



FIJI AIRPORTS

2023

ANNUAL REPORT



REMARKABLE YEAR
OF FULL RECOVERY



Bula!

WELCOME TO FIJI AIRPORTS
2023 ANNUAL REPORT:
FIJI AIRPORTS – REMARKABLE YEAR OF FULL RECOVERY

The report provides an insight into a year of growth post Covid and the beginning of providing travellers more quality airports.



FIJI AIRPORTS ACHIEVED A FULL RECOVERY —
RESTORING OPERATIONS, RECONNECTING THE
REGION, AND SETTING NEW STANDARDS IN
RESILIENCE AND GROWTH.



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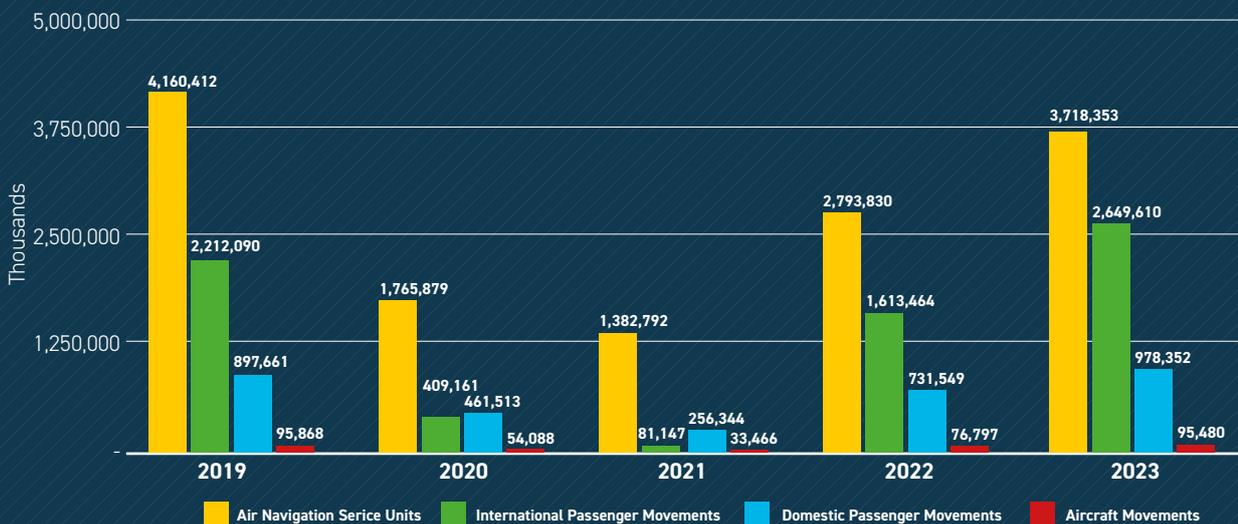
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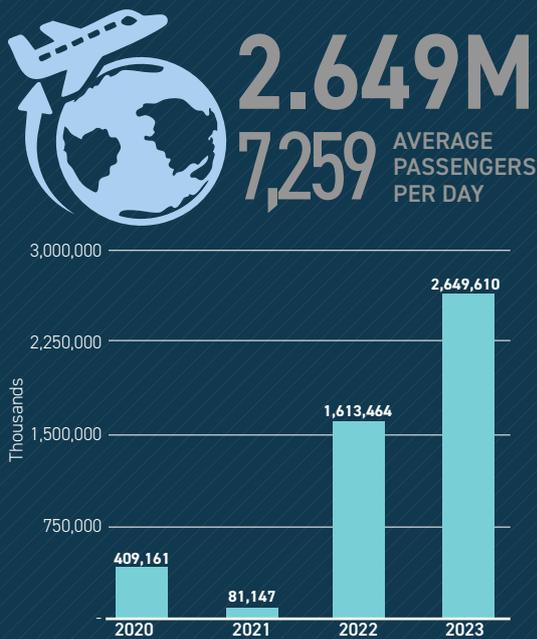
KEY STATISTICS

PASSENGER AND AIRCRAFT STATISTICS

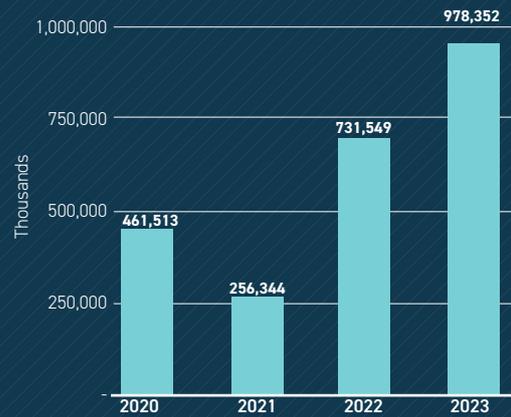
Year	2019	2020	2021	2022	2023
International Passenger Movements					
International Arrivals	1,104,953	201,014	44,376	803,109	1,313,431
International Departures	1,107,137	208,147	36,771	810,355	1,336,179
Total Int'l Movement	2,212,090	409,161	81,147	1,613,464	2,649,610
Growth % on International Passengers		-81.5%	-80.2%	1888.3%	64.2%
Domestic Passenger Movements					
Domestic Arrivals	449,271	230,737	127,996	365,606	482,424
Domestic Departures	448,390	230,776	128,348	365,943	495,928
Total Domestic Passengers	897,661	461,513	256,344	731,549	978,352
Growth % on Domestic Passengers	6.5%	-48.6%	-44.5%	185.4%	33.7%
Aircraft Movements					
Int'l aircraft Movements	14,962	3,930	2,283	10,225	16,140
	-1.6%	-73.7%	-41.9%	347.9%	57.8%
Domestic aircraft Movements	47,359	23,307	11,700	42,377	54,655
	-4.8%	-50.8%	-49.8%	262.2%	29.0%
Other	33,547	26,851	19,483	24,195	24,685
	-7.9%	-20.0%	-27.4%	24.2%	2.0%
Total aircraft Movements	95,868	54,088	33,466	76,797	95,480
Growth%	-5.4%	-43.6%	-38.1%	129.5%	24.3%
MCTOW (Maximum certified take-off weight)					
International MCTOW	970,699	301,909	222,791	695,661	1,035,68
	5.9%	-68.9%	-26.2%	212.2%	48.9%
Domestic MCTOW (Nadi/ Nausori)	195,450	100,489	60,540	152,921	191,926
	0.1%	-48.6%	-39.8%	152.6%	25.5%
Regional Airport MCTOW	74,083	36,328	19,757	54,628	62,270
	20.4%	-51.0%	-45.6%	176.5%	14.0%
Total MCTOW	1,240,232	438,726	303,088	903,210	1,289,878
Growth%	5.7%	-64.6%	-30.9%	198.0%	42.8%
Air Navigation Service Units					
Air Navigation Service Units	4,160,412	1,765,879	1,382,792	2,793,830	3,718,353
Growth%	0.6%	-57.6%	-21.7%	102.0%	33.1%



