



REPORT
&
ANNUAL ACCOUNTS

2020/2021

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CHIEF EXECUTIVE'S REVIEW

The period under review saw the Corporation move into the final phase of its relocation project. However, further delays were encountered, due in part to a site lockdown for a number of weeks as a result of the Coronavirus Pandemic. Construction of the main building was virtually completed by the summer, with the focus moving on to completing the out-building, satellite platform and vehicle compound, as well completion of the interior of the main building.

This allowed the specialist UK System Integrators, DEGA and Radio Studio Services, to start on the technical fit-out, beginning with work related to the four radio studios. Infrastructure works related to the television fit-out began in September and continued till December, followed by the installation of the two television studios in the first quarter of 2021.

The Relocation team, led by CEO, Gerard Teuma, and comprising Chief Engineering & Technology Officer, Michael Corcoran, Administration Supervisor, Jean Paul Latin, and Design Consultant, James Brown, liaised closely with the developers and contractor in order to achieve the best possible outcome within the budget available. Although various construction delays did not allow the revised Go Live date in March to be met, the financial year ended with optimism towards the adjusted planned move to the new facilities in August 2021.

Monthly meetings with the developer's team also took place. Despite the delays, everyone at GBC remains excited over the prospect of moving to the new purpose-built premises, which are long-overdue.

Production teams in both television and radio devoted time during the current financial year to plan ahead with a view to refreshing programming coinciding with the move to the 'new' Broadcasting House. This includes a complete rebranding that will influence the building's décor, as well as the look and feel of the TV channel and GBC's online and social media platforms that will be re-launched in the summer.

This was in addition to the special programming introduced as a result of the Covid-19 lockdown at the beginning of the financial year. GBC aired on all platforms the daily 3pm Government Covid News Conference, followed on television by archive programming throughout the afternoon. The extended daily 'lockdown' transmissions also included Holy Mass live from the Shrine of our Lady of Europe. On radio, three daily Listener Forums were introduced enabling listeners to join the national conversation during the unprecedented times. Pandemic programming continued until the end of May, with the Government's subsequent weekly Covid-19 News Conference also airing till the end of July.

Other notable programming highlights during the period under review are a number of UEFA Nations League games, FIFA World Cup Qualifiers and Gibraltar-relevant Champions and Europa League matches, as well as two classical concerts from Austria as part of the Corporation's deal with the Vienna Philharmonic, and several religious services led by HH Pope Francis live from the Vatican.

In addition, the new series 'The Home of Chess', 'Lockdown Playhouse', 'A Life Abroad: In Lockdown', 'Break a Leg', 'The Wild Side', 'Gib Talks 2020', 'The Fortress of Fortresses', 'Lives in Bloom', 'Live from Studio B', 'Between Us', 'In Their Footsteps', 'Sea Hunters', 'Life Journeys in Law', 'Road Icons', 'Gibraltar's Number 1 Takeaway', 'Vegan Curious' and 'Sunrise to Sunset' were produced and aired, joining staples such as 'Viewpoint', 'City Pulse', 'The Powder Room', 'The Sports Locker' and 'The Hub', some of which had to be curtailed as a result of pandemic restrictions. Specials included several Christmas shows and the 2020 Sustainability Awards that were organised in conjunction with the Commissioner for Sustainability and Future Generations. The annual GBC Sports Awards gala was cancelled due to the impact on local sports from the pandemic. It will take place again in 2022.

Staff movements included Christine Vasquez promoted to Editor, Charles Moore to Engineer and Michael Hesslegrave to Audio Specialist. Federico Picon was recruited as a Technician, Tiago Lino-da Costa as a Broadcast Assistant, Jose Mari Ruiz as a part time Sports Reporter, and Chloe Loddo and Tony Cook were recruited as part time Radio Presenters.

In line with other public services, salaries did not attract an inflationary increase in 2020 due to the effects on the economy of the Covid pandemic.

The Open Day Charitable Trust organised a special 'GBC Open Day: Lockdown Edition' in April. A telethon was organised to air on Radio Gibraltar throughout the day followed by a variety show on television in the evening featuring numerous local performers. The business community and public supported the event in large numbers, for the event to raise a total of £180,000 to be passed on to the GHA's Covid-19 Fund. This sum was topped up by a further £50,000 by the Open Day Trust, bringing the total donated by GBC to the Fund to £230,000. On Wednesday 16th December the traditional Christmas edition of GBC Open Day was held, which despite Covid restrictions, raised a further £128,000 for local worthy causes.

