



REPORT
&
ANNUAL ACCOUNTS

2017/2018

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CHIEF EXECUTIVE'S REVIEW

The most significant event for the Corporation this year was the Government's announcement that a suitable site had been identified as a future home for GBC. After initial consultation and preliminary work, the confirmed relocation to South Jumpers Bastion was communicated formally in December, and was warmly received by both management and staff at a special meeting at Broadcasting House attended by the Chief Minister. A two-storey building is in the process of being constructed above the existing bastion comprising two further levels. The new media centre will comprise four radio studios, two television studios, two voice-over booths, technical spaces and offices. Given that the building was originally intended to be for office accommodation only, GBC's Engineering Department, together with specialist consultants from the United Kingdom, carried out a re-assignment project to allow the developers to amend the design for the building to be able to accommodate the very specific needs of a broadcaster. Although a significant challenge, given the heritage importance of bastion walls and vaults, solutions were identified to allow progress to be made in respect of the technical fit-out design.

Ros Astengo was appointed Broadcast Journalist, with Lucinda Snape taking on a full time Presenter role and assigned to the 'Morning Show' on Radio Gibraltar. Michael Heslegrave was recruited as a part time audio operator, Lyndsay Weston was an addition to radio's weekend presenter line-up, Iain Triay Clarence joined GBC as a Sports Reporter, and in addition to his own duties as a Sports Reporter, Robin Sheppard-Capurro was given the additional role of part-time Radio Presenter to host a refreshed 'Evening Show'. The change coincided with Radio Gibraltar's 60th Anniversary celebrations in February, when the Chief Minister hosted a reception in honour of current and former employees of the radio station.

A 'style-guide' drafted by News Editor, Jonathan Sacramento, was issued to all journalists by way of ensuring uniformity in the way that news stories are written and illustrated across all of GBC's broadcast and online platforms.

Programmes included very comprehensive coverage of the Island Games in Gotland, where a team of five reporters and camera operators/video editors were deployed for the duration of the games. Also of note amongst others was the photography series 'Wise Eyes on the Road' filmed in Morocco, the travel/food/genealogy series 'Inspired by Madeira' filmed in the Portuguese island, 'Lords of the Boards' that featured Gibraltarian surfers filmed along the Cadiz coast, and 'Port Ops' showing activity in Gibraltar's harbour, as well as numerous specials, including a special edition of the 'Viewpoint' programme with a participating audience at Leisure Cinemas on the emotive subject of Abortion.

Our television and radio professionals ensure to produce quality programmes, which despite the comparatively limited resources at their disposal, consistently deliver a range of shows that GBC can be proud of, and which are generally enjoyed by our audience.

The transition to LED lighting technology continued, with the second and last phase of the project taking place, totally improving the efficiency of lighting in the television studio. The digitisation of video tapes also continued by way of preserving GBC's video library for future generations. The vehicle replacement programme continued with two vans for News Camera Operators purchased. The opportunity was taken to promote GBC television programmes as part of the new vehicle livery.

The Corporation entered into a partnership with two media professionals from the United Kingdom to form the joint venture company, 'Wheelhouse Media Ltd'. WML aims to develop factual series with editorial covering History, Science, Crime & Engineering. These "Specialist Factual" programmes are highly popular and translate worldwide, given that the format of these programmes is largely voice over, which facilitates international sales in foreign languages. These series will be financed by pre-sales before production commences. Funding this way allows WML to retain the format and IP, and re-licence the series year on year to the worldwide television market. GBC's aims are to increase its commercial revenue through the company's activities.

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 13th December, with the sum of £127,000 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 2018



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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 2018, 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 2018 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 matter 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 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	4	2,570,199	2,832,991
Investment in shares in group undertakings	5	30,000	-
		<u>2,600,199</u>	<u>2,832,991</u>
CURRENT ASSETS			
Stocks of spares & materials		4,453	3,333
Debtors	6	348,169	181,110
Cash in hand and at bank		579,196	695,503
		<u>931,818</u>	<u>879,946</u>
CREDITORS: amounts falling due within one year	7	<u>(888,308)</u>	<u>(871,162)</u>
NET CURRENT ASSETS		43,510	8,784
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,643,709</u>	<u>2,841,775</u>
CREDITORS: amounts falling due after more than one year	8	<u>(87,576)</u>	<u>(129,613)</u>
ACCRUALS AND DEFERRED INCOME			
Deferred Government contributions	3(d)	(2,470,586)	(2,460,341)
NET ASSETS		<u>85,547</u>	<u>251,821</u>
Financed by:			
ACCUMULATED FUNDS			
As at 1 April		251,821	354,758
Surplus / (Deficit) for the year		83,726	(102,937)
Distribution of accumulated surplus to Government		<u>(250,000)</u>	<u>-</u>
As at 31 March		<u>85,547</u>	<u>251,821</u>

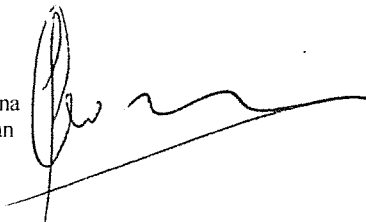
The notes on pages 5 to 12 form part of these financial statements.

