



REPORT
&
ANNUAL ACCOUNTS

2016/2017

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CHIEF EXECUTIVE'S REVIEW

The EU Referendum was the most significant news story covered by GBC News during the course of this year, with special campaign programming and coverage of 'The Result'. As part of a contra-deal, GBC contributed the Gibraltar declaration for the BBC's national UK coverage, with the BBC providing a feed of their country-wide coverage for broadcast on GBC in Gibraltar. In the run-up to Referendum Day, and despite the last-minute cancellation of events due to the murder of UK MP, Jo Cox, GBC rolled out a major deployment of resources for Prime Minister, David Cameron MP's, visit to the Rock. It included assets deployed at the airport and Casemates Square, with live images ready to be taken by UK broadcasters. Similarly, a televised campaign debate to which political heavyweights from the UK and EU were invited to attend by GBC was also cancelled, though proving the Corporation's ability to have such invitations accepted. On the day after the Referendum, GBC's 'Newswatch' programme was aired in the United Kingdom on the BBC Parliament channel, providing an insight into how the result to leave the EU had been received on the Rock.

Programming included 'Our Neanderthals' - a four-part documentary on Gorham's Cave commissioned from an independent production company to coincide with the awarding of World Heritage Status to the site. A landmark agreement with the Walt Disney Company resulted in a major improvement to the quality of imported films and series. A further agreement with football's governing body, FIFA, allowed GBC to air all 'Gibraltar' World Cup qualifier matches, for which the services of experienced commentator, Paul Breen Turner, were contracted. Another special included in the television schedule was the ordination ceremony of Mgr Carmel Zammit as Bishop of Gibraltar, which was broadcast live from Valetta, Malta. This was produced in partnership with the Maltese public broadcaster, TVM. Other programmes included the latest season of the travel/food/genealogy series, 'Inspired By', which this time focused on Genoa, where a GBC crew filmed over two weeks to highlight the links between the Rock and the Italian city. The slimming competition, 'Fat to Fit', also drew some very positive comments from viewers, as did the caving series, 'Underground Gibraltar'.

This year GBC has also carried live several Gibraltar-related political events from Westminster and the United Nations, ensuring viewers and listeners remain well informed on issues that affect them.

An audience survey commissioned by GBC showed that Radio Gibraltar continues to be the preferred station locally, and that 'Breakfast' and 'Morning' are the most popular day parts. With regards to TV, a majority of those polled felt that GBC was performing well, and that 'Newswatch' 'Viewpoint' and 'The Hub' were the most popular programmes, followed by 'live Football' for men and the slimming contest, 'Fat to Fit' for Women.

Refurbishment at Broadcasting House continued, with this focusing on lobbies and outside areas. This, together with previous phases of the improvement works, had the aim of providing a better working environment for employees, as the Corporation waited for GBC's facilities to be relocated. The withdrawal of the Queen's site as GBC's new location was received with disappointment, although the Corporation remained optimistic that the relocation would soon materialise, as promised.

Technical upgrades at Broadcasting House this year included phase one of a new LED lighting rig in the television studio, which would reduce power consumption as well as placing a lower demand on cooling given that LED emits a fraction of the heat. Improvements in the radio studios were also completed with the installation of enhanced microphones that would improve the sound quality. The station's satellite transmission facilities have also been upgraded, including the replacement of two twenty-five-year-old dishes with new motorized ones, that will allow greater reliability and flexibility for satellite reception, that is being used more frequently as GBC provides coverage of a greater number of international events, including football.

This year saw major changes in Management. Jonathan Sacramento became GBC's News Editor, Ian Daniels was promoted to Head of Radio and Michael Corcoran was contracted as Head of Engineering. In addition, Wesley Tacon was upgraded and re-roled as Continuity & Online Producer with direct responsibility for television playout, as well as for the GBC website and social media platforms. Christina Cortes was promoted to Senior Broadcast Journalist, Kelly Anne Borge was promoted to Broadcast Journalist, Glenn Thomson was recruited as Presenter and Katy Docker and Kevin Ruiz were recruited as Reporters, amongst other appointments. GBC is proud to now be able to provide stability in employment and the opportunity for fulfilling careers in the television and radio industry, which has been embraced by all our staff members.