GBC is a comparatively small broadcaster, and has a consistent presence within the community it serves. The team not only consists of television and radio programme makers and journalists, but also of the crucial support departments of Engineering & Technology and Administration, Finance & Sales. It is the team effort that the Corporation enjoys that allows GBC to proudly deliver its programming to the Gibraltar public.



Gerard J Teuma
Chief Executive
1st September 2021

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 2021, and the statement of income and accumulated funds 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 2021 and of the Corporation's deficit 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.



**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 income and accumulated funds 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

19 May 2022

Gibraltar Broadcasting Corporation

REPORT AND FINANCIAL STATEMENTS

31 March 2021

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Gibraltar Broadcasting Corporation
STATEMENT OF INCOME AND ACCUMULATED FUNDS
for the year ended 31 March 2021

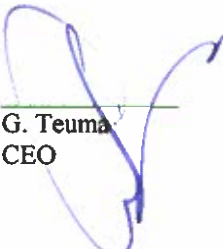
	<i>Notes</i>	<i>2021</i> £	<i>2020</i> £
INCOME			
Contributions by HM Government of Gibraltar	3(c)	5,059,753	5,512,967
Advertising		317,295	334,587
Premium telephone lines		1,293	1,793
		<u>5,378,341</u>	<u>5,849,347</u>
EXPENDITURE			
Staff costs		3,216,183	3,344,284
General programming and operating expenses		725,056	868,877
Depreciation	4	604,153	786,448
Administrative expenses		557,511	533,975
Pension shortfall contribution		250,000	250,000
Selling expenses		50,221	59,304
Loss on disposal of fixed assets		25,749	-
		<u>5,428,873</u>	<u>5,842,888</u>
Interest payable and similar charges		(4,754)	(4,754)
Other finance cost		(5,528)	(4,383)
Other income		261	2,678
DEFICIT FOR THE YEAR		<u>(60,553)</u>	<u>-</u>
ACCUMULATED FUNDS at 1 April		93,615	93,615
ACCUMULATED FUNDS at 31 March		<u>33,062</u>	<u>93,615</u>

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

Gibraltar Broadcasting Corporation
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2021

	<i>Notes</i>	2021 £	2020 £
FIXED ASSETS			
Tangible assets	4	3,790,440	2,451,088
Investments in joint ventures	5	16,252	21,443
		<u>3,806,692</u>	<u>2,472,531</u>
CURRENT ASSETS			
Stocks of spares and materials		7,832	4,622
Debtors	6	283,919	503,917
Cash in hand and at bank	7	283,407	602,026
		<u>575,158</u>	<u>1,110,565</u>
CREDITORS: amounts falling due within one year	7	<u>(1,911,592)</u>	<u>(1,506,019)</u>
NET CURRENT ASSETS		<u>(1,336,434)</u>	<u>(395,454)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,470,258</u>	<u>2,077,077</u>
ACCRUALS AND DEFERRED INCOME			
Deferred Government contributions	3(d)	(2,437,196)	(1,983,462)
NET ASSETS		<u>33,062</u>	<u>93,615</u>
Financed by:			
ACCUMULATED FUNDS			
As at 1 April		93,615	93,615
Deficit for the year		(60,553)	—
As at 31 March		<u>33,062</u>	<u>93,615</u>

Approved by the Board on: 6th of May 2022


G. Teuma
CEO


I. Caruana
Chairman

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

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

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, 22 Rosia Road. The financial statements cover those of the individual entity and for the year ended 31 March 2021.

2. Principal accounting policies

Basis of preparation

The financial statements have been prepared in compliance with Section 1A, Small Entities of Financial Reporting Standard (FRS) 102, being applicable Gibraltar Accounting Standards (Gibraltar Generally Accepted Accounting Practice) 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.

Whilst the Corporation has remained operational during the pandemic, 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.

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 as a small entity and has taken advantage of the exemption to prepare a statement of cash flows.

