10	10
Mr Julian (Jules) M Maher	10	10
Mr Naibuka U Saune	10	8
Mr Pradeep C Lal	5	4

Board Evaluation

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

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

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

REMCO comprises of the following Directors and meeting attendance for the financial year ended March 2021 was as follows:

Name	Number of REMCO Meetings	
	Held	Attended
Mr Ivan Fong	2	2
Mr Pradeep C Lal	2	2

Principle 3 and 4: Appointment of Chief Executive Officer and Company Secretary
Mr Justin Tuiasosopo is the Chief Executive Officer (CEO) and Company Secretary for AST. The CEO is responsible for developing and implementing business strategies and policy guidelines; managing budgets, financial report, and key performance indicators; providing Company secretarial duties and functions; ensuring compliance with regulatory and statutory requirements; managing effective relationships with internal and external parties and leading and developing a team of staff.

Principle 5: Timely and Balance Disclosure
Annual Reports and Continuous Disclosure
In accordance with the Corporate Governance of ATH, AST abides by the rules and regulations in providing the Audited Financials and Annual Report.

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

Payment to Directors and Senior Management
A total fee of US$71,684.79 was paid to Directors for their service during the year in accordance with AST's parent company, Amalgamated Bluesky Telecom Holdings LLC, incorporated under the laws of the State of Delaware in the United States of America. AST Directors were also covered under a Directors and Officers Insurance Policy.

Continuous Disclosure
AST continues to make timely, accurate and full disclosure.

Principle 6: Promoting Ethical and Responsible Decision Making
The Company has a code of conduct which is relayed to Directors upon appointment to the Board. AST believes that all Directors and executives uphold the code of conduct and ethical standards of the Company.

Principle 7: Register of Interests
A register of interests is maintained by the Company in line with the code of conduct.

Principle 8: Respect the Rights of Shareholder Rights
Communication With Shareholders and Website
AST submits annual audited financials and annual reports. The Company maintains an up to date website to supplement the official release of information to the market.

Principle 9: Accountability and Audit
Internal Audit, External Audit and Rotation of Auditor
AST and Subsidiaries financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

Principle 10: Risk Management
Risk Management
The Directors of the Company are always mindful of potential risks that may arise during its business. While the Company does not have a separate Risk Management Committee, it has contingencies to address this as and when the need arises.

Whistle Blower Policy
The Company has a Whistle Blower Policy that is part of the Corporate Governance Policy.

Together we can

Vodafone Samoa Limited

Overview

Vodafone Samoa Limited is a quad play telecommunications provider delivering Mobile, Fixed Line, Broadband and IP TV services to the people of Samoa. In April 2020, the Company rebranded itself to Vodafone Samoa. This brand transition also enabled Vodafone Samoa to showcase many of its in-house talents and the Samoan culture to the world at large.

Our Infrastructure

Vodafone Samoa continues to upgrade its network infrastructure to ensure superior experience to the people of Samoa. This financial year the Company completed implementation of over 100 mobile sites at full 100% LTE network in the country. Vodafone Samoa also launched its “Fiber to the Home” products which took advantage of our already existing fiber infrastructure to provide ultra-fast broadband services. This product offers broadband, fixed line and Moana TV services as a triple play bundle. We are the only Company in Samoa to offer full Disaster Recovery Plan (DRP) resilience through two undersea fiber cables.

Our People

Vodafone Samoa has 168 staff with over 98% locals. We also have a good gender mix with 42% female employees. The Company continues to upskill its employees through local and international training and sponsoring higher studies.

Financial Highlights

COVID-19 has had a devastating impact, placing our economy in recession. This is largely due to the total stoppage of international tourism, reduced seasonal worker remittances and state of emergency restrictions limiting national economic activity. The biggest impacts for Vodafone Samoa were in roaming and international calling revenues. However, our revenues for mobile, broadband and new business have enabled Samoa to close year on year with a 5% increase in EBITDA, a remarkable growth in these times.

The impacts of COVID-19 have been significant to Samoa. However, Vodafone Samoa was able to gain market share and maintained its revenues. The Company also continued to grow its EBITDA percentage over turnover year on year.

Corporate Social Responsibility

Vodafone Samoa believes in giving back to the community through its association with NGOs which helps the needy. Vodafone Samoa is also associated with education through our three-year MOU with the Ministry of Education and UNESCO which provides all university and secondary school students and faculty with online educational assistance programmes, various on-going village and church programmes and provides numerous financial and support in kind. In sports, Vodafone Samoa continued its support for national rugby, rugby 7’s, touch rugby, rugby tag, boxing, netball, table tennis, amongst others. Vodafone Samoa placed Wifi around the NUS and USP Campus to facilitate students to study and access internet and make the best use of technology and introduced Wifi on the inter-island ferry.

Looking Ahead

We provide more critical connectivity than ever before with services and solutions that help businesses to continue to operate, children to continue education, health care to be effective, friends and loved ones to remain connected and Government to lead and communicate. Our vision is "To be the preferred telecom brand for every Samoan and visitor in Samoa".

With this vision, Vodafone Samoa is committed to quality, simplicity and affordability in offerings and services to our customers. With digital transformation at the heart of all Pacific Islands, Vodafone Samoa plans to deepen customer engagement with increased loyalty that drives revenue growth in our customer segments; accelerate digital transformation by being Digital "First" and leveraging new technologies; improve asset utilisation through network sharing and accessing regional synergies; leverage the Group portfolio to strengthen our market positions and introduce synergies to reduce our financial leverage.

These priorities will enable us to increase our return on investments through a sustainable business model that improves our country's well being driven by initiatives, services and products from our dedicated staff. We will actively engage and inspire our employees to drive change throughout our Company and provide the trust to our customers and community that personifies the best of our society. Together we can create a future for Samoa that grows as we grow.

Corporate Governance

Vodafone Samoa, as a subsidiary of ATH, provides the following corporate governance statement for the year ended 31 March 2021.

Principle 1: Establishing Clear Responsibilities for Board Oversight

Separation of Duties

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

Principle 2: Constitute an Effective Board

Board Composition

The Board comprises of five (5) Non-Executive Directors of which four (4) are Strategic Investor Directors nominated by ATH and Unit Trust of Samoa and one (1) is an independent Director.

The Directors in office on 31 March 2021 were:

Name	Title	Date of Appointment
Mr Ivan Fong	Director	12.01.2017
Mr Naibuka U Saune	Director	01.10.2017
Mr Andrew Fairgray	Director	01.10.2017
Mr Tevaga V Tagiilima	Director	04.04.2019
Ms Aysha Rimoni	Alternate Director	01.10.2017

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

The Board met four times during the financial year ended 31 March 2021. Attendance was as follows:

Name	Board	
	No. of Meetings	
	Attended	Held
Mr Ajith U Kodagoda	3	4
Mr Ivan Fong	4	4
Mr Naibuka U Saune	4	4
Mr Andrew Fairgray	4	4
Mr Tevaga V Tagiilima	3	4
Mr Pradeep C Lal	2	2
Ms Aysha Rimoni (Alternate Director)	3	4

Board Evaluation

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

Directors Training

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

Board Sub-Committees

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

Remuneration Committee meetings and attendance during the financial year ended 31 March 2021 were as follows:

Name	Remuneration Committee	
	Number of Meetings	
	Attended	Held
Mr Ivan Fong	5	5
Mr Tevaga V Tagiilima	5	5
Mr Pradeep C Lal	4	5
Ms Moureen Chand	5	5

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

Mr Satish Sharma is the Chief Executive Officer (CEO) of Vodafone Samoa. He was appointed by the Board. The CEO is responsible for developing and implementing business strategies and policy guidelines, managing effective relationships with internal and external parties, and leading and developing a team of staff.

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

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

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

Payment to Directors and Senior Management

A total fee of WST98,750 was paid to Directors for their service during the year. The Company also met other expenses, mainly for travel and accommodation, which were incurred during the course of their duties for Vodafone Samoa. Directors were also covered under a Directors and Officers Insurance Policy and a Personal Accident Insurance Policy. Payment to senior management is disclosed in the annual audited financial statements under Key Management Personnel Compensation.

Continuous Disclosure

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

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

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

Principle 7: Register of Interests

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

Principle 8: Respect the Rights of Shareholders

Communication with Shareholders

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

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

Website

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

Principle 9: Accountability and Audit

Internal Audit and External Audit and Rotation of Auditor

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

Principle 10: Risk Management Policy

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

Together we can

Vodafone Cook Islands

Overview

As the country is largely dependent on tourism, the impacts of the COVID-19 pandemic were felt throughout the Cook Islands' business communities and people. This year has been one of the most difficult economic times the Company and the economy has experienced. To mitigate the potential impacts, the Company shifted its strategy focus to a "Survive, Revive and Thrive" response plan. Coupled with the Government Stimulus Package, the new strategy enabled the Company to produce excellent results despite the challenging times. Management is now working towards the next phase of the plan, "Revive".

Our Infrastructure

Vodafone Cook Islands provides a comprehensive range of telecommunications services, namely fixed line calling (domestic and international), mobile cellular calling (domestic and international), mobile cellular SMS and data, and broadband. It also provides IPTV through its Moana TV branded service.

PSTN – Rarotonga and Remote Sites

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

Broadband Network

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

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

Hosting Services

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

Mobile Network

The mobile network consists of 2G/3G/4G RAN in Rarotonga and Aitutaki and, most recently, a 3G RAN deployed to several Southern Group islands.

Northern Group islands remain with 2G only services via low power Microcells.

MoanaTV

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

Our People

Vodafone Cook Islands is one of the largest employers in the Cook Islands with just over 95 full time employees. 99% of its employees are Cook Islanders, including the Managing Director (MD) and Chief Executive Officer (CEO). The Company is passionate about its people and is committed to developing and upskilling its staff through various training platforms. This is a high priority for the Company.

Financial Highlights
During the year, COVID-19 continued to impact the business as borders remained closed to tourists. Prepay mobile revenue experienced a 30% reduction and roaming revenue, which was once a significant contributor to the business, encountered an 85% reduction. These were offset against the rapidly growing prepay data revenues and other value-added services. The business moved its focus to implementing and monitoring a COVID-19 Response Plan that included cost cutting measures and aggressive campaigns on prepay mobile and Wifi.

Corporate Social Responsibility
The Company contributed to the Cook Islands Government's first Economic Response Plan for the pandemic through the Vodafone COVID-19 Care Plan which consisted of free landline rental for all customers for 3 months from 1 March 2020; the due date for payment of monthly post-paid accounts extended from 30 days to 90 days; no termination of any customers service under financial hardship; a 50% reduction on all Post-paid Broadband and Mobile plans for 3 months from 1 March 2020; and a 50% reduction on all local and national landline and mobile calling rates for 3 months from 1 March 2020

Community Involvement
Vodafone Cook Islands continues to support a number of important community events and initiatives. In addition to the COVID-19 Care Plan, the Company reinforced (a) CookSafe Tracing Application by supporting the implementation, set up, registration and sponsoring of SMS broadcasts to raise community awareness as part of COVID-19 precautionary measures; (b) Breast Cancer Foundation via staff fundraisers through cupcake sales and donations. The Company matched the total proceeds and assisted the awareness campaign through sponsoring the SMS broadcasts and social media posts; (c) MOBRO Prostate Cancer Awareness Campaign through staff fundraising activities and donations, raising awareness via social media platforms and SMS broadcasts and bringing MoBros and MoSistas together for constructive dialogue; (d) Youth Helpline via free connection to youth hotline in New Zealand; Cook Islands Games - Vodafone in kind support and live streaming the biggest Cook Islands sporting event to the world; and (e) TAUI by partnering with a local start up business owned by young entrepreneurs to assist them in promoting modern technology and IOT services.

Employee Involvement
We strongly believe in on-going development and upskilling our employees who are our most important asset. With the move to remote and online learning, our teams were given the opportunity to upskill and learn new facets of the business.

The Company continues to support and embrace internal and external social activities and events where employees are given the opportunity to participate which contributes to maintaining our employee morale.

Women Empowerment
Vodafone Cook Islands is an equal opportunity employer. During the year, about 54% of the Company's staff were women, of which 42% were executive management. Affirmative steps have been taken to make opportunities available in the traditionally male dominated areas of the business, such as IT and fixed networks. Opportunities are made available to all women staff to train and trial work in the various teams to broaden their skills and understanding of the business.

The Company's social media campaign promoting "If He Can, SHE Can" as part of the lead up to International Women's Day resulted in massive customer engagement that highlighted the skilled and talented women in the Cook Islands who have broken into the traditional male dominated roles in IT and technical fields.

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

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

Looking Ahead
The Cook Islands' tourism-dependent economy was severely affected by the pandemic as border closures halted visitor arrivals. There is some optimism ahead as a travel bubble has opened between New Zealand and the Cook Islands. Since the passing of the Telecommunications Act 2019, the Regulator has issued four ISP licences, with one ISP reselling the Kacific Satellite service. Notwithstanding the impending competition, the Company is, and intends to remain the leading telecommunications services provider in the Cook Islands.

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

Corporate Governance
Telecom Cook Islands Limited provides the following corporate governance statement for the year ended 31 March 2021 in accordance with the Cook Islands Companies Act 2017.

Principle 1: Establishing Clear Responsibilities for Board Oversight

Separation of Duties

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

Principle 2: Constitute an Effective Board

Board Composition

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

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

The Directors in office on 31 March 2021 were:

Name	Title	Date of Appointment
Mr Temu Okotai	Chairman (CITH)	10+ years ago
Ms Madeleine Sword	Director (CITH)	10+ years ago
Mr Ivan Fong	Director (TCNZ)	04.03.2017
Mr Naibuka U Saune	Director (TCNZ)	22.02.2019
Mr Phillip Henderson	MD & CEO	01.10.2015

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

Name	Board	
	No. of Meetings	
	Attended	Held
Mr Temu Okotai	12	12
Ms Madeleine Sword	12	12
Mr Ivan Fong	12	12
Mr Naibuka U Saune	12	12
Mr Phillip Henderson	12	12

Gender Diversity

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

Board Evaluation

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

Directors Training

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

Board Sub-Committees

The Board has one sub-committee, that is, the Ethics Committee, which is chaired by Ms Madeleine Sword and has three other members consisting of Mr Phillip Henderson, a representative from the Human Resources Department and a representative from the Finance team. The Committee is authorised to enforce standards of conduct for all employees, investigate alleged ethics violations and make recommendations to the Board for further action. The sub-committee did not meet during the financial year.

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

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

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

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

Mrs Rebecca Puni was the Company Secretary up until 27 November 2020 and was replaced by Mrs Ana Inamata on the same date.

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

The annual report of the Company is presented to the shareholders at the annual general meeting.

Payment to Directors and Senior Management

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

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

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

Principle 7: Register of Interests

Conflict of Interest

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

Principle 8: Respect the Rights of Shareholders

Communication with Shareholders

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

Website

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

Grievance Redressal Mechanism

The Company has no policy for Grievance Redressal Mechanism. Management will work on developing one in the coming year.

Principle 9: Accountability and Audit

Internal Audit, External Audit and Rotation of Auditor

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

Risk Management

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

Together we can

Vodafone Vanuatu

Overview

The financial year 2020-2021 has been unprecedented and it has been extremely challenging with the COVID-19 pandemic spreading rapidly across the globe, forcing the borders to close and countries to go into lockdown. Vanuatu was no exception. The authorities did well in keeping COVID-19 away from its borders and prevent any spread among the communities. However, there has been severe economic impact on the hospitality and travel industry causing a rippling effect on the other sectors of the economy.

All industries have witnessed, during this crisis, how technology, more specifically ICT, was important in maintaining certain level of economic activities and controlling the spread of the disease. Solutions like teleworking, e-learning, digital payments, e-commerce, and online meeting are only a few examples that are highly dependent on good ICT infrastructure and have been widely used in the country.

In response to changing needs, Vodafone Vanuatu reviewed its strategy and focused more on digital solutions required by all stakeholders in the country from Government, NGOs, private sector as well as the community at large. The priority was to optimise resources and use them in areas of potential growth, namely the mobile consumer market as there has been significant investment on the 4G network.

Our objective, for our business customers, is to retain customers by providing the most affected businesses with adaptible solutions that can partially support them in going through the crisis.

Our Infrastructure

The success of Vodafone Vanuatu is founded on its robust ICT infrastructure, not only in terms of the latest technology, but also in terms of reliability. The strategic move to 4G has been well planned and the Company is proud to be the first operator to have 100% of its mobile sites on 4G/4G+. This milestone achievement was well received by all stakeholders ensuring our desired competitive edge in the market.

One of the key milestones is the digital payment platform with the introduction of M-VATU and IMT services. These services have been further extended to the remote islands outside Efate offering our customers a solution for money transfer, recharge, and digital payments.

Further to our extensive 4G+ coverage, and fiber and wireless broadband solutions, VSAT solution was the next big thing that saw a high demand with a total of 90 installations. These are used for backup services in schools, resorts, and Government rural offices. The solution is offered with both voice and data. VSAT is also being used for backhauling on remote sites.

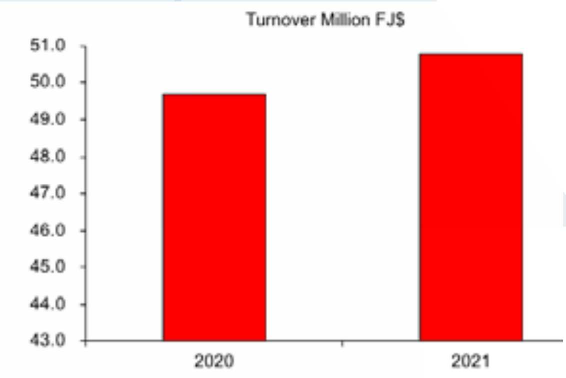
Vodafone Vanuatu Team

The strength of Vodafone Vanuatu rests within the team. Again, during this year, amidst COVID-19 and Category 5 Tropical Cyclone Harold, the team had braced many challenges. With their loyalty and dedication, Vodafone Vanuatu has been able to deliver good results during this financial year.

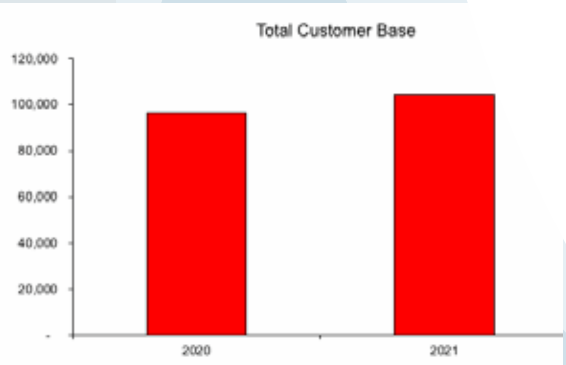
Our staff have been going the extra mile to deliver certain projects with remote engineers' support from the vendors. We continue to promote career development and succession planning. Vodafone Vanuatu is very proud to see several local talents taking managerial positions that were previously occupied by expatriates.

Financial Highlights

Vodafone Vanuatu achieved, during the last financial year, a key milestone with 100% of its mobile site on 4G/4G+. As the pandemic has been impacting businesses, our commercial focus has been to grow the mobile prepay base and revenue. The commercial strategy has been very successful with a 10% growth on GSM prepay base and 12% on revenue. The growth was also driven by mobile data due to increased sales of 4G device, accounting for 75% of total unit sales. We have also observed a significant growth (+74%) on LTE broadband services.



There has also been a remarkable improvement on M-VATU, the mobile money wallet to reach 11,000 customers. Alternative broadband services like VSAT have given Vodafone Vanuatu a competitive advantage for connecting remote sites. Despite the pandemic, the turnover growth is 2% reaching FJ$50.8 million.



Moreover, with several measures to improve efficiency within the organisation, there has been significant growth in EBITDA (12%) and NPAT.

Corporate Social Responsibility

This year, again, the Company contributed significantly towards the communities and has been a major partner/ supporter in various fields like sports, music and education. Vodafone Vanuatu is now a major partner of Port Vila Football Association with the naming right for Port Vila League as the Vodafone Premier League.

We further continued to support sports development at the grassroots level whereby other sports like bike race, rugby and cricket were not left behind. On the musical front, Vodafone Vanuatu continued to support the annual Music Festival - Fes Napuan.

To reinforce our engagement with the community, we have promoted local products with our Go Local and Go Digital events every Friday and during the end of year festive, Vodafone Christmas Carols has been a major attraction in the town.

Towards the end of this financial year, Vodafone Vanuatu managed to have all the team from different locations in our internal staff event for the launch of the new brand positioning.

Looking Ahead

Vodafone Vanuatu, despite the pandemic, has had a successful year on all fronts. But with the current situation in many countries, we are still in a period of uncertainty and it is very difficult to predict when this pandemic will be over. This could be the new normal as movements across the world will not be same for a few years.

Based on this assumption, our strategy and actions will be driven by new needs. Digital transformation will be accelerated, and Vodafone Vanuatu will have to position strongly in those areas. As we have a remarkably good broadband infrastructure in terms of fiber, 4G+, radio and VSAT, there is an urgent need to review our offerings so that Vodafone Vanuatu has a strong and trusted positioning in the broadband landscape and act as an accelerator for digital services.

In addition to that, Vodafone Vanuatu will continue to develop its digital services like M-VATU and e-commerce platform to ensure that we play the leading role in financial inclusion.

With the new brand positioning of Vodafone, "Together we can", no one should be left behind. Vodafone Vanuatu will work with all stakeholders such as Government, NGOs, private sectors and communities at large, to ensure that technology is used to create a better future and improve the day to day lives of everyone.

Corporate Governance

Vodafone Vanuatu provides the following corporate governance statement for the year ended 31 March 2021.