TOTAL INTERNATIONAL PASSENGERS



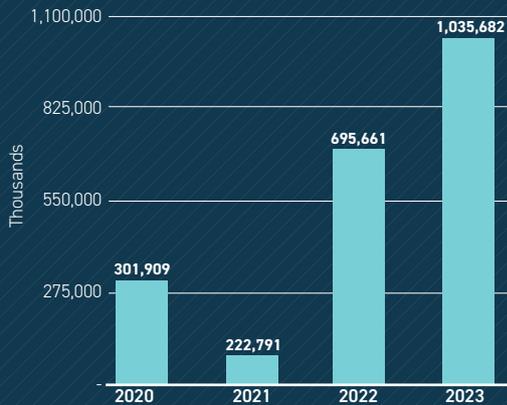
TOTAL DOMESTIC PASSENGERS



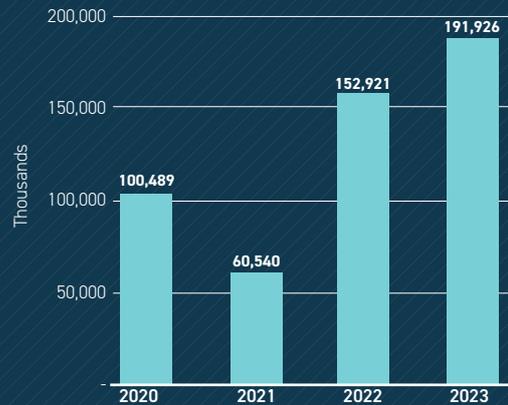
978K
2,680 AVERAGE PASSENGERS PER DAY



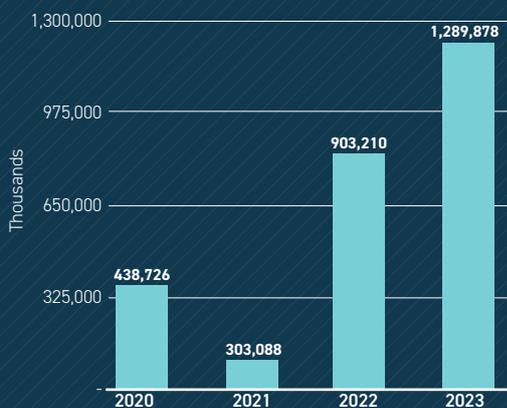
INTERNATIONAL AIRCRAFT MOVEMENT (TONNAGE)



DOMESTIC AIRCRAFT MOVEMENT (TONNAGE)



TOTAL AIRCRAFT MOVEMENT (TONNAGE)



95.4K
261 MOVEMENTS PER DAY



LETTER TO THE PRIME MINISTER

**Office of the Prime Minister, Public Enterprises, Information,
Civil Service, Foreign Affairs
4 th Floor, New Government Buildings
Suva, Fiji**

Dear Honourable Prime Minister,

Fiji Airports Annual Report 2023

On behalf of Fiji Airports (FA) Board of Directors, I am pleased to present the 2023 Annual Report in accordance with Section 58 of the Public Enterprises Act 2019.

This report provides an overview of our achievements, financial performance and the strategic direction we are taking to ensure the continued growth and sustainability of the country's aviation infrastructure.

Fiji Airports has shown resilience and adaptability in 2023 following a successful recovery from the wrath of COVID-19. The Nadi International Airport has played a critical role in supporting the recovery of Fiji's tourism sector, ensuring that our nation remains a top destination for travellers. This year, we have seen a steady increase in passenger traffic, reflecting the hard work and dedication of our team, as well as the trust placed in us by the public and private sectors alike.

This year also saw the appointment of five new directors on the board and the appointment of Mr Masake Nawari as Chief Executive Officer after a lapse of 3 years.

The report highlights several key milestones, including:

Continued investment in airport infrastructure to enhance passenger experience, safety, and operational efficiency.

Ongoing sustainability initiatives, including energy-efficient practices and community engagement efforts.

Strengthening of our strategic partnerships with airlines, government agencies and international stakeholders and enhanced customer service.

The Fiji Airports team remain committed to the government's vision of fostering sustainable economic growth and ensuring that Fiji remains a competitive player in the global aviation market.

In 2023, Fiji Airports recorded a net profit of \$49,378,925 after taking into account an income tax expense of \$31,434,103. In comparison, in 2022, we made a Net profit of \$42,116,450 after taking into account an income tax expense of \$3,826,075.

I take this opportunity to express my sincere gratitude to the government, especially your leadership, for the continued support and confidence placed in Fiji Airports. As we look ahead, we are confident that the aviation sector will continue to contribute significantly to Fiji's economic development and international connectivity.

The 2023 Annual Report, which I have enclosed with this letter, provides a detailed breakdown of our performance, goals and initiatives.

Thank you for your continued support and leadership.

Yours sincerely,
Hasmukh Patel
Chairman of the Board



**THE FIJI AIRPORTS TEAM REMAIN
COMMITTED TO THE GOVERNMENT'S
VISION OF FOSTERING SUSTAINABLE
ECONOMIC GROWTH AND ENSURING THAT
FIJI REMAINS A COMPETITIVE PLAYER IN
THE GLOBAL AVIATION MARKET.**

2023 KEY NUMBERS



Difference (\$)	Difference (%)	2023	2022
Total International Arrival & Departure Passenger Movements ↑ 1.0 million	64%	\$2.6 million	\$1.6 million
Total Aircraft Movement (Tonnes) ↑ 0.4 million	43%	\$1.3 million	\$0.9 million
Total Revenue ↑ \$53.2 million	52%	\$156.2 million	\$103.0 million
Total Expenditure ↑ \$8.3 million	12%	\$75.4 million	\$67.2 million
Shareholders Fund ↑ 33.4 million	7%	\$522.0 million	\$488.6 million
Return on Shareholders fund before Social Obligation		9.50%	6.6%



CHAIRMAN'S REPORT



THE TIRELESS PURSUIT OF
QUALITY IS THE VERY ESSENCE
OF FIJI AIRPORTS BULA SPIRIT IN
SERVING OUR CUSTOMERS.

Cola vina!

Greetings from the Fiji Airports family!

It is with great privilege that I present the Fiji Airports 2023 Annual Report and I hope that you will find details in this report useful and that it gives you a fair idea of the pathway Fiji Airports has undertaken successfully in the past year.

There were five new directors appointed to the board and the names are Mr Nausahad Ali, Mr Mark Halable, Mr Jona Sevura, Mr Bhavick Kapadia and Ro Teimumu Kepa. We would like to thank the outgoing board members of 2023, Mr Viliame Vodonaivalu and Ro Teimumu Kepa.

2023 proved to be an important year for Fiji Airports following the appointment of Mesake Nawari as its Chief Executive Officer in August.

With his extensive leadership experience and career-driven approach, Nawari is set to steer the organisation in the right direction and successfully lead and implement projects that will pave the way for growth at Fiji Airports.

Rebounding from the economic wrath of the COVID pandemic has never been easy for Fiji Airports let alone the many other industries that depended on travel and tourism.

Together we've overcome this burden after successfully reopening our borders in 2021 and travel has been somewhat exciting for the thousands of visitors who chose Fiji as their preferred destination.

Fiji Airports is well ahead in its game to ensure safety and smooth transition of travellers into Fiji and plays a vital role in contributing to economic growth, facilitating global engagement and making a positive impact on people and communities and the many thousands of Fijians whose livelihoods depend on travel and tourism.

Connecting Fijians to the world is something we at Fiji Airports take immense pride in, coupled with the fact that our very own Nadi International Airport is recognised globally as a leader in the aviation sector and a national icon for Fiji and her people.

2023 marked a remarkable year of resilience, recovery, and reconnection for Fiji Airports. Emerging from the unprecedented challenges of the past years, we demonstrated strength in adaptability and focus, restoring operations to pre-pandemic

levels while setting new benchmarks in efficiency, safety, and customer experience. Passenger numbers surged, airline partnerships were revitalized, and major infrastructure projects were successfully resumed. More than just a return to business, 2023 was a year of renewed purpose—reconnecting people, economies, and opportunities across the Pacific and beyond. This year stands as a powerful testament to the dedication of our people and the trust of our stakeholders, setting a strong foundation for sustainable growth in the years ahead.

As the airport leading the Pacific islands in international travel recovery, Nadi registered 2,635,766 international passenger movements this year.

These accolades bore testament to Fiji Airport's unwavering dedication to serve its customers with excellence.

The unwavering support of our aviation stakeholders and industry partners is a tremendous contribution in our daily operations!

As a key pillar of the Fijian economy, Fiji Airports plays an invaluable role in realising our vision to be a vital player in aviation in the region.

The growth and success of Fiji Airports has been at the heart of Fiji's rise as an aviation leader and tourism hub.

The airport's vast reach has also helped Fiji strengthen its global role as a bridge between markets and cultures.

The tireless pursuit of quality is the very essence of Fiji Airports BULA spirit in serving our customers.

