



REPORT
&
ANNUAL ACCOUNTS

2015/2016

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CHIEF EXECUTIVE'S REVIEW

The year began with a major revamp of GBC Television's nightly bulletin, 'Newswatch', with this being one of the remaining elements of GBC TV's programmes to benefit from an upgrade since the appointment of new management in 2013. The revamp included a new set, colour-scheme, title-sequence and graphics, as well as additional community news features. Coinciding with the relaunch of Newswatch, the weather forecast presentation was also significantly improved through a contract with German specialist firm, MeteoGroup, providing the graphics and animated video sequences. Given the peculiarities of the micro-weather requirements for a small territory, local company, MeteoGib, was also contracted on a consultancy to oversee the accuracy of the Gibraltar weather content.

Technical upgrades at Broadcasting House included the installation of back-up generators in a newly constructed enclosure in the GBC car park. This was reinforced with the installation of a UPS system within the building to protect IT assets in particular, but also to provide limited facilities in order to remain on air on both television and radio in the event of a power failure. Works also started on the installation of a Media Asset Management (MAM) system aimed at organising accessibility to the video library. A deep archive using optical disc technology was also installed, all of which forms part of a wider project that includes the installation of two new SAN servers. The 20-year old telephone system at Broadcasting House was also replaced with a new digital system.

Improvements to the building also continued, with emergency lighting installed at all locations, and a new fire exit from the radio studios also created. This followed an inspection at GBC's request by fire safety officers. As a result of international terrorist activity, GBC also requested a security inspection by the Royal Gibraltar Police, leading to the Corporation acting on the recommendations provided.

Amongst several full and part time positions filled during the period, Danny Bugeja and Lizanne Figueras were recruited as Production Camera Operators, with their proven skills making a significant contribution to the creativity in camera work for programmes. Steffan Borge was selected for the post of Reporter, Jose Mari Ruiz as Sports Reporter, and Aimie Desoisa and James Culatto were recruited as Production Systems Administrators to lead on archiving, as well as on Closed Captioning that has been introduced for programmes available 'on-demand' via the GBC Player available through the website.

Programming included a new season of the very popular culinary competition, 'Rock Chef', produced in conjunction with the Federation of Small Businesses. Emergency services fly on the wall series, 'The Essentials', hobbies series, 'Get Crafty', and children's show, 'GibKidz', were other notable programmes to hit our screens this year. This is an

addition to specials such as 'Miss Gibraltar', 'Calentita', 'Live at the Fair', a special on-location edition of 'Viewpoint', and UEFA's European Qualifier 'Gibraltar' games. General Election programmes and coverage of 'The Result' stood out for their high editorial and production quality.

The GBC website was redesigned, for it to have a fresher feel and for it to be more user-friendly. Catch up services are now much more easily accessible, as are live broadcasts, news and information pages.

Even with the best will in the world, the improvements could not have been implemented without the necessary resources. During the past three years, GBC's budget has been gratefully increased and several new staff members have been employed. The Corporation now has a decent production budget, and the ability to be able to commission programmes too from third party companies. This has allowed GBC Television, in particular, to implement many of the on-air improvements that are now visible. Credit must be given to our very hard-working employees who now look forward to rewarding careers in broadcasting and are encouraged to make the maximum effort to inform and entertain our loyal viewers and listeners.

In its continuing quest to find a new home for Gibraltar's public service broadcaster, the Government announced its intention to integrate GBC with the new National Theatre planned for the Queen's Cinema and Hotel site. Exploratory talks were started, including the identification of potential commercial investors.

The roll out of updated operational policies continued. The Standards of Business Conduct and Social Media policies were issued.

The annual salary review amounted to a 2.75% increase, in line with other sectors of the public service.

The GBC Open Day was held on Wednesday 16th December, with the sum of £146,000 raised for the Open Day Charitable Trust to distribute during the course of the year.

Gerard J Teuma
Chief Executive
1st July 2020

Gibraltar Broadcasting Corporation

REPORT AND FINANCIAL STATEMENTS

31 March 2016

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 2016, 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 2016 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.

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.