Principle 1: Establishing Clear Responsibilities to Board Oversight

Separation of Duties

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

Principle 2: Constitute an Effective Board

Board Composition

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

The Directors in office on 31 March 2021 were:

Name	Title	Date of Appointment
Mr Ivan Fong	Director	28.03.2017
Mr Naibuka U Saune	Director	28.03.2017
Mr Russell Hewitt	Director	01.10.2017
Mr Barlen T Lutchmoodoo	MD & CEO	29.04.2020

During the financial year, the following Directors resigned:

Name	Title	Date of Resignation
Mr Ajith U Kodagoda	Chairman	17.12.2020
Mr Pradeep C Lal	Director	14.08.2020

The Board met five times during the financial year ended 31 March 2021. Attendance was as follows:

Name	Board	
	No. of Meetings	
	Attended	Held
Mr Ajith U Kodagoda	4	4
Mr Pradeep C Lal	2	2
Mr Ivan Fong	5	5
Mr Naibuka U Saune	5	5
Mr Russell Hewitt	5	5
Mr Barlen T Lutchmoodoo	5	5

Board Evaluation

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

Directors Training

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

Board Sub-Committees

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

Remuneration Committee meetings and attendance during the financial year ended 31 March 2021 were as follows:

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

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

Mr Barlen Tangavel Lutchmoodoo is the Managing Director (MD) and Chief Executive Officer (CEO) of the Company. His appointment was made by the Board. The MD and CEO is responsible for developing and implementing business strategies and policy guidelines; managing effective relationships with internal and external parties; and leading and developing a team of staff.

The Company Secretary is Mr Ravendra Chand and is responsible for managing budgets, financial report and key performance indicators; providing Company secretarial duties and functions; ensuring compliance with regulatory and statutory requirements.

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

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

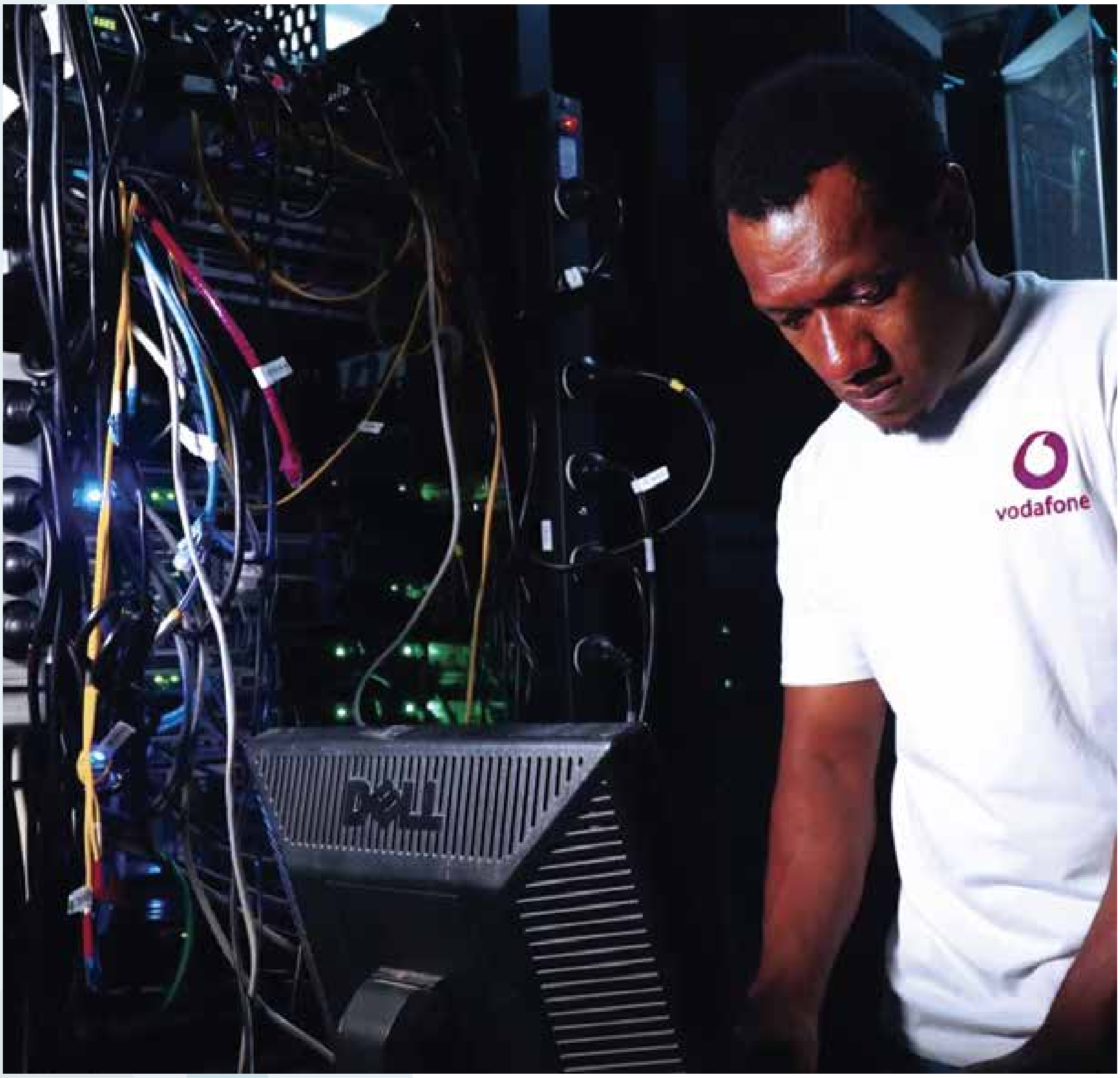
Payment to Directors and Senior Management

A total fee of $71,399 was paid to Directors for their service during the year in accordance with the shareholders resolution. Vodafone Vanuatu Directors were also covered under a Directors and Officers Insurance Policy. Payment to senior management is disclosed in the audited financial statements under Key Management Personnel Compensation.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

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



Principle 7: Register of Interests

Conflict of Interest

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

Principle 8: Respect the Rights of Shareholders Rights

Communication with Shareholders

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

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

Website

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

Principle 9: Accountability and Audit

Internal Audit, External Audit and Rotation of Auditors

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

Principle 10: Risk Management Policy

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

Together we can Vodafone Kiribati

Mr Arun K Narsey - Chairman
Mr Ivan Fong - Director
Mr Rajneel Kumar - Chief Executive Officer
Mr Shalvin Singh - Company Secretary

Overview

Amalgamated Telecom Holdings (Kiribati) Limited, trading as Vodafone Kiribati, continues to lead the telecommunication services by delivering affordable mobile, fixed, data services through its 3G, 4G and 4G+ network to the people of Kiribati.

Vodafone Kiribati's commitment to maintain its position as the leading service provider remains resolute. The Company has continued to embrace on-going advances in technology to reshape the telecommunication market and transform customer experiences in Kiribati, together with on-going investments in its people and the local community.

The Company was awarded two prestigious awards at the 2020 National Business Awards Night. Vodafone Kiribati, for the second year in a row, was recognised as the "Most Successful Business in Foreign Investment". It also received the "Telecommunications Services Award" as recognition for the contribution the Company has made towards the livelihood and welfare of the I-Kiribati.

Our Infrastructure

Vodafone Kiribati continues to embark on its journey to provision telecommunication services to the outer islands in Kiribati. With only 17 sites providing basic mobile services to nine islands in 2015, we have now extended to 33 sites, servicing 16 islands in Kiribati.

The Company rolled out three new sites during the year in its effort to increase its footprint. These include one site each in Tabwakea (Christmas Island), Abaiang Island and Nonouti Island which has increased penetration to 67% of the country's population. Vodafone Kiribati continues to invest in its network that included the launch of 4G+ on the main island and battery/solar upgrade in the outer islands in its effort to provide the best customer experience in Kiribati.

Our People

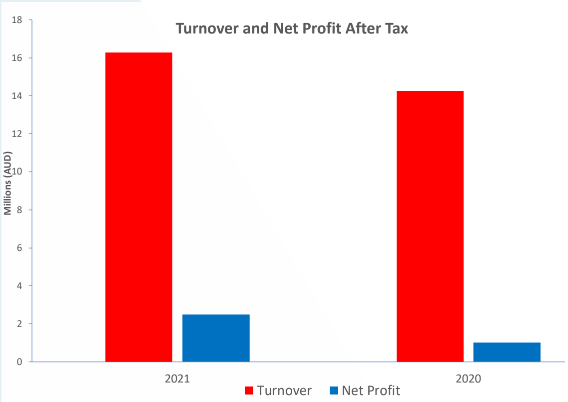
At Vodafone Kiribati we believe that our people are the key to the Company's success. Their performance, well-being and knowledge have significant impact on brand desire, customer satisfaction and, ultimately, the financial performance. We ensure that our staff undergo the necessary training to equip them with the necessary skills which will help them perform to the best of their ability.

As at 31 March 2021 we had 91 staff of which 71 are full time permanent staff. We also hold a strong female representation of 53%, one of whom heads our Human Resources operation.

We are an equal opportunity employer. We respect everyone and treat everyone alike.

Financial Highlights

Vodafone Kiribati, for the financial year 2020/2021, achieved a total turnover of AU$16.27 million which is the result of increased market penetration through the rollout of new sites and network upgrade projects. This is also coupled with stronghold in the prepay market for data, corporate data sector, and the subscriber base.



The Company's turnover increased by 14% and net profit after tax increased by 146% when compared to the 2020 financial year. The Company's strong performance is directly related to continued investments in new and existing sites around the country to improve network performance which has witnessed significant growth in prepaid business. The Government of Kiribati also provided increased incentives and grants to support the grassroots people, businesses, and communities to get through this pandemic which resulted in additional cashflow circulating in the economy.

Corporate Social Responsibility

Vodafone Kiribati is committed to conduct business in a socially, economically, and environmentally responsible and sustainable manner. We continue to holistically implement processes where corporate social responsibility and social impact are integrated across the business. The Company has been a part of social media campaign in identifying and recognising our women achievers in Kiribati. This campaign featured three women leaders who are aspiring and influential figures in the society which was in line with International Women's Day Event. Vodafone Kiribati has also been a part of the International Youth Fellowship in Kiribati and provided the much needed connectivity to enable the Kiribati youths to participate in the Global Leadership Conference. The Company also supported community events such as Girls in ICT Day 2021, the Ministry of Information, Communication, Transport, Tourism Development Day 2021, Child Fund Kiribati fundraising events, and World Tourism Day 2021.

Together with this, Vodafone Kiribati has been working with the Ministry of Health to spread awareness to people through the text blast services on COVID-19 vaccine awareness and preparedness.

Looking Ahead

Vodafone Kiribati's way forward is to further invest in its network, increase its footprints in the outer Islands and deliver excellent experience to its customers. The focus for South Tarawa will be on 4G+ migration on the remaining seven 4G sites and for the outer islands, the Company will work on enhancing coverage by optimising the existing network.

Corporate Governance

The Company provides the following corporate governance statement for the year ended 31 March 2021.

Principle 1: Establishing Clear Responsibilities to Board Oversight

Separation of Duties

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

Principle 2: Constitute an Effective Board

Board Composition

The Board comprises of two (2) Non-Executive Directors.

The Directors in office on 31 March 2021 were:

Name	Title	Date of Appointment
Mr Arun K Narsey	Chairman	28.04.2015
Mr Ivan Fong	Director	28.04.2015

Mr Ajith Upendra Kodagoda resigned from the Board on 17 December 2020.

The Board met four (4) times during the financial year ended 31 March 2021. Attendance was as follows:

Name	Board	
	No. of Meetings	
	Attended	Held
Mr Arun K Narsey	4	4
Mr Ivan Fong	4	4
Mr Ajith U Kodagoda	3	3

Board Evaluation

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

Directors Training

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

Board Sub-Committees

The Remuneration Committee was formed on 20 November 2020 and comprises of the following members.

Name	Title	Date of Appointment
Mr Ivan Fong	Member	20.11.2020
Mr Pradeep C Lal	Member	20.11.2020
Ms Moureen Chand	Member	20.11.2020

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

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

The Company Secretary and Finance Manager is Mr Shalvin Singh who is responsible for managing budgets, financial and key performance indicators, performing Company secretarial duties and functions, and ensuring compliance with regulatory and statutory requirement.

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

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

Payment to Directors and Senior Management

A total fee of AU$38,017 was paid to Directors for their service during the year. Vodafone Kiribati Directors were also covered under a Directors and Officers Insurance Policy and a Personal Accident Insurance Policy. Payment to senior management is disclosed in the financial statements under Key Management Personnel Compensation in the annual report.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

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

Principle 7: Register of Interests

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

Principle 8: Respect the Rights of Shareholders Rights

Communication with Shareholders

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

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

Website

The Company maintains an up to date website to supplement the official release of information to the market.

Principle 9: Accountability and Audit

Internal Audit, External Audit and Rotation of Auditor

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

Principle 10: Risk Management Policy

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

Fiji International Telecommunications Pte Limited (FINTEL)

Mr Sashi Singh - Director
Mr Naibuka U Saune - Director
Mr Vilash Chand - Director
Mr George Samisoni - CEO & Company Secretary

Overview

COVID-19 has put a spotlight on the vast disparities in internet access and affordability across the Pacific region and globally. The need to bridge the regional and global digital divide has never been more important.

Governments are compelled to reassess priorities and step up with innovative solutions to address a range of challenges across health, employment, education and economic resiliency.

Surging demand for bandwidth and higher quality end-user experiences of both the human and droid variety continues unabated.

This trend puts intense pressure on subsea cable and network operators to maximise submarine network spectral and returns on limited submerged assets.

According to the *Alliance for Internet Affordability (A4IA) 2020 Report*, data on policy and prices is trending in the right direction.

In the past five years, mobile broadband has become more affordable, and Affordability Drivers Index (ADI) scores have risen in most countries, including the Asia-Pacific region, signalling improvements in broadband policies.

Low income countries showed strong signs of improvement with 11.3% increases in overall ADI scores.

Asia-Pacific is the regional leader for broadband strategy. At a regional level, Asia-Pacific countries have the highest average ADI policy scores for broadband strategy and public access. Consumers pay the lowest prices, less than 1.5% of the average monthly income, for 1GB of mobile broadband.

COVID-19 has challenged both the private and the public sectors in multiple ways and various critical sectors of the economy have come under unprecedented pressures to perform. Amidst an unrelenting challenge, ICTs hold great hopes for driving recovery and helping us move forward with new approaches, which will also be essential for the fulfilment of the Sustainable Development Goals (SDGs).

ICTs are literally keeping the world stitched together in the midst of a nightmarish situation.

The prevailing COVID-19 crisis is serving as a catalyst for bringing about a paradigm shift in how we use ICTs for provisioning health care services; delivering education; and how the world's private and public sectors co-operate, to help synergise in digital transformation through broadband connectivity, digitalisation, and innovation at an accelerated pace.

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

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

It is forecasted that 98% of Pacific island countries, territories and states will be connected to subsea cables in the next couple of years (source: ITU/PITA).

Our Infrastructure

FINTEL has committed to the new SX Next subsea cable system with an investment of US$20 million. SX Next is targeted to be operational in the second quarter of 2022.

The successful negotiation for the SX Next subsea cable system to land in Savusavu (Vanua Levu), provides the long awaited relief of redundancy and resilience to FINTEL and Fiji's and the Pacific Islands' international telecommunications.

Pacific Islands subsea cable systems, currently directly connected with FINTEL for their access to the global telecommunications highway, now include Tonga, Vanuatu, Samoa (Samoa and American Samoa) and Wallis and Futuna.

FINTEL's commitment to the SX Next subsea cable system will provide direct connectivity with Kiribati, Tokelau, Nauru and the Federated States of Micronesia (FSM).

The Manatua subsea cable systems, which came into service in June 2020, allows FINTEL/Fiji to be connected to the Cook Islands, Niue and French Polynesia.

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

The Company has been awarded the landing of the "Gondwana-2" subsea cable system. This is an exciting outcome, from New Caledonia to Fiji, considering the various advantages in connectivity, regionally and globally, and FINTEL/Fiji's regional telecommunications hub status.

The "Gondwana-2" subsea cable is expected to be operational by the second quarter of 2022.

Our People

The Company has a staff complement of 33. Thirty five percent of the staff are female, spread out through the Corporate and Human Resources, Finance and Risk, Commercial, Sales and Marketing and Network and Technology Departments.

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

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

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

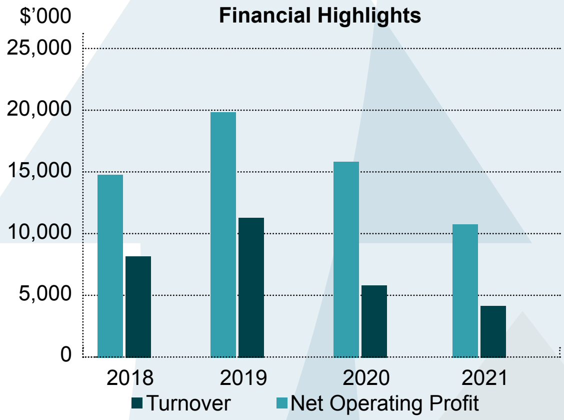
FINTEL, in partnership with the Fiji Performing Rights Association (FIPRA), annually supports the nurturing and grooming of local musicians.

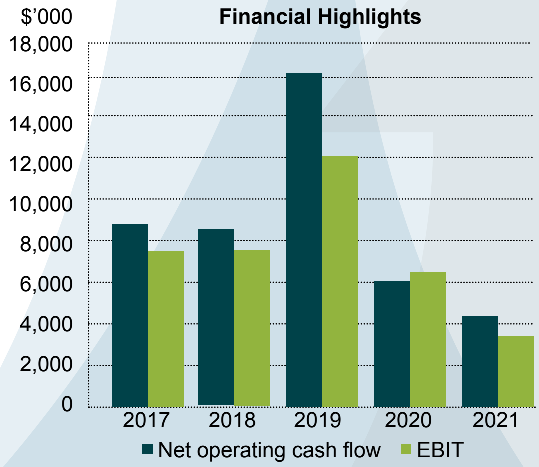
As a contribution to the awareness and conservation of the environment, mangrove planting by staff and families is carried out at the Fintel, Vatuwaqa Gateway foreshore.

Financial Highlights

FINTEL recorded a profit after tax (PAT) of $3.21 million ($5.5 million: 2019) during the year.

The impact on performance was attributed mainly to the full impact of the Fijian Competition and Consumer Commission (FCCC) Determination on International Access which includes the regional subsea cable systems.





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

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

Fiji, through FINTEL, has had a single international telecommunications gateway for the past 120 years.

As from the COVID-19 experience, international access resilience is now more than ever critical for the national economy.

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

Looking Ahead

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

Internet, data and wireless network (Kidanet) infrastructure, technology and bandwidth expansion will continue to drive growth of incremental business to customers.

The direct and indirect interconnection with regional and global subsea cable systems, the associated value added services and the growing demand for international broadband will provide the future delivery of key business objectives.

FINTEL is in discussion with a global low earth orbit (LEO) satellite provider that supplies space based global broadband connectivity including 5G. With much of its global network already deployed, the global satellite provider, which enjoys valuable ITU-backed priority spectrum rights, will operate 648 satellites in low orbit (LEO) offering low latency. This first generation of satellites will offer significant regional coverage by the end of 2021, reaching global coverage the following year.

Corporate Governance

FINTEL provides the following corporate governance statement for the year ended 31 March 2021 in accordance with the Reserve Bank of Fiji's Corporate Governance Code.

Principle 1: Establishing Clear Responsibilities for Board Oversight

Separation of Duties

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

Board Charter

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

Principle 2: Constitute an Effective Board

Board Composition

The Board comprises of four (4) Directors appointed by the shareholder, ATH. The Chairman, Mr Ajith Upendra Kodagoda, resigned on 13 December 2020.

The Directors in office on 31 March 2021 were:

Name	Title	Date of Appointment
Mr Sashi Singh	Director	21.08.2019
Mr Naibuka U Saune	Director	27.01.2017
Mr Vilash Chand	Director	15.03.2020

The Board met three times during the financial year ended 31 March 2021. Attendance was as follows:

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Ajith U Kodagoda	2	3
Mr Sashi Singh	3	3
Mr Naibuka U Saune	3	3
Mr Vilash Chand	3	3

Gender Diversity

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

Board Evaluation

The shareholder evaluates the Directors performance.

Directors Training

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

Board Sub-Committees

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

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

The Audit and Finance Committee is responsible for monitoring FINTEL'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 Pacific Stock Exchange requirements.

Board Sub-Committee meetings and attendance during the financial year ended 31 March 2021 were as follows:

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

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

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

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

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

Payment to Directors and Senior Management

A total fee of $42,844.93 was paid to Directors for their service during the year in accordance with the shareholders resolution at the 31st Annual General Meeting. FINTEL Directors were also covered under a Directors' and Officers' Insurance Policy and a Personal Accident Insurance Policy. Payment to senior management is disclosed in the annual report under Key Management Personnel Compensation.

Continuous Disclosure

FINTEL continues to make timely, accurate, and full disclosure to iits shareholder.

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

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

Principle 7: Register of Interests

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

Principle 8: Respect the Rights of Shareholder

Communication with Shareholders

The shareholder is invited to the AGM, receives a copy of annual report and notice of meeting prior to the AGM and is given an opportunity to communicate directly with the Board of Directors.

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

Website

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

Grievance Redressal Mechanism

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

Corporate Sustainability

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

Principle 9: Accountability and Audit

Internal Audit, External Audit and Rotation of Auditor

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

Audit and Finance Committee

The Company 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.

Principle 10: Risk Management Policy

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

Whistle Blower Policy

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

Fiji Directories Pte Limited

Mr Arun K Narsey - Chairman
Mr Umarji Musa - Director
Mr Ivan Fong - Director
Ms Sitla Chandra - CEO & Company Secretary

Overview

Fiji Directories Pte Limited (FDL) relocated to its new office at Level 1, My FNPF Centre, Greig Street, Suva during the year.

Since 1993, FDL has been serving the people of Fiji and its stakeholders with excellence in providing quality and efficient category searches for directory and online services.