Our track record speaks for itself and by constantly redefining standards of excellence, the number of development projects undertaken at the airport will change the way our people think about air travel and business opportunities.

The nation's aviation sector has reached a turning point in the past three years, with the reopening of international borders, the increased interest and movement in the global trade market and the reclamation of Fiji's status as a regional leader in the hospitality sector.

There is never a business-as-usual day at the terminal as the post COVID era has provided us with immense ideas and opportunities to tap into the utilisation of state-of-the-art technologies and innovative processes to ensure a seamless journey for the thousands of passengers we serve annually.



2023 IN REVIEW

Aviation is a contributor to global CO2 emissions, currently producing about 2.5 per cent of total greenhouse gases worldwide.

In an interconnected industry like aviation, we are exploring collaboration and innovation to mitigate the impacts of climate change.

Fiji Airports in line with the global aviation industry's goals to reduce carbon emissions and attain a net-zero status by 2050.

Fiji Airports is dedicated to transitioning towards a sustainable, low-carbon functioning airport.

Nadi Airport earned the accreditation level of Optimisation (Level 3) in recognition of the airport's exemplary work in reducing its CO2 emission and engaging other stakeholders to do the same, as part of the Global Airport Industry's response to the challenge of climate change.

Nadi International Airport was recognised alongside other renowned international airports like Abu Dhabi International Airport in the United Arab Emirates, Qatar's Hamad International Airport, Hong Kong International Airport and the Narita International Airport in Japan.

Fiji Airports is in the initiation stage of a solar farm project at the Nadi International Airport and will soon issue a tender for a 3.5MW solar power system as our first phase for the solar project.

This year, Fiji Airports also presented a dividend cheque of \$6 million to Prime Minister Sitiveni Rabuka.

The substantial dividend comes in addition to the interim cheque of \$10 million we issued to the government earlier this year.

Fiji Airports continues its commitment to fund maintenance and upgrade of Nausori and 13 outer island airports (Rotuma, Koro, Gau, Bureta, Vanuabalavu, Lakeba, Ono-i-Lau, Cicia, Moala, Kadavu, Matei, Labasa and Savusavu) to ensure it continues to meet operational requirements.

Major investment required at these outer airports will continue to be discussed with the Government because these airports are owned by the government and operated by Fiji airports.

Exciting and thriving opportunities continue to spring up at Nadi Airport and developing assets is the focus to enable visitors to enjoy the services we offer and to cater for the growing number of travellers that visit Fiji annually.

I also take this opportunity to acknowledge the board, management and staff for their unwavering commitment to safeguarding advanced developments and prioritising safety of our travellers.

THE NUMBERS

The quick recovery and huge travel demand has had a huge impact on the numbers at Fiji Airports.

While the global pandemic dampens outlook for the travel sector, numbers for 2023 picked up from when we reopened borders at the end of 2021 and business went a notch higher with travel arrival numbers looking good.

LOOKING AHEAD

2023 has been a good year for Fiji Airports following the successful implementation of post COVID plans in the country.

The recovery plan was important to allow the organisation to determine the best possible ways to move the business forward and map out ideas that will give visitors the best Fijian experience when they land on our shores.

Fiji being one of the most accessible destinations in the Pacific has given our travel market a huge advantage post COVID and visitors from our key markets Australia, New Zealand and North America have been travelling here for a tropical holiday, to visit family and friends, to transit or for business, education and sporting events.

In 2023, the Fiji Bureau of Statistics noted that Fiji welcomed 929,740 visitors, surpassing 2019 figures by 4 per cent with the majority of the travellers arriving from Australia (47 per cent), New Zealand (24 per cent), and North America (13 per cent).

Most visitors (79 per cent) were holiday-goers, with 8 per cent visiting friends or relatives, and 4% visiting for business and conferences.



The numbers indicate positive growth for the travel industry and the nation's economy.

We would like to acknowledge the government, Prime Minister, Deputy Prime Minister for the countless support in the aviation sector and Fiji Airports in particular.

The coming years provide promising prospects for Fiji Airports and its contribution to the nation's economic growth.

As we recover from the wrath of the global pandemic, Fiji Airports will continue to work hand-in-hand with the government and stakeholders, both local and international, to provide the best possible service to our travellers.

We are on a journey to achieving greater things for Fiji Airports with the support of our stakeholders!



BOARD OF DIRECTORS



MANAGEMENT TEAM



Mesake Nawari
Chief Executive Officer



Amit Singh
General Manager ATM & Operations



Kelepi Dainaki
General Manager Asset Infrastructure



Salote Handyside
General Manager Airports



Aisake Cabemaiwai
General Manager Commercial



Sanjana Mishra
Financial Controller and Company Secretary



Sunia Koronisigasiga
Manager Safety & Risk Management



Vula Seru
Operations Manager Nausori & OuterIslands



Ivan Wong
Co-Head Operations and Support



Moira Raduva
Communications and Public Relations Manager



Rengeena Singh
Manager People Organisation Development & Culture



Rohit Prasad
Senior Management Accountant



Manil Reddy
Manager Building and Civil Works



Isaia Roko
Manager Airside and Airport Safety Operations



Mosese Ligalevu
Manager Airport Security Services



Iosefo Qalovi
Acting Manager Airport Rescue Fire Services



William Reece
Manager Air Navigation Services and Engineering



Patrick Morell
Manager Fleet Services



Priti Singh
Acting Manager Airport Landside Operations and Customer Services

OPERATIONAL REVIEW AND FACILITIES

Through a year of highs and lows, Fiji Airports has remained resilient and steadfast in our commitment to excellence. Our investment in strong airline relationships and industry partners has continued, positioning us well for sustained growth and future opportunities.

We have worked closely with government agencies, airlines and other airports to navigate challenges, respond to operational needs and implement effective systems to ensure a seamless experience for all.

Our relationships with other airlines, industry partners and government departments is strong. Together, we have developed innovative solutions to address unprecedented challenges, reinforcing our collective resilience.

While international travel has resumed, we recognize that some temporary challenges persist, particularly with aging infrastructure and space in the departure and arrival areas. We continue to ensure the operational resilience of Fiji Airports staff and the many agencies on-site who collaborate to make air travel

possible. We also continue to engage with airport and terminal stakeholders to discuss contingency plans and strengthen our response capabilities.

Scaling up resources to meet the growing demands of travel presents its own complexities. We are committed to minimizing any impacts on passengers while streamlining processes in collaboration with government agencies and advocating for efficient systems that prioritize the safety and convenience of travelers.

Our team has worked diligently to meet regulatory requirements, adapt to evolving operational landscapes, and maintain the highest standards of cleanliness, hygiene and customer service. This has included participation in government-led initiatives, clear communication with stakeholders and proactive management of operational changes.

As we look to the future, Fiji Airports remains ready to adapt to new challenges with optimism, focusing on meeting the needs of our stakeholders and delivering a stable and dynamic operating environment for all.

FIJI AIRPORTS IN 2023
ACHIEVED A FULL RECOVERY—
RESTORING OPERATIONS,
RECONNECTING THE REGION,
AND SETTING NEW STANDARDS
IN RESILIENCE AND GROWTH.



FACILITIES AT NADI INTERNATIONAL AIRPORT:



Luggage storage



Airline lounge



Car park



Free WiFi



Retail Outlets



Duty-free retail



Cafes & restaurants



Lost & found



Banking services & ATMs



Currency exchange bureau



Airport information desk



FIJI AIRPORTS: NAVIGATING GROWTH AND MODERNISATION

Fiji Airports is a government-owned company responsible for operating and managing 15 airports across the Fiji Islands. Its key functions include:

- **Airport Operations:** Managing the day-to-day operations of airports, including passenger handling, baggage handling, and aircraft ground handling.
- **Infrastructure Development:** Investing in and maintaining airport infrastructure, such as terminals, runways, and other facilities.
- **Air Traffic Management:** Providing air traffic control services within the Nadi Flight Information Region, which covers a vast area of the South Pacific.
- **Safety and Security:** Ensuring the safety and security of passengers, staff, and aircraft at all airports.
- **Sustainability:** Implementing environmentally friendly practices and technologies to reduce the environmental impact of airport operations.

