



Gibraltar Broadcasting Corporation

REPORT
&
ANNUAL ACCOUNTS

2012/2013

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Chief Executive's Review

Part 2

Annual Accounts 2012/2013

CHIEF EXECUTIVE'S REVIEW

Mr Allan King ended his tenure as CEO, with Mr Gerard Teuma, taking over the role fully in March 2013 after 13 months as CEO (Designate). During the period under review, staffing came under sharp focus with several appointments made. These included James Neish as Head of Radio & Online, Ian Daniels as Deputy Head of Radio, Jonathan Sacramento and Jonathan Scott as Senior Presenters (Community Affairs), Kelly Anne Turnbull as Reporter, Ros Astengo was recruited as a Presenter, Colin Pons as Production Camera Operator and Wesley Tacon as Audio/Visual Assistant. The appointments coincided with an enhanced operational budget authorised by the Chief Minister allowing the recruitment of additional personnel.

GBC had suffered over many years from a lack of attention to most aspects of its operations. This included HR issues, leaving the Corporation rudderless in the way its staff complement was managed. A priority for the new CEO was the drafting of a set of revised/new employee policies, with work on this started immediately with the assistance of specialist HR firm, Apex. The first policies rolled out were, Grievance, Disciplinary, and Smoking. Operational Procedures for the TV Studio/Gallery and Master Control Room (MCR), which were also lacking, were also issued.

Top of the agenda for the new Management Team was the improvement of the television service, which for over a decade had been in steady decline. Low staff morale and even lower productivity levels had meant that GBC TV's programming was poor, requiring immediate attention. With additional resources and energy, a number of new locally-produced series were aired, including the new weekly hour-long magazine show, 'Stuff About Us', in addition to a series commissioned from an independent production company; 'Living on the Edge', which was the first of its kind for the Corporation. Better international imported series were also acquired, coupled with improved station idents giving the channel a refreshed feel. This was considered to be phase one of a full channel relaunch.

There were changes too on Radio Gibraltar, with Paul Grant assigned to the 'Breakfast Show' and James Neish taking over the newly titled 'Lunchtime Live' community affairs programme. Radio has consistently maintained its appeal amongst listeners. After a lengthy period when the station's FM transmissions were at half power due to under-investment, new antennas were installed for 92.6FM and 100.5FM at the O'Haras's Battery transmitter station, enabling output to once again radiate at full power. An equipment replacement process was started in radio by way of improving studio reliability.

GBC Television benefitted from a major investment in technology, which allowed its conversion to an HD channel. It required the relocation of the Master Control Room (MCR) which was fully re-equipped, as were the studio vision and audio control rooms (SCR & PCR), in what was the most significant update in infrastructure at Broadcasting House since its opening in 1980.

Design and installation was by UK specialist firm, TSL, and included a fully computerised playout facility. The space vacated by the old MCR was converted to a Graphics station and programme guest rest area. A new Make Up Booth was also created in one of the lobbies, with this becoming an essential requirement for high definition broadcasts.

GBC was divested of responsibility for television transmissions in 2012. With the transition to digital, the Gibraltar Regulatory Authority assumed responsibility for these transmissions upon its launch in December. This included all of television and the new digital radio (DAB+) transmissions.

The Government withdrew the previous administration's offer to relocate GBC to the Rooke site, and instead offered to relocate GBC to new facilities at Europa Point, with the exception of GBC News that would relocate to the Ince's Hall complex. Preliminary work on the project was started, with a number of options presented to the Chief Minister for his consideration. In the interim, a remedial works programme for the existing premises at South Barrack Road was started, as working conditions had become unacceptable. This coincided with Broadcasting House becoming a smoke-free building.

The Government replaced the Gibraltar Broadcasting Corporation Ordinance with the Broadcasting Act, allowing for GBC to operate subsidiary businesses. The first such venture was the creation of Gibraltar Entertainment Network, through which, at the Government's invitation, the Corporation partnered with a number of individuals from the UK music and film industries. The aim was to bring to Gibraltar a new strand of business, which would see the construction of a studios/office/football stadium complex at Europa Point.

The GBC website was revamped, with particular attention given to the news page, which immediately attracted an increase in traffic. The new look website also included a Community Zone. A Radio Gibraltar app was launched on National Day, providing a further platform through which the station could be accessed by listeners.