The year 2020 had been a challenging year with the COVID-19 pandemic impacting the business environment with many businesses realigning its core activities and goals. FDL is no exception to this impact, but continues to stay true to serving its customers, by ensuring that its product is delivered with high customer satisfaction in a timely manner.

With the impacts of the COVID-19 pandemic, FDL worked closely with its customers offering value driven and attractive advertisements to its customers. This allowed our customers to maintain the core mechanics of revenue driven while managing costs, thus cushioning the negative impact of the pandemic.

Attractive deals for both print and online services encouraged sustainability for businesses, while ensuring that services provided are not compromised in any way, but driven with excellence in alignment with our goal to be the best in the region.

Our Services

The Fiji Yellow Pages ® Print directory continues to reach wider audiences with circulation coverage to Fiji, embassies globally and to the Pacific providing the most comprehensive source of information when looking for suppliers of products and services. The Print directory is the established core product still used by a vast majority of people.

The rise in digital products has changed the way both businesses and consumers search and as such, FDL continues to evolve its online product by offering quality and secure services to customers through its digital platform of Yellow Pages Fiji® Website and Yellow Pages Fiji® Mobile.

The online product offers attractive packages ranging from bronze, silver and gold to sponsored and featured business links to prioritise listing placements on the website and the mobile application.

FDL remains committed to delivering a richer content and an enhanced search experience through its arsenal of products.

Our People

The team at FDL comprises of a diverse workforce with a good mix of experienced and young team who play a vital role in the success of the Company.

The Company has Sales, Finance and Administration, Production and Studio and IT Departments that contribute to the smooth running of business operations.

The Sales Department comprises of a dynamic young team collaborating with the experienced and well-versed Production and Studio team that specialises in traditional product to deliver print and online directory needs.

With the new (information technology) IT recruit, FDL is transitioning from the traditional approach of conducting business to a more digital approach, aligning with the evolving technological developments.

The FDL team is customer centric and solutions based, committed to delivering effective and efficient services to all audiences.

Financial Highlights

Despite many challenges due to COVID-19 the Company recorded a net profit after tax of $0.74 million. The decrease in profit, compared to the previous year, has been mainly due to the decline in sales and additional provision for doubtful debts. The Company reduced its operating costs by 16.66% as a result of managing costs and resources. Online advertising continues to grow and is up by 9.31% compared to the previous year.

The Company declared a dividend of $750,000 to shareholders.

Looking Ahead

FDL continues to strive towards its goal of converging its print to digitalisation, while enhancing the online platform with efficient and excellent service delivery, with the ever growing advancements of online services and our latest revamped sites.

Our print directory circulation is widely reached locally and internationally and FDL is confident to engage with the prospect of providing services for both print and online to its neighbouring Pacific countries in the near future.

FDL strives, in 2021, to achieve its short-term goal of maintaining its customer base for print directory services and long term goal of digitalisation of its print customers. With the revamped yellow pages site and mobile application available, this will enable FDL to achieve its digitalisation goal.

The Company is venturing into revamping its white pages website in the near future, thus ensuring that its core objective is maintained and make available the most reliable and comprehensive source of information at the highest standard to its loyal users and customers.

Corporate Governance

FDL provides the following corporate governance statement for the year ended 31 March 2021 in accordance with the Reserve Bank of Fiji's Corporate Governance Code.

Principle 1: Establishing Clear Responsibilities to Board Oversight

Separation of Duties

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

Board Charter

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

Principle 2: Constitute an Effective Board

Board Composition

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

The Directors in office on 31 March 2021 were:

Name	Title	Date of Appointment
Mr Arun K Narsey	Chairman	01.04.2014
Mr Ivan Fong	Director	20.10.2016
Mr Umarji Musa	Director	20.10.2016

The Board met thrice during the financial year ended 31 March 2021. Attendance was as follows:

Name	Board	
	Number of Meetings	
	Attended	Held
Mr Arun K Narsey	3	3
Mr Ivan Fong	3	3
Mr Umarji Musa	3	2

Gender Diversity

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

Directors Training

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

Board Evaluation

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

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

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

Principle 5: Timely and Balanced Disclosure

Annual Reports and Continuous Disclosure

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

Payment to Directors and Senior Management

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

Principle 6: Promoting Ethical and Responsible Decision Making

Code of Conduct

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

Principle 7: Register of Interests

Conflict of Interest

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

Principle 8: Respect the Rights of Shareholders

Communication with Shareholders

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

Website

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

Corporate Sustainability

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

Principle 9: Accountability and Audit

Internal Audit, External Audit and Rotation of Auditor

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

Principle 10: Risk Management

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

Whistle Blower Policy

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

Vodafone ATH Fiji Foundation

Vodafone ATH Fiji Foundation (The Foundation) was registered as a charity in 2004. Since then, it has been working with non-governmental organisations (NGOs) and other charity partners to identify pressing social needs that could be addressed in partnership with the Foundation. At the heart of our Foundation is the belief that technology has the potential to address some of Fiji's most pressing issues in ways that were not possible before.

The Foundation is aligned with the 2030 United Nations sustainable development goals which looks at development in a holistic manner. The recent repositioning of the Vodafone brand with its new tagline "Together we can" comes with a strong belief that the fusion of technology and human capacity can complement one another to achieve the Foundation's vision of a stronger and connected vanua.

The Foundation network permeates through Government, NGOs, charities and civil societies to deliver the Foundation's programmes that make a real difference to people's lives. The Foundation is committed to connecting communities around Fiji and improving their lives by reducing social issues and supporting sustainable income generation projects through capacity building in grassroots communities by involving women and youth.

The Foundation is sustained financially by its benefactors namely Vodafone Fiji Pte Limited and Amalgamated Telecom Holdings Limited.

The Foundation's approach is unique in that it engages volunteers by mentoring, counselling, coaching and providing them with supportive communication through access to technology to deliver multifold return on the Foundation's social investments.

Community involvement of the Foundation includes contributions from our staff providing their skills and raising funds for charities towards whom they have a strong affinity. This partnership has resulted in tangible improvement in education and health care in the remote vulnerable communities, particularly at a time when communities are fighting the COVID-19 pandemic.

While the Foundation had to slow down certain activities during the year because of the restrictions imposed due to COVID-19, it has continued to ensure that all the programmes continue to run for the benefit of all Fijians.

Our Corporate Philanthropy Beyond Funder Programme convened the third Multi-Disciplinary Conference with the theme Stronger Together through digital Inclusion. The

Vodafone ATH Fiji Foundation (Cont'd)

event commemorated 10 years of Vodafone World of Difference programme and coincided with Fiji's 50th year of independence, Fiji50. In person attendance was restricted to 100 people due to COVID-19 restrictions, but was live streamed through the Vodafone Facebook page, with 15,000 people tuning in.

First for Fiji: mSave under Save Fiji Network was mooted to address COVID-19 related challenges. Save Fiji is harnessing the power of video technology and digital marketing to create awareness on the risks of the COVID-19 pandemic and how to prevent its spread. It also shared ways and means to safeguard the livelihood of families and ensure micro-businesses could use digital platforms to continue to operate.

Vodafone World of Difference (WoD) continues to deliver multi-fold return on social investment. We continue to support our WoD volunteers from Fiji Disabled People's Federation, Spinal Injury Association, Fiji Para Olympic, Rotary Pacific Water for Life and nine other charity organisations. In return, the organisations deliver, for the benefit of the less fortunate and vulnerable communities', clean water and sanitation projects, mobility device, and education and awareness mChannel service delivery worth over $15 million. Eleven World of Difference passionate volunteers continued to impart knowledge and skills to charities and communities that work in partnership with the Foundation. The Foundation continues to empower human resources to take on projects that create real strategic impact with minimal input but maximum output. The support entails providing for organisation effectiveness through the funding of salaries, training, operational expenses of sponsored project and writing proposal to other donors to access project funding.

The Foundation was again at the forefront of Tropical Cyclone Yasa relief efforts in providing over 1,000 packs of essential food and carpentry items worth $50,000 in conjunction with Vodafone Fiji as a first response on ground zero. It also mobilised its greater network of volunteers to work with Vodafone Fiji Pte Limited in the distribution of items for Cyclone Yasa.

Last year sustainable funding employee engagement saw a total of $41,000 directed towards 15 charities. Our corporate societal engagement goes beyond "grant making". Foundation's optimistic programmes give its employees and customers the opportunity to get involved with environmental, social, and economic responsibilities to support key communities and charities at all levels.

Vodafone World of Difference and Mobile for Good spent a total of $153,000 with 14 charities.

Vodafone ATH Fiji Foundation (Cont'd)

Grants Approved and Paid in the Financial Year	
Particulars	**Financial Year 2020-2021 ($)**
World of Difference (WoD)	
WoD Administrative Expenses	19,044
Fiji Disabled People's Federation	19,959
Spinal Injury Association	19,959
Rotary Pacific Water for Life	19,959
Philathropy Pacific	19,959
Save Fiji	8,248
Capacity Building and Story Telling	8,248
Hakwa Foundation	8,248
Western Charity Alliance	8,248
Lifeline Fiji	8,248
Street Kids Network	8,248
Northern Charity Alliance	1,703
Young Women's Association	1,703
Humanity Inclusive	1,703
Total WoD Expenses	**153,477**
Double Your Dollar	
Lifeline Fiji	1,000
Capacity Building and Story Telling	1,000
Hakwa Foundation	900
Strivers Club - Nadi	1,000
Treasure House Christian Children's Home - Nadi	1,000
Treasure House Christian Children's Home - Nadi	1,000
Stationery Handout Drive - Nadi	1,000
Philanthropy Pacific	1,000
St Giles Hospital	570
Northern Charity Alliance	1,000
Western Charity Alliance	1,000
Fiji Muslim Youth Movement	1,000
Total Double Your Dollar (DYD)	**11,470**
Mobile for Good	
Smarter Policy Technology Rollout	1,406
Total Mobile for Good	**1,406**
Sustainable Funding	
Northern Charity Alliance	5,000
Rotary Club of Labasa	10,000
	15,000
Grand Total of Donations	**181,353**

Amalgamated Telecom Holdings Limited and Subsidiary Companies

Financial Statements
For The Year Ended 31 March 2021

Contents **Page**

Directors' Report

In accordance with a resolution of the board of directors, the directors herewith submit the consolidated statement of financial position of Amalgamated Telecom Holdings Limited ("the Holding Company") and its subsidiary companies ("the Group", individually referred to as "group entities", see note 31 for investments in subsidiaries) as at 31 March 2021, the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and report as follows:

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

Mr Ajith Kodagoda - Chairperson (resigned on 16 December 2020)
Ms Kalpana Lal - Chairperson (with effect from 18 March 2021)
Mr Taito Waqa
Mr Umarji Musa
Mr David Kolitagane
Mr Arun Narsey (resigned on 16 December 2020)
Mr Tom Ricketts (resigned on 16 December 2020)
Ms Tupou'tuah Baravilala (appointed on 16 December 2020)
Mr Viliame Vodonaivalu (appointed on 16 December 2020)
Mr Pravinesh Singh (appointed on 16 December 2020)

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

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

Directors' Report (Cont'd)

Principal Activities (cont'd)

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

Results

The consolidated profit after income tax attributable to the members of the Holding Company for the financial year was $14,603,000 (2020: $14,271,000).

Dividends

No dividends were declared by the Holding Company for the year ended 31 March 2021 (2020: $Nil).

Basis of Accounting - Going Concern

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

Bad Debts and Allowance for Expected Credit Loss

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

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

Current and Non-Current Assets

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

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

Unusual Transactions

In the opinion of the directors, the results of the operations of the Group during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report, any item, transaction or event of a material unusual nature, likely in the opinion of the directors, to affect substantially the results of the operations of the Group in the current financial year.

Directors' Report (Cont'd)

Significant Events during the Year

(a) A rights issue offer was approved by the shareholders of the Holding Company, in accordance with Article 2.1 of the Articles of Association of the Holding Company at the Annual General Meeting of the Holding Company held on 6 November 2019. The rights issue offer was made as a non-renounceable entitlement offer of one (1) New Ordinary Share for every six point six six (6.66) Shares held by Eligible Shareholders registered at the Record Date at an issue price of $2.00 per Share.

All of the Ordinary Shares offered under this rights issue offer ranked equally with the Ordinary Shares on issue. During the year, due to the COVID-19 pandemic, the final closing date of the rights issue offer was extended to 19 April 2021 to assist retail shareholders to apply for their entitlement.

During the year a total of 25,807,044 new shares were issued pursuant to the above-mentioned rights issue offer. The Holding Company received valid applications for entitlements totaling $51,614,088 from Eligible Shareholders.

Additionally, in accordance with Article 2.12(iv) of the Articles of Association of the Holding Company, it was also approved that the Holding Company offer the balance of the shortfall shares at $2.00 per share to persons who were not shareholders of the Holding Company in order to increase the public spread of the Holding Company. This placement closed on 31 May 2021.

(b) The COVID 19 pandemic has wreaked havoc across the globe, leading to health and economic crisis in developed and developing countries alike. The social fallout from the pandemic has been immense with disparities in health outcomes between different social groups.

Fiji has been fortunate on this front, particularly from a health and social perspective, where for almost a year since the first case of COVID 19 was detected in March 2020, Fiji managed to avoid any COVID related health crisis. The second outbreak of the virus appears more serious as the virus has spread unexpectedly rapidly across the main island. Whilst the group entities operate in a COVID safe manner and took measures to prepare for such situations, this outbreak looks to have had a greater impact on the telecommunications sector due to the more severe resultant economic downturn.

The group entities, particularly, Vodafone Fiji Pte Limited and Telecom Fiji Pte Limited have been working with the relevant authorities to combat the rising health, economic and social implications due to this second wave.

The Group is confident that the products offered by the group entities, including the M-Paisa Platform, Vitikart app, the heavily discounted smartphones and continuing efforts to provide affordable and quality telecommunication services will help people keep in touch with each other during these difficult times. However, more importantly, robust, functioning telecommunications networks and services is a critical element in assisting Fiji and Fijians to bring this outbreak under control and will be an essential element in re-establishing a new normal.

Notably, the pandemic has caused an increase in demand for data from users here and abroad and the Group continues to invest in innovative technologies to enhance the customer experiences.

In terms of financial impact to the Group, the pandemic has caused loss in revenue for some of the group entities. However, the diversified revenue base of the Group has allowed the Group to cushion the impacts to some extent. Whilst the full impact of COVID-19 on the Group remains to be seen, the Group continues to monitor and assess its business operations daily and will undertake actions as appropriate.

The Group has implemented precautionary measures, protocols and has established, and continually reviews, plans for alternative arrangements and strategies under different scenarios to minimize the disruptions to its day-to-day operations.

Directors' Report (Cont'd)

Events Subsequent to Balance Date

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

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

Result of the Offer and Placement of shortfall shares:

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

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

Other Circumstances

As at the date of this report:

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

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

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

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

Directors' Benefits

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

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

Dated this 31st day of August 2021.

Director

Director

Directors' Declaration

In the opinion of the directors of the Holding Company:

a) the accompanying consolidated statement of profit or loss and other comprehensive income of the Group is drawn up so as to give a true and fair view of the results of the Group for the year ended 31 March 2021;

b) the accompanying consolidated statement of financial position of the Group is drawn up so as to give a true and fair view of the state of the affairs of the Group as at 31 March 2021;

c) the accompanying consolidated statement of changes in equity of the Group is drawn up so as to give a true and fair view of the movement in shareholders' funds for the year ended 31 March 2021;

d) the accompanying consolidated statement of cash flows of the Group is drawn up so as to give a true and fair view of the cash flows of the Group for the year ended 31 March 2021;

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

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

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

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

Dated this 31st day of August 2021.

Director

Director

INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 31 MARCH 2021

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

To: the Directors of Amalgamated Telecom Holdings Limited

As required under Section 395 of the Companies Act 2015, we declare that to the best of our knowledge and belief, in relation to the audit for the year ended 31 March 2021 and up to the date of this report there have been:

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

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

KPMG
KPMG

Steve Nutley
Partner
Suva, Fiji
31 August, 2021

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMALGAMATED TELECOM HOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Amalgamated Telecom Holdings Limited ("the Holding Company") and its controlled entities (the "Group"), which comprise the consolidated statement of financial position as at 31 March 2021, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out in notes 1 to 34.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the Companies Act 2015 and the ethical requirements that are relevant to our audit of the consolidated financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

- Valuation of goodwill; and
- Revenue recognition.

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

Goodwill amount ($123,456K)	
Refer to Note 15(a) of the consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
A key audit matter for us was the Group's annual testing of goodwill for impairment, given the size of the balance (being 10% of total assets) and the higher estimation uncertainty continuing from the business disruption impact of the COVID-19 global pandemic. Certain conditions impacting the Group increased the judgement applied by us when evaluating the evidence available. We focussed on the significant forward-looking assumptions the Group applied in their value in use and fair value less costs of disposal models, including:	Working with our valuation specialists our procedures included: • considering the appropriateness of the value in use and fair value less costs of disposal methods applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards. • assessing the integrity of the value in use and fair value less costs of disposal models used, including the accuracy of the underlying formulas applied.

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMALGAMATED TELECOM HOLDINGS LIMITED

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

Key Audit Matters (continued)

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

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMALGAMATED TELECOM HOLDINGS LIMITED

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

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
In addition to the above, the Group recorded an impairment charge of $2,500,000 against goodwill. This further increased our audit effort in this key audit area. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	• recalculating the impairment charge against the recorded amount disclosed. • assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Revenue recognition ($579,765K)

Refer to Note 3.1 and 6 of the consolidated financial statements

The key audit matter	How the matter was addressed in our audit

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

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMALGAMATED TELECOM HOLDINGS LIMITED

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

Key Audit Matters (continued)

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

Other Information

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

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

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

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMALGAMATED TELECOM HOLDINGS LIMITED

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMALGAMATED TELECOM HOLDINGS LIMITED

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

In our opinion:

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

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

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

KPMG
KPMG

Steve Nutley

Partner

Suva, Fiji

31 August, 2021

Consolidated Statement of Profit or Loss and other Comprehensive Income
For the Year Ended 31 March 2021

	Note	2021 $'000	2020 $'000
Revenue	6	579,765	675,947
Direct costs	7	(212,172)	(250,916)
Gross profit		367,593	425,031
Other income	8	11,166	5,960
Impairment loss on trade receivables and contract assets recognised, net	20	(8,923)	(8,495)
Marketing and promotion expenses		(13,288)	(19,932)
Other expenses	11	(296,910)	(299,591)
Operating profit		59,638	102,973
Finance income	10	15,679	2,186
Finance costs	10	(20,573)	(34,743)
Net finance costs		(4,894)	(32,557)
Profit before tax		54,744	70,416
Income tax expense	12(a)	(13,370)	(27,062)
Profit		41,374	43,354
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations - foreign currency translation differences		(1,036)	(6,751)
Other comprehensive income, net of tax		(1,036)	(6,751)
Total comprehensive income		40,338	36,603

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

Consolidated Statement of Profit or Loss and other Comprehensive Income (Cont'd)
For the Year Ended 31 March 2021

	Note	2021 $'000	2020 $'000
Profit attributable to:			
Equity holders of the Holding Company		14,603	14,271
Non-controlling interests	17	26,771	29,083
		41,374	43,354
Total comprehensive income attributable to:			
Equity holders of the Holding Company		18,310	9,036
Non-controlling interests	17	22,028	27,567
		40,338	36,603
Earnings per share			
- Basic and diluted earnings per share (cents per share)	13	3.26	3.38

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

Consolidated Statement of changes in Equity
For the Year Ended 31 March 2021

	Attributable to equity holders of the Holding Company						
	Share capital $'000	Foreign currency translation reserve $'000	Other equity reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance as at 1 April 2019	**107,600**	**(284)**	**-**	**208,004**	**315,320**	**144,212**	**459,532**
Total comprehensive income							
Profit	-	-	-	14,271	14,271	29,083	43,354
Other comprehensive income	-	(5,235)	-	-	(5,235)	(1,516)	(6,751)
Total comprehensive income	-	(5,235)	-	14,271	9,036	27,567	36,603
Transactions with owners of the Holding Company							
Contributions and distributions							
Dividends (Note 27)	-	-	-	-	-	(32,149)	(32,149)
Tax benefit on dividends paid	-	-	-	2,060	2,060	-	2,060
Total transaction with owners of the Holding Company	-	-	-	2,060	2,060	(32,149)	(30,089
Balance as at 31 March 2020	**107,600**	**(5,519)**	**-**	**224,335**	**326,416**	**139,630**	**466,046**
Total comprehensive income							
Profit	-	-	-	14,603	14,603	26,771	41,374
Other comprehensive income	-	3,707	-	-	3,707	(4,743)	(1,036)
Total comprehensive income	-	(3,707)	-	14,603	18,310	22,028	40,338
Transactions with owners of the Holding Company							
Contributions and distributions							
Issues of ordinary shares	51,614	-	-	-	51,614	-	51,614
Dividends (Note 27)	-	-	-	-	-	(17,912)	(17,912)
Total contributions and distributions	51,614	-	-	-	51,614	(17,912)	33,702
Changes in ownership interests							
Disposal of ownership interests without loss of control (Note 31)	-	-	4,519	-	4,519	5,126	9,645
Total changes in ownership interests	-	-	4,519	-	4,519	5,126	9,645
Total transaction with owners of the Holding Company	51,614	-	4,519	-	56,133	(12,786)	43,347
Balance as at 31 March 2021	**159,214**	**(1,812)**	**4,519**	**238,938**	**400,859**	**148,872**	**549,731**