The Fijian aviation industry is experiencing a resurgence, with passenger numbers and tourism rebounding. Fiji Airports has invested heavily in infrastructure upgrades across its network, including:

- **Nadi International Airport:** Expansions, new terminal, improved baggage handling.

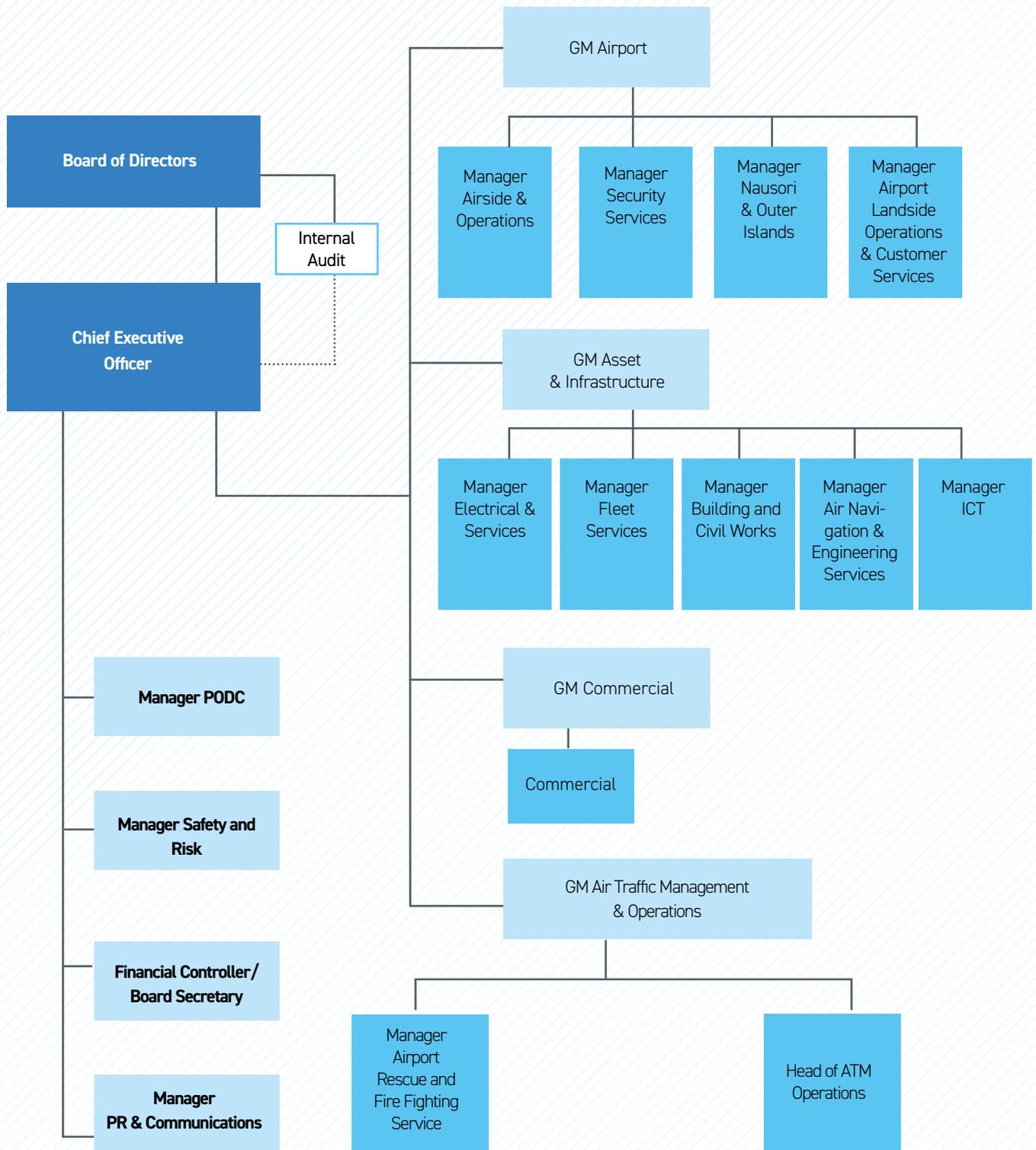
- **Nausori International Airport:** Runway upgrade, new terminal planned.
- **Domestic Airports:** Upgrades to Labasa and Savusavu airports, focusing on passenger experience and resilience.
- **ATM System:** Implementation of advanced air traffic management systems, including ADS-B surveillance and the Aurora ATM System.
- **Sustainability:** Focus on reducing carbon emissions through solar power initiatives, LED lighting, and waste recycling.

The new CEO, Mr Mesake Nawari, brings extensive experience in finance, corporate governance, and strategic leadership to drive Fiji Airports' future growth. Emphasis has been placed on enhancing passenger experience through efficient operations, personalized service, and world-class shopping and dining options.

Fiji Airports has continued investment in safety and security measures, including the acquisition of new firefighting vehicles and enhanced training in positioning itself for continued growth and success by modernizing its infrastructure, embracing sustainable practices, and prioritizing passenger satisfaction. Fiji Airports plays a crucial role in supporting Fiji's tourism industry and economic development by facilitating air travel to and within the country.



ORGANISATION STRUCTURE (2023)



ABOUT FIJI AIRPORTS

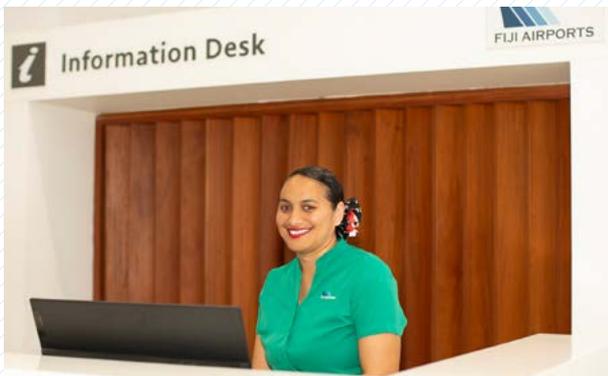
FIJI AIRPORT

Connecting Fijians to each other and the world is something Fiji Airports takes immense pride in. Nadi International Airport is recognised as part of the global network in the Aviation industry and is a national icon for Fiji. All our Airports are fully operational. As a fully owned, government commercial company, established in April 1999, FA has been diligently serving Fiji’s domestic and international travellers for almost 25 years, having transformed the country’s aviation industry and tourism and trade sectors as a result.

PASSENGER EXPERIENCE

As part of the Passenger Experience journey, we work closely with our airport stakeholders to ensure efficient operations and uphold our service excellence. There is never a “business-as-usual” day at the terminal, and we are exploring state-of-the-art technologies and new processes to ensure a seamless journey for our passengers like; personalised service, check-in experience, electronic arrival cards, efficient baggage handling, enhanced communication, concessioners’ services, staff customer training, quick issue resolution, accessibility, safety and security, environmental-friendly initiatives, feedback collection, and technology integration. This tireless pursuit of quality is the very essence of Fiji Airports’ BULA spirit in serving our customers.

Fiji Airports is well positioned to play our role in contributing to economic growth, facilitating global engagement, and making a positive impact on people and communities and the many thousands of Fijians whose livelihoods depend on travel and tourism.



As we rebound from the global repercussions of the pandemic, Fiji Airports is committed to the improvement of airport infrastructure in collaboration with the airlines and other stakeholders, and helping to enhance passenger experience in ways that are commercially viable.

NADI INTERNATIONAL AIRPORT

Fiji Airports has spent almost \$130m between 2014 and 2018 on the first phase of the modernisation of the Nadi international airport mainly in the departures area. Fiji Airports focus will be to continue to develop and modernise heart of operations inline with the master plan. These would include the extension of the Apron including offgate, expansion of departures, baggage handling and arrivals facilities, new aerobridges relocation of the cargo complex, new domestic airport next to the international airport, development of transit hotel and car park.