The annual salary review amounted to a 2.7% increase, in line with the rest of the public sector.

The saying "The Show Must Go On" was never truer during this financial year. Despite the huge level of disruption during the period, GBC managed to continue providing the best possible programming within the resources available. These included the GBC Open Day on Wednesday 19th December, with the TV show produced at the Bayside School Drama Studio. However, the technical upheaval as a result of the transition to HD proved too much for such a complex outside broadcast, which failed to air live due to technical difficulties. A pre-recorded show was transmitted the next day. Notwithstanding this, a total of £102,000 was raised for local worthy causes, illustrating GBC's central role within the community.

Gerard J Teuma
Chief Executive
1st July 2020

Gibraltar Broadcasting Corporation

REPORT AND FINANCIAL STATEMENTS

31 March 2013



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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GIBRALTAR BROADCASTING CORPORATION

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gibraltar Broadcasting Corporation (the Corporation), which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Corporation's affairs as at 31 March 2013 and of the Corporation's income for the year then ended, and
- have been properly prepared in accordance with Gibraltar Financial Reporting Standards.

This report, including the opinion, has been prepared for and only for the Corporation as a body corporate in accordance with Section 57(3) of the Gibraltar Broadcasting Act 2012 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GIBRALTAR BROADCASTING CORPORATION (*Continued*)

Responsibilities of Board for the Financial Statements

The Board are responsible for the preparation and true and fair presentation of the financial statements in accordance with applicable law in Gibraltar and Gibraltar Financial Reporting Standards, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board 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.



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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GIBRALTAR BROADCASTING CORPORATION (*Continued*)

Report on Other Legal and Regulatory Requirements

Opinion on other matters prescribed by the Broadcasting Act 2012

We have nothing to report in respect of the following matters where the Gibraltar Broadcasting Act 2012 requires us to report to you if, in our opinion,

- we have not received all the information and explanations we require for our audit, or
- proper books of account have not been kept by the Corporation, or
- the Corporation's statement of financial position and statement of comprehensive income are not in agreement with the books of account, or
- the provisions of this Act and in any directions of the Authority, in so far as they relate to the accounts, have not been complied with.



Dale Cruz
Statutory auditor for and on behalf of

EY LIMITED
Registered auditors

Chartered Accountants
Regal House
Queensway
Gibraltar

14 September 2020

Gibraltar Broadcasting Corporation

BALANCE SHEET

as at 31 March 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	4	2,180,276	1,349,802
Investment in shares in group undertakings	5	-	-
		<u>2,180,276</u>	<u>1,349,802</u>
CURRENT ASSETS			
Stocks of spares & materials		2,572	2,785
Debtors	6	224,545	83,326
Cash in hand and at bank		499,767	89,786
		<u>726,884</u>	<u>175,897</u>
CREDITORS: amounts falling due within one year	7	(857,930)	(114,414)
NET CURRENT (LIABILITIES)/ASSETS		<u>(131,046)</u>	<u>61,483</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,049,230</u>	<u>1,411,285</u>
CREDITORS: amounts falling due after more than one year	8	(804,002)	-
ACCRUALS AND DEFERRED INCOME			
Deferred Government contributions	3(d)	(1,175,272)	(1,349,802)
NET ASSETS		<u>69,956</u>	<u>61,483</u>
Financed by:			
ACCUMULATED FUNDS			
As at 31 March 2012		61,483	(103,750)
Surplus for the year		8,473	165,233
As at 31 March 2013		<u>69,956</u>	<u>61,483</u>

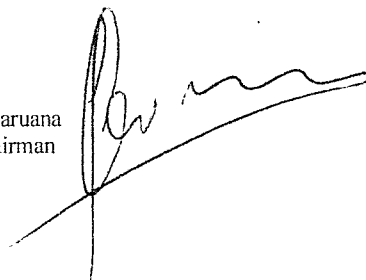
The notes on pages 4 to 11 form part of these financial statements.