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

Consolidated Statement of Financial Position
As at 31 March 2021

	Note	2021 $'000	2020 $'000
Assets			
Non-current assets			
Property, plant and equipment	14	697,404	622,872
Right of use assets	16(a)	88,561	75,020
Intangible assets	15	177,257	187,563
Equity investment securities		2,783	3,116
Deferred tax assets	12(b)	15,454	11,339
Trade and other receivables and contract assets	20	2,957	2,984
		984,416	902,894
Current assets			
Inventories	18	31,982	37,808
Debt investment securities	19	15,295	19,988
M-PAiSA trust account	4.1(c)	37,120	34,862
Trade and other receivables and contract assets	20	112,024	118,655
Cash and cash equivalents		100,334	92,223
		296,755	303,536
Total assets		**1,281,171**	**1,206,430**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	22	159,214	107,600
Foreign currency translation reserve	23	(1,812)	(5,519)
Other equity reserve	31	4,519	-
Retained earnings		238,938	224,335
Equity attributable to the owners of the Holding Company		400,859	326,416
Equity attributable to non-controlling interests	17	148,872	139,630
Total shareholders' equity		549,731	466,046
Liabilities			
Non-current liabilities			
Deferred tax liabilities	12(c)	29,190	32,520
Borrowings	24	226,189	309,761
Provisions	25	393	183
Trade and other payables	26	16,646	40,757
Lease liabilities	16(b)	63,637	56,262
		336,055	439,483

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

Consolidated Statement of Financial Position (Cont'd)
As at 31 March 2021

	Note	2021 $'000	2020 $'000
Current liabilities			
Borrowings	24	80,384	62,612
Lease liabilities	16(b)	6,484	5,044
Provisions	25	4,746	7,666
Trade and other payables	26	266,345	187,116
Current tax liability	12(d)	306	3,601
E-value in circulation	4.1(c)	37,120	34,862
		395,385	300,901
Total liabilities		731,440	740,384
Total shareholders' equity and liabilities		**1,281,171**	**1,206,430**

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

....
Director

....
Director

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

Consolidated Statement of Cash Flows
For the year ended 31 March 2021

	2021 $'000	2020 $'000
Cash flows from operating activities		
Receipts from customers and others	645,748	717,253
Payments to suppliers and employees	(441,343)	(518,152)
Cash generated from operating activities	204,405	199,101
Interest received	1,494	2,845
Interest paid	(20,573)	(21,722)
Income taxes paid	(23,955)	(32,200)
Net cash from operating activities	161,371	148,024
Cash flows from investing activities		
Acquisition of property, plant and equipment	(134,784)	(124,385)
Acquisition of intangible assets	(2,153)	(4,021)
Proceeds from sale of property, plant and equipment	370	1,927
Redemption of debt investment securities	11,316	10,790
Net cash used in investing activities	(125,251)	(115,689)
Cash flows from financing activities		
Dividends paid to equity holders of the Holding Company	-	(10,553)
Dividends paid to non-controlling interests	(16,365)	(28,884)
Repayment of borrowings	(59,339)	(47,123)
Proceeds from borrowings	8,134	67,904
Proceeds from share issue	51,614	-
Payment of lease liabilities	(6,622)	(4,765)
Net cash used in financing activities	(22,578)	(23,421)
Net change in cash and cash equivalents	13,542	8,914
Cash and cash equivalents at the beginning of the financial year	70,022	61,499
Effect of movements in exchange rates on cash held	(4,213)	(391)
Cash and cash equivalents at the end of the financial year (Note 21)	79,351	70,022

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

Notes to the Consolidated Financial Statements
For the year ended 31 March 2021

NOTE 1. GENERAL INFORMATION

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

b) Consolidated financial statements
The consolidated financial statements for the year ended 31 March 2021 comprise the Holding Company and its subsidiaries (together referred to as "the Group", individually referred to as "group entities").

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

d) Principal activities

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

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

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

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 2. BASIS OF PREPARATION

a) Basis of preparation

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

b) Statement of compliance

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

c) Standards issued but not yet effective

A number of new and amended standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

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

- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract;
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use;
- Annual Improvements to IFRS 2018-2020;
- Amendments to IFRS 3 Reference to Conceptual Framework; and
- Amendments to IAS 1 Classification of Liabilities as Current or Non-Current
- IFRS 17 Insurance Contracts

New currently effective requirements

A number of new standards, amendments to standards and/or interpretations are effective for annual periods beginning on 1 April 2020. The following amendment was applicable to the Group:

- Amendments to IFRS 16 COVID-19 Related Rent Concessions.

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There are no substantive changes to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession. The Group has elected to utilise the practical expedient for all rent concessions that meet the criteria. The practical expedient has been applied retrospectively, meaning it has been applied to all rent concessions that satisfy the criteria.

Accounting for the rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

This did not have a material impact on the Group.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 2. BASIS OF PREPARATION (CONT'D)

d) Basis of consolidation

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

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

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

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

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

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

v. Interests in equity-accounted investees
The Group's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence ceases.

vi. Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

e) Functional and presentation currency

The consolidated financial statements are presented in Fiji dollars, which is the Holding Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer. The following is a description of principal activities from which the Group generates its revenue.

The Group principally generates revenue from providing mobile telecommunication services, such as access to the network, airtime usage, messaging and internet services, sale of mobile devices, retailing of computer hardware and software, technical support services, equipment rental and other related services provided within the technology industry. Products and services may be sold separately or in bundled packages. The typical length of a contract for bundled packages is 24 months.

Revenue recognition with respect to the Group's specific business activities are as follows:

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Fixed line and mobile telecommunication services	Revenue for voice and video calls, messaging and mobile data provided to customers is recognised as services are performed, with unearned revenue from services to be provided in future periods deferred. Revenue from prepaid products and fixed monthly charges billed in advance is deferred and recognised as revenue once the related service has been provided. Revenue from interconnect fees is recognised at the time the services are performed.
M-PAiSA	M-PAiSA is a service allowing customers to transfer money using a mobile phone. M-PAiSA is available to all Vodafone subscribers. Revenue from this service is earned from transfers and withdrawal transactions performed by customers. A tariff that is generated depending on the funds being transacted is applied on all transactions which cumulatively are reported as M-PAiSA transaction commission revenue. Commission revenue is recognised at the time the transfer or withdrawal transactions are performed by the customers.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.1 Revenue recognition (cont'd)

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of computer hardware, software, mobile devices and terminals	Sales of computer hardware and software which are not part of any bundled package are recognised when a group entity has delivered products to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Sales of devices and terminals which are not part of any bundled package are recognised when a group entity sells them to the customer. Revenue is recognised at the point the devices and terminals are dispatched from the warehouse to the customer or sold at a group's retail outlet. For bundled packages, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the mobile devices, and telecommunication services.
Sale of technical support services	Revenue from technical support and software development services is generally recognised based on the performance obligations completed to date.
Published and on-line directories	**Published directories** Revenue is recognised upon dispatch of the directories for distribution. Monies collected in advance are deferred. **Online directories** Revenue from contracts in relation to online directory is recognised over the term of the contract.
Sale of broadband capacity	Revenue from sale of broadband capacity is recognised over time by measuring the progress toward complete satisfaction of performance obligation to deliver the services.
Subscription revenue	Revenue from subscription television services is initially deferred and is recognised over time as revenue in the period(s) that the related services is provided to subscribers.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.2 Borrowing costs

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

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

3.3 Dividend distribution

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

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

3.4 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Freehold land is not depreciated.

The annual depreciation rates are as follows:

- Leasehold land	Lease term
- Leasehold buildings and improvements	3% - 20%
- Telecommunications equipment and plant	
- Exchange plant and telecommunications infrastructure	5% - 33%
- Subscriber equipment	5% - 33%
- Trunk network plant	5% - 10%
- Plant and machinery	10% - 25%
- Equipment rental	10% - 25%
- Motor vehicles	20% - 25%
- Furniture, fittings and office equipment	10% - 25%
- Computer equipment	10% - 33%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.5 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.5 Leases (cont'd)

Short-term leases and leases of low-value assets

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

IRU network capacity

The subsidiary company, Telecom Fiji Limited, acquired indefeasible rights to use (IRU) network capacity in Southern Cross Cables. As a result, the subsidiary company entered into an agreement with Optus Networks Pty Limited to lease IRU network capacity for IP Transit and STM-1 and STM-4 via Australia and USA links. The subsidiary company has also been entering into an agreement with Optus Network Pty Limited annually for IP Transit.

The subsidiary company, Fiji International Telecommunications Limited, also acquired IRU network capacity in Southern Cross Cables. As a result, the subsidiary company entered into an agreement with Sothern Cross Cables Limited to lease IRU network capacity via Australia and USA links until 2030.

The amount recorded under right of use assets represents consideration prepaid to acquire IRU network capacities. The IRU network capacities are amortised over their estimated economic useful lives, as follows:

- IP Transit 33% -100%
- STM-1 7%
- STM-4 7%

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

IRU network capacities do not meet the definition of a lease under IFRS 16 *Leases*. Accordingly, the recognition, measurement and disclosure requirements of IFRS 16 do not apply to IRU network capacities.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.5 Leases (cont'd)

As a lessor (cont'd)

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

3.6 Intangible assets and goodwill

i. Recognition and measurement

a) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

b) Other intangible assets

Other intangible assets, including customer relationships and contracts, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Brands that are acquired in a business combination and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Brands that are acquired in a business combination and have indefinite useful lives are measured at cost less accumulated impairment losses.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Spectrum licences are capitalised on the basis of the costs incurred to acquire the licences. The licences are capable of being used as at the date of purchase, but cannot be used until the associated network assets necessary are available for use.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:
- computer software: 2-5 years
- spectrum licences: shorter of remaining licence rights and estimated economic useful lives
- customer relationships and contracts: 5 years
- brand: 15 months

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.7 Foreign currency

i. Foreign currency transactions
Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

ii. Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Fiji dollar at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Fiji dollar at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3.8 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.9 Government grants

Government grants are initially recognised in the statement of financial position as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions attached with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

3.10 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI. The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

i. Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.11 Value Added Tax (VAT)

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

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

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

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

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

3.12 Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12 (see Note 3.10).

3.13 Inventories

Inventories comprise of merchandise, computer hardware, spares, accessories and other consumables, and are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of selling.

The cost incurred in acquiring the inventories and bringing them to their existing location and condition are accounted using the following formulae:

i) Merchandise and other consumables – first-in-first-out basis.

ii) Computer hardware, spares, accessories and other consumables – weighted average basis.

Inventory obsolescence is considered as part of determining the net realisable value, based on reviews of inventories.

3.14 Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.14 Financial instruments (cont'd)

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. The Group has not elected to present subsequent changes in the investment's fair value in OCI.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.14 Financial instruments (cont'd)

ii) Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment (Cont'd)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.14 Financial instruments (cont'd)

ii) Classification and subsequent measurement (cont'd)

Financial assets: Subsequent measurement and gains and losses (cont'd)

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPTL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv) Modifications of financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.14 Financial instruments (cont'd)

iv) Modifications of financial assets (cont'd)

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income (refer note 3.16).

v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.15 Impairment of non-derivative financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost and contract assets.

No impairment loss is recognised on equity investment.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.15 Impairment of non-derivative financial assets (cont'd)

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's or BBB- or higher per Standards and Poor's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

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

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.16 Finance income and finance costs

The Group's finance income and finance costs include:

- Interest income
- Interest expense
- the foreign currency gain or loss on financial assets and financial liabilities
- impairment losses (and reversals) on investments in debt securities carried at amortised cost

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.17 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.18 Cash and cash equivalents

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

3.19 Provisions

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

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

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

3.20 Employee entitlements

Wages and salaries

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

Annual leave and sick leave

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

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

Long service leave and retirement benefits

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

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

Bonus plans

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

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

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

3.20 Employee entitlements (cont'd)

Termination benefits

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

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

3.21 Segment reporting

Operating Segments

An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments.

For reporting purposes, the Group considers itself to be operating predominantly in the telecommunications industry and revenue from other sources are not material.

The Group has disclosed three reportable segments as follows:

- Fixed line telecommunications ("Fixed Line Telecom") segment includes all fixed line telecommunication services including the sale or lease of telecommunications related office equipment, accessories and services including prepaid telephony and card services;

- Mobile telecommunications ("Mobile Telecom") segment includes all mobile telecommunication services including the sale of associated equipment, accessories and services;

- Other segment comprises of provisions of international public and dedicated telecommunications, data and internet services, sale of computer hardware and software, provision of technical support services and directory services.

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

Geographical segment

A geographical segment constitutes the provision of products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

The Holding Company and four subsidiary companies operate in Fiji while its other subsidiary companies operate in Kiribati, Vanuatu, American Samoa, Samoa, Cook Islands, New Zealand (non-operating), United States of America (non-operating), Papua New Guinea, Singapore and Australia.

The segment reporting has been disclosed under note 32.

3.22 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by executive management. Executive management identifies, evaluates and monitors financial risks in close co-operation with the operating units.

a) Market risk

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

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

i) Foreign exchange risk

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

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

As at year end, financial liabilities (trade and other payables) denominated in foreign currencies are significant and hence changes in the US dollar by 10% (increase or decrease) are expected to have a significant impact on the net profit and equity balances currently reflected in the Group's financial statements. The carrying amount of the Group's significant foreign currency denominated monetary liabilities at the end of the reporting period are as follows:

	2021 F$'000	2020 F$'000
USD	136,757	182,170

As at yearend, there were no financial assets denominated in foreign currencies.

The following significant exchange rate was applied during the year:

	Reporting date spot rate	
	2021	2020
USD	0.483	0.439

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (cont'd)

a) Market risk (cont'd)

i) Foreign exchange risk (cont'd)

A reasonably possible strengthening (weakening) of the US dollar against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. A sensitivity rate of 10% is used when reporting foreign currency risk internally to key management personnel which also represents management's assessment of the reasonably possible change in foreign exchange rates.

	Profit or (loss)		Equity	
	Strengthen F$'000	Weaken F$'000	Strengthen F$'000	Weaken F$'000
31 March 2021				
USD	(13,676)	13,676	(13,676)	13,676
31 March 2020				
USD	(18,217)	18,217	(18,217)	18,217

ii) Interest rate risk

Interest rate risks are managed closely by the directors and management within the approved policy parameters. For re-investment and additional borrowings, the Group negotiates an appropriate interest rate with banks and other lenders and invests with or borrows from banks or other financial institutions which offers the best overall commercial terms, including the interest rate.

The Group has interest-bearing assets in the form of debt investment securities and advances to related entity. Generally, these are at fixed interest rates, hence, there are no uncertainties related to interest rate cash flows during the period of investment.

Furthermore, the subsidiary companies, Amalgamated Telecom Holdings (Kiribati) Limited, Vodafone Fiji Pte Limited, Bluesky SamoaTel Investments Limited, Teleraro Limited and Bluesky Samoa Limited, have significant interest-bearing borrowings from ANZ Bank (Kiribati) Limited, Fiji National Provident Fund, and ANZ Bank (Samoa) Limited, respectively. These borrowings are at fixed interest rate over the remaining 3 - 15 years' term of the loan.

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

The Holding Company has significant loans from Australia and New Zealand Banking Group Limited in respect to acquisition of subsidiary companies, Telecom Vanuatu Limited and the Bluesky Group for which repayments are based on notional term of 13-15 years and are at variable interest rate.

During the 2020 financial year, the Holding Company obtained additional borrowings to fund the establishment of a new mobile telecommunications network in Papua New Guinea for which repayments are based on a notional term of 3 years and are at variable interest rate.

Also, the subsidiary company, Telecom Vanuatu Limited, has significant interest-bearing borrowings from ANZ Bank (Vanuatu) Limited, Bred Bank (Vanuatu) Limited and Vanuatu National Provident Fund at variable interest rate.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (cont'd)

a) Market risk (cont'd)

ii) Interest rate risk

At the reporting date the profile of the Group's variable interest bearing financial instruments was as follows:

	2021 $'000	2020 $'000
Bank overdraft	20,983	22,201
Borrowings	158,368	205,366
	179,351	227,567

Sensitivity analysis
A 100 basis points (bp) increase in interest rates at the reporting date would have decreased equity and the profit or loss by amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

	Equity $'000	Profit or loss before tax $'000
31 March 2021		
Variable rate instruments	1,794	1,794
31 March 2020		
Variable rate instruments	2,276	2,276

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties, where available, are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by management on a regular basis.

Trade receivable consist of a large number of customers, spread across geographical areas. Ongoing credit evaluations are performed on the financial condition of trade receivables.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets and contract assets represent the maximum credit exposure.

Refer note 20(c) for details of impairment losses on financial assets and contract assets recognised in profit or loss.

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the country in which customers operate.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (cont'd)

b) Credit risk (cont'd)

Trade receivables and contract assets

At 31 March 2021, the exposure to credit risk for gross trade receivables and contract assets by geographic region was as follows:

	2021 $'000	2020 $'000
Fiji	61,360	67,000
Kiribati	987	820
Vanuatu	4,997	6,128
American Samoa	3,020	9,636
Samoa	14,206	15,732
Cook Islands	3,498	6,987
Papua New Guinea	3,395	3,583
	91,463	109,886

Expected credit loss assessment
The Group uses an allowance matrix to measure the ECLs of trade receivables and contract assets from individual customers, which comprise a large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 31 March 2020 and 2021:

	Gross Carrying amount $'000	Loss allowance $'000	Credit Impaired
31 March 2021			
Current (not past due)	35,077	1,029	No
1- 30 days past due	6,690	574	No
31 - 60 days past due	3,529	599	No
61 - 90 days past due	7,264	4,423	No
More than 90 days past due	14,249	8,897	Yes
	66,809	15,522	
Debtors specifically assessed	24,654	9,365	
	91,463	24,887	
31 March 2020			
Current (not past due)	41,688	1,697	No
1- 30 days past due	9,075	1,128	No
31 - 60 days past due	5,820	1,857	No
61 - 90 days past due	8,111	3,591	No
More than 90 days past due	10,870	5,443	Yes
	75,564	13,716	
Debtors specifically assessed	34,322	7,736	
	109,886	21,452	

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (cont'd)

b) Credit risk (cont'd)

Loss rates are based on actual credit loss experience over the past two years.

Impact of COVID-19
In response to COVID-19 and the Group's expectations of economic impacts, the loss rates utilised in the Group's calculation of ECL have been revised. At reporting date, the expected impacts of COVID-19 have been captured via incorporating an economic overlay in the historical loss rates. The economic overlay reflects the uncertainty given the unprecedented impacts of COVID-19. The economic overlay was determined based on an evaluation of the Groups customer base, the industries and geographies in which those customers operate in and the magnitude of the impact of COVID-19 to those industries and geographies. Notwithstanding the economic overlay, the fundamental ECL model mechanics and methodology underpinning the Group's calculation of ECL have remained consistent with prior periods.

The impacts of COVID-19 have resulted in significant estimation uncertainty in relation to the measurement of the Group's ECL for trade receivables and contract assets. The impacts of COVID-19 on consumers and businesses as well as the government stimulus packages deployed are unprecedented, accordingly significant adjustments to the ECL could occur in future periods as the full effects of COVID-19 are better understood.

Cash and cash equivalents
The Group held cash and cash equivalents of $100,334,000 at 31 March 2021 (2020: $92,223,000). The cash and cash equivalents are primarily held with banks, which are rated B to AA-, based on Standards and Poor's (S&P) ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities. The Group did not recognise an impairment allowance against cash and cash equivalents as at 31 March 2021 (2020: nil).

Debt investment securities
The Group held debt investment securities of $15,295,000 at 31 March 2021 (2020: $19,988,000). The debt investment securities are held with banks and credit institutions. Debt investment securities held with banks are primarily rated B to AA-, based on S&P ratings. In relation to debt investment securities held with credit institutions the Group monitors changes in credit risk by reviewing available press and regulatory information.

Impairment on debt investment securities held with banks and credit institutions has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group did not recognise an impairment allowance against debt investment securities as at 31 March 2021 (2020: nil).

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations for its liabilities. Prudent liquidity risk management requires maintaining sufficient cash and marketable securities to ensure availability of funding. Proper management of the Group's liquidity position is essential in order to ensure that adequate funds are available to meet the Group's ongoing financial obligations.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (cont'd)

c) Liquidity risk (cont'd)

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group monitors liquidity through rolling forecasts of the Group's cash flow position and maintaining adequate funding arrangements. Also, a reasonable portion of revenue is billed and collected in advance or generally within 30 days of invoice. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	On demand $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 3 and 5 years $'000	Over 5 years $'000	Total $'000
Financial liabilities						
31 March 2021						
Trade and other payables	-	251,733	16,646	-	-	268,379
E-value in circulation*	37,120	-	-	-	-	37,120
Borrowings	20,983	65,259	46,637	102,885	108,811	344,575
	58,103	316,992	63,283	102,885	108,811	650,074
31 March 2020						
Trade and other payables	-	168,739	40,757	-	-	209,496
E-value in circulation*	34,862	-	-	-	-	34,862
Borrowings	22,201	62,043	71,321	110,331	166,829	432,725
	57,063	230,782	112,078	110,331	166,829	677,083
Financial assets						
31 March 2021						
Debt investment securities	-	15,295	-	-	-	15,295
Trade and other receivables	-	115,035	2,957	-	-	117,992
M-PAiSA trust account*	37,120	-	-	-	-	37,120
Cash and cash equivalents	-	100,334	-	-	-	100,334
	37,120	230,664	2,957	-	-	270,741
31 March 2020						
Debt investment securities	-	19,988	-	-	-	19,988
Trade and other receivables	-	116,983	2,984	-	-	119,967
M-PAiSA trust account*	34,862	-	-	-	-	34,862
Cash and cash equivalents	-	92,223	-	-	-	92,223
	34,862	229,194	2,984	-	-	267,040

The liquidity deficiency in the "on demand" and "less than 1 year" categories is due to significant trade and other payables at yearend as a result of the new mobile broadband telecommunications network construction project in Papua New Guinea ("the PNG Mobile Project"). The deficiency is expected to be resolved once the other equity partners for the PNG Mobile Project contribute their portion of equity financing

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (cont'd)

c) Liquidity risk (cont'd)

M-PAISA is a mobile phone-based money transfer service that enables customers to send and receive money anywhere in Fiji. This service is provided by the subsidiary company, Vodafone Fiji Pte Limited. A similar service is provided by the subsidiary company, Bluesky Samoa Limited, that enables customers to send and receive money anywhere in Samoa. E-value in circulation represents the outstanding value of money in the customers M-PAiSA account as at year end. M-PAiSA trust account is the equivalent value of cash held by the subsidiary companies, Vodafone Fiji Pte Limited and Bluesky Samoa Limited.