At its biennial conference held in Montreal, Canada, GBC's Chief Executive, Gerard Teuma, was elected on to the Board of the international body, Public Media Alliance (formerly Commonwealth Broadcasting Association). It marked GBC's return to an active role in an international media organisation after a decade's absence in such a forum.

A new GBC Board was named by the Government. Mr Melvyn Farrell BEM RD was appointed Chairman.

The roll out of updated operational policies continued. The Prevention of Bullying & Harassment at Work and Leave 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 14th December, with the sum of £140,000 raised for worthy causes as nominated by local charities to the Open Day Charitable Trust.

Gerard J Teuma
Chief Executive
1st July 2020

Gibraltar Broadcasting Corporation

REPORT AND FINANCIAL STATEMENTS

31 March 2017

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 2017, 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 2017 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 2017

	<i>Notes</i>	2017 £	2016 £
FIXED ASSETS			
Tangible assets	4	2,832,991	2,829,255
Investment in shares in group undertakings	5	-	-
		<u>2,832,991</u>	<u>2,829,255</u>
CURRENT ASSETS			
Stocks of spares & materials		3,333	1,949
Debtors	6	181,110	355,151
Cash in hand and at bank		695,503	650,657
		<u>879,946</u>	<u>1,007,757</u>
CREDITORS: amounts falling due within one year	7	(871,162)	(853,999)
		<u>8,784</u>	<u>153,758</u>
NET CURRENT ASSETS		8,784	153,758
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,841,775</u>	<u>2,983,013</u>
CREDITORS: amounts falling due after more than one year	8	(129,613)	(201,001)
ACCRUALS AND DEFERRED INCOME			
Deferred Government contributions	3(d)	(2,460,341)	(2,427,254)
NET ASSETS		<u>251,821</u>	<u>354,758</u>
Financed by:			
ACCUMULATED FUNDS			
As at 1 April		354,758	178,517
Surplus / (Deficit) for the year		(102,937)	176,241
As at 31 March		<u>251,821</u>	<u>354,758</u>

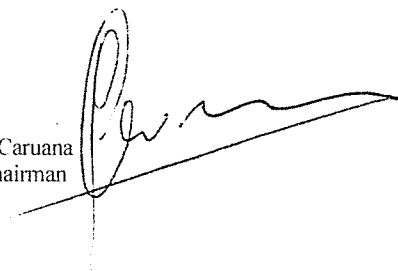
The notes on pages 5 to 12 form part of these financial statements.

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 2017

	<i>Notes</i>	2017 £	2016 £
INCOME			
Contributions by Government of Gibraltar	3(c)	5,122,208	4,816,704
Advertising		304,185	296,259
Premium lines		2,258	7,852
		<u>5,428,651</u>	<u>5,120,815</u>
EXPENDITURE			
Staff costs		3,054,365	2,789,627
Programme & operating expenses		803,449	694,846
Selling expenses		67,374	53,523
Administrative expenses		591,821	453,799
Pension shortfall contribution		250,000	250,000
Depreciation	4	739,956	677,872
Loss on disposal of fixed assets		-	9,401
		<u>5,506,965</u>	<u>4,929,068</u>
Interest payable and similar charges		(28,306)	(23,948)
Other finance cost		(3,336)	(1,422)
Other income		7,019	9,864
(DEFICIT) / SURPLUS FOR THE YEAR		<u>(102,937)</u>	<u>176,241</u>
Total comprehensive (loss) / income for the year		(102,937)	176,241

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 2017

	Accumulated reserves £
At 1 April 2015	178,517
Surplus for the year	176,241
	<hr/>
At 31 March 2016	354,758
Deficit for the year	(102,937)
	<hr/>
At 31 March 2017	251,821
	<hr/>

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

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 2017.