Approved by the Board on..... 8/9/2020

G. Teuma
CEO



J. Caruana
Chairman



Gibraltar Broadcasting Corporation
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2013

	<i>Notes</i>	2013 £	2012 £
INCOME			
Contributions by Government of Gibraltar	3(c)	3,587,312	2,851,356
Advertising		211,004	207,879
Premium lines		761	1,416
Other income		2,369	383
		<u>3,801,446</u>	<u>3,061,034</u>
EXPENDITURE			
Programme & operating expenses		2,296,077	1,976,365
Selling expenses		41,457	37,440
Administrative expenses		785,100	621,517
Depreciation	4	467,496	260,479
Loss on disposal of fixed assets	4	202,843	-
		<u>3,792,973</u>	<u>2,895,801</u>
SURPLUS FOR THE YEAR		8,473	165,233
ACCUMULATED SURPLUS/(DEFICIT) b/fwd		61,483	(103,750)
ACCUMULATED SURPLUS c/fwd		<u>69,956</u>	<u>61,483</u>

The notes on pages 4 to 11 form part of these financial statements.

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

1. Corporation information

The Gibraltar Broadcasting Corporation ("GBC" or "the Corporation") is a body corporate operating under the framework established under the Broadcasting Act 2012. Its office is in Broadcasting House, 18 South Barrack Road. The financial statements cover those of the individual entity and for the year ended 31 March 2013.

2. Principal accounting policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with Gibraltar Accounting Standards.

Fixed Assets

Tangible fixed assets are shown at cost less depreciation.

Depreciation

Tangible fixed assets are written off over their estimated useful lives by the straight line/reducing balance basis method at the following rates:

Broadcasting equipment	12.5% Straight Line
Transmission & other equipment	10% Straight Line
Motor vehicles	25% Straight Line
Furniture & office equipment	10% Reducing Balance
Records & transcriptions	20% Reducing Balance
Building improvements	20% Straight Line
Electrical equipment	12.5% Straight Line
Software	33 1/3% Straight Line

Stocks of spares and materials

Stocks are stated at the lower of cost or net realisable value.

Investment in shares in group undertakings

Investments in joint ventures are accounted for at cost less any provision for impairment.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income and expenditure account.

Government contributions

Government contributions applied to capital expenditure are credited to a deferred income account and subsequently released to the income and expenditure account over the expected useful lives of the relevant assets.

Government contributions applied to revenue expenditure are credited to income so as to match them with the expenditure to which they relate.

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

2. Principal accounting policies (continued)

Pensions

The Corporation operates the Gibraltar Broadcasting Corporation Staff Retirement Benefits Scheme, a funded defined benefits pension scheme for eligible employees. The Scheme is administered by Prudential Assurance Company Limited. The Corporation also makes contributions to the Gibraltar Provident Trust (No 2) Pension Scheme, a defined contribution scheme, in respect of other employees.

Both schemes require contributions from the employer and the employees to be made to independently administered funds.

Contributions paid by the Corporation are charged to the Income and Expenditure account.

Defined benefit scheme

The Corporation operates a defined benefit pension scheme, registered in the name of Gibraltar Broadcasting Corporation Staff Retirement Benefits Scheme, for eligible employees. The defined benefit scheme is closed to new entrants, who instead participate in a defined contribution (money purchase) scheme (see below). The defined benefit pension scheme requires contributions to be made to a separately administered fund. Contributions take account of the advice of an independent qualified actuary and are charged to the Income and Expenditure Account.

Since the Corporation is almost exclusively funded from subventions received from Government of Gibraltar and the Government of Gibraltar has committed to provide the necessary financial support by way of subventions to the effect that, should on the retirement date of any of the beneficiaries the Scheme is under-funded, the necessary financial support will be made available by way of subventions to ensure that the benefit due can be provided.

Accordingly, as the liability of the Corporation is limited to amounts of contributions made, the scheme is treated as if it was a defined contribution scheme with the contributions payable accounted for as if the scheme was a defined contribution scheme.

Defined contribution scheme

Contributions payable by the Corporation are charged to the Income and Expenditure Account. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright, capitalised in the balance sheet and depreciated over the asset's useful lives. The capital elements of future obligations under leases are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the income and expenditure account over the period of the leases.