4.2 Other risks

a) Operational risk

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

b) Regulatory risk

The Group's profitability can be significantly impacted by regulatory agencies which govern the telecommunication sector. Specifically, retail and wholesale prices are regulated by Fijian Competition and Consumer Commission and the Group's operating environment is regulated by Telecommunications Authority of Fiji, Communications Commission of Kiribati, Telecommunications and Radio Communications Regulator of Vanuatu, National Information and Communications Technology Authority of Papua New Guinea, Office of the Regulator of Samoa, Government of the Cook Islands, Federal Communication Commission (FCC) of USA, the Governor of American Samoa, Infocomm Media Development Authority of Singapore and Australian Communications and Media Authority of Australia.

4.3 Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and/or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.3 Capital risk management (cont'd)

The gearing ratios at 31 March 2021 and 2020 were as follows:

	2021 $'000	2020 $'000
Total borrowings	306,573	372,373
Less: Cash and cash equivalents	(100,334)	(92,223)
Net debt	206,239	280,150
Total equity	549,731	466,046
Total capital (Total equity plus Net debt)	755,970	746,196
Gearing ratio (Net debt / Total capital x 100)	27%	38%
Debt to equity ratio % (Net debt / Total equity)	38%	60%

NOTE 5. USE OF JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 31 – consolidation: whether the Group has de facto control over an investee

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 March 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 15(a) – impairment test of goodwill: key assumptions underlying recoverable amounts; and
- Notes 3.15 and 4.1(b) - measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate

Coronavirus (COVID-19) pandemic

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of these financial statements. The Group has developed various accounting estimates in these financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 March 2021 about future events that the Directors believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing these forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Group. Accordingly, actual economic conditions may be different from those forecast since anticipated events may not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements. The significant accounting estimates particularly impacted by these associated uncertainties are predominantly related to the recoverable amount assessments of non-financial assets and expected credit losses for trade and other receivables and contract assets. The impact of the COVID-19 pandemic on each of these accounting estimates is discussed further below. Readers should carefully consider these disclosures in light of the inherent uncertainty described above.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 5. USE OF JUDGEMENTS AND ESTIMATES (continued)

Coronavirus (COVID-19) pandemic (continued)

- Goodwill impairment
  The assumptions underpinning the value-in-use calculations used to evaluate the supportability of goodwill were adjusted to reflect reasonable estimates of the impact of COVID-19 and the increased risks associated with the estimated cash flows. There is a heightened level of uncertainty around key assumptions in the current environment. This has the potential to materially impact the value-in-use assessment moving forward and potentially the carrying value of the respective goodwill. Refer to Note 15 for further details on goodwill.

- Expected credit losses
  The impact of COVID-19 on the recoverability of trade and other receivables and contract assets has been considered. While the methodologies and assumptions applied in the expected credit loss (ECL) calculations remained unchanged from those applied in the prior financial year, the Group has incorporated estimates, assumptions and judgements specific to the impact of the COVID-19 pandemic. Whilst no material recoverability issues have been identified, there is a risk that the economic impacts of COVID-19 could be deeper or more prolonged than anticipated, which could result in higher credit losses than those modelled. Refer to Note 20 for further details on ECL.

i. Measurement of fair values
When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

	2021 $'000	2020 $'000
NOTE 6. REVENUE		
A. Revenue streams		
Revenue from ordinary activities are as follows:		
Revenue from contracts with customers	574,662	669,328
Other revenue		
- Equipment and lease circuit rental	5,103	6,619
Total revenue	579,765	675,947

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 6. REVENUE [CONT'D]

B. Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major products and service lines.

	2021 $'000	2020 $'000
Major products/service lines		
Call revenue	211,660	233,656
Computer hardware, software and technical support services revenue	71,027	68,811
Data network and internet revenue	206,865	242,665
Directory revenue	2,946	4,265
Equipment and ancillaries revenue	62,849	97,440
Other sales and services	19,315	22,491
Total revenue	574,662	669,328

C. Contract balances

The following table provides information about gross receivables, contract assets and contract liabilities from contracts with customers.

	2021 $'000	2020 $'000
Receivables, included in 'trade and other receivables and contract assets'	87,989	102,717
Contract assets, included in 'trade and other receivables and contract assets'	3,474	7,169
Contract liabilities, included in 'trade and other payables'	14,572	18,289

The contract assets primarily relate to the Group's rights to consideration for mobile handsets provided to customers but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to advance consideration received from customers under the mobile contracts and from prepaid products and fixed monthly charges billed in advance. Revenue under mobile contracts are recognised when customers source the hardware from the Group. Revenue from prepaid products and fixed monthly charges billed in advance is recognised as revenue either once the related service has been provided or when the product date has expired, whichever occurs earlier.

The amount of $18,289,000 included in contract liabilities at 31 March 2020 has been recognised as revenue in 2021 (2020: $20,626,000).

No information is provided about remaining performance obligations at 31 March 2021 or at 31 March 2020 that have an original expected duration of one year or less or where the Group recognises revenue based on the amount it has a right to invoice, as allowed by IFRS 15.

The Group recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less, as allowed by IFRS 15.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

	2021 $'000	2020 $'000
NOTE 7. DIRECT COSTS		
Airtime and PSTN charges	51,942	77,940
Computer hardware, software and technical support services	46,449	44,685
Directory production costs	476	640
Equipment and ancillary costs	64,519	85,096
Satellite/Bandwidth charges	47,478	42,129
Stock obsolescence	1,308	426
Total direct costs	212,172	250,916

Direct costs represent the specific costs that the Group considers in pricing its products and services disclosed under note 6(b).

NOTE 8. OTHER INCOME

	2021 $'000	2020 $'000
Amortisation of government grant	-	35
Bad debts recovered	-	29
Gain on sale of property, plant and equipment	-	837
Insurance claim	2,615	11
Sub-contracting income	-	1,156
Universal service fund	2,037	2,641
VAT reversal	1,307	-
Other miscellaneous income	5,207	1,251
Total other income	11,166	5,960

NOTE 9. PERSONNEL COSTS

	2021 $'000	2020 $'000
Wages and salaries, including leave pay and other benefits	69,400	68,782
Superannuation contributions	3,039	4,496
Other personnel costs	5,039	7,748
Total personnel costs	77,478	81,026

Notes to the Consolidated Financial Statements (Cont'd)

For the year ended 31 March 2021

	2021 $'000	2020 $'000
NOTE 10. NET FINANCE COSTS		
Interest income under the effective interest method on:		
- Debt investment securities	1,265	1,570
- Advances to related parties	30	30
Total interest income arising from financial assets measured at amortised cost	1,295	1,600
Net realised foreign exchange gain	2,403	586
Net unrealised foreign exchange gain	11,981	-
Finance income - other	14,384	586
	15,679	2,186
Financial liabilities measured at amortised cost – interest expense on:		
- Lease liabilities	(4,641)	(2,663)
- Borrowings	(15,932)	(19,059)
Net unrealised foreign exchange loss	-	(13,021)
Finance costs - other	(20,573)	(34,743)
Net finance costs recognised in profit or loss	(4,894)	(32,557)

NOTE 11. OTHER EXPENSES

	2021 $'000	2020 $'000
Auditor's remuneration:		
• Audit fees – group auditor	496	496
- other auditors	42	42
• Other services – group auditor	90	62
- other auditors	34	65
Consultancy and contractors fees	943	1,347
Directors' remuneration – fees and allowances	715	713
Electricity	15,018	14,730
Insurance	10,996	10,353
Impairment of goodwill on consolidation	2,500	6,300
Impairment loss on capital equipment	4	-
Legal and professional fees	4,013	2,192
Licence and support service fees	17,907	15,691
Rent and rates	9,385	9,080
Repairs and maintenance	4,836	6,256
Travelling and transportation	1,329	3,584
Loss on sale of property, plant and equipment	1,319	-
Personnel costs (note 9)	77,478	81,026
Depreciation of property, plant and equipment (note 14)	91,639	89,446
Depreciation of right of use assets (note 16)	9,372	7,082
Amortisation of intangible assets (note 15)	9,264	15,219
Other miscellaneous expenses	39,530	35,907
Total other expenses	296,910	299,591

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

	2021 $'000	2020 $'000
NOTE 12. INCOME TAX		
a) Income tax expense		
Profit before tax	54,744	70,416
Prima facie income tax expense at 10% (2020: 10%)	5,474	7,042
Impact of difference in tax rates	12,262	14,730
Tax effect of:		
• Non-deductible expenses	253	999
• Tax concessions and incentives	(766)	(453)
Tax effect of temporary differences and tax losses recognised	(513)	622
Current year tax losses not recognised	-	312
Movement in temporary differences derecognised	-	47
Movement in temporary differences not brought to account	(848)	954
Others	-	2,575
(Over)/under provision in prior year	(2,492)	234
Income tax expense	13,370	27,062
Income tax expense comprises of:		
Current tax expense	23,706	29,682
Deferred tax benefit	(7,844)	(2,854)
(Over)/under provision in prior year	(2,492)	234
	13,370	27,062
b) Deferred tax assets		
Allowance for expected credit loss	5,744	5,041
Employee entitlements	862	1,439
Allowance for stock obsolescence	853	758
Deferred revenue	-	10
Difference in carrying value of right of use assets and lease liabilities for accounting and income tax purpose	1,083	165
Carried forward tax losses	6,866	3,830
Unrealised foreign exchange loss	46	-
Others	-	96
Total deferred tax assets	15,454	11,339
c) Deferred tax liabilities		
Prepaid expenses	4	3
Difference in carrying value of property, plant, equipment, computer software, IRU network capacity, customer relationship and contracts, brand and spectrum licences for accounting and income tax purpose	29,155	30,907
Unrealised foreign exchange gain	-	30
Others	31	1,580
Total deferred tax liabilities	29,190	32,520

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

	2021 $'000	2020 $'000
NOTE 12. INCOME TAX (CONT'D)		
d) Current tax liability		
Balance at beginning of year	3,601	5,937
Current tax expense	23,706	29,682
Income tax paid	(23,955)	(32,200)
Tax deducted at source - Resident Interest Withholding Tax	(342)	(709)
Effect of movements in exchange rates	(432)	657
Others	220	-
(Over)/under provision in prior year	(2,492)	234
Balance at end of year	306	3,601

e) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items as it is not probable that future taxable income will be available against which the Holding Company can utilise the tax benefits. The benefit will only be obtained if:

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

	2021	2020
Unrealised exchange loss	-	876
Employee entitlements	32	4
Tax losses	-	323
	32	1,203

NOTE 13. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2021	2020
Profit attributable to equity holders of the Holding Company	14,603	14,271
Weighted average number of ordinary shares (in thousands)	447,912	422,105
Basic and diluted earnings per share (cents per share)	3.26	3.38

Subsequent to balance date new shares were issued pursuant to the rights issue offer. Refer note 33 for further details.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings $'000	Telecommu nications equipment and plant $'000	Computer equipment $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Capital equipment $'000	Capital work in progress $'000	Total $'000
Year ended 31 March 2021								
Opening net book amount	45,162	404,803	8,917	10,016	8,915	1,655	143,404	622,872
Additions	333	22,139	2,498	3,006	1,082	949	151,062	181,069
Effect of movements in exchange rates	1,691	2,171	(3,431)	(1,243)	439	-	(4,816)	(5,189)
Disposals	(18)	(2,027)	(599)	(368)	(77)	-	-	(3,089)
Impairment loss	-	-	-	-	-	(4)	-	(4)
Transfers	168	46,299	12,882	2,186	430	(1,098)	(67,483)	(6,616)
Depreciation	(2,451)	(77,407)	(4,829)	(3,746)	(3,206)	-	-	(91,639)
Closing net book amount	44,885	395,978	15,438	9,851	7,583	1,502	222,167	697,404
At 31 March 2021								
Cost	85,172	1,270,506	82,493	83,209	20,214	1,673	222,167	1,765,435
Accumulated depreciation and impairment allowance	(43,669)	(874,729)	(63,472)	(73,358)	(12,631)	(171)	-	(1,068,031)
Net book amount	41,503	395,777	19,021	9,851	7,583	1,502	222,167	697,404

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and buildings $'000	Telecommunications equipment and plant $'000	Computer equipment $'000	Furniture, fittings and office equipment $'000	Motor vehicles $'000	Capital equipment $'000	Capital work in progress $'000	Total $'000
Year ended 31 March 2020								
Opening net book amount	39,839	328,052	6,008	9,197	8,965	1,922	169,482	563,465
Additions	886	9,661	184	1,840	2,976	1,374	138,122	155,043
Effect of movements in exchange rates	3,051	4,407	(634)	344	12	-	(4,135)	3,045
Disposals	(128)	(3,541)	(2)	(86)	(577)	-	(6)	(4,340)
Transfers	2,255	146,585	5,959	1,608	398	(1,641)	(160,059)	(4,895)
Depreciation	(741)	(80,361)	(2,598)	(2,887)	(2,859)	-	-	(89,446)
Closing net book amount	45,162	404,803	8,917	10,016	8,915	1,655	143,404	622,872
At 31 March 2020								
Cost	94,710	1,334,848	67,555	84,561	24,258	1,822	143,404	1,751,158
Accumulated depreciation and impairment allowance	(49,548)	(930,045)	(58,638)	(74,545)	(15,343)	(167)	-	(1,128,286)
Net book amount	45,162	404,803	8,917	10,016	8,915	1,655	143,404	622,872

a) All properties, plant and equipment of the Holding Company and subsidiary companies, Amalgamated Telecom Holdings (Kiribati) Limited and Telecom Vanuatu Limited have been pledged to ANZ Banking Group Limited (Fiji), ANZ Bank (Kiribati) Limited and ANZ Bank (Vanuatu) Limited, respectively as security in accordance with the security arrangements for term loan facilities. Furthermore, land and buildings located at Bluesky Headquarters at Maluafou, Samoa are subject to a first charge against Bluesky Samoa Limited's bank loans with ANZ Bank (Samoa) Limited.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 15. INTANGIBLE ASSETS

	2021 $'000	2020 $'000
Goodwill (a)	123,456	125,956
Computer software (b)	2,882	1,979
Spectrum licences (c)	20,912	23,418
Brand (d)	7,827	7,827
Customer relationship and contracts (e)	22,180	28,383
Total intangible assets, net	177,257	187,563

a) Goodwill

	2021 $'000	2020 $'000
Gross carrying amounts:		
Goodwill on acquisition of :		
Datec (Fiji) Pte Limited and Subsidiary Company (i)	3,401	3,401
Telecom Vanuatu Limited (ii)	5,711	5,711
Bluesky Group (iii)	114,055	114,055
Digitec Group (iv)	9,089	9,089
Balance as at 31 March	132,256	132,256
Accumulated impairment:		
Opening balance	6,300	
Impairment loss	2,500	6,300
Balance as at 31 March	8,800	6,300
Net book amount as at 31 March	123,456	125,956

i) On 29 May 2015, subsidiary company, Vodafone Fiji Pte Limited acquired 100% shareholding in Datec (Fiji) Pte Limited and its Subsidiary Company. Goodwill of $3,401,000 was recognised as the excess of the consideration transferred over the fair value of net assets acquired at acquisition-date.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of $27,066,000 (2020: $17,997,000). The key assumptions used in the estimation of value in use were as follows:

	2021	2020
Discount rate	9.40%	10.50%
Terminal value growth rate	2.00%	2.00%
Budgeted EBITDA growth rate (average of next five years)	3.00%	3.00%

The discount rate was a post-tax measure based on the rate of 30-year US government bonds as well as 10-year NZ government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 11.32% (2020: 12.41%).

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal gross domestic product (GDP) rates for the country in which the CGU operates.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years taking into account an estimate of the impact of COVID-19 as at reporting date.

Management has identified that a reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 15. INTANGIBLE ASSETS [CONT'D]

a) Goodwill (cont'd)

ii) On 27 March 2017, the Holding Company acquired 100% shareholding in Telecom Vanuatu Limited. Goodwill of $5,711,000 was recognised as the excess of the consideration transferred over the fair value of net assets acquired at acquisition-date.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

The carrying amount of the CGU was determined to be higher than its recoverable amount of $55,819,000 (2020: $76,012,000) and an impairment loss of $2,500,000 during 2021 (2020: nil) was recognised. The impairment loss was fully allocated to goodwill and included in "other expenses". The key assumptions used in the estimation of value in use were as follows:

	2021	**2020**
Discount rate	14.30%	14.90%
Terminal value growth rate	2.00%	2.00%
Budgeted EBITDA growth rate (average of next five years)	4.00%	4.00%

The discount rate was a post-tax measure based on the rate of 30-year US government bonds as well as 10-year NZ government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 14.30% (2020: 14.90%).

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal gross domestic product (GDP) rates for the country in which the CGU operates.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated subscriber base for the next five years taking into account an estimate of the impact of COVID-19 as at reporting date.

Following the impairment loss recognised, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.

iii) On 1 January 2019, the Holding Company acquired 100% membership in AST Telecom LLC and 100% shareholding in eLandia Technologies Inc. Goodwill of $114,055,000 was recognised as the excess of the consideration transferred over the fair value of net assets acquired at acquisition-date. The goodwill was allocated to the operating companies within the Group as follows:

a. American Samoa Telecom LLC - $31,279,000

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of $53,631,000 (2020: $76,537,000).

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 15. INTANGIBLE ASSETS [CONT'D]

a) Goodwill (cont'd)

The key assumptions used in the estimation of value in use were as follows:

	2021	2020
Discount rate	8.20%	8.20%
Terminal value growth rate	2.00%	2.00%
Budgeted EBITDA growth rate (average of next five years)	4.00%	5.00%

The discount rate was a post-tax measure based on the rate of 30-year US government bonds as well as 10-year NZ government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 11.23% (2020: 11.19%).

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal gross domestic product (GDP) rates for the country in which the CGU operates.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated subscriber base for the next five years taking into account an estimate of the impact of COVID-19 as at reporting date.

Management has identified that a reasonably possible change in the key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which the key assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal recoverable amount
Discount rate	0.28%
Terminal value growth rate	0.36%
Budgeted EBITDA growth rate	2.36%

b. Bluesky Samoa Limited - $18,886,000 (accumulated impairment losses of $6,300,000)

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of $58,182,000 (2020: $65,584,000). The key assumptions used in the estimation of value in use were as follows:

	2021	2020
Discount rate	13.10%	12.40%
Terminal value growth rate	2.00%	2.00%
Budgeted EBITDA growth rate (average of next five years)	5.00%	5.00%

The discount rate was a post-tax measure based on the rate of 30-year US government bonds as well as 10-year NZ government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 16.95% (2020: 15.62%).

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 15. INTANGIBLE ASSETS [CONT'D]

a) Goodwill (cont'd)

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal gross domestic product (GDP) rates for the country in which the CGU operates.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated subscriber base for the next five years taking into account an estimate of the impact of COVID-19 as at reporting date.

Management has identified that a reasonably possible change in the key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which the key assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal recoverable amount
Discount rate	0.23%
Terminal value growth rate	0.35%
Budgeted EBITDA growth rate	0.19%

c. Telecom Cook Islands Limited - $23,970,000

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of $75,496,000 (2020: $71,515,000). The key assumptions used in the estimation of value in use were as follows:

	2021	**2020**
Discount rate	10.00%	10.10%
Terminal value growth rate	2.00%	2.00%

The discount rate was a post-tax measure based on the rate of 30-year US government bonds as well as 10-year NZ government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 11.86% (2020: 11.65%).

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal gross domestic product (GDP) rates for the country in which the CGU operates.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated subscriber base for the next five years taking into account an estimate of the impact of COVID-19 as at reporting date.

Management has identified that a reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 15. INTANGIBLE ASSETS [CONT'D]

a) Goodwill (cont'd)

d. Vodafone Fiji Pte Limited - $39,920,000

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount of $615,597,000 (2020: $491,359,000). The key assumptions used in the estimation of value in use were as follows:

	2021	2020
Discount rate	9.40%	10.50%
Terminal value growth rate	2.00%	2.00%
Budgeted EBITDA growth rate (average of next five years)	4.00%	1.00%

The discount rate was a post-tax measure based on the rate of 30-year US government bonds as well as 10-year NZ government bonds issued by the government in the relevant market and adjusted for country risk and an inflation differential to reflect the same currency as the cash flows, further adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU. The pre-tax discount rate was 11.26% (2020: 12.37%).

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the nominal gross domestic product (GDP) rates for the country in which the CGU operates.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated subscriber base for the next five years taking into account an estimate of the impact of COVID-19 as at reporting date.

Management has identified that a reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount

iv) On 1 January 2019, ATH International Venture Pte Limited acquired 70% shareholding in Etech ICT Pty Limited of Australia, Etech ICT Pte Limited of Singapore and Digitec Communication Limited (collectively Digitec group) of Papua New Guinea. Goodwill of $9,089,000 was recognised as the excess of the consideration transferred over the fair value of net assets acquired at acquisition-date. The entire goodwill was allocated to Digitec Communications Limited.

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used (see Note 5(i)). The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the industry and have been based on historical data from both external and internal sources.

	2021	2020
Discount rate	13.80%	13.10%
Terminal value growth rate	2.00%	2.00%

The discount rate was a post-tax measure estimated based on an industry weighted-average cost of capital, with a possible debt leveraging of 30% at a market interest rate of 11.8% to 12.3% (2020: 10.7% to 11.2%). The pre-tax discount rate was 17.37% (2020: 15.96%).