NAUSORI AIRPORT

Nausori Airport runway upgrade was completed in 2021 at a cost of \$67m. The runway upgrade project was completed despite COVID-19’s devastating financial impact on Fiji Airports general operations and business.

Full load B737 can now land in Nausori. The Nausori Airports presently accommodates 3 regional ATR72 flights a week to Funafuti operating. The plans for Nausori Airport include the upgrade of the airport terminal. Fiji Airports is working with its stakeholders to support this work and explore with the Government on funding modalities for the project plus land acquisition for further development of the Nausori Airport.

Fiji Airports invested in this project to allow opportunities for increased flights for both domestic and international routes for business people, diplomats and Fijians living in the greater Suva area and their families and loved ones visiting from abroad. The upgrade of the Nausori airport terminal was part of future capital plans once a return to pre-COVID-19 business conditions was in sight. The project included the runway extension from 1868 metres to 2148m, 30m to 45m wide, and runway strip width increased to 280m.

Part of the 60 million-dollar project included widening of the taxiways while the parking apron rehabilitated with upgrades to lighting, navigation and drainage systems, and a new perimeter fence and road.

LABASA AIRPORT

The Labasa Domestic Airport upgrade proposes improvements to the airfield, aviation facilities like remote tower and fire-fighting facilities, terminal and infrastructure that will meet increased demand for domestic operations in the future. Fiji Airports is working with the World Bank, the Ministry of Finance and Ministry of Tourism and Civil Aviation for the upgrade of the Labasa Airport including civil design and supervision, asphalt overlay, remote control tower system, fire station upgrade, carpark and site services, stormwater management and creek diversion, and fencing replacement.

SAVUSAVU AIRPORT

The World Bank is funding the upgrade of Savusavu Airport that will include new terminal design and building, pavement civil design, pavement maintenance, access control at gate, bathroom refurbishment, drainage maintenance, replacement fence, remote control tower system, airport fire station, base reconstruction, seawall remediation, stormwater, airside services conduits, terminal building generator and flood light systems.

MATEI AIRPORT

Maintenance work on the runway is being planned. The airport expansion plans require further support for land acquisition.

OTHER OUTER ISLAND AIRPORTS

Fiji Airports continue to fund maintenance of Nausori and the other 13 outer islands (Rotuma, Koro, Gau, Bureta, Vanuabalavu, Lakeba, Ono-i-Lau, Cicia, Moala, Kadavu, Matei, Labasa and Savusavu) to ensure it continues to meet operational requirements. Major investments in these airports to be discussed with the Government because there's no business case based on the number of flights per week and number of passengers. The infrastructure at these airports must be resilient to climate change.

SAFETY AND SECURITY

Airport safety and security protocols are designed to protect passengers, staff, and aircraft from various threats, including terrorism, criminal activity, and accidents. These measures are implemented to ensure the safety and security of everyone within an airport's premises and our Aviation Security work in collaboration with government agencies. 21. These are some of the key elements of airport safety and security protocol at the terminals; access control, screening procedures, baggage screening, explosive detection, behavioural detection, security personnel, K-9 units, surveillance systems, emergency response plans, perimeter security, aircraft security, training and collaboration. These measures are crucial for maintaining the safety and security of passengers, staff, and aircraft.

Achievements would be the performance of Fiji in the 2023 ICAO USAP CME Audit. No Significant Security Concern (SSeC) was raised for Fiji and that was through the performance and implementation of measures by Fiji Airports. One area was noted by the ICAO audit team to be pinned as SSeC but with quick coordination and understanding of executive Fiji Airport was able to rectify.

IT DIVISION

The Corporate ICT department looks after fundamental internal business systems and services making our business more efficient and effective. Core Services are categorised below:



1. Systems Support Service – Provision of Email access, Accpac (Financial software) level 1 support, Payroll, HR system, Billing system.
2. Hardware + Applications – provision of Laptops\ desktops\MFCs\ Office 365\AutoCAD\ESET Antivirus
3. Servers + Network Security – configuration and maintenance of a robust plus secure network interconnecting all hard devices throughout the wide area network with Nadi International being the main Core to Nausori, Savusavu, Labasa, Matei and Rotuma.
3. Internet – provision for Internet services for tourists and passengers via a total of 150 Cisco access points configured at the Nadi Intl Airport for better visitor experience.

The Corporate ICT departments maintain around 450 staff, their user profiles, licensing, security, and hardware. In 2023 we accomplished a major goal by migrating our network, storage, and application system to a hybrid setup after 15 years. This upgrade empowers us to use office 365 with access to one drive intended for cloud data storage and a cloud mailbox availability for each staff. However, the hardware is maintained on premises for security reasons with the active directory controlling user access and security levels. Azure being the control for multifactor authentication. Another goal we have achieved is expanding our Cisco PABX system to the FAL operators' access replacing the phasing out Mitel PABX system.

This is an ongoing project, and improvements are being done as we move along. The cisco PABX has also been expanded to the outer stations. We have also provided 65" screens for the outer stations for better user training and online meetings + Team leaders with laptops for more efficiency. Upgrading of the bandwidth is currently being discussed for the outer stations. The ICT department will continue to focus on keeping up to date with technology, implementing best cyber security options for the FAL Corporate network, progress with the digitalization process, streamlining operations for staff and at the same time providing the highest level of support when needed.

AIR TRAFFIC MANAGEMENT

In April 2021, Fiji Airports commissioned the new Aurora Air Traffic Management (ATM) System based at the Nadi Air Traffic Management Centre. The new system integrates Oceanic, Approach, and Tower Control capabilities and includes a new ATC Simulator to train air traffic controllers in an ADS-B surveillance



environment. This system integrates industry-leading procedural airspace management with the functionalities and tools needed to manage traffic in a surveillance environment and is without equal in the industry in terms of capability to manage mixed airspaces, ease of use, and ability to improve the efficiency of the airspace. The system upgrade modernises our ATM system and provides air traffic controllers with the latest ATM technology including electronic flight strips, advanced flight and surveillance data processing and training capabilities. It is one of the world's best ATM systems for managing procedural control in Oceanic Airspace integrated with the capabilities and tools needed to manage traffic in the domestic environment. This approach allows for optimal fuel-efficient routing in the procedural environment with reduced separation minima for airspace efficiency and gives controllers the tools they need to provide ADS-B based surveillance in enroute and approach phases of flight.

In October 2022, Fiji Airports introduced Surveillance Control using ADS-B technology in the Fiji Domestic Airspace, becoming the first in the world to transition from Procedural Control to Surveillance Control without RADAR.

Fiji has also successfully implemented the ICAO (International Civil Aviation Organization) Global Reporting Format (GRF) for our two international airports Nadi and Nausori in November 2021. This implementation involved careful trials with international partners, documentation, equipment, and training required for the staff to ensure competency and regulatory compliance.

New projects and initiatives in Air Traffic Management include the transition from Aeronautical Information Service (AIS) to Aeronautical Information Management (AIM), introduction of Remote Tower Technology, and implementation of System wide information Management (SWIM).

The Fiji Airports Air Traffic Management team is breaking barriers in gender representation with currently 40% female representation in a traditionally male dominated work force.

CLOUD-BASED REPORTING

Airside Operations Officers at Nadi and Nausori have been issued iPads with the TrackerAIRSIDE™ APP, designed by AeroAscent of Tweed Heads, Northern New South Wales, Australia, from October 2022, to fully integrate the recording of inspections being conducted and stored in an electronic format on the server. The reports are hosted on the server with AeroAscent's Microsoft account.

Labasa, Savusavu and Matei also use the TrackerAIRSIDE™ Lite APP. The other 13 Fiji Airports administered aerodromes call the Outstation Coordinator at Nausori, to report their inspections. The Outstation Coordinator then files these reports into the TrackerAIRSIDE™ Lite APP under the appropriate airport tab. This enables staff conducting inspections to file their reports in real-time and do not have to wait to get back to a PC to submit their reports for inspections conducted.