Tangible assets and depreciation

Tangible assets are initially recorded at cost and subsequently depreciated over their estimated useful lives by either the straight line or reducing balance basis method. The depreciation 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.

Cash in hand and at bank

Cash in hand and at bank in the statement of financial position comprise petty cash, bank current accounts and other bank deposits and the withdrawal of which is not subject to time restriction except for the cash in bank disclosed in Note 7.

Debtors

Debtors, including amounts owed by related parties, are recognised initially at transaction price (including transaction costs) unless a financing arrangement exists in which case they are measured at the present value of future receipts discounted at a market rate and subsequently measured at amortised cost using the effective interest method.

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

2. Principal accounting policies (*continued*)

Every reporting period, outstanding debtor balances are subject to an impairment review if there are events or changes in circumstances that indicate that their carrying amount may not be fully recoverable. The carrying value of assets is written down by the amount of any impairment and this loss is recognised in the expenditure account in the period in which it occurs.

Creditors

Creditors, including amounts owed to related parties, are classified as current if payment is due within one year or less. Otherwise, they are presented as non-current. Long term creditors are recognised initially at the transaction price and subsequently measured at amortised cost using effective interest method.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of income and accumulated funds.

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method. Under the equity method of accounting, an equity investment is initially recognised at transaction price, including transaction costs, and is subsequently adjusted to reflect the venturer's share of the profit or loss, other comprehensive income, and equity of the joint venture.

Government grants

Government grants applied to capital expenditure are credited to a deferred income account and subsequently released to the statement of income and accumulated funds 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 HM Government of Gibraltar and HM Government of Gibraltar has committed to provide the necessary financial support by way of subventions to the effect that, should on the retirement date any of the beneficiaries of 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.

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

2. Principal accounting policies (*continued*)

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 income and accumulated funds. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

Leased assets and obligations

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Corporation are capitalised in the statement of financial position and are depreciated over the shorter of the lease term and the asset's useful life. A corresponding liability is recognised for the lower of fair value of the leased asset and the present value of the minimum lease payments in the statement of financial position. Lease payments are apportioned between the reduction of the lease liability and finance cost in the statement of income and accumulated funds so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental payable under operating leases are charged in the statement of income and accumulated funds on a straight line basis over the lease term.

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

3. Contributions by HM Government of Gibraltar

	2021 £	2020 £
(a) Contributions receivable		
Subvention – original	4,550,000	4,550,000
Pension shortfall contribution	250,000	250,000
Approved subvention	<u>4,800,000</u>	<u>4,800,000</u>
Supplementary subvention from previous year utilized this year	322,244	361,315
Supplementary subvention transferred to next year	–	(210,262)
	<u>5,122,244</u>	<u>4,951,053</u>
Other grants	391,244	404,412
Total contributions for the year	<u>5,513,488</u>	<u>5,355,465</u>
(b) Application of contributions		
Revenue expenditure (taken to income and expenditure account – see (c) below)	4,441,530	4,726,519
Capital expenditure (taken to deferred contributions – see (d) below)	1,071,958	628,946
Total contribution	<u>5,513,488</u>	<u>5,355,465</u>
(c) Contributions taken to income and expenditure account		
Revenue expenditure	4,441,530	4,726,519
Release of deferred capital expenditure contributions (see below)	618,223	786,448
	<u>5,059,753</u>	<u>5,512,967</u>
(d) Deferred contributions		
Balance as at 1 April	1,983,462	2,140,964
Received during the year	1,071,958	628,946
Released during the year:		
By way of depreciation (see Note 4)	(604,153)	(786,448)
By way of disposals	(8,879)	–
Through share in profit or loss of joint venture (see Note 5)	(5,192)	–
Balance as at 31 March	<u>2,437,196</u>	<u>1,983,462</u>