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 15. INTANGIBLE ASSETS (CONT'D)

a) Goodwill (cont'd)

The cash flow projections included specific estimates for ten years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience and different market analysis, adjusted for the anticipated revenue growth. Revenue growth was projected talking into account the past experience of the Group, the business plan of Digitec Communications Limited, and the estimated subscriber base for the next 10 years taking into account an estimate of the impact of COIV-19 as at reporting date.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately $503,652,000 (2020: $924,561,000).

Management has identified that a reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount.

Impact of COVID-19
The following factors were considered by the Group when determining the impact of COVID-19:

- travel bans and the associated impact on visitor arrivals and the extent of each CGUs reliance on the tourism sector to generate EBITDA.
- duration of travel restrictions, shutdown of border and expected gradual opening up of the international borders.
- flow on impact on the CGUs of a sharp deterioration in economic conditions driven by significant restrictions and lockdowns.

The impact of COVID 19 has been mainly limited to the value of roaming revenue previously generated by the CGUs with average growth over the next 5 years being largely based on the average growth over the past 5 years except for AST Telecom LLC as the Group believes that a higher growth can be achieved for this CGU.

	2021 $'000	2020 $'000
b) Computer software		
Gross carrying amount:		
Balance at beginning of year	39,555	35,514
Additions	1,807	1,148
Disposals	(2)	(565)
Effect of movement in exchange rates	211	3,458
Balance at end of year	41,571	39,555
Accumulated amortisation:		
Balance at beginning of year	37,576	34,265
Amortisation	955	682
Disposals	(2)	(493)
Effect of movement in exchange rates	160	3,122
Balance at end of year	38,689	37,576
Net book amount as at 31 March	2,882	1,979

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 15. INTANGIBLE ASSETS (CONT'D)

c) Spectrum licences

	2021 $'000	2020 $'000
Gross carrying amount:		
Balance at beginning of year	27,498	27,788
Additions	315	-
Effect of movements in exchange rates	(561)	(290)
Balance at end of year	27,252	27,498
Accumulated amortisation:		
Balance at beginning of year	4,080	1,924
Effect of movements in exchange rates	(90)	(350)
Amortisation	2,350	2,506
Balance at end of year	6,340	4,080
Net book amount as at 31 March	20,912	23,418

Spectrum licences include licenses acquired by the subsidiary companies, Telecom Fiji Pte Limited and Vodafone Fiji Pte Limited on 2 September 2013 from Department of Communications. Spectrum licences also include licence acquired by the subsidiary companies, Amalgamated Telecom Holdings (Kiribati) Limited on 27 May 2016 from Communications Commission of Kiribati and Digitec Communications Limited on 19 December 2018 from National Information and Communications Technology Authority.

The licences of Telecom Fiji Pte Limited and Vodafone Fiji Pte Limited 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.

The licence of Amalgamated Telecom Holdings (Kiribati) Limited has an initial 15-year term starting from 27 May 2016, then extending to further 5 years' conditional on compliance with implementation requirements. The purchase consideration has been capitalised to intangible assets.

The licence of Digitec Communications Limited is for a 10-year term starting from 18 December 2018.

d) Brand

	2021 $'000	2020 $'000
Gross carrying amount:		
Balance at beginning of year	15,407	15,407
Balance at end of year	15,407	15,407
Accumulated amortisation:		
Balance at beginning of year	7,580	1,516
Amortisation	-	6,064
Balance at end of year	7,580	7,580
Net book amount as at 31 March	7,827	7,827

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 15. INTANGIBLE ASSETS (CONT'D)

d) Brand (cont'd)

In prior year, the value of the Bluesky brand attributable to the Samoa and Cook Islands business had been fully amortised as the Group had discontinued using the Bluesky brand in those markets. The carrying amount as at year end relates to the value of the Digitec brand attributable to Digitec ICT Limited of $1,400,000 and the value of the Bluesky brand attributable to American Samoa Telecom LLC of $6,427,000. The Group has assessed that these brand values have an indefinite useful life as the brands are mature and contribute significant value to the businesses and its abandonment would represent an unrealistic decision given the market in which the businesses operate, the industry in which the brands are being used and the nature of services that the entities provide. Impairment of brand has been tested together with impairment of goodwill (see Note 15(a)).

	2021 $'000	2020 $'000
e) Customer relationship and contracts		
Gross carrying amount:		
Balance at beginning of year	35,891	35,676
Effect of movements in exchange rates	222	215
Balance at end of year	36,113	35,891
Accumulated amortisation:		
Balance at beginning of year	7,508	1,491
Amortisation	5,959	5,967
Effect of movements in exchange rates	466	50
Balance at end of year	13,933	7,508
Net book amount as at 31 March	22,180	28,383

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

	2021 $'000	2020 $'000

NOTE 16. LEASES

Information about leases for which the Group is a lessee is presented below.

A. Right of use assets

i) Property leases

The Group leases land and building. Information about leases for which the Group is a lessee is presented below:

	2021 $'000	2020 $'000
Balance at beginning of year	59,884	31,195
Additions	14,183	35,567
Effect of movements in exchange rates	(2,241)	(41)
Remeasurement	(2,943)	(1,877)
Disposals	(46)	(28)
Depreciation charge for the year	(6,475)	(4,932)
Balance at end of year	62,362	59,884

ii) IRU Network Capacity

	2021 $'000	2020 $'000
Balance at beginning of year	15,136	13,257
Additions	13,960	3,844
Transfer from plant and equipment	-	185
Depreciation charge for the year	(2,897)	(2,150)
Balance at end of year	26,199	15,136
Total right of use assets	88,561	75,020

(a) Indefeasible Right of Use ("IRU") capacity relates to the lease of IRU network capacities by subsidiary companies, Telecom Fiji Pte Limited, Fiji International Telecommunications Pte Limited and American Samoa Holdings Limited. The IRU network capacity purchase consideration or lease consideration has been capitalised and is amortised over its estimated economic useful life.

In 2019, the subsidiary company, Fiji International Telecommunications Pte Limited entered in an agreement with Southern Cross Cables (SX Next), to lease a new submarine cable route for a period of 15 years via Australia and USA links, amounting to USD 20,000,000. The company paid FJD 4,610,113 for Marine Route Survey. Remaining balance is disclosed as part of capital commitments. Refer Note 29(a). The projected 'Ready for Service' date for SX Next is 2023.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 16. LEASES (CONT'D)

B. Lease liabilities

	2021 $'000	2020 $'000
Lease liabilities included in the statement of financial Position		
Current		
IRU network capacity	1,575	699
Property leases	4,909	4,345
Total current lease liabilities	6,484	5,044
Non-current		
IRU network capacity	5,174	100
Property leases	58,463	56,162
Total non-current lease liabilities	63,637	56,262
Total lease liabilities	70,121	61,306
Amounts recognised in profit or loss		
Interest on lease liabilities	4,641	2,663
Expenses relating to short-term leases and variable lease payments	31,081	24,529
	35,722	27,192
Amounts recognised in the statement of cash flows		
Total cash outflow for leases	42,344	31,957
Maturity analysis - contractual undiscounted cash flows		
Less than one year	7,825	5,314
One to five years	29,849	20,644
More than five years	80,465	81,087
Total undiscounted lease liabilities as at 31 March 2021	118,139	107,045

Real estate leases

The Group leases various premises, base stations, land and buildings for its office premises, tower sites and access roads. These range over periods from one to ninety-nine years. Some leases include an option to renew the lease for an additional period after the end of the contract term. Some leases provide for additional rental payments that are based on changes in local price indices.

Extension options

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 17. NON-CONTROLLING INTEREST

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

31 March 2021	Vodafone Group $'000	Bluesky Group $'000	Digitec Group $'000	Intra-group eliminations $'000	Total $'000
NCI Percentage*	49.0%	*	30%		
Non-current assets	322,009	113,122	190,470		
Current assets	152,749	43,354	16,615		
Non- current liabilities	(93,011)	(33,472)	(28,560)		
Current liabilities	(210,497)	(9,744)	(183,417)		
Net assets	171,250	113,260	(4,892)		
Net assets attributable to NCI	93,125	51,051	(1,468)	6,164	148,872
Revenue	329,908	82,018	-		
Profit	42,405	3,529	4,452		
OCI	(4,323)	-	(369)		
Total comprehensive income	38,082	3,529	4,083		
Profit allocated to NCI	23,487	1,949	1,336	-	26,771
OCI allocated to NCI	(3,209)	-	111	(1,377)	(4,743)
Cash flows from operating activities	102,630	18,585	(273,569)		
Cash flows from investment activities	(40,966)	(12,619)	(385,162)		
Cash flows from financing activities (dividends to NCI: $16,365,000)	(60,375)	(5,158)	704,241		
Net increase in cash and cash equivalents	1,289	808	45,510		

31 March 2020	Vodafone Fiji Pte Limited $'000	Bluesky Group $'000	Digitec Group $'000	Intra-group eliminations $'000	Total $'000
NCI Percentage*	49.0%	*	30%		
Non-current assets	327,500	89,388	127,532		
Current assets	129,969	64,769	23,458		
Non- current liabilities	(123,579)	(27,012)	(49,893)		
Current liabilities	(185,883)	(35,616)	(70,392)		
Net assets	148,007	91,529	30,705		
Net assets attributable to NCI	72,523	41,695	9,212	16,200	139,630
Revenue	350,521	107,929	63,221		
Profit / (loss)	56,792	10,151	(2,490)		
OCI	(20)	-	1,432		
Total comprehensive income	56,772	10,151	(1,058)		
Profit / (loss) allocated to NCI	27,828	6,452	(747)	(4,450)	29,083
OCI allocated to NCI	(10)	-	430	(1,936)	(1,516)
Cash flows from operating activities	92,468	21,666	(4,481)		
Cash flows from investment activities	(76,695)	(10,605)	(39,875)		
Cash flows from financing activities (dividends to NCI: $28,884,000)	(5,074)	(19,104)	48,623		
Net increase (decrease) in cash and cash equivalents	10,699	(8,043)	4,267		

* Refer note 31 for percentage ownership in the Bluesky Group.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

	2021 $'000	2020 $'000
NOTE 18. INVENTORIES		
Merchandise and consumables	34,106	40,024
Less: allowance for stock obsolescence	(4,138)	(3,606)
	29,968	36,418
Goods in transit	2,014	1,390
Total inventories, net	31,982	37,808

In 2021, inventories of $64,519,000 (2020: $85,096,000) were recognised as an expense during the year and included in "direct costs".

NOTE 19. DEBT INVESTMENT SECURITIES

	2021 $'000	2020 $'000
Current		
Term deposits	15,295	19,988
Total debt investment securities	15,295	19,988

(a) The carrying amount of debt investment securities are considered to be a reasonable approximation of fair value.

(b) Term deposits held with financial institutions attract interest rates in the range of 0.10% to 3.30% per annum (2020: 1.25% to 5.60% per annum), and will mature within 12 months from balance date.

NOTE 20. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	2021 $'000	2020 $'000
Non-current		
Advance to Amalgamated Telecom Nominees Limited	2,482	2,482
Refundable deposits and others	475	502
Total non-current trade and other receivables and contract assets	2,957	2,984
Current		
Trade receivables	87,989	102,717
Contract assets	3,474	7,169
Less: allowance for expected credit losses	(24,887)	(21,452)
Trade receivables and contract assets, net	66,576	88,434
Receivable from related parties (Note 30(g))	872	868
Other receivables and advances	26,174	13,398
Prepayments	18,402	15,955
Total current trade and other receivables and contract assets, net	112,024	118,655

(a) The carrying amount of trade and other receivables and contract assets are considered to be a reasonable approximation of fair value.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 20. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS (CONT'D)

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

(c) Movements in the allowance for expected credit loss of trade and other receivables and contract assets, including contract assets, are as follows:

	2021 $'000	2020 $'000
Balance at beginning of year	21,452	24,291
Net re-measurement of loss allowance	8,923	8,495
Effect of movement in exchange rates	(812)	320
Amounts written off during the year	(4,676)	(11,654)
Balance at end of year	24,887	21,452

The Group generally obtains security deposits for all new land line and internet connections. Apart from these, it does not hold any collateral as security.

NOTE 21. NOTES TO THE STATEMENT OF CASH FLOWS

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

	2021 $'000	2020 $'000
Cash on hand and at bank	100,334	92,223
Bank overdraft	(20,983)	(22,201)
Total cash and cash equivalents	79,351	70,022

Financing facilities

Financing facilities available to the Group includes bank overdrafts. Financing facilities of $25,672,000 were available to the Group as at 31 March 2021 (2020: $32,206,000) of which $20,983,000 (2020: $22,201,000) was utilised. See also note 24.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

	2021 $'000	2020 $'000
NOTE 22. SHARE CAPITAL		
Issued and Paid Up Capital		
Balance as at 31 March 2021: 447,911,912 (2020: 422,104,868) ordinary shares	159,214	107,600

All issued shares are fully paid. Shares have no par value.

NOTE 23. Foreign currency translation reserve

The foreign currency translation reserve relates to foreign currency translation as at year end on consolidation of subsidiary companies operating in foreign jurisdictions whose financial statements and transactions are denominated in a currency other than the presentation currency of the Group.

NOTE 24. BORROWINGS

	2021 $'000	2020 $'000
Non-current		
Term loan - Fiji National Provident Fund (a)	60,310	72,750
Term loan - Westpac Banking Corporation (b(i))	-	1,630
Term loan - Westpac Banking Corporation (b(ii))	-	16,889
Term loan - ANZ Bank (Kiribati) Limited (c)	793	2,488
Term loan - ANZ Bank (Vanuatu) Limited (d)	8,235	10,154
Term loan - ANZ Banking Group Limited - Fiji (e)	127,483	154,628
Term loan - Bred Bank (Vanuatu) Limited (f)	-	955
Term loan - ANZ Bank (Samoa) Limited (g)	29,368	35,201
Term loan - Vanuatu National Provident Fund (h)	-	15,066
Total non-current borrowings	226,189	309,761
Current		
Term loan - Fiji National Provident Fund (a)	14,867	7,250
Term loan - Westpac Banking Corporation (b(i))	1,634	1,684
Term loan - Westpac Banking Corporation (b(ii))	-	3,344
Term loan - ANZ Bank (Kiribati) Limited (c)	2,202	2,336
Term loan - ANZ Bank (Vanuatu) Limited (d)	2,210	2,014
Term loan - ANZ Banking Group Limited - Fiji (e)	17,818	17,040
Term loan - Bred Bank (Vanuatu) Limited (f)	988	2,195
Term loan - ANZ Bank (Samoa) Limited (g)	4,097	4,548
Term loan - Vanuatu National Provident Fund (h)	15,585	-
Bank overdraft - ANZ Banking Group Limited - Fiji	-	4,103
Bank overdraft - Bred Bank (Vanuatu) Limited (f)	4,752	4,939
Bank overdraft - ANZ Bank (Samoa) Limited (g)	841	682
Bank overdraft - Westpac Banking Corporation (i)	15,390	12,477
Total current borrowings	80,384	62,612
Total borrowings	306,573	372,373

The Group did not have any defaults of principal or interest or other breaches with respect to its borrowings during the years ended 31 March 2021 and 2020.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 24. BORROWINGS (CONT'D)

(a) Term loans - Fiji National Provident Fund

During 2019 financial year, the subsidiary company, Vodafone Fiji Pte Limited entered into a loan agreement with FNPF for $80m. The loan is at a fixed interest rate of 4.30% per annum until November 2022 and variable thereafter. Total term of the loan is 7 years.

A corporate guarantee has been provided by the subsidiary company for the loan.

(b) Term loan - Westpac Banking Corporation

(i) The Holding Company has a loan facility with Westpac Banking Corporation which is unsecured and subject to a variable interest rate, which was 4.95% per annum at balance date. The term loan is repayable by monthly instalments of $150,800.

(ii) During 2020 financial year, the subsidiary company, Vodafone Fiji Pte Limited entered into a loan agreement with Westpac Bank Corporation for USD 9 million. The loan was at a fixed interest rate of 4.45% per annum. The initial term of the loan was 5 years however the loan was fully paid off in the current financial year.

(c) Term Loan - ANZ Bank (Kiribati) Limited

The term loan from ANZ Bank (Kiribati) Limited is subject to interest at a rate of 5.9% (2020: 5.4%). The term loan is subject to a fixed interest rate and is repayable by monthly instalments of AUD 109,265 and AUD 35,572 (2020: AUD 109,265 and AUD 35,572) (inclusive of interest).

The term loan is secured by the following:

i) Limited Guarantee provided by the Holding Company to the amount of AUD 9,577,000 plus interest, costs and other amount.

ii) First registered mortgage debentures given by the subsidiary company, Amalgamated Telecom Holdings (Kiribati) Limited being a fixed and floating charge over all present and future assets, undertakings (including goodwill) and unpaid or uncalled capital of that security provider.

iii) Deed of Subordination with the Holding Company, the subsidiary company, Amalgamated Telecom Holdings (Kiribati) Limited and ANZ Bank (Kiribati) Limited, covenanting that the loan from the Holding Company to the subsidiary company will not reduce without prior written consent of ANZ Bank (Kiribati) Limited and ANZ Bank (Kiribati) Limited has priority to extend the facilities provided.

(d) Term Loan - ANZ Bank (Vanuatu) Limited

The term loan from ANZ Bank (Vanuatu) Limited is subject to a variable interest rate, which was 6% per annum at balance date.

The term loan is secured by registered equitable mortgage debenture over the assets of the subsidiary company, Telecom Vanuatu Limited.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 24. BORROWINGS (CONT'D)

(e) Term loan – ANZ Banking Group Limited – Fiji

In the prior years, the Holding Company obtained loans from ANZ Banking Group Limited (ANZ) to finance acquisition of Telecom Vanuatu Limited and Amper SA interest in certain subsidiaries of Bluesky Group.

The loan facilities from ANZ Banking Group Limited (ANZ) are secured and subject to variable interest rates. The term loans are secured by the following:

i) First registered mortgage debentures over all assets and undertakings including uncalled capital and unpaid premiums of the Holding Company.

ii) Authority to appropriate and set off term deposit held with ANZ.

iii) Deed of Assignment dated 23 November 2016 assigning the Holding Company second priority over the assets of AST Telecom LLC to ANZ.

Details of outstanding term loans are as follows:

Borrowing for acquisition of Telecom Vanuatu Limited

The term loan amounting to FJD 18 million (2020: FJD 20 million) at year-end was obtained for the purpose of funding the transaction to acquire Telecom Vanuatu Limited.

The loan is payable at monthly repayments of FJD 299,947 (2020: FJD 306,294) based on notional term of 14 years and at variable interest rate, which was 4.75% (2020: 5.25%) per annum at the balance date.

Borrowing for acquisition of Amper SA interest in certain subsidiaries of Bluesky Group

The term loans amounting to USD 57 million (FJD 121 million) (2020: USD 61 million (FJD 139 million)) at year-end were obtained for the purpose of funding the transaction to acquire Amper SA's interest in certain subsidiaries of the Bluesky Group.

The loans are payable at monthly repayments of USD 485,491 (2020: USD 508,490) based on notional terms of between 13 – 15 years and at variable interest rate, which was 3.58% (2020: 4.58% – 4.83%) per annum at balance date.

Borrowing to fund Digitec Communication Limited mobile network rollout

The term loan amounting to USD 3 million (FJD 7 million) (2020: USD 6 million (FJD 13 million)) at year-end was obtained for the purpose of funding the establishment of a new mobile telecommunications network in Papua New Guinea.

The loan is payable at monthly repayments of USD 277,777 (2020: USD 277,777) based on a notional term of 3 years and at a variable interest rate, which was 3.33% (2020: 3.98%) per annum at balance date.

(f) Term loan and Bank overdraft – Bred Bank (Vanuatu) Limited

The subsidiary company, Telecom Vanuatu Limited, has a bank overdraft facility of VUV 270 million at an interest rate of 6.75% and term loan with Bred Bank (Vanuatu) Limited at a variable interest rate, which was 6.15% p.a. at balance date, which is unsecured, and is subject to maintaining certain financial covenants.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 24. BORROWINGS (CONT'D)

(g) Term loan - ANZ Bank (Samoa) Limited

The subsidiary company, Bluesky Samoa Limited, has a secured loan and a bank overdraft facility limit of WST 1 million with ANZ Bank (Samoa) Limited and is secured over:

(i) First registered mortgage over leasehold Bluesky Headquarters at Maluafou. Lease is 20 years commencing 2003 with a right of renewal of 20 years and final expiry in 2043.

(ii) First registered mortgage debenture over the fixed and floating assets (including paid and unpaid capital) of Bluesky Samoa Limited.

The subsidiary company, Bluesky SamoaTel Investments Limited, has a secured loan with ANZ Bank (Samoa) Limited and is secured over:

(i) First registered mortgage debenture, being a fixed and floating charge, over all present and future assets, undertakings and unpaid or uncalled capital of Bluesky SamoaTel Investments Limited.

(ii) Corporate guarantee and indemnity unlimited as to amount plus interest, costs and other amounts given by the Holding Company in favour of ANZ Bank (Samoa) Limited.

The subsidiary company, Teleraro Limited, has a secured loan with Australian and New Zealand Banking Group Limited and is secured over:

(i) First registered mortgage debenture, being a fixed and floating charge, over all assets and undertakings (including paid and unpaid capital) of Teleraro Limited.

(ii) First registered mortgage over 100% of the shares held in TCNZ Cook Islands Limited by Teleraro Limited.

(iii) Corporate guarantee given by subsidiary company, AST Telecom LLC, in favour of Teleraro Limited.

(iv) Corporate guarantee given by subsidiary company, Bluesky Samoa Limited, in favour of Teleraro Limited.

(h) Term loans – Vanuatu National Provident Fund

The subsidiary company, Telecom Vanuatu Limited, has an equity convertible loan from Vanuatu National Provident Fund at a variable interest rate, which was 6% p.a. at balance date. The equity convertible loan option would be exercised by Vanuatu National Provident Fund in 2022.