Fiji Airports has implemented the use of TrackerAIRSIDE™ Lite APP to ensure the uniform application of conducting inspections and filing all reports on a cloud-based server.

GREENING AIRPORTS

Aviation is a contributor to global CO2 emissions, currently producing about 2.5% of total greenhouse gases worldwide. In an interconnected industry like aviation, we are exploring collaboration and innovation to mitigate the impacts of climate change. Fiji Airports is in line with the global aviation industry's goals to reduce carbon emissions and attain a net-zero status by 2050. Fiji Airports is dedicated to transitioning towards a sustainable, low-carbon functioning airport. 17. Nadi International Airport earned the accreditation level of Optimisation (Level 3) in recognition of the airport's exemplary work in reducing its CO2 emissions and engaging other stakeholders to do the same, as part of the Global Airport industry's response to the challenges of Climate Change. Nadi international Airport was recognised with other international airports like; Abu Dhabi International Airport (UAE), Adelaide Airport (Australia), Dubai International Airport (UAE), Hamad International Airport (Qatar), Hong Kong International Airport (Hong Kong), Incheon Airport (Republic of Korea), Narita International Airport (Japan). 18. Fiji Airports is at the initiation stage of a solar farm project at Nadi International Airport and soon will issue a tender for a 3.5MW solar power system as our first phase for the solar project. Then we will expand to 8.5MW. We will also set up solar power projects in Nausori and outer island airports. An upgrade of halogen airfield lights to LEDS and a fully-fledged waste recycling system are projects that we are currently pursuing. We are also finalising the review 3 of the Fiji State Action Plan with the Ministry of Civil Aviation and Fiji Airways as part of our commitment to lower our international operation's carbon emissions in line with our obligations to ICAO.



DIVIDEND

The Fiji Airports paid a total dividend of \$16 million to the Government of Fiji. The Prime Minister Mr Sitiveni Rabuka noted the Fiji Airport's robust performance during the fiscal year 2023.

Acknowledging the pivotal role of the Board of Directors, the Prime Minister thanked those who served during the previous year for their contributions to the company's success. He also commended the current board for its positive impact on the company's performance in 2023. Moreover, he announced a substantial bonus for staff, amounting to \$1,000,386, inclusive of FNPF contributions and the FNU Levy.



AVIATION RESCUE FIRE FIGHTING SERVICE

Fiji Airports has invested in 3 new Aviation Rescue Fire Fighting Service (ARFFS) Vehicles to improve the level of safety and readiness to support aircraft operations at Nadi International Airport. Our brand new, state of the art, Fire Truck arrived in November 2023 followed by another two by July 2024. We are also investing in the training and capacity building of our entire ARFFS personnel for our 15 airports across the country.



NEW CEO FOR FIJI AIRPORTS

Fiji Airports Ltd announced the appointment of Mesake Nawari as its new Chief Executive Officer in August. Mr Nawari is a transformational leader. He was the first CEO of the South Pacific Stock Exchange and the first General Manager of Fijian Holdings Unit Trust. He was also the first local Group CEO of Fiji Television Ltd. He has also held the positions as Corporate Specialist at the Pacific Islands Forum Secretariat and Corporate Director of the Pacific Islands Forum Fisheries Agency (FFA). He was also Senior Fellow in Finance at the University of the South Pacific Graduate School of Business and he obtained his accounting and economics education at USP and later did his postgraduate studies in Finance, Banking and Corporate Governance at the University of Sydney, Australia.

As Fiji Airports aims to sustain its strong growth trajectory, its senior leadership team is undergoing a period of renewal.



FIRST FEMALE GENERAL MANAGER AIRPORTS FOR FIJI AIRPORTS

Fiji Airports appointed Ms Salote Delailomaloma as its General Manager Airports marking a significant milestone in the aviation industry of Fiji.

Ms Delailomaloma brings a wealth of experience to the role, having dedicated over three decades to the aviation sector, including managerial positions at Air Terminal Services (ATS), Fiji Airways, and Fiji Link. Her portfolio includes vital areas of airport operations, including Terminal Operations in Nadi and Nausori Airports, as well as Outer Stations.



CORPORATE GOVERNANCE PRACTICES

ROLE OF THE BOARD

The Board is responsible for charting the Company's strategic direction, setting objectives for infrastructure upgrades, developing a fair framework for human resources, setting clear goals and mechanisms to monitor performance.

Amongst its responsibilities, the Board also reviews the yearly business plan, operating and capital budgets.

Many of the plans implemented over the last several years have seen a remarkable turnaround in profits, cash flows and capital project deliveries.

COMPOSITION OF THE BOARD

As of 31st December 2023, the Board consisted of the Chairperson Mr Hasmukh Patel, Deputy Chairperson Mr Naushad Ali and three non-executive independent directors, Mr Mark Halabe, Mr Jona Sevura and Mr Bhavick Kapadia. Mr Viliame Vodonaivalu's term expired in April 2023 and Ro Teimumu Kepa resigned on 23 October 2023.

The Ministry of Public Enterprise appoints the directors. Under the articles of Fiji Airports, the maximum number of directors are seven unless otherwise specified by the Ministry of Public Enterprise.

DIRECTORS CODE OF CONDUCT

The establishment of a Corporate Code of Conduct and Ethics is designed to promote honest and ethical conduct, including ethical handling of conflicts of interest, appropriate, fair, accurate and timely full disclosure in the Company's periodic reports, and compliance with applicable Governmental rules and regulations.

The Board periodically reviews and assesses the adequacy of the Code of Ethics and implements any modification as necessary.

The Board of Directors are bound by section 6.13 of the Articles of the Company and the individual terms of their respective contract letters.

PRIMARY OBJECTIVE OF PUBLIC ENTERPRISE

The Primary Objective of Public Enterprise is provided under section 18 of Public Enterprise Act that states:

- (1) The primary objective of a public enterprise is to be a successful business.
- (2) A public enterprise must conduct its business and operations with a view to being a successful business.
- (3) A public enterprise is a successful business if it is at least as efficient and profitable as comparable businesses in the private sector.

STATUTORY DUTIES OF THE BOARD

In addition to the above, the Board of Directors of Fiji Airports, collectively and individually, have agreed on the fulfilment of the following duties towards the Company:

- (1) To exercise the care and diligence of a reasonable person;
- (2) To exercise their power and discharge their duties in good faith and for a proper purpose;
- (3) To refrain from improper use of their position for personal gain, and
- (4) To refrain from making use of inside information for personal gain.

FIDUCIARY DUTIES OF DIRECTORS

The directors of Fiji Airports also owe the following fiduciary duties to the Company. These fiduciary duties form the Code of Ethics of Fiji Airports

A fiduciary relationship imposes an obligation of utmost good faith on the directors by putting the interests of the Company first, and the Fiji Airports. Directors have pledged to uphold this principle at all times.

The fiduciary duties of the directors have the following four dimensions:

- (1) To act in good faith in the best interests of the company;
- (2) To exercise powers for a proper purpose;
- (3) To retain discretion;
- (4) To avoid conflict of interest.

BOARD MEETINGS

The Board held five regular meetings during the financial year ended 31 December 2023 and two Special Meetings. The regular business of the Board during its meetings covers corporate governance, financial performance and risk management, business investments, project oversight and strategic planning matters.

DIRECTOR'S REMUNERATION

As per section 5.6 of the Company's Articles of Association, the Minister for Public Enterprise retains the ultimate authority to determine the remuneration and benefits given to the directors of the Company.

A total fee of \$50,038 was paid to the directors for their services during the year in accordance with the remuneration and benefits determined by the Minister of Public Enterprise. A further sum of \$21,733 was paid for other expenses, mainly for travel and accommodation that were incurred during the course of their duties. Directors were also covered under the Company's Directors and Officers Insurance Policy.



AIRPORT OPERATIONS AND CUSTOMER SERVICE

Fiji Airports manages Nadi International Airport, the main international airport in Fiji. Its Landside Operations and Customer Service department is responsible for ensuring a smooth and positive experience for passengers arriving, departing, or transiting through the airport terminal.