**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
STATEMENT OF FINANCIAL POSITION
as at 31 March 2016

	<i>Notes</i>	<i>2016</i> £	<i>2015</i> £
FIXED ASSETS			
Tangible assets	4	2,829,255	2,970,759
Investment in shares in group undertakings	5	-	-
		<u>2,829,255</u>	<u>2,970,759</u>
CURRENT ASSETS			
Stocks of spares & materials		1,949	2,635
Debtors	6	355,151	148,084
Cash in hand and at bank		650,657	392,286
		<u>1,007,757</u>	<u>543,005</u>
CREDITORS: amounts falling due within one year	7	(853,999)	(565,488)
		<u>153,758</u>	<u>(22,483)</u>
NET CURRENT ASSETS/ (LIABILITIES)			
		<u>2,983,013</u>	<u>2,948,276</u>
CREDITORS: amounts falling due after more than one year	8	(201,001)	(402,002)
ACCRUALS AND DEFERRED INCOME			
Deferred Government contributions	3(d)	(2,427,254)	(2,367,757)
NET ASSETS		<u>354,758</u>	<u>178,517</u>
Financed by:			
ACCUMULATED FUNDS			
As at 1 April 2015		178,517	172,155
Surplus for the year		176,241	6,362
As at 31 March 2016		<u>354,758</u>	<u>178,517</u>

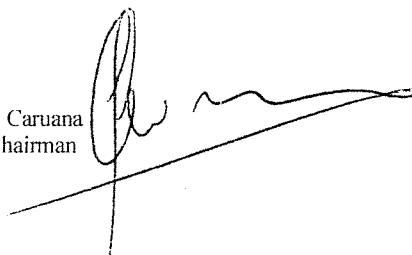
The notes on pages 5 to 12 form part of these financial statements.

Approved by the Board on 8/9/2020

G. Teuma
CEO



J. Caruana
Chairman



Gibraltar Broadcasting Corporation
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2016

	<i>Notes</i>	<i>2016</i> £	<i>2015</i> £
INCOME			
Contributions by Government of Gibraltar	3(c)	4,816,704	4,415,332
Advertising		296,259	243,533
Premium lines		7,852	4,273
		<u>5,120,815</u>	<u>4,663,138</u>
EXPENDITURE			
Staff costs		2,789,627	2,577,412
Programme & operating expenses		694,846	629,137
Selling expenses		53,523	62,711
Administrative expenses		453,799	425,586
Pension shortfall contribution	3(a)	250,000	250,000
Depreciation	4	677,872	650,921
Loss on disposal of fixed assets		9,401	36,399
		<u>4,929,068</u>	<u>4,632,166</u>
Interest payable and similar charges		(23,948)	(23,948)
Other finance cost		(1,422)	(4,960)
Other income		9,864	4,298
SURPLUS FOR THE YEAR		<u>176,241</u>	<u>6,362</u>
SURPLUS FOR THE YEAR		176,241	6,362
ACCUMULATED SURPLUS b/fwd		178,517	172,155
ACCUMULATED SURPLUS c/fwd		<u>354,758</u>	<u>178,517</u>

The notes on pages 5 to 12 form part of these financial statements.

Gibraltar Broadcasting Corporation
STATEMENT OF CHANGES IN RESERVES
for the year ended 31 March 2016

	Accumulated reserves £
At 1 April 2014	172,155
Surplus for the year	6,362
At 31 March 2015	<u>178,517</u>
Surplus for the year	176,241
At 31 March 2016	<u>354,758</u>

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

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 2016.

2. Principal accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102, as adopted in Gibraltar (“GFRS 102”) and with the Broadcasting Act 2012. The financial statements are presented in pound sterling (£) which is the currency of the primary economic environment in which the Corporation operates (its “functional currency”) and is rounded to the nearest pound sterling.

A summary of the more important accounting policies, which have been applied consistently throughout the year, are set out below.

Cash flow statement

As permitted by GFRS 102 Section 1A, the Corporation qualifies and has taken advantage of the exemption to prepare a cash flow statement on the grounds of the Corporation’s size.

Fixed assets and depreciation

All fixed assets are initially recorded at cost. Depreciation is provided on tangible fixed assets at rates calculated to write off the cost, less residual value, over their estimated useful lives by the straight line/reducing balance basis method. The rates used are as below:

Broadcasting equipment	12.5% Straight Line
Transmission & other equipment	10% Straight Line
Motor vehicles	25% Straight Line
Furniture & office equipment	10% Reducing Balance
Records & transcription	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 statement of comprehensive income.

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

2. Principal accounting policies (*continued*)

Government grants

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

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

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.

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 Statement of Comprehensive Income.