A corporate guarantee has been provided by the Holding Company for the loan.

(i) Bank overdraft and Finance Lease – Westpac Banking Corporation

The subsidiary company, Vodafone Fiji Pte Limited, has a bank overdraft facility of $20 million at a variable interest rate, which was 4.35% p.a. at balance date, with Westpac Banking Corporation which is unsecured and subject to maintaining certain financial covenants.

The subsidiary company, Datec (Fiji) Pte Limited has a standard finance lease facility at an interest rate of 4.5% which is secured by:

(a) Registered first fixed and floating charge over all the assets of the subsidiary company.

(b) Undertakings including its uncalled and called but unpaid capital of the subsidiary company.

(c) Letter of support from the Vodafone Fiji Pte Limited.

(d) Standard lease schedule over the subsidiary company's motor vehicles.

In addition, Datec (Fiji) Pte Limited has a bank overdraft facility with a limit of $1 million available with Westpac Banking Corporation. Interest is payable at a rate of 4.35% per annum (2020: 4.85% per annum).

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 24. BORROWINGS (CONT'D)

(j) Other Bank Facilities – ANZ Banking Group Limited - Fiji

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

Reconciliation of movement of liabilities to cash flows from financing activities

	Other borrowings ($'000)	Lease liabilities ($'000)	Total ($'000)
Balance at 1 April 2020	350,172	61,306	411,478
Changes from financing cash flows			
Proceeds from borrowings	8,134	-	8,134
Repayment of borrowings	(59,339)	-	(59,339)
Payment of lease liabilities	-	(6,622)	(6,622)
Total changes from financing cash flows	**(51,205)**	**(6,622)**	**(57,827)**
The effect of changes in foreign exchange rates	**(13,377)**	**4,243**	**(9,134)**
Other changes - liability related			
New leases	-	14,183	14,183
Re-measurement	-	(2,943)	(2,943)
Disposal	-	(46)	(46)
Interest expense	15,932	4,641	20,573
Interest paid	(15,932)	(4,641)	(20,573)
Total liability related other changes	**-**	**11,194**	**11,194**
Balance at 31 March 2021	**285,590**	**70,121**	**355,711**

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 24. BORROWINGS (CONT'D)

Reconciliation of movement of liabilities to cash flows from financing activities	Other borrowings ($'000)	Lease liabilities ($'000)	Total ($'000)
Balance at 1 April 2019	319,517	32,540	352,057
Changes from financing cash flows			
Proceeds from borrowings	67,904	-	67,904
Repayment of borrowings	(47,123)	-	(47,123)
Payment of lease liabilities	-	(4,765)	(4,765)
Total changes from financing cash flows	**20,781**	**(4,765)**	**16,016**
The effect of changes in foreign exchange rates	**9,874**	**(131)**	**9,743**
Other changes - liability related			
New leases	-	35,567	35,567
Re-measurement	-	(1,877)	(1,877)
Disposal	-	(28)	(28)
Interest expense	19,059	2,663	21,722
Interest paid	(19,059)	(2,663)	(21,722)
Total liability related other changes	**-**	**33,662**	**33,662**
Balance at 31 March 2020	**350,172**	**61,306**	**411,478**

NOTE 25. PROVISIONS

	2021 $'000	2020 $'000
Non-current		
Retirement benefits	393	183
Current		
Employee entitlements	4,709	7,615
Directory production costs	37	51
	4,746	7,666

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

	2021 $'000	2020 $'000
NOTE 26. TRADE AND OTHER PAYABLES		
Non-current		
Trade payables and accruals (a)	12,625	36,808
Subscriber deposits	4,021	3,949
Total non-current trade and other payables	16,646	40,757
Current		
Trade payables and accruals (b)	221,745	144,439
Owing to related parties (Note 30(g))	2,389	221
Advance for relocation of telecommunication cables	40	88
Dividend payable	26,237	22,297
	250,411	167,045
Security deposits	1,362	1,782
Contract liabilities	14,572	18,289
Total current trade and other payables	266,345	187,116
Total trade and other payables	282,991	227,873

(a) Noncurrent trade payables principally comprise of capital creditors for the subsidiary company, Digitec Communications Limited, which relates to vendor finance of PGK 21.5 million (FJD 12.6 million). Per the vendor finance agreement, the subsidiary company will only pay interest for one year from the date when "Equipment Arrival Certificate" is signed following which principal repayment will come into effect. Therefore, the amount has been classified as noncurrent.

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

The carrying amount of trade and other payables are considered to be a reasonable approximation of fair value.

	2021 $'000	**2020 $'000**
NOTE 27. DIVIDENDS		
Ordinary shares		
Final dividend ($nil per share (2020: $Nil))	-	-
Total dividends	-	-

During the year dividends declared by group entities and payable to non-controlling interests was $17,912,000 (2020: 32,149,000).

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

	2021 $'000	2020 $'000
NOTE 28. CONTINGENT LIABILITIES		
Following is a summary of estimated contingent liabilities:		
Bank and performance guarantees	4,518	7,682

a) Legal claims

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

There is an ongoing constitutional redress proceeding against the subsidiary company, Vodafone Fiji Pte Limited. The relevant hearing of the case has been conducted and the subsidiary company is awaiting judgement. It is uncertain at this stage the potential liability that may arise, if any.

The subsidiary company, Telecom Cook Islands Limited, has been advised of potential claims from some landowners for overdue rent reviews. The lease is held by the Cook Islands Government Property Corporation and the subsidiary company occupies the land under a joint venture agreement between the shareholders of the subsidiary company. A deed of variation of the lease dated 2 October 2007 was prepared by Cook Islands Investment Corporation which included the settlement for overdue rent reviews. However, the legal counsel for the landowners have claimed that the deed is unlawful. The legitimacy of this claim is still being determined, including if successful, whether the subsidiary company would be liable for any potential liability.

Another landowner is also pursuing compensation for occupation of land from the subsidiary company, Telecom Cook Islands Limited. The details of the claim are not clear. There is no formal lease agreement but rental has been paid in accordance with a written agreement with certain family members.

It is not clear if there will be a further liability resulting from these claims, nor any expected amounts beyond that already paid.

b) Other contingent liabilities

i) The subsidiary company, Vodafone Fiji Pte Limited, has provided letter of support to its subsidiary company, Datec (Fiji) Pte Limited, for the bank overdraft facility with Westpac Banking Corporation.

ii) The Holding Company has given a limited guarantee to ANZ Bank (Kiribati) Limited for the term loan obtained by the subsidiary company, Amalgamated Telecom Holdings (Kiribati) Limited, to the amount of AUD 9,577,000 plus interest, costs and other amount relating to the facility.

iii) The Holding Company has given a limited guarantee to Bred (Vanuatu) Limited for the term loans and bank overdraft facility obtained by the subsidiary company, Telecom Vanuatu Limited, to the amount of VUV 659,000,000.

iv) The Holding Company has given a guarantee to Vanuatu National Provident Fund for the term loan obtained by the subsidiary company, Telecom Vanuatu Limited, to the amount payable pursuant to the Deed of Loan between Vanuatu National Provident Fund and the subsidiary company.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 28. CONTINGENT LIABILITIES [CONT'D]

b) Other contingent liabilities (cont'd)

v) The Holding Company has given a corporate guarantee and indemnity to ANZ Bank (Samoa) Limited for the term loan obtained by the subsidiary company, Bluesky SamoaTel Investments Limited, unlimited as to amount plus interest, costs and other amounts.

vi) The subsidiary company, Bluesky Samoa Limited, is in discussion with Ministry of Revenue Samoa about certain tax deductions that the Ministry has disallowed. These deductions stem from tax losses created by balance sheet write offs (accelerations of depreciation and inventory write-offs) undertaken after the Group bought 75% of the shares from the Government of Samoa in 2011. The tax impact of the deductions amount to WST 3,737,000. On 25 February 2021, management met with Ministry of Revenue to go through the asset verification exercise. While management considered the meeting with the Ministry to be positive, the Ministry is conducting further internal report closure procedures before they would be able to respond to the subsidiary company. Based on advice from the tax agents, management believes that the tax deductions will be allowed.

	2021 $'000	2020 $'000
NOTE 29. COMMITMENTS		
a) Capital commitments		
Capital expenditure commitments as at balance date are as follows:		
Intangible assets	43,689	50,706
Property, plant and equipment	281,078	236,990

Capital expenditure commitments primarily relate to various capital investment projects, programs and initiatives approved by the Board of Directors of the Holding Company and the subsidiary companies. Capital expenditure commitments for the year ended 31 March 2021 also includes $43,643,000 (2020: $50,660,000) for lease of new submarine cable capacity linking Australia and USA.

b) Operating lease expenses

The Group has entered into line rental agreements with various line rental service providers. The arrangement includes variable lease payments based on an index or rate. The Group also has a number of short term leases, for which no right of use assets and liabilities have been recognised. Refer note 16 for rental payments for the year ended 31 March 2021 in respect to the above.

c) Sponsorship agreement with Fiji Rugby Union

On 13 November 2017, the subsidiary company, Vodafone Fiji Pte Limited, entered into a sponsorship agreement with Fiji Rugby Union. As per the terms of the agreement, Fiji Rugby Union granted sponsorship rights in respect to certain properties under the control of FRU, including the Kaji Tournament and the Under 20s Team on an exclusive basis to the subsidiary company. The subsidiary company agreed to the acquisition of such sponsorship rights to be solely for the subsidiary company which include corporate entities for sponsorship in cash and sponsorship in kind for a period of 5 years. The sponsorship is currently under negotiations with FRU for revisions in light of effects of Covid-19.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 29. COMMITMENTS (CONT'D)

d) Sponsorship agreement with Fiji Football Association

On 4 January 2019, the subsidiary company, Vodafone Fiji Pte Limited, entered into a sponsorship agreement with Fiji Football Association.

As per the terms of the agreement, Fiji Football Association (Association) 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 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. Subsequently, in February 2021 the subsidiary company in agreement with the Association terminated the sponsorship agreement.

e) Sponsorship agreement with Fiji National Rugby League Limited

On 25 January 2018, subsidiary company, Vodafone Fiji Pte Limited, entered into a sponsorship agreement with Fiji National Rugby League Limited.

As per the terms of the agreement, Fiji National Rugby League (FNRL) granted sponsorship rights in respect to its events, including the Fiji Bati team, Vodafone Cup Tournament, and Primary and Secondary School rugby events on an exclusive basis to the subsidiary company. The subsidiary company agreed to the acquisition of such sponsorship rights to be solely for the subsidiary company for sponsorship in cash and sponsorship in kind for a period of 4 years. The sponsorship is currently under negotiations with FNRL for revisions in light of effects of Covid-19.

f) Licence fees

Certain subsidiaries within the Group are committed to pay licence fees to the Government of Fiji, the Government of Kiribati (for Amalgamated Telecom Holdings (Kiribati) Limited), the Government of Vanuatu (for Telecom Vanuatu Limited) and Office of the Regulator (for Bluesky Samoa Limited) based on the audited annual gross revenue which arises directly from the provision of services under the respective licence.

Certain subsidiaries in Fiji are also 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 are calculated net of settlements with other licences in Fiji.

g) Operating lease income

The Group earns rental income from colocations and equipment and lease circuit rental. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during 2021 was $5,103,000 (2020: $6,619,000). The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	2021 $'000	2020 $'000
Less than one year	1,644	1,371
Between one and five years	803	2,176
	2,447	3,547

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 30. RELATED PARTIES

a) Parent entity

The ultimate parent company is Fiji National Provident Fund (FNPF), a defined contribution superannuation fund domiciled in Fiji.

b) Directors

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

Mr Ajith Kodagoda – Chairperson (resigned on 16 December 2020)
Ms Kalpana Lal – Chairperson (with effect from 18 March 2021)
Mr Taito Waqa
Mr Umarji Musa
Mr David Kolitagane
Mr Arun Narsey (resigned on 16 December 2020)
Mr Tom Ricketts (resigned on 16 December 2020)
Ms Tupou'tuah Baravilala (appointed on 16 December 2020)
Mr Viliame Vodonaivalu (appointed on 16 December 2020)
Mr Pravinesh Singh (appointed on 16 December 2020)

Directors' remuneration is disclosed under Note 11.

c) Government related entity

The Government of Fiji has significant influence over the Group through its shareholding of 16.3% in the Holding Company and also through its influence over the parent company, Fiji National Provident Fund, through the FNPF Act 2011 under which FNPF has been constituted. The Group has transactions with the Government, and other government-related entities, including but not limited to sales and purchases of goods and ancillary materials, rendering and receiving services, lease of assets, and use of public utilities.

d) Sale of goods and services

	2021 $'000	2020 $'000
Interest income (Amalgamated Telecom Nominees Limited)	30	30
Sale of hardware, software and services (FNPF)	1,946	567
Rental (FNPF)	696	64
Advertising income (FNPF)	25	21

e) Purchases of goods and services

	2021 $'000	2020 $'000
Interest expenses and fees (FNPF)	3,410	3,424
Operating lease (FNPF)	923	888

f) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entities of the Group, directly or indirectly, including any director (whether executive or otherwise) of those entities. The aggregate compensation to key management personnel are as follows:

	2021 $'000	2020 $'000
Salaries and other short-term employee benefits	5,657	4,091

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

	2021 $'000	2020 $'000
NOTE 30. RELATED PARTIES [CONT'D]		
g) Year-end balances arising from sales/purchases of goods and services		
Receivable from related parties (Note 20):		
- Ultimate parent entity	872	868
Payable to related parties (Note 26):		
- Ultimate parent entity	2	221
- Austel Investment Pte Limited	2,387	-
	2,389	221
h) Loans and advances to related parties		
Advances to other related entity - Amalgamated Telecom Nominees Limited (Note 20)	2,482	2,482

Refer Note 20 for terms underlying the advance to other related entity.

	2021 $'000	2020 $'000
i) Borrowings from ultimate parent entity		
Term loans (Note 24)	75,177	80,000
j) Debt investment securities		
Term deposits held with HFC Bank (Note 19)	250	200

k) Guarantees

Refer Note 28(b) for provision of guarantees to related parties.

l) Commitments

Refer Note 28(b) for provision of letter of support to related parties.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 31. 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 (d).

	Principal place of business	Equity holding 2021	Equity holding 2020
Telecom Fiji Pte Limited	Fiji	100%	100%
Fiji International Telecommunications Pte Limited	Fiji	100%	100%
Vodafone Fiji Pte Limited	Fiji	51%	51%
Datec (Fiji) Pte Limited	Fiji	51%	51%
Datec Australia Pty Limited	Australia	51%	51%
Fiji Directories Pte Limited	Fiji	100%	100%
Amalgamated Telecom Holdings (Kiribati) Limited	Kiribati	100%	100%
Telecom Vanuatu Limited	Vanuatu	100%	100%
ATH International Venture Pte Limited	Singapore	100%	100%
Digitec Communication Limited	PNG	70%	70%
Digitec ICT Limited	PNG	26%	70%
Etech ICT Pty Limited	Australia	26%	70%
Etech ICT Pte Limited	Singapore	26%	70%
eLandia Technologies, LLC	USA	100%	100%
American Samoa Hawaii Cable LLC	American Samoa	66.7%	66.7%
Samoa American Samoa Cable	American Samoa	66.7%	66.7%
Amalgamated Bluesky Telecom Holdings LLC	USA	100%	100%
AST Telecom LLC	American Samoa	100%	100%
American Samoa Entertainment	American Samoa	100%	100%
Bluesky SamoaTel Investments	Samoa	97.2%	97.2%
Bluesky Samoa Limited	Samoa	72.9%	72.9%
Bluesky Pacific Holdings Limited	Samoa	60.2%	60.2%
Bluesky Holding New Zealand Limited	New Zealand	60.2%	60.2%
Bluesky Cook Islands Investment	Cook Islands	60.2%	60.2%
Teleraro Management Limited	Cook Islands	60.2%	60.2%
Teleraro Limited	Cook Islands	54.2%	54.2%
TCNZ Cook Islands Limited	Cook Islands	54.2%	54.2%
Telecom Cook Islands Limited	Cook Islands	32.5%	32.5%

All the subsidiaries have the same balance date as the parent entity which is 31 March.

Although the Company has less than half of the voting rights in Telecom Cook Islands Limited, Digitec ICT Limited, Etech ICT Pte Limited and Etech ICT Pty Limited, management has determined that the Company controls Telecom Cook Islands Limited, Digitec ICT Limited, Etech ICT Pte Limited and Etech ICT Pty Limited. This is on the basis that the Company appoints the majority of the directors for Telecom Cook Islands Limited, Digitec ICT Limited, Etech ICT Pte Limited and Etech ICT Pty Limited and has the majority voting rights.

On 1 April 2020, Vodafone Fiji Pte Limited acquired 70% shareholding in Digitec ICT Limited, Etech ICT Pte Limited and Etech ICT Pty Limited from Digitec Communication Limited and ATH International Venture Pte Limited. The transaction was accounted for as a common control transaction as at the time of this transaction Vodafone Fiji Pte Limited, Digitec Communication Limited and ATH International Venture Pte Limited were controlled by the same shareholder, the Holding Company. As the Holding Company was not a party to the common control transaction, these consolidated financial statements were not affected by the transaction.

However, on the same day (i.e. 1 April 2020), following transfer of control, Vodafone Fiji Pte Limited disposed 19% interest in Digitec ICT Limited, Etech ICT Pte Limited and Etech ICT Pty Limited decreasing the Groups ownership interest from 70% to 26%. This change in ownership interest has been accounted for as an equity transaction, the effects of which are presented in the other equity reserve.

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 32. SEGMENT REPORTING

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

a) Operating Segments

	Fixed Line Telecom $'000	Mobile Telecom $'000	Other $'000	Elimination $'000	Total $'000
31 March 2021					
External revenues	88,621	384,483	106,661	-	579,765
Inter-segment revenue	30,039	24,372	60,789	(115,200)	-
Other income	3,286	6,817	1,063	-	11,166
Segment revenue	121,946	415,672	168,513	(115,200)	590,931
Segment profit (loss) before tax	28,409	49,810	55,859	(79,334)	54,744
Interest income	640	886	1,724	(1,955)	1,295
Interest expense	1,387	10,456	10,121	(1,391)	20,573
Depreciation and amortisation	20,692	71,130	22,071	(4,554)	109,339
Other material non-cash items:					
Impairment losses on trade receivables and contract assets	2,680	4,679	1,564	-	8,923
Impairment losses on non-financial assets	-	2,500	-	-	2,500
Segment assets	209,453	639,592	980,868	(548,742)	1,281,171
Capital expenditure	18,600	61,010	102,098	(639)	181,069
Segment liabilities	64,233	403,052	450,423	(186,268)	731,440
31 March 2020					
External revenues	103,202	461,870	110,875	-	675,947
Inter-segment revenue	19,772	15,575	56,710	(92,057)	-
Other income	944	3,495	1,521	-	5,960
Segment revenue	123,918	480,940	169,106	(92,057)	681,907
Segment profit (loss) before tax	23,794	85,754	28,919	(68,051)	70,416
Interest income	429	627	2,092	(1,548)	1,600
Interest expense	1,185	10,124	11,072	(659)	21,722
Depreciation and amortisation	22,275	65,528	10,757	13,187	111,747
Other material non-cash items:					
Impairment losses on trade receivables and contract assets	4,112	2,899	2,143	(659)	8,495
Impairment losses on non-financial assets	-	6,300	-	-	6,300
Segment assets	190,886	673,028	796,333	(453,817)	1,206,430
Capital expenditure	20,183	55,327	86,303	(6,770)	155,043
Segment liabilities	56,622	425,248	394,778	(136,264)	740,384

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 32. SEGMENT REPORTING (CONT'D)

b) Geographical segments

The geographic information analyses the Group's revenue and non-current assets by the Holding Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

	Fiji $'000	Outside Fiji $'000	Elimination $'000	Total $'000
31 March 2021				
External revenues	345,477	234,288	-	579,765
Inter-segment revenue	83,980	31,220	(115,200)	-
Other income	2,263	8,903	-	11,166
Segment revenue	431,720	274,411	(115,200)	590,931
Segment profit (loss) before tax	102,941	31,137	(79,334)	54,744
Interest income	826	2,424	(1,955)	1,295
Interest expense	13,735	8,229	(1,391)	20,573
Depreciation and amortisation	66,937	46,956	(4,554)	109,339
Other material non-cash items:				
Impairment losses on trade receivables and contract assets	7,761	1,162	-	8,923
Impairment losses on non-financial assets	-	2,500	-	2,500
Segment assets	1,210,769	619,144	(548,742)	1,281,171
Capital expenditure	47,623	134,085	(639)	181,069
Segment liabilities	607,612	310,096	(186,268)	731,440
31 March 2020				
External revenues	431,841	244,106	-	675,947
Inter-segment revenue	92,057	-	(92,057)	-
Other income	94	5,866	-	5,960
Segment revenue	523,992	249,972	(92,057)	681,907
Segment profit (loss) before tax	128,978	9,489	(68,051)	70,416
Interest income	2,358	790	(1,548)	1,600
Interest expense	15,549	6,832	(659)	21,722
Depreciation and amortisation	59,267	39,293	13,187	111,747
Other material non-cash items:				
Impairment losses on trade receivables and contract assets	3,719	5,435	(659)	8,495
Impairment losses on non-financial assets	-	6,300	-	6,300
Segment assets	1,181,342	478,905	(453,817)	1,206,430
Capital expenditure	45,499	116,314	(6,770)	155,043
Segment liabilities	555,949	320,699	(136,264)	740,384

Notes to the Consolidated Financial Statements (Cont'd)
For the year ended 31 March 2021

NOTE 33. EVENTS SUBSEQUENT TO BALANCE DATE

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

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

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

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

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

NOTE 34. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorised for issue on 31 August 2021.