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

4. Tangible fixed assets

	Broadcasting Equipment £	Transmission and other equipment £	Motor Vehicles £	Building improvements £	Electrical Equipment £	Furniture and office Equipment £	Records and transcriptions £	Computer and Software £	Assets under construction £	Total
COST										
At 1 April 2020	5,662,154	777,420	159,664	189,437	406,126	141,345	166,075	374,245	745,944	8,622,410
Additions for the year	84,690	–	–	–	–	20,120	–	106,095	1,758,353	1,969,258
Disposals for the year	–	(16,870)	(45,259)	–	–	(38,473)	–	–	–	(100,602)
At 31 March 2021	5,746,844	760,550	114,405	189,437	406,126	122,992	166,075	480,340	2,504,297	10,491,066
DEPRECIATION										
At 1 April 2020	4,480,555	547,624	147,670	176,640	322,941	76,358	164,283	255,255	–	6,171,326
Charge for the year	401,914	31,037	8,498	8,021	37,230	8,009	358	109,086	–	604,153
Disposals for the year	–	–	(45,260)	–	–	(29,593)	–	–	–	(74,853)
At 31 March 2021	4,882,469	578,661	110,908	184,661	360,171	54,774	164,641	364,341	–	6,700,626
NET BOOK VALUE										
At 31 March 2021	864,375	181,889	3,497	4,776	45,955	68,218	1,434	115,999	2,504,297	3,790,440
At 31 March 2020	1,181,599	229,796	11,997	12,797	83,185	64,988	1,792	118,990	745,944	2,451,088

Gibraltar Broadcasting Corporation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

5. Investments in joint ventures

	2021 £	2020 £
Investments		
Gibraltar Entertainment Network Limited		
500 ordinary shares of £1 each (at cost)	500	500
Permanent diminution in value of investment	(500)	(500)
	<u>-</u>	<u>-</u>
Wheelhouse Media Limited		
1,000 ordinary shares of £1 each (at cost)	21,443	21,443
Share in the losses of the joint venture	(5,191)	-
	<u>16,252</u>	<u>21,443</u>
	<u>16,252</u>	<u>21,443</u>

<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/ (deficit) £</i>	<i>Profit/(loss) for the year £</i>
Gibraltar Entertainment Network Limited	Gibraltar	500 ordinary shares of £1 each	100%	Holding company	1,000*	.*
Wheelhouse Media Limited	Gibraltar	1,000 ordinary shares of £1 each	100%	Production company	2,000**	(10,383)**

*Based on unaudited management accounts to 31 March 2019

**Based on audited management accounts to 31 March 2020

In 2013, the Corporation entered into a joint venture agreement and incorporated a joint venture company named Gibraltar Entertainment Network Limited. The Corporation holds a 50% interest in the joint venture. The purpose of the joint venture is for the preparation of a project which did not occur. As a result, the trustees made a provision for diminution in value on the carrying amount of the investment.

In 2018, the Corporation incorporated a joint venture named Wheelhouse Media Limited (WML) with an investment of £30,000. In 2021, the Corporation recognised £5,191 (2020:£nil) as its share in the net losses of the joint venture and included under "Administrative expenses" in the statement of income and accumulated funds.

6. Debtors

	2021 £	2020 £
Due from HM Government of Gibraltar	2,151	2,607
Advertising accounts receivable	27,759	35,485
Other debtors and prepayments	254,009	465,825
	<u>283,919</u>	<u>503,917</u>

Gibraltar Broadcasting Corporation
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2021

7. Creditors: amounts falling due within and after more than one year

	2021	2020
	£	£
Government grant received in advance	35,360	598,638
Government grant with respect to assets under construction	1,365,992	443,527
Obligations under finance leases	3,503	45,539
Amount due to Wheelhouse Media Limited (WML)	2,794	3,461
Other creditors and accruals	503,943	414,854
	<u>1,911,592</u>	<u>1,506,019</u>

The Corporation has received an accumulating grant from HM Government of Gibraltar amounting to £1,365,992 (2020: £443,527) to finance certain expenses in relation to the Corporation's new premises. The asset was completed subsequent to the year end.

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. As at 31 March 2021, the balance is £3,503 (2020: £45,539).

Cash in hand and at bank of £283,407 (2020: £602,026) includes corporate funds and segregated accounts containing amounts due to WML. As at 31 March 2021, the segregated cash accounts are equal to the amounts due to WML amounting to £2,794 (2020: £3,461) that is restricted for use by the Corporation.

Other creditors and accruals comprise of maintenance contracts, unearned advertising income, staff Christmas savings, accountancy and audit fees and the pension shortfall amounting to £250,000.