Here are some of the functions the Landside Operations and Customer Service department is responsible for:

- Passenger Meet & Greet - Assisting arriving and departing passengers with information and directions.
- Baggage Handling - Ensuring smooth baggage flow from check-in to baggage claim.
- Lost and Found - Dealing with lost and found items within the terminal building.
- Terminal Cleaning and Maintenance
- Maintaining a clean and comfortable environment within the terminal.
- Retail and Concession Management - Overseeing concessionaires and ensuring a positive customer experience with shops and restaurants.
- Passenger Assistance - Providing assistance to passengers with disabilities, families with young children, or those requiring special needs.
- Security Screening - While overall security falls under a separate department, landside operations might be involved in coordinating passenger flow for security checks.
- Information Desks - Providing information and answering passenger inquiries about the airport, flights, and local services.

AVIATION SECURITY SERVICES

Each airport is equipped with certified security equipment which is audited annually by internal and external auditors. The functions and duties of security officers are clearly highlighted in the Civil Aviation (Security) Act 1994, Part 4, subsection 23. No Significant Security Concern (SSeC) has been raised for Fiji, thanks to the performance and implementation of measures by Fiji Airports.





REBOUNDED TOGETHER
STRONGER THAN EVER, 2023
MARKED A YEAR OF REMARKABLE
PROGRESS AND RESILIENCE FOR
FIJI AIRPORTS.







FIJI AIRPORTS LIMITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 2023

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AIRPORTS FIJI PTE LIMITED

DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of Airports Fiji Pte Limited ("The Company") as at 31 December 2023 and the related statement of profit or loss and other comprehensive income, statements of changes in equity and cash flows for the year ended on that date and report as follows:

Directors

The Directors of the Company in office during the year and up to the date of this report were:

Mr. Has Mukh Patel - appointed on 5 June 2022, appointed as Chairman on 5 June 2022

Mr. Naushad Ali - appointed on 17 April 2023, appointed as Deputy Chairman on 25 May 2023

Mr. Viliame Vodonaivalu - term expired on 17 Apr 2023

Mr. Mark Morris Halabe - appointed on 17 April 2023

Mr. Bhavick Kapadia - appointed on 17 April 2023

Mr. Jona Sevura - appointed on 17 April 2023

Ms. Ro Teimumu Kepa - appointed on 11 August 2023, resigned on 23 October 2023

Ms Emele Sima Duituturaga - appointed on 2 February 2024

Mr Arvind Singh - appointed on 24 January 2024

State of affairs

In the opinion of the Directors, the accompanying statement of financial position gives a true and fair view of the state of affairs of the Company as at 31 December 2023 and the accompanying statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows give a true and fair view of the results of the Company for the year then ended.

Principal activities

The principal activities of the Company during the financial year included provision of air navigation services, the operation and management of the Nadi International Airport and other airports throughout Fiji.

There were no significant changes in the nature of these activities during the financial year.

Trading results

The net profit of the Company for the year after taking into account an income tax expense of \$31,434,103 (2022: \$3,826,075) was \$49,378,925 (2022: \$32,029,855).

Dividend

During the year, the Directors declared and paid dividend of 0.1734 per share for year 2022 amounting to \$16,000,000.

Current and non-current assets

The Directors took reasonable steps before the Company's financial statements were made out to ascertain that the current and non-current assets of the Company were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

AIRPORTS FIJI PTE LIMITED

DIRECTORS' REPORT (CONTINUED)

Current and non-current assets (continued)

At the date of this report, the Directors are not aware of any circumstances which would render the values attributable to the current and non-current assets in the financial statements to be misleading.

Basis of accounting - Going concern

The Directors consider the Company to be a going concern. The Directors believe that the basis of preparation of the financial statement is appropriate and the Company will be able to continue in operation for at least 12 months from the date of this report.

Bad and doubtful debts

The Directors took reasonable steps before the financial statements were made out to ascertain that all known bad debts were written off and adequate allowance was made for impairment losses.

At the date of this report, the Directors are not aware of any circumstances which would render the above assessment inadequate to any substantial extent.

Related party transactions

All related party transactions have been adequately recorded in the financial statements.

Other circumstances

As at the date of this report:

- (i) no charge on the assets of the Company has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the Company could become liable; and
- (iii) no contingent liabilities or other liabilities of the Company have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

As at the date of this report, the directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Company's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

Unusual transactions

The results of the Company's operations during the financial year have not, in the opinion of the Directors, been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.



AIRPORTS FIJI PTE LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors' benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit disclosed in the financial statements and/or included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements or received as the fixed salary of a full-time employee of the Company or of a related corporation) by reason of contract made by the Company or by a related corporation with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

Significant events during the year

There has not arisen during the year any significant event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company in during the financial year.

Events subsequent to balance date

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

For and on behalf of the board and in accordance with a resolution of the directors.

Dated this 24 day of MAY 2024.



Director



Director

OFFICE OF THE AUDITOR GENERAL
Promoting Public Sector Accountability and Sustainability through our Audits



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AIRPORTS FIJI (PTE) LIMITED

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF AIRPORTS FIJI (PTE) LIMITED

As auditor for the audit of Airports Fiji (PTE) Limited for the financial year 31 December 2023, I declare to the best of my knowledge and belief that there have been:

- (a) No contravention of the auditor independence requirements of the Companies Act, 2015 in relation to the audit; and
- (b) No contravention of any applicable code of conduct in relation to the audit.

This declaration is in respect to Airports Fiji (PTE) Limited during the year.

Finau Seru Nagera

AUDITOR-GENERAL

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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INDEPENDENT AUDITOR'S REPORT

Airports Fiji PTE Limited

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Airports Fiji PTE Limited ("the Company"), which comprise the Statement of Financial Position as at 31 December 2023, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Directors and Management are responsible for the other information. The other information comprises the Directors Report but does not include the financial statements and the auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

Responsibilities of the Management and Directors for Financial Statements

The Management and Directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the Management and Directors 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, Management and Directors are responsible for assessing the Company'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 Management and Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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 the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Directors.
- Conclude on the appropriateness of the Management's and Directors' use of 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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.

Auditor's Responsibilities for the Audit of the Financial Statements (con't)

- I communicate with the Management and Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2015 and Public Enterprises Act 2019 in all material respects, and:

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the company has kept financial records sufficient to enable the financial statements to be prepared and audited.



Finau Seru Nagera
AUDITOR-GENERAL



Suva, Fiji
03 June 2024

AIRPORTS FIJI PTE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
Revenue	4 (a)	152,547,306	100,187,480
Other income	4 (b)	2,950,305	2,204,525
Other expenses	5	(38,956,294)	(34,314,493)
Operating expenses	6	(15,536,887)	(12,816,515)
Impairment gain / (loss) on trade and other receivables	25 (i)	1,423,103	(3,291,868)
Personnel expenses	7	(18,999,034)	(13,178,139)
Operating profit		83,428,499	38,790,990
Finance income	8 (a)	735,742	629,791
Finance costs	8 (b)	(3,351,213)	(3,564,851)
Profit before income tax		80,813,028	35,855,930
Income tax expense	9 (a)	(31,434,103)	(3,826,075)
Profit for the year		49,378,925	32,029,855
Other comprehensive income for the year, net of income tax	15 (a)	-	10,086,595
Total comprehensive income for the year		49,378,925	42,116,450

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

AIRPORTS FIJI PTE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share Capital	Asset Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 January 2022	92,300,180	165,802,114	188,390,633	446,492,927
Total comprehensive income for the year				
Profit for the year	-	-	32,029,855	32,029,855
Other comprehensive income for the year, net of income tax	-	10,086,595	-	10,086,595
Total comprehensive income for the year	92,300,180	175,888,709	220,420,488	488,609,377
Transactions with owners of the Company				
Dividends declared and paid (Note 21 (b))	-	-	-	-
Total transactions with owners recognized directly in equity	-	-	-	-
Balance at 31 December 2022	92,300,180	175,888,709	220,420,488	488,609,377
Balance at 1 January 2023	92,300,180	175,888,709	220,420,488	488,609,377
Total comprehensive income for the year				
Profit for the year	-	-	49,378,925	49,378,925
Other comprehensive income for the year, net of income tax	-	-	-	-
Total comprehensive income for the year	92,300,180	175,888,709	269,799,413	537,988,302
Transactions with owners of the company				
Dividends declared and paid (Note 21 (b))	-	-	(16,000,000)	(16,000,000)
Total transactions with owners recognized directly in equity	-	-	(16,000,000)	(16,000,000)
Balance at 31 December 2023	92,300,180	175,888,709	253,799,413	521,988,302

The above statements of changes in equity should be read in conjunction with the accompanying notes.