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.

Investments 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 2017

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 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 2017

3. Contributions by Government of Gibraltar

	2017 £	2016 £
<u>(a) Contributions receivable</u>		
Subvention -- original	4,250,000	4,170,000
Pension shortfall contribution	250,000	250,000
	<hr/>	<hr/>
Approved subvention	4,500,000	4,420,000
Supplementary subvention received during the year	189,218	-
Supplementary subvention transferred to next year	76,989	-
Supplementary subvention from previous year utilized this year	(60,000)	(120,052)
	<hr/>	<hr/>
	4,706,207	4,299,948
Other grants	449,088	576,253
	<hr/>	<hr/>
Total contributions for the year	5,155,295	4,876,201
 <u>(b) Application of contributions</u>		
Revenue expenditure (taken to income and expenditure account -- see (c) below)	4,382,252	4,124,181
Capital expenditure (taken to deferred contributions -- see (d) below)	773,043	752,020
	<hr/>	<hr/>
Total contribution	5,155,295	4,876,201
 <u>(c) Contributions taken to income and expenditure account</u>		
Revenue expenditure	4,382,252	4,124,181
Release of deferred capital expenditure contributions (see below)	739,956	692,523
	<hr/>	<hr/>
	5,122,208	4,816,704
 <u>(d) Deferred contributions</u>		
Balance as at 1 April	2,427,254	2,367,757
Received during the year	773,043	752,020
Released during the year	(739,956)	(692,523)
	<hr/>	<hr/>
Balance as at 31 March	2,460,341	2,427,254
	<hr/>	<hr/>

Gibraltar Broadcasting Corporation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

4. Tangible fixed assets

	Broadcasting Equipment £	Transmission & other equipment £	Motor Vehicles £	Building improvements £	Electrical Equipment £	Furniture & office Equipment £	Records & transcriptions £	Software £	Total
COST									
At 1 April 2016	4,430,118	537,965	131,915	149,331	396,760	110,364	165,546	68,322	5,990,321
Additions	656,183	17,731	21,990	3,975	9,366	19,576	339	14,532	743,692
At 31 March 2017	5,086,301	555,696	153,905	153,306	406,126	129,940	165,885	82,854	6,734,013
DEPRECIATION									
At 1 April 2016	2,175,062	348,743	116,968	104,112	150,997	42,194	161,749	61,241	3,161,066
Charge for the year	587,091	47,601	17,356	22,743	45,150	9,212	827	9,976	739,956
At 31 March 2017	2,762,153	396,344	134,324	126,855	196,147	51,406	162,576	71,217	3,901,022
NET BOOK VALUE									
At 31 March 2017	2,324,148	159,352	19,581	26,451	209,979	78,534	3,309	11,637	2,832,991
At 31 March 2016	2,255,056	189,222	14,947	45,219	245,763	68,170	3,797	7,081	2,829,225

In 2016, 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 2017

5. Investment in shares in group undertakings

	2017 £	2016 £
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	(469,431)*	(901)*

*Based on unaudited management accounts to 31 March 2017

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

	2017 £	2016 £
Due from Government of Gibraltar	23,484	22,565
Advertising accounts receivable	1,212	4,911
Other debtors and prepayments	156,414	327,675
	181,110	355,151

7. Creditors: amounts falling due within one year

	2017 £	2016 £
Obligations under finance leases (see note 8)	243,036	201,001
Government grant received in advance	371,626	338,568
Other creditors and accruals	256,500	314,430
	871,162	853,999

As at 31 March 2016, cash at bank includes corporate funds and segregated accounts containing amounts owed to Open Day Charitable Trust. The segregated cash accounts are equal to the amounts owed to Open Day Charitable Trust amounting to £182,140 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 2017

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

Lease purchase agreements

	2017	2016
	£	£
Amounts payable:		
In one year or less	243,036	201,001
	<hr/>	<hr/>
Between one to two years	84,073	201,001
Between two to five years	45,540	-
	<hr/>	<hr/>
	129,613	201,001
	<hr/>	<hr/>
	372,649	402,002

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.