Gibraltar Broadcasting Corporation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

3. Contributions by Government of Gibraltar	<i>2013</i>	<i>2012</i>
	<i>£</i>	<i>£</i>
 <u>(a) Contributions receivable</u>		
Subvention -- original	2,581,432	2,000,000
Supplementary subvention transferred to next year	(219,800)	488,475
Supplementary subvention from previous year utilized this year	672,051	-
Pay award	38,916	108,172
	3,072,599	2,596,647
 Other grants	 340,183	 330,146
 Total contributions for the year	 3,412,782	 2,926,793
 <u>(b) Application of contributions</u>		
Revenue expenditure (taken to income and expenditure account -- see (c) below)	2,916,972	2,590,877
Capital expenditure (taken to deferred contributions -- see (d) below)	495,810	335,916
 Total contribution	 3,412,782	 2,926,793
 <u>(c) Contributions taken to income and expenditure account</u>		
Revenue expenditure	2,916,972	2,590,877
Release of deferred capital expenditure contributions (see below)	670,340	260,479
	3,587,312	2,851,356
 <u>(d) Deferred contributions</u>		
Balance as at 1 April	1,349,802	1,274,365
Received during the year	495,810	335,916
Released during the year	(670,340)	(260,479)
 Balance as at 31 March	 1,175,272	 1,349,802

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

4. Tangible fixed assets

	Broadcasting equipment	Transmission & other equipment	Motor vehicles	Building improvements	Electrical equipment	Furniture & office equipment	Records & transcriptions	Decoders	Software	Total
	£	£	£	£	£	£	£	£	£	£
COST										
At 1 April 2012	-	4,123,774	99,188	-	-	334,798	162,985	330,598	71,671	5,123,014
Reclassification of assets	1,259,025	(1,253,613)	3,417	39,593	77,322	(120,092)	-	-	(5,652)	-
Additions	1,396,099	49,688	13,921	5,827	30,961	1,460	638	-	2,219	1,500,813
Decommissioned/disposals	-	(2,501,562)	(28,627)	-	-	(172,718)	-	(330,598)	(24,282)	(3,057,787)
At 31 March 2013	2,655,124	418,287	87,899	45,420	108,283	43,448	163,623	-	43,956	3,566,040
DEPRECIATION										
At 1 April 2012	-	2,965,218	65,397	-	-	197,505	157,573	330,598	56,921	3,773,212
Reclassification of assets	499,858	(501,479)	1,709	22,641	33,575	(53,853)	-	-	(2,451)	-
Charge for the year	316,782	94,566	15,598	8,469	13,202	8,061	1,210	-	9,608	467,496
On disposals	-	(2,345,256)	(24,681)	-	-	(130,386)	-	(330,598)	(24,023)	(2,854,944)
At 31 March 2013	816,640	213,049	58,023	31,110	46,777	21,327	158,783	-	40,055	1,385,764
NET BOOK VALUE										
At 31 March 2013	1,838,484	205,238	29,876	14,310	61,506	22,121	4,840	-	3,901	2,180,276
At 31 March 2012	-	1,158,556	33,791	-	-	137,293	5,412	-	14,750	1,349,802

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

4. Tangible fixed assets (continued)

During the year, a major investment has been made at Broadcasting House in relation to the replacement of the analogue technology dating back to the late 1970's with digital systems, including upgrading the TV platforms to being HD capable. Practically the entire old infrastructure has been decommissioned and replaced with new technology.

The adjustment to transmission and other fixed assets affected or replaced by the new technology and infrastructure together with reclassification of assets have been recorded in the financial statements for the year ended 31 March 2013.

During the year, assets with a net book value of £202,843 were disposed of for nil consideration, therefore resulting in a loss on disposal of a similar account.

5. Investment in shares in group undertakings

	2013 £	2012 £
Investment in joint venture		
Gibraltar Entertainment Network Limited		
500 ordinary shares of £1 each (at cost)	500	-
Permanent diminution in value of investment	(500)	-
	-	-

<i>Name of company</i>	<i>Domicile</i>	<i>Holdings</i>	<i>Proportion held</i>	<i>Nature of Business</i>	<i>Total capital and reserves</i> £	<i>Profit (loss) for the year</i> £
Gibraltar Entertainment Network Limited	Gibraltar	500 ordinary shares of £1 each	100%	Holding company	(229,341)*	(230,341)*

*Based on unaudited management accounts to 31 March 2013

During the year, the Corporation entered into a joint venture agreement and established joint venture company Gibraltar Entertainment Network Limited ("GEN"). The Corporation acquired 50% of the joint venture company's share capital. The investment was in preparation for a project that later did not materialise and so the trustees made a provision for diminution in value for cost of the investment. Associated with this investment, the Corporation was holding £217,792 of cash at bank on behalf of GEN and so this is reflected as amounts owed to GEN in note 7 below.