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 Statement of Comprehensive Income. 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 statement of comprehensive income over the period of the leases.

Gibraltar Broadcasting Corporation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

3. Contributions by Government of Gibraltar

	2016 £	2015 £
<u>(a) Contributions receivable</u>		
Subvention – original	4,170,000	3,350,000
Pension shortfall contribution	250,000	250,000
	<hr/>	<hr/>
Approved subvention	4,420,000	3,600,000
Supplementary subvention received during the year	-	257,921
Supplementary subvention from previous years utilized this year	(120,052)	-
Pay award	-	39,396
	<hr/>	<hr/>
	4,299,948	3,897,317
Other grants	576,253	914,719
	<hr/>	<hr/>
Total contributions for the year	4,876,201	4,812,036
	<hr/>	<hr/>
<u>(b) Application of contributions</u>		
Revenue expenditure (taken to income and expenditure account - see (c) below)	4,124,181	3,718,950
Capital expenditure (taken to deferred contributions - see (d) below)	752,020	1,093,086
	<hr/>	<hr/>
Total contributions	4,876,201	4,812,036
	<hr/>	<hr/>
<u>(c) Contributions taken to income and expenditure account</u>		
Revenue expenditure	4,124,181	3,718,950
Release of deferred capital expenditure contributions (see below)	692,523	696,382
	<hr/>	<hr/>
	4,816,704	4,415,332
	<hr/>	<hr/>
<u>(d) Deferred contributions</u>		
Balance as at 1 April 2015	2,367,757	1,971,053
Received during the year	752,020	1,093,086
Released during the year	(692,523)	(696,382)
	<hr/>	<hr/>
Balance as at 31 March 2016	2,427,254	2,367,757
	<hr/>	<hr/>

Gibraltar Broadcasting Corporation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

4. Tangible fixed assets

	Broadcasting equipment £	Transmission & other equipment £	Motor vehicle £	Building improvements £	Electrical equipment £	Furniture & office equipment £	Records & transcriptions £	Software £	Total
COST									
At 1 April 2015	4,078,838	480,676	134,403	144,404	296,194	102,941	164,763	62,477	5,464,696
Additions	351,280	57,289	929	4,927	122,543	7,423	783	5,845	551,019
Disposals	-	-	(3,417)	-	(21,977)	-	-	-	(25,394)
At 31 March 2016	4,430,118	537,965	131,915	149,331	396,760	110,364	165,546	68,322	5,990,321
DEPRECIATION									
At 1 April 2015	1,653,071	301,221	105,778	79,714	107,198	33,037	160,800	53,118	2,493,937
Charge for the year	521,991	47,522	14,607	24,398	51,125	9,157	949	8,123	677,872
On disposals	-	-	(3,417)	-	(7,326)	-	-	-	(10,743)
At 31 March 2016	2,175,062	348,743	116,968	104,112	150,997	42,194	161,749	61,241	3,161,066
NET BOOK VALUE									
At 31 March 2016	2,255,056	189,222	14,947	45,219	245,763	68,170	3,797	7,081	2,829,255
At 31 March 2015	2,425,767	179,455	28,625	64,690	188,996	69,904	3,963	9,359	2,970,759

During the year, proceeds from disposed fixed assets amounted £5,250 resulting to a loss on disposal of £9,401.

Gibraltar Broadcasting Corporation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

5. Investment in shares in group undertakings

	2016 £	2015 £
Investment in joint venture		
Gibraltar Entertainment Network Limited		
500 ordinary shares of £1 each (at cost)	500	500
Permanent diminution in value of investment	(500)	(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	(468,529)*	(990)*

*Based on unaudited management accounts to 31 March 2016

In 2013, 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.

6. Debtors

	2016 £	2015 £
Due from Government of Gibraltar	22,565	21,638
Advertising accounts receivable	4,911	19,021
Other debtors and prepayments	327,675	107,425
	355,151	148,084

7. Creditors: amounts falling due within one year

	2016 £	2015 £
Obligations under finance leases (see note 8)	201,001	201,000
Government grant received in advance	338,568	323,629
Other creditors and accruals	314,430	40,859
	853,999	565,488

Cash at bank includes corporate funds and segregated accounts containing amounts owed to Open Day Charitable Trust. As at 31 March 2016, the segregated cash accounts are equal to the amounts owed to Open Day Charitable Trust amounting to £182,140 (2015: £nil) included under "Other creditors and accruals" that is restricted for use by the Corporation.