1. Statement of interest (direct and indirect) of each Director in the share capital of the company as at 31 March 2021 Under Section 51.2 (iv):

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

2. Top 20 shareholders report under Section 51.2 (v):

Shareholders	No. Of Shares
The Fiji National Provident Fund	327,964,953
Republic of Fiji Islands	72,966,105
Unit Trust of Fiji (Trustee Company) Limited	19,391,624
Fijians Trust Fund	6,501,502
Amalgamated Telecom Nominees Limited	4,700,193
FHL Trustees Limited ATF Fijian Holdings Unit Trust	3,260,962
FHL Media Limited	2,095,793
BSP Life (Fiji) Limited	2,092,892
Samoa National Provident Fund	1,666,666
Carlisle (Fiji) Limited	488,565
Unit Trust of Samoa (Trust)	251,064
FijiCare Insurance Limited	176,396
Shiu Raj	137,603
Naitasiri Provincial Council	120,670
Jacks Equity Investment Limited	114,013
JP Bayly Trust	100,029
Gerald William Sydney Barrack	100,000
Kiran Lata Kumar	100,000
Kiritbhai Patel F/N Prabhudas Patel	100,000
Nakuruvakarua Company Limited	100,000
RFMF Army Medical Scheme	100,000
Lomaiviti Provincial Council	94,340
Rewa Provincial Council	94,300
Hari Punja A & Sons Limited	89,907

3. Distribution of shareholding under Section 51.2 (vi):

No. of Shareholders	Shareholding	Total Percentage Holding
288	0 - 500	0.03%
947	501- 5,000 shares	0.41%
125	5,001 - 10,000 shares	0.22%
45	10,001 - 20,000 shares	0.15%
15	20,001 - 30,000 shares	0.09%
6	30,001 - 40,000 shares	0.05%
9	40,001 - 50,000 shares	0.10%
15	50,001 - 100,000 shares	0.28%
7	100,001 - 1,000,000 shares	0.31%
9	over 1,000,000 shares	98.38%
1,466		**100%**

South Pacific Stock Exchange - Listing Requirements (Cont'd)

5. Disclosure on the trading results of each subsidiary under Section 51.2 (x):

(Amount in $'000)	Telecom Fiji Limited	Vodafone Fiji Limited & Subsidiary Companies	FINTEL	Fiji Directories Limited	ATH Kiribati Limited	Telecom Vanuatu Limited	Bluesky Group	ATHIV Group
Sales revenue	90,868	329,908	11,226	2,772	24,888	50,799	111,702	-
Other Operating revenue	1,086	13,712	114	166	1,146	1,550	7,769	29,743
(excluding dividends)								
	91,954	343,620	11,340	2,938	26,034	52,349	119,471	29,743
Depreciation and amortisation	16,303	50,577	1,564	208	3,491	9,248	18,290	4,499
Impairment loss on trade and other receivable	2,511	3,975	85	597	34	403	707	-
Cost of Sales	12,879	132,804	2,805	219	8,969	19,109	44,784	-
Other expenses	33,464	99,308	3,372	999	7,440	19,762	45,866	17,960
Finance cost/(income) net	129	5,612	8	(11)	262	2,046	2,572	1,265
Income tax expense/(benefit)	4,832	8,939	298	185	2,036	-	3,748	- 6,856
	70,118	301,215	8,132	2,197	22,232	50,568	115,967	16,868
Net profit after income tax	21,836	42,405	3,208	741	3,802	1,781	3,504	12,875
(excluding dividends)								
Operating assets	155,983	471,747	24,194	4,979	32,758	73,861	226,091	234,236
Operating liabilities	47,553	300,497	8,376	1,491	21,880	43,559	97,678	234,376
Shareholders' equity	108,430	171,250	15,818	3,488	10,878	30,302	128,413	- 140

6. Share Register

Central Share Registry Pte Limited
Shops 1 and 11
Sabrina Building
Victoria Parade
Suva, Fiji

South Pacific Stock Exchange - Listing Requirements (Cont'd)

7. Group Consolidated Ten Years Financial Performance under section 51.2 (xiv):

	For the 12 months ended 31 March 2021 ($'000)	For the 12 months ended 31 March 2020 ($'000)	For the 12 months ended 31 March 2019 ($'000)	For the 12 months ended 31 March 2018 ($'000)	For the 12 months ended 31 March 2017 ($'000)	For the 12 months ended 31 March 2016 ($'000)	For the 12 months ended 31 March 2015 ($'000)	For the 12 months ended 31 March 2014 ($'000)	For the 12 months ended 31 March 2013 ($'000)	For the 12 months ended 31 March 2012 ($'000)
Operating Revenue	579,765	675,947	523,679	460,416	394,702	356,211	310,668	281,004	270,469	249,411
EBIT	59,638	102,973	119,485	118,803	108,411	90,878	85,272	46,664	(31,040)	51,251
EBITDA	169,913	214,720	189,335	173,384	153,611	134,468	129,903	93,109	26,171	108,603
Net Earnings	41,374	43,354	75,024	58,065	54,222	56,725	49,812	14,469	(15,905)	18,362
Earnings per share	3.26 cents	3.38 cents	10.05 cents	13.8 cents	12.8 cents	13.4 cents	11.8 cents	3.4 cents	(4.0 cents)	4.0 cents
Return on equity	7.53%	9.30%	16.33%	20.56%	22.3%	26.5%	25.7%	8.4%	(9.3%)	8.9%
Total Assets	1,281,171	1,206,430	1,133,284	682,586	635,313	466,882	417,105	396,813	444,481	518,839
Return on assets	3.4%	3.8%	6.4%	11.5%	19.2%	23.0%	22.7%	10.7%	(5.6%)	8.9%
Current Ratio	0.75 times	1.01 times	0.98 times	0.85 times	0.61 times	0.76 times	0.82 times	0.86 times	0.84 times	0.77 times
Net Debt	206,239	280,150	258,018	99,723	118,233	12,139	22,394	46,606	63,781	85,098
Gearing	27%	38%	36%	23%	29%	5.0%	9.0%	19.0%	23.0%	24.0%
Interest cover	8.81 times	4.74 times	10.53 times	13.82 times	34.9 times	41.5 times	28.9 times	9.9 times	(8.6) times	6.2 times
Net cash flow from operating activities	161,371	148,024	140,350	129,828	132,590	105,006	116,340	94,252	92,739	78,949
Capital expenditure	181,069	155,043	184,093	84,306	43,412	71,932	60,810	24,636	52,429	27,699
Dividend per share	$0.000	$0.000	$0.025	$0.045	$0.06	$0.08	$0.07	$0.05	$0.045	$0.03
Net Tangible Asset per share	0.50	0.33	0.26	$0.60	$0.50	$0.44	$0.41	$0.35	$0.35	$0.44
Market price per share	$1.82	$2.58	$3.28	$2.28	$1.32	$1.20	$1.01	$0.80	$0.84	$0.75
Maximum market price per share	$2.58	$3.34	$3.28	$2.30	$1.32	$1.25	$1.01	$0.86	$0.89	$0.89
Minimum market price per share	$1.80	$2.58	$2.28	$1.32	$1.08	$1.00	$0.81	$0.60	$0.70	$0.65
Price Earnings ratio	55.83 times	76.33 times	32.64 times	16.52 times	10.3 times	8.9 times	8.6 times	23.5 times	(21.0) times	18.8 times
Dividend Yield	0.00%	0.00%	0.76%	1.9%	4.5%	6.7%	6.9%	6.3%	5.4%	4.0%

Annexure P: Annual Compliance Report on Corporate Governance

Amalgamated Telecom Holdings Limited For the Financial Year Ended on 31 March 2021

Principle	Requirement	Compliance Status
1. Establish Clear Responsibilities for Board Oversight	Separation of Duties: Clear separation of duties between Board and Senior Management.	The role of the Board is to drive the success of the Company by taking responsibility in setting the Company's strategic direction and guiding management in order to meet its objective of enhancing corporate profit and shareholder value. The regular business of the Board covers investments and strategic matters, governance, risk and compliance, the Chief Executive Officer's update report, and tracking the performance of subsidiary companies.
	Board Charter: Adopt a Board Charter detailing functions and responsibilities of the Board.	The Company has a Code of Corporate Governance detailing the functions and responsibilities of the Board. Furthermore, in line with improvements in the Group Policy environment and aligning it with best corporate governance practices, a separate Board Charter is being developed to be completed by the end of the next financial year.
2. Constitute an Effective Board	Board Composition: Balanced Board Composition with Executive and Non-Executive Directors of which one third of total number of Directors to be independent Directors.	The Board comprises of seven (7) Non-Executive Directors of which four (4) are Strategic Investor Directors nominated by the Fiji National Provident Fund (FNPF) and three (3) are Fiji Directors nominated by Government. A person may be nominated as a Director at a General Meeting if the person has been nominated by the Directors, or by one or more members holding in aggregate at least 10% of all the voting shares, for election at that meeting. Ms Tupou"tuah Baravilala, Messrs Viliame Baleitavua Vodonaivalu and Pravinesh Kumar Singh were appointed as Directors on 16 December 2020. The Directors are appointed/elected in accordance with the Company's Articles of Association. One third of Fiji Directors retire by rotation each year and the retiring Directors are eligible to be nominated again for re-election. Two of the seven Directors have met the necessary SPX required pre-requisites to be regarded as Independent Directors. The Company announced the appointment of Ms Kalpana Kushla Lal as the Chairperson of the Board on 19 March 2021.
	Gender Diversity: Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?	Whilst the Company does not have a separate policy on gender diversity at Board level, the Company's Code of Corporate Governance Principles specifies that the Board should at all times be composed of members whose skills, experience and attributes together reflect diversity, balance, cohesion and match the demands facing the Company. The Company values diversity at Board Level. The Board of Directors comprises of five males and two females.

Annexure P: Annual Compliance Report on Corporate Governance (Cont'd)

Amalgamated Telecom Holdings Limited For the Financial Year Ended on 31 March 2021

Principle	Requirement	Compliance Status
	Nominations Committee: Selection, approval, renewal and succession of Directors to be conducted by the Nominations Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.	Please refer to Board Evaluation and Board Sub-Committees below.
	Board Evaluation: Process of evaluation of performance of the Board, its Committees and individual Directors. Evaluation to be linked to key performance indicators of the listed entity.	The Nominations Committee oversees and monitors Board performance, succession planning, Director development and to ensure diversity at both the ATH holding company level and at subsidiaries level.
	Directors Training: Directors training and induction procedure to be in place to allow new Directors to participate fully and effectively.	Director induction is a formal process the Company follows whereby the Chief Executive Officer and the management team present a comprehensive corporate profile of the organisation. It is necessary for all incoming Directors to attend the induction programme. In addition, as and when required, workshops are organised with external consultants.

Annexure P: Annual Compliance Report on Corporate Governance (Cont'd)

Amalgamated Telecom Holdings Limited For the Financial Year Ended on 31 March 2021

Principle	Requirement	Compliance Status
	Board Sub-Committees: Board must have sub-committees which must at a minimum include: • Audit Committee; • Risk Management Committee; and • Nominations Committee/ Recruitment Committee.	The Board has formally constituted three (3) committees namely the Audit, Finance and Risk Committee; Human Resources Committee; and Nominations Committee. The Audit, Finance and Risk Committee is responsible, on Finance matters, for monitoring and recommending to the Board the Company's financial plans and strategies which are consistent with the business strategies of the Company; monitoring the financial budgets used by management to develop the Company's financial plans and strategies; recommending to the Board the Company's financial policies including its capital structure and distribution policies; and overseeing the negotiation and authorising the entry into arrangements in respect of the financing of the activities of the Company and its affiliates. On Audit matters, the Committee is responsible for monitoring the external audit of the Company's affairs including considering the appointment of the auditors, the audit fee and any issues on their resignation or dismissal; discussing with the auditors, before the commencement of each audit, the nature and scope of their audit; reviewing the auditor's service delivery plan; approving the Company's letter of representation to the auditors; and discussing with the auditors any problems, reservations, or issues arising from the audit and referring matters of a material or serious nature to the Board; reviewing annual financial statements before submission to the Board. The Human Resources Committee is responsible for advising the Board on human resources issues which includes the remuneration and conditions of employment of the Chief Executive Officer, senior management and succession planning. The Nominations Committee is responsible for the selection, approval, renewal and succession of Directors in the subsidiary companies of the Group. The corporate governance responsibilities are shared amongst the three sub-committees.
3. Appointment of Chief Executive Officer/Managing Director	Chief Executive Officer: To appoint a suitably qualified and competent Chief Executive Officer/ Managing Director.	Mr Ivan Fong is the Chief Executive Officer and Company Secretary for ATH. The Chief Executive Officer is responsible for developing and implementing business strategies and policy guidelines; managing budgets, financial reports and key performance indicators; providing Company secretarial duties and functions; ensuring compliance with regulatory and statutory requirements; managing effective relationships with internal and external parties; and leading and developing a team of staff.
4. Appointment of a Board and Company Secretary	Company Secretary: Board to appoint a suitably qualified and competent Company Secretary, who is accountable to the Board, through the Chair, for all compliance and governance issues.	

Annexure P: Annual Compliance Report on Corporate Governance (Cont'd)

Amalgamated Telecom Holdings Limited For the Financial Year Ended on 31 March 2021

Principle	Requirement	Compliance Status
5. Timely and Balanced Disclosure	Annual Reports: Timely and accurate disclosures are made in Annual Reports as per Rule 51 of Listing Rules.	As a listed entity, ATH is subject to the rules and regulations for listed companies as set out by the South Pacific Stock Exchange (SPX) and Reserve Bank of Fiji (RBF). This includes market announcements of material information, six-monthly unaudited financials, audited financials and Annual Report.
	Payment to Directors and Senior Management: Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior Management.	A total fee of $210,000 was paid to Directors for their service during the year in accordance with the shareholders resolution at the 22nd Annual General Meeting. The Company also met other expenses, mainly for travel and accommodation, which were incurred during the course of their duties for ATH. ATH Directors were also covered under a Directors and Officers Insurance Policy and a Personal Accident Insurance Policy. Payment to senior management is disclosed in the Annual Report under Key Management Personnel Compensation.
	Continuous Disclosure: General disclosures or Company announcements to be made in a timely manner. The disclosures should be factual without omitting material information and to be expressed in a clear and objective manner to shareholders.	ATH continues to make timely, accurate and full disclosure to the market.
6. Promote Ethical and Responsible Decision Making	Code of Conduct: To establish a minimum Code of Conduct of the listed entity applicable to Directors, senior management and employees and conduct regular trainings on the same.	The Company has a Code of Corporate Governance which is relayed to the Directors upon appointment to the Board. ATH believes that all Directors and executives uphold the code of conduct and ethical standards of the Company.
7. Register of Interests	Conflict of Interest: Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for the purpose.	A register of interests is maintained by the Company in line with the Code of Corporate Governance.

Annexure P: Annual Compliance Report on Corporate Governance (Cont'd)

Amalgamated Telecom Holdings Limited For the Financial Year Ended on 31 March 2021

Principle	Requirement	Compliance Status
8. Respect the Rights of Shareholders	Communication with Shareholders: To design communication strategy to promote effective communication with shareholders and encourage their participation. Examples: Communication through Annual Reports, Annual General Meetings, or any other means of electronic communication.	In line with SPX continuing listing requirements, the Company issues market announcements of material information, quarterly and six-monthly unaudited financials, annual audited financials and Annual Report. The same information is posted on SPX and ATH websites. All shareholders are invited to the AGM, receive a copy of Annual Report and notice of meeting prior to the AGM and are given an opportunity to communicate directly with the Board of Directors. ATH fosters and promotes effective communication with shareholders and effective participation at General Meetings. The Company explores how best to take advantage of technology to enhance shareholders communications and how to use General Meetings to enhance a two-way communication.
	Website: To create and maintain a website of the listed entity to communicate, effectively with shareholders and other stakeholders. All matters of importance to be updated regularly on the website.	ATH maintains an up-to-date website to supplement the official release of information to the market. The website address is: http://www.ath.com.fj/
	Grievance Redressal Mechanism: To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.	This mechanism is covered in the Company's Articles of Association and the Corporate Governance Policy. However, in line with improvements in the Group Policy environment and aligning it with best corporate governance practices, a separate policy is now being developed to be completed by end of the next financial year.
	Shareholders Complaints: To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.	No complaints were received from shareholders during the year.

Annexure P: Annual Compliance Report on Corporate Governance (Cont'd)

Amalgamated Telecom Holdings Limited For the Financial Year Ended on 31 March 2021

Principle	Requirement	Compliance Status
	Corporate Sustainability: To adopt a business approach that creates long term shareholder value by embracing opportunities, managing risks, maximising profits and minimising negative social economic, and environmental impacts.	Our approach to business is outlined in the Company's vision, mission and values statements as tabulated in our Annual Report.
9. Accountability and Audit	Internal Audit: To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.	ATH is audited annually by an independent external auditor. The ATH Group and subsidiaries accounts are prepared and audited in compliance with IFRS standards. The Company rotates its external auditors every three years. The Company also has policies and procedures in place to ensure that business activities are carried out as per best practices.
	External Audit: To appoint an external auditor who reports directly to the Board Audit Committee.	
	Rotation of External Auditor: To appoint the external auditor for a fixed term requiring senior partner of the audit firm to rotate once in every three or less financial years.	
	Audit, Finance and Risk Committee: To establish an Audit Committee comprising of at least three members of which majority are independent and Chair is not Chair of the Board.	The Company has an Audit, Finance and Risk Committee which provides oversight of the Company's internal controls and operations, verifying and safeguarding the integrity of the Company's financial reporting.

Annexure P: Annual Compliance Report on Corporate Governance (Cont'd)

Amalgamated Telecom Holdings Limited For the Financial Year Ended on 31 March 2021

Principle	Requirement	Compliance Status
10. Risk Management	Risk Management Policy: To establish a Risk Management Policy to address risk oversight, risk management and internal control. The Policy to clearly define the roles and responsibilities of the Board, Audit Committee, management and internal audit functions	The Directors of the Company are always mindful of potential risks that may arise in the course of its business. In that regard the Audit, Finance and Risk Committee is tasked with the responsibility of risk management. The Committee reviews the annual financial statements to be released by the Company, before submission to the Board.
	Whistle Blower Policy: As part of the risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behaviour, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX Rules or Companies Act. (Refer to Rule 68 of the Listing Rules)	The Company has a Whistle Blower Policy included in its Corporate Governance Policy.

SUBSIDIARIES CONTACT DETAILS

Vodafone Fiji Pte Limited
168 Princes Road, Tamavua
Private Mail Bag
Suva, Fiji
Phone (679) 3312-000
Fax (679) 3312-007
Website: *www.vodafone.com.fj*

AST Telecom LLC dba Bluesky Communications
Laufou Centre, Nuuuli
P.O. Box 478
Pago Pago, American Samoa 96799
Phone Number: +1 (684) 699 2759
Website: *www.bluesky.as*

Digitec Communications Limited
Section 38, Allotment 32, Waigani Drive,
Port Moresby, National Capital District,
Papua New Guinea
Tel : +675 3256900

Telecom Vanuatu Limited t/a Vodafone Vanuatu
Telecom House, Father Walter Lini Highway
P O Box 146,
Port Vila, Efate, Vanuatu
Phone: (678) 22185
Fax: (678) 22628
Website: *www.vodafone.com.vu*

Fiji International Telecommunications Pte Limited
151 Rifle Range, Vatuwaqa
G P O Box 59
Suva, Fiji
Phone (679) 3312-933 or
enquiries@fintelfiji.com
Website: *www.fintel.com.fj*

Datec (Fiji) Pte Limited
Level 1 Garden City Complex
Grantham Road, Raiwai
P O Box 12577
Suva, Fiji
Phone (679) 3314-411
Website: *www.datec.com.fj*

Etech ICT Pte Limited
10 Ubi Crescent #01-93
Lobby E, Ubi Tech Park
Singapore
Email: info@etechict.com
Website: *www.etechict.com*

Vodafone ATH Fiji Foundation
168 Princes Road, Tamavua
Private Mail Bag
Suva, Fiji
Phone (679) 3312-000
Fax +679 3312-007

Telecom (Fiji) Pte Limited
Level 5, GPO New Wing Building
Edward Street
Private Mail Bag
Suva, Fiji
Phone (679) 3304-019
Fax (679) 3307-222
Website: *www.telecom.com.fj*

Vodafone Samoa Limited
Maluafou Headquarters
Apia, Samoa
Phone (685) 67788
Fax (685) 24123
Website: *www.vodafone.com.ws*

Telecom Cook Islands Limited t/a Vodafone Cook Islands
P O Box 106,Parekura
Avarua, Rarotonga, Cook Islands
T: (682) 29-680
Website: *www.vodafone.co.ck*

Amalgamated Telecom Holdings (Kiribati) Limited
t/a Vodafone Kiribati
P O Box 72
Bairiki, South Tarawa
Republic of Kiribati
Phone (686) 74020700
Website: *www.vodafone.com.ki*

Fiji Directories Pte Limited
Level 1 My FNPF Centre
Greig Street
G P O Box 16059
Suva, Fiji
Phone (679) 3311-000
Fax (679) 3300-004
Website: *www.yellowpages.com.fj*
www.whitepages.com.fj

Digitec ICT Limited
Sec 451, Lot 7 Cameron Road
Gordons
P O Box 1075, Boroko, NCD 121
Port Moresby, Papua New Guinea
Phone: +675 3139600
Email: info@digitec.com.pg
Website: *www.digitec.com.pg*

Etech ICT Pty Limited
Unit 10/7 Enterprise Street
Molendinar Queensland 4214
Australia
Phone: +61 7 55328300
Email: sales@etechict.com
Website: *www.etechict.com*

Group of Companies

Registered Office
Level 2, Harbour Front Building
Rodwell Road
P.O.Box 11643
Suva
Fiji

Phone (679) 3308700
Fax (679) 3308044

Website: www.ath.com.fj