8. Pension and other post employment commitments

The Corporation has made the following contributions to its post employment benefit plans during the year:

	2021	2020
	£	£
Contributions to Gibraltar Provident Trust (No 2) Pension Scheme	349,602	344,565
Contributions to Staff Retirement Benefits Scheme	341,765	345,832
	<u>691,367</u>	<u>690,397</u>

The total pension cost charged in the statement of income and accumulated funds is equal to the total contribution made during the year. HM Government of Gibraltar has provided the Corporation with a letter of support to the effect that, should on the retirement date any of the beneficiaries of 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.

The triennial review provided by the appointed actuaries dated 21 August 2019 indicated that there was a deficit of £4,021,000 in the scheme as at 31 March 2018. Future contributions payable by the Corporation may change to reflect any funds necessary in the scheme. The next actuarial valuation report will be available on March 2022.

Gibraltar Broadcasting Corporation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2021

8. Pension and other post employment commitments *(continued)*

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

9. Related party transactions and balances

	2021	
	Income	Due from/ (to)related parties
	£	£
Amount due to WML ¹	-	(2,794)
HM Government of Gibraltar ²		
Contributions during the year	5,120,308	-
Amounts due from Debtors	-	2,151
Amounts due to Creditors	-	(1,401,352)
	<hr/>	<hr/>
	2020	
	Income	Due from/ (to)related parties
	£	£
Amount due to WML ¹	-	(3,461)
HM Government of Gibraltar ²		
Contributions during the year	5,512,967	-
Amounts due from Debtors	-	2,607
Amounts due to Creditors	-	(1,042,165)
	<hr/>	<hr/>

¹ Investment in participating interest, ² Ultimate controlling party

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

10. 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.

11. Capital commitments

As at 31 March 2021, the amounts contracted for but not provided in the financial statements amounted to £448,986 (2020: £1,801,402). These relate to the acquisition of the assets under construction.

12. Subsequent events

Subsequent to the year end, the Corporation has relocated from South Barrack Road to its new premises at Rosia Road in August 2021.

Gibraltar Broadcasting Corporation

STAFF, ADMINISTRATION, SELLING EXPENSES & GENERAL PROGRAMMING EXPENSES

for the year ended 31 March 2021

	2021 £	2020 £
STAFF COSTS		
Salaries and wages	2,610,402	2,737,070
Social insurance	142,351	139,894
Pension contributions	441,367	440,397
Freelancer salary	9,935	15,879
Other fees	12,128	11,044
	<u>3,216,183</u>	<u>3,344,284</u>
OTHER ADMINISTRATION EXPENSES		
Rates	6,232	12,465
Electricity and water	58,044	55,547
Telephone	33,706	27,985
Cable carriage fees	38,500	38,500
Transmission site rent	7,227	7,050
Postage	174	313
Printing and stationery	3,098	4,664
Security of premises	32,241	29,300
Insurance – libel and slander	99,628	110,222
Repairs and maintenance	33,413	36,559
Travelling and entertainment	1,969	4,645
Relocation expenses	105,586	41,528
General expenses	1,860	3,235
Legal and professional fees	16,431	13,810
Tape digitisation	40,000	60,740
Accountancy fees	52,649	57,436
Software copyright	21,561	20,735
International projects	-	9,241
Share in the loss of joint venture	5,192	-
	<u>557,511</u>	<u>533,975</u>
SELLING EXPENSES		
Advertising, marketing, and website	49,362	57,051
Bad debts written off	860	2,253
	<u>50,222</u>	<u>59,304</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 2021

	<i>2021</i>	<i>2020</i>
	£	£
GENERAL PROGRAMMING AND OPERATING EXPENSES		
Copyright and royalties	70,976	70,274
Local costs – props, wardrobe, etc.	36,624	7,050
Live programmes: General	54,528	83,741
UEFA football transmissions	25,820	19,112
TV films	148,304	173,827
Programme commissions	64,390	95,411
Van hire	15,737	105,763
Current affairs	4,705	13,889
Weather report	34,318	34,144
Training	82	504
Wire service	4,587	6,180
Other costs	30,505	45,476
New training vote	7,076	23,552
International body subscriptions	1,417	2,083
Maintenance and repairs	215,586	176,576
Motor vehicle expenses	10,401	11,295
	<u>725,056</u>	<u>868,877</u>

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