Gibraltar Broadcasting Corporation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

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

Lease purchase agreements

	2016 £	2015 £
Amounts payable:		
In one year or less	201,001	201,000
Between one to two years	201,001	402,002
Between two to five years	-	-
	201,001	402,002
	402,002	603,002

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

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 statement of comprehensive income are as follows:

	2016 £	2015 £
Contributions to Gibraltar Provident Trust (No 2) Pension Scheme	192,140	159,566
Contributions to Staff Retirement Benefits Scheme	415,926	409,754
	608,066	569,320

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 Statement of Comprehensive Income amounted to £608,066 (2015: £569,320). 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 February 2016, the triennial review provided by the appointed actuaries indicated that there is a deficit of £3,156,000 (2015: £3,156,000) 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 2016

10. Related party transactions and balances

	2016	
	<i>Income/ (Expense)</i>	<i>Due from/ (to) parties</i>
	£	£
<i>Other related party:</i>		
HM Government of Gibraltar ¹		
Contributions by HM GOG	4,816,704	-
Amounts due from HM GOG	-	22,565
Amounts due to HM GOG	-	(338,568)
	<hr/>	<hr/>
	2015	
	<i>Income/ (Expense)</i>	<i>Due from/ (to) parties</i>
	£	£
<i>Other related party:</i>		
HM Government of Gibraltar ¹		
Contributions by HM GOG	4,415,332	-
Amounts due from HM GOG	-	21,638
Amounts due to HM GOG	-	(323,629)
	<hr/>	<hr/>
¹ Ultimate controlling party		

Amounts due to/(from) the related party are unsecured, interest free and repayable on demand.

11. Ultimate controlling party

The operations of the Corporation are controlled and governed by a Board consisting of a Chairman and not more than nine other members appointed by the Chief Minister, after consultation with the Leader of the Opposition, by notice in the Gazette.

12. 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.

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

12. Events after the end of the reporting period (continued)

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

STAFF, ADMINISTRATION, SELLING EXPENSES & GENERAL PROGRAMMING EXPENSES

for the year ended 31 March 2016

	2016 £	2015 £
STAFF COST		
Salaries & wages	2,279,433	2,108,317
Social insurance	120,224	114,606
Pension contributions	358,066	319,320
Freelancer salaries	18,542	19,743
Other fees	13,362	15,426
	<u>2,789,627</u>	<u>2,577,412</u>
 OTHER ADMINISTRATION EXPENSES		
Rates	12,842	13,220
Electricity & water	56,028	56,584
Telephone	30,982	35,505
Cable carriage fees	38,500	40,500
Transmission site rent	4,657	4,618
Postage	267	271
Printing & stationery	6,552	5,578
Security of premises	27,773	17,645
Insurance - libel & slander	67,004	49,416
Repairs & maintenance	86,751	57,488
Travelling & entertainment	4,486	7,701
General expenses	5,112	2,415
Legal and professional fees	49,274	25,471
Accountancy fees	39,480	41,850
Software copyright	19,091	20,672
International projects	5,000	46,652
	<u>453,799</u>	<u>425,586</u>
 SELLING EXPENSES		
Advertising, marketing and website	53,508	61,883
Bad debts written off	15	828
	<u>53,523</u>	<u>62,711</u>

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Gibraltar Broadcasting Corporation
PROGRAMME & OPERATING EXPENSES
for the year ended 31 March 2016

	2016 £	2015 £
PROGRAMME & OPERATING EXPENSES		
COPYRIGHT & ROYALTIES	65,515	67,376
LOCAL COSTS		
Props, wardrobe, etc.	32,936	21,080
LIVE PROGRAMMES, OUTSIDE BROADCASTS & TRAINING		
Live programmes: General	68,173	78,451
UEFA football transmissions	26,979	29,248
General election	5,554	-
TV films	70,628	69,519
Programme commissions	54,925	45,105
Van hire	141,305	124,176
Current affairs	14,718	19,842
Weather report	29,769	14,670
Training	23,323	47,181
Wire service	7,740	7,827
Other costs	41,047	28,706
	484,161	464,725
OTHER COSTS		
Maintenance & repairs	101,598	65,998
Motor vehicle expenses	10,636	9,958
	112,234	75,956
TOTAL PROGRAMME & OPERATING EXPENSES	694,846	629,137

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