On 18 April 2016, the Corporation entered into an interest bearing lease purchase agreement with a principal amount of £210,181 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:

	2017	2016
	£	£
Contributions to Gibraltar Provident Trust (No 2) Pension Scheme	233,713	192,140
Contributions to Staff Retirement Benefits Scheme	387,654	415,926
	<hr/>	<hr/>
	621,367	608,066

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 £621,367 (2016: £608,066). 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 (2016: £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 2017

10. Related party transactions and balances

	2017	
	<i>Income/ (Expense)</i>	<i>Due from (to) parties</i>
	£	£
<i>Other related party:</i>		
HM Government of Gibraltar:		
Contributions by HM GOG	5,122,208	-
Amounts due from HM GOG	-	23,484
Amounts due to HM GOG	-	(371,626)
	-----	-----
	2016	
	<i>Income/ (Expense)</i>	<i>Due from (to) parties</i>
	£	£
<i>Other related party:</i>		
HM Government of Gibraltar:		
Contributions by HM GOG	4,816,704	-
Amounts due from HM GOG	-	22,565
Amounts due to HM GOG	-	(338,568)
	-----	-----

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 2017

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 2017

	2017	2016
	£	£
STAFF COSTS		
Salaries & wages	2,332,688	2,279,433
Social insurance	119,750	120,224
Pension contributions	371,367	358,066
Freelancer salary	26,411	18,542
Other fees	204,149	13,362
	<u>3,054,365</u>	<u>2,789,627</u>
OTHER ADMINISTRATION EXPENSES		
Rates	12,842	12,842
Electricity & water	59,759	56,028
Telephone	25,178	30,982
Cable carriage fees	38,500	38,500
Transmission site rent	5,664	4,657
Postage	191	267
Printing & stationery	5,568	6,552
Security of premises	27,002	27,773
Insurance – libel & slander	71,658	67,004
Repairs & maintenance	44,144	86,751
Travelling & entertainment	13,708	4,486
Relocation expenses	17,597	-
General expenses	(4,960)	5,112
Legal and professional fees	25,436	49,274
Multiplex management	(4,800)	-
Tape digitisation	182,844	-
Accountancy fees	44,010	39,480
Software copyright	19,543	19,091
International projects	7,937	5,000
	<u>591,821</u>	<u>453,799</u>
SELLING EXPENSES		
Advertising, marketing and website	67,213	53,508
Bad debts written off	161	15
	<u>67,374</u>	<u>53,523</u>

This page does not form part of the financial statements.

Gibraltar Broadcasting Corporation

STAFF, ADMINISTRATION, SELLING EXPENSES & GENERAL PROGRAMMING EXPENSES

for the year ended 31 March 2017

	2017	2016
	£	£
GENERAL PROGRAMMING AND PRODUCTION COSTS		
Copyright and Royalties	65,514	65,515
Local Costs -- Props, wardrobe, etc.	24,946	32,936
Live programmes: General	69,246	68,172
UEFA football transmissions	27,475	26,979
General election	-	5,554
TV films	108,472	70,628
Programme commissions	58,195	54,925
Van hire	138,645	141,305
Current affairs	23,818	14,718
Weather report	35,891	29,769
Training	52,201	23,323
Wire service	7,740	7,740
Other costs	48,050	38,245
International body subscriptions	1,121	2,803
Maintenance & repairs	133,359	101,598
Motor vehicle expenses	8,776	10,636
	<u>803,449</u>	<u>694,846</u>

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