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 2018

	<i>Notes</i>	<i>2018</i> £	<i>2017</i> £
INCOME			
Contributions by Government of Gibraltar	3(c)	5,178,904	5,122,208
Advertising		301,905	304,185
Premium lines		1,542	2,258
		<u>5,482,351</u>	<u>5,428,651</u>
EXPENDITURE			
Staff costs		2,936,647	3,054,365
Programme & operating expenses		846,261	803,449
Selling expenses		58,685	67,374
Administrative expenses		534,059	591,821
Pension shortfall contribution		250,000	250,000
Depreciation	2	750,964	739,956
		<u>5,376,616</u>	<u>5,506,965</u>
Interest payable and similar charges		(28,727)	(28,306)
Other finance cost		(3,503)	(3,336)
Other income		10,221	7,019
SURPLUS / (DEFICIT) FOR THE YEAR		<u>83,726</u>	<u>(102,937)</u>
Total comprehensive income / (loss) for the year		83,726	(102,937)

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 2018

	Accumulated reserves £
At 1 April 2016	354,758
Deficit for the year	(102,937)
At 31 March 2017	251,821
Surplus for the year	83,726
Distribution of accumulated surplus to Government	(250,000)
At 31 March 2018	85,547

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

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 2018.

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.

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.

Investment in shares in group undertakings

Investments in joint ventures in the Corporation's financial statements are included in using cost less any provision for impairment or equity method.

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

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 2018

3. Contributions by Government of Gibraltar

	2018 £	2017 £
<u>(a) Contributions receivable</u>		
Subvention – original	4,450,000	4,250,000
Pension shortfall contribution	250,000	250,000
Approved subvention	4,700,000	4,500,000
Supplementary subvention received during the year	-	189,218
Supplementary subvention transferred to next year	90,000	76,989
Supplementary subvention from previous year utilized this year	(125,000)	(60,000)
	4,665,000	4,299,948
Other grants	524,149	449,089
Total contributions for the year	5,189,149	5,155,295
<u>(b) Application of contributions</u>		
Revenue expenditure (taken to income and expenditure account – see (c) below)	4,427,940	4,382,252
Capital expenditure (taken to deferred contributions – see (d) below)	761,209	773,043
Total contribution	5,189,149	5,155,295
<u>(c) Contributions taken to income and expenditure account</u>		
Revenue expenditure	4,427,940	4,382,252
Release of deferred capital expenditure contributions (see below)	750,964	739,956
	5,178,904	5,122,208
<u>(d) Deferred contributions</u>		
Balance as at 1 April	2,460,341	2,427,254
Received during the year	761,209	773,043
Released during the year	(750,964)	(739,956)
Balance as at 31 March	2,470,586	2,460,341

Gibraltar Broadcasting Corporation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

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 2017	5,086,301	555,696	153,905	153,306	406,126	129,940	165,885	82,854	6,734,013
Additions	161,970	191,913	19,995	36,131	-	7,744	190	70,229	488,172
At 31 March 2018	5,248,271	747,609	173,900	189,437	406,126	137,684	166,075	153,083	7,222,185
DEPRECIATION									
At 1 April 2017	2,762,153	396,344	134,324	126,855	196,147	51,406	162,576	71,217	3,901,022
Charge for the year	572,681	52,791	13,352	28,803	43,268	9,167	700	30,202	750,964
At 31 March 2018	3,334,834	449,135	147,676	155,658	239,415	60,573	163,276	101,419	4,651,986
NET BOOK VALUE									
At 31 March 2018	1,913,437	298,474	26,224	33,779	166,711	77,111	2,799	51,664	2,570,199
At 31 March 2017	2,324,148	159,352	19,581	26,451	209,979	78,534	3,309	11,637	2,832,991

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

5. Investment in shares in group undertakings

	2018 £	2017 £
Investments 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)
	-	-
Wheelhouse Media Limited		
1,000 ordinary shares of £1 each (at cost)	30,000	-
Share in the profits of joint venture	-	-
	30,000	-

Name of company	Domicile	Holdings	Proportion held	Nature of Business	Total capital and reserves £	Profit (loss) for the year £
Gibraltar Entertainment Network Limited	Gibraltar	500 ordinary shares of £1 each	100%	Holding company	(199,000)*	270,430*
Wheelhouse Media Limited	Gibraltar	1,000 ordinary shares of £1 each	100%	Production company	2,000*	-*

*Based on unaudited management accounts to 31 March 2018

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.

On 23 January 2018, the Corporation established a joint venture, Wheelhouse Media Limited (WML) for a consideration of £30,000. WML was incorporated in Gibraltar with a registered address at Suite 1 Burn's House, 19 Town Range, Gibraltar. As at the year end, WML had not started trading.