6. Debtors

	2013 £	2012 £
Due from Government of Gibraltar	140,629	-
Advertising accounts receivable	23,016	31,965
Other debtors and prepayments	60,900	51,361
	<u>224,545</u>	<u>83,326</u>

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

7. **Creditors: amounts falling due within one year**

	<i>2013</i>	<i>2012</i>
	£	£
Obligations under finance leases (see note 8)	201,001	-
Government grant received in advance	219,800	4,664
Amount due to Gibraltar Entertainment Network (see note 5)	217,792	-
Other creditors and accruals	219,337	109,750
	<u>857,930</u>	<u>114,414</u>

8. **Creditors: amounts falling due after more than one year**

Lease purchase agreements

	<i>2013</i>	<i>2012</i>
	£	£
Amounts payable:		
In one year or less	201,001	-
	<u>201,001</u>	<u>-</u>
Between one to two years	402,001	-
Between two to five years	402,001	-
	<u>804,002</u>	<u>-</u>
	<u>1,005,003</u>	<u>-</u>

On 27 March 2013, the Corporation entered into an interest bearing lease purchase arrangement with a principal amount of £1,005,003 repayable over 5 years. Obligations under lease purchase agreements are secured on related fixed assets.

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

9. Pension and other post employment commitments

The Corporation contributed to Staff Retirement Benefits Scheme, with effect from 1 April 2003, and to Gibraltar Provident Trust (No 2) Pension Scheme. The contributions during the year which were charged to income and expenditure account are as follows:

	2013	2012
	£	£
Contributions to Gibraltar Provident Trust (No 2) Pension Scheme	118,445	89,834
Contributions to Staff Retirement Benefits Scheme	148,405	139,277
	<u>266,850</u>	<u>229,111</u>

As explained in the section on principal accounting policies, the Corporation operates a defined benefit pension scheme ("the scheme"). The total pension cost charged in the Income and Expenditure Account amounted to £266,850 (2012: £229,111). The Government of Gibraltar has provided the Corporation with a letter of support to the effect that, should on the retirement date of any of the beneficiaries the Scheme is under-funded, the necessary financial support will be made available by way of subventions to ensure that the benefit due can be provided. Given this support the scheme is treated as if it were a defined contribution scheme with the contributions payable accounted for as if the scheme were a defined contribution scheme. The liability of the Corporation is accordingly limited to amounts of contributions made.

As at 11 September 2012, the triennial review provided by the appointed actuaries indicated that there is a deficit of £1,845,000 (2012: £1,845,000) in the scheme. Future contributions payable by the Corporation may increase to reflect the Corporation's contribution of making good the deficit in the scheme, if any.

This scheme has now closed to new entrants, who will instead participate in a defined contribution Gibraltar Provident Trust (No 2) Pension Scheme.

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

10. Events after the end of the reporting period

The Corporation has entered into a joint venture agreement and established joint venture company Wheelhouse Media Limited on 23 January 2018. The Corporation owned 50% of the joint venture company's share capital.

The Corporation's activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives have been considered by the Board. Subsequent to the year end, the spread of COVID-19 has severely affected countries, businesses and people across the globe. The duration and impact of the COVID-19 pandemic remains unclear.

The board members have considered the impact of COVID-19 on the Corporation and do not foresee any significant impact on the Corporation.

Following the safety measures of the HM Government of Gibraltar on COVID-19, the Corporation decided to close its offices to the public as from 16 March 2020 however staff continued to work inside the premises. Most 'on-air' work, of necessity, had to continue in the Corporation's studios. Teams were separated as far as possible by changing the hours of work, stretching the working week to seven days and deploying some staff to work from home. A number of additional laptops were purchased for this purpose, in addition to other specialist equipment allowing reporters to record at home and deliver audio files electronically to base. Some video editing was also carried out at home and video files sent electronically for broadcast. Various social media applications were used extensively to record interviews remotely. The Corporation implemented strict measures to minimise the risk of infection such as use of facemasks became compulsory in the television control rooms, hand sanitizer was made available in all floors, disinfectant wipes were provided in all departments and general cleaning was increased. From 18 May 2020, the Corporation also started taking the temperature of all employees and visitors using a thermal imaging scanner, which the Corporation has acquired. Since lockdown was lifted, all of the employees are office-based. The Newsroom has been split into two rooms with the installation of a temporary screen, to enable the team to social distance from each other.

Given the nature of the services provided and the use of current technology, lockdown has not affected the ability of the Corporation to do business as usual. In fact, the Corporation was able to provide more broadcasting services than usual. The Corporation was able to deliver 61 live press conferences, 74 live masses, 4 religious services from the Vatican and 2 live messages from HM the Queen with an additional of 300 hours of programming. During the period, the Corporation also aired 20 extended editions of Newswatch and News Updates every weekend while increasing the news activity in their social media platforms.

With respect to the Government grants for the fiscal year 2020/2021, the budget has been kept at the same level as 2019/2020 and payments are now made on a monthly basis. Changes in the estimates of income and expenditure were made and the Corporation is making huge efforts in keeping its costs down and is not filling in any vacant position until necessary. Should the funds fall short, the Corporation will request for supplementary funding from the Government.

Whilst the Corporation has remained operational throughout the COVID-19 lockdown, the Board have requested and received confirmation in writing from the ultimate controlling party that it will provide the necessary financial support to the Corporation to continue to meet its financial commitments as and when they fall due. Accordingly, the Board have felt it is appropriate to prepare the financial statements on a going concern basis.

Gibraltar Broadcasting Corporation
ADMINISTRATION AND SELLING EXPENSES
for the year ended 31 March 2013

	2013 £	2012 £
STAFF COSTS		
Salaries & wages	330,063	271,443
Social insurance	15,430	13,104
Pension contributions	35,273	25,866
Other fees	3,178	4,626
	<u>383,944</u>	<u>315,039</u>
OTHER ADMINISTRATION EXPENSES		
Rates	14,280	14,995
Electricity & water	53,637	47,421
Telephone	38,061	37,817
Cable carriage fees	38,500	-
Transmission site rent	3,750	-
Direct line costs	4,938	5,921
Postage & telex	183	166
Printing & stationery	7,358	7,179
Photocopier expenses	854	1,630
Security of premises	9,568	6,300
Insurance – libel & slander	32,368	27,614
Repairs & maintenance	32,228	39,235
Travelling & entertainment	21,675	5,253
General and other expenses	357	(864)
Legal and professional fees	22,993	7,783
Accountancy fees	38,001	24,326
Consultancy fees	65,244	65,772
Software copyright	13,440	13,111
Bank charges & interest	3,721	2,819
	<u>401,156</u>	<u>306,478</u>
TOTAL ADMINISTRATION EXPENSES	<u>785,100</u>	<u>621,517</u>
SELLING EXPENSES		
Advertising, marketing and website	40,245	37,396
Bad debts written off	1,212	44
TOTAL SELLING EXPENSES	<u>41,457</u>	<u>37,440</u>

This page does not form part of the financial statements.

Gibraltar Broadcasting Corporation
PROGRAMME & OPERATING EXPENSES
for the year ended 31 March 2013

	2013 £	2012 £
PROGRAMME & OPERATING EXPENSES		
STAFF COSTS		
Salaries	1,522,099	1,348,641
Social insurance	84,920	75,769
Pension contributions	231,577	203,245
Freelancers salaries	30,943	68,209
Freelancers social insurance	5,443	7,190
	<hr/>	<hr/>
	1,874,982	1,703,054
COPYRIGHT & ROYALTIES		
	<hr/>	<hr/>
	81,636	73,941
LOCAL COSTS		
Props, wardrobe, etc.	11,632	1,444
	<hr/>	<hr/>
LIVE PROGRAMMES, OUTSIDE BROADCASTS & TRAINING		
TV films	57,513	41,997
Programme commissions	26,593	-
Live programmes	51,889	32,663
Van hire	60,614	-
Current affairs	11,651	7,235
Weather report	15,366	19,528
Training	41,369	23,127
Wire service	8,319	13,285
Other costs	17,453	18,311
	<hr/>	<hr/>
	290,767	156,146
OTHER COSTS		
Maintenance & repairs	26,542	28,837
Motor vehicle expenses	10,518	12,943
	<hr/>	<hr/>
	37,060	41,780
TOTAL PROGRAMME & OPERATING EXPENSES		
	<hr/>	<hr/>
	2,296,077	1,976,365

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