6. Debtors

	2018 £	2017 £
Due from Government of Gibraltar	159,345	23,484
Advertising accounts receivable	14,199	1,212
Other debtors and prepayments	174,625	156,414
	348,169	181,110

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

7. Creditors: amounts falling due within one year

	2018	2017
	£	£
Obligations under finance leases (see note 8)	42,036	243,036
Government grant received in advance	344,077	371,626
Amount due to Wheelhouse Media Limited	30,000	-
Other creditors and accruals	472,195	256,500
	<u>888,308</u>	<u>871,162</u>

Cash at bank includes corporate funds and segregated accounts containing amounts due to WML. As at 31 March 2018, the segregated cash accounts are equal to the amounts due to WML amounting to £30,000 (2017: nil) that is restricted for use by the Corporation.

As at the year end, WML had not started trading and so no share in the net income or loss of joint venture was recognised by the Corporation.

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

Lease purchase agreements

	2018	2017
	£	£
Amounts payable:		
In one year or less	42,036	243,036
	<u>42,036</u>	<u>243,036</u>
Between one to two years	87,576	84,073
Between two to five years	-	45,540
	<u>87,576</u>	<u>129,613</u>
	<u>129,612</u>	<u>372,649</u>

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. As of 31 March 2018, the lease purchase agreement is extinguished.

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.

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

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:

	2018 £	2017 £
Contributions to Gibraltar Provident Trust (No 2) Pension Scheme	258,184	233,713
Contributions to Staff Retirement Benefits Scheme	366,666	387,654
	<u>624,850</u>	<u>621,367</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 Statement of Comprehensive Income amounted to £624,850 (2017: £621,367). 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 21 August 2019, the triennial review provided by the appointed actuaries indicated that there is a deficit of £4,021,000 (2017: £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.

10. Related party transactions and balances

	2018 Income/ (Expense) £	Due from (to) parties £
Amount due to WML ¹		(30,000)
HM Government of Gibraltar ²		
Contributions by HM GOG	5,178,904	-
Amounts due from HM GOG	-	159,345
Amounts due to HM GOG	-	(344,077)
	2017 Income/ (Expense) £	Due from (to) parties £
HM Government of Gibraltar ²		
Contributions by HM GOG	5,122,208	-
Amounts due from HM GOG	-	23,484
Amounts due to HM GOG	-	(371,626)

¹ Investment in participating interest

² Ultimate controlling party

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

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

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'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

STAFF, ADMINISTRATION, SELLING EXPENSES & GENERAL PROGRAMMING EXPENSES

for the year ended 31 March 2018

	2018 £	2017 £
STAFF COSTS		
Salaries & wages	2,380,431	2,332,688
Social insurance	129,039	119,750
Pension contributions	374,850	371,367
Freelancer salary	31,456	26,411
Other fees	20,871	204,149
	<u>2,936,647</u>	<u>3,054,365</u>
OTHER ADMINISTRATION EXPENSES		
Rates	12,842	12,842
Electricity & water	64,566	59,759
Telephone	25,018	25,178
Cable carriage fees	9,625	38,500
Transmission site rent	6,000	5,664
Postage	247	191
Printing & stationery	4,623	5,568
Security of premises	22,960	27,002
Insurance – libel & slander	81,685	71,658
Repairs & maintenance	47,894	44,144
Travelling & entertainment	11,725	13,708
Relocation expenses	11,414	17,597
General expenses	1,790	(4,960)
Legal and professional fees	15,417	25,436
Multiplex management	-	(4,800)
Tape digitisation	125,856	182,844
Accountancy fees	42,210	44,010
Software copyright	27,972	19,543
International projects	-	7,937
Write off of General Entertainment Network expenses	22,215	-
TOTAL ADMINISTRATION EXPENSES	<u>534,059</u>	<u>591,821</u>
SELLING EXPENSES		
Advertising, marketing and website	58,705	67,213
Bad debts written off (recovered)	(20)	161
TOTAL SELLING EXPENSES	<u>58,685</u>	<u>67,374</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 2018

	2018 £	2017 £
GENERAL PROGRAMMING AND PRODUCTION COSTS		
Copyright and Royalties	66,498	65,514
Local Costs – Props, wardrobe, etc.	8,345	24,946
Live programmes: General	79,090	69,246
UEFA football transmissions	11,268	27,475
TV films	166,552	108,472
Programme commissions	73,720	58,195
Van hire	137,069	138,645
Current affairs	22,117	23,818
Weather report	34,209	35,891
Training	25,882	52,201
Wire service	8,494	7,740
Other costs	45,584	48,050
International body subscriptions	2,962	1,121
Maintenance & repairs	153,244	133,359
Motor vehicle expenses	11,227	8,776
	<hr/> 846,261	<hr/> 803,449

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