AIRPORTS FIJI PTE LIMITED

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	116,727,316	112,199,854
Trade receivables	11	24,320,619	17,008,710
Inventories	12	683,947	666,444
Other receivables and prepayments	13	4,432,296	4,209,368
Debt securities	14	70,000,000	-
Current tax asset	9 (d)	-	465,039
Total current assets		216,164,178	134,549,415
Non-current assets			
Property, plant and equipment	15	467,971,972	482,166,055
Right-of-use assets	18 (a)(i)	7,809,200	7,657,760
Total non-current assets		475,781,172	489,823,815
TOTAL ASSETS		691,945,350	624,373,230
LIABILITIES			
Current liabilities			
Trade and other payables	16	18,553,558	10,845,300
Loans and borrowings	17	7,295,178	4,907,333
Lease liabilities	18 (a)(ii)	54,417	54,417
Employee benefits	19	1,420,886	676,999
Deferred income	20	21,541	52,457
Current tax liability	9 (d)	101,400	-
Total current liabilities		27,446,980	16,536,506
Non-current liabilities			
Loans and borrowings	17	80,332,396	79,861,249
Lease liabilities	18 (a)(ii)	5,625,201	5,403,713
Deferred income	20	368,747	359,372
Deferred tax liability	9 (c)	56,183,724	33,603,013
Total non-current liabilities		142,510,068	119,227,347
TOTAL LIABILITIES		169,957,048	135,763,853
NET ASSETS		521,988,302	488,609,377

The above statement of financial position should be read in conjunction with the accompanying notes.

AIRPORTS FIJI PTE LIMITED

STATEMENT OF FINANCIAL POSITION (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
SHAREHOLDERS' EQUITY			
Share capital	21a	92,300,180	92,300,180
Asset revaluation reserve	15a	175,888,709	175,888,709
Retained earnings		253,799,413	220,420,488
TOTAL SHAREHOLDERS' EQUITY		521,988,302	488,609,377

For and on behalf of the board and in accordance with a resolution of the directors.



Director



Director

The above statement of financial position should be read in conjunction with the accompanying notes.

AIRPORTS FIJI PTE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		149,364,336	88,379,107
Payments to suppliers and employees		(44,705,851)	(33,936,033)
Cash generated from operations		104,658,485	54,443,074
Income tax and interest WHT paid	9 (d)	(8,286,953)	(62,935)
Interest received		735,742	629,791
Interest paid		(3,351,213)	(3,564,851)
Net cash from operating activities		93,756,061	51,445,079
Cash flows from investing activities			
Investment in term deposits	14	(70,000,000)	-
Payment for property, plant and equipment	15	(11,730,055)	(7,142,180)
Net cash used in investing activities		(81,730,055)	(7,142,180)
Cash flows from financing activities			
Proceeds from borrowings	17	5,245,721	4,283,558
Repayment of borrowings	17	(2,386,729)	-
Payment for lease liabilities	18 (ii)	(357,536)	(217,450)
Dividend paid	21 (b)	(10,000,000)	-
Net cash (used in) / from financing activities		(7,498,544)	4,066,108
Net increase in cash and cash equivalents		4,527,462	48,369,007
Cash and cash equivalents at beginning of year		112,199,854	63,830,847
Cash and cash equivalents at end of year	10	116,727,316	112,199,854
Non-cash investing activity	27	511,683	-



AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 1. REPORTING ENTITY

Airports Fiji Pte Limited (the "Company") is a government owned entity incorporated under the Companies Act and a government commercial company under the Public Enterprise Act of 1996, domiciled in Fiji. The registered office is located at AFL Compound, Nadi Airport, Fiji.

The principal activity of the Company during the financial year included provision of air navigation services, the operation and management of the Nadi International Airport and other airports throughout Fiji.

There were no significant changes in the nature of these activities during the financial year.

NOTE 2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and the Companies Act 2015.

The financial statements were authorised for issue by the Board of Directors on 24 MAY 2024.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis and adjusted by the revaluation increments of property, plant and equipment at fair value through other comprehensive Income (FVOCI).

(c) Functional and presentation currency

The financial statements are presented in Fiji dollars, rounded to the nearest dollar, which is the Company's functional currency.

(d) Use of estimates and judgements

In preparing these financial statements in conformity with IFRS, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have an effect on the amounts recognised in the financial statements is included in the following notes:

Note 3 (h) - accounting for government grants

Note 3 (m)(i) - recoverability of trade receivables

Note 3 (m)(ii) - impairment of property, plant and equipment

Note 3 (p) - useful life of property, plant and equipment

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below and have been consistently applied to all years presented.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to Fiji dollars at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Fiji dollars at the reporting date and differences are recognised profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(b) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

Nature of services

The Company principally generates revenue from managing of airports around the country, air traffic management services. The services provided are on credit to customers and the customers are billed on a monthly basis and customers pay on a monthly basis.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms and the related revenue recognition policies.

Services	Nature, timing of satisfaction of performance obligations and significant payment terms
Air Navigation	Air navigation is provision of navigation services provided through Fiji's control towers to airlines that enter and use Fiji airspace. The date that the customer utilises the Fiji airspace and navigation service is provided is recorded by the control towers for the entire month. At the end of a month an invoice is generated for each customer for navigation services provided in a month based on the number of days. Invoices are usually payable within 30 days. Revenue for the entire month is recognized at the time the invoice is raised.



AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Revenue from contracts with customers (continued)****(i) Nature of services (continued)**

Services	Nature, timing of satisfaction of performance obligations and significant payment terms
Airport Security, airport development, and departure tax share	<p>The Company is responsible for providing an airport and passenger facilities and services from where an international passenger can depart for their destination. The performance obligation is satisfied each time a passenger utilises the services at the airport and departs on a flight.</p> <p>Airport security charges, airport development charges and departure tax are included in airline tickets. The charges for airport security and airport development are collected by the airline Companies on behalf of the Company and remitted to the Company each month based on the number of passengers departing the country in a month. Invoices are raised at month end and are usually payable within 30 days. Departure tax is remitted by the airline companies to the Fiji Revenue & Customs Service which gives a share of \$10 for every departing passenger to the Company. Revenue is recognised at month end.</p>
Landing	<p>The Company is required to provide services of runway, taxiway and fire rescue services for landing and take-off to aircraft at the airport. As an aircraft has landed or taken off the provision of the service is complete. Landing information is collated on a daily basis for a month and invoices for landing fees are issued on a monthly basis. The invoices are usually payable within 30 days. Revenue for the entire month is recognized at the time the invoice is raised.</p>
Parking	<p>Invoices for providing parking bays and incineration services for aircraft at the airport is raised on a monthly basis. For each day in a month for every customer a record is maintained for parking and incineration services. Invoices are raised on a monthly basis and are usually payable within 30 days. Revenue for the entire month is recognized at the time the invoice is raised.</p>
Terminal navigation aid	<p>Terminal navigation aid is the provision of terminal navigation services to aircraft coming into the terminal area around the Nadi and Nausori airport. A record is maintained for which customer this service has been provided on a daily basis for each month. Invoices are raised on a monthly basis based on the number of days in the month the service was provided and are usually payable within 30 days.</p>

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue from contracts with customers (continued)

(i) Nature of services (continued)

Services	Nature, timing of satisfaction of performance obligations and significant payment terms
Car park	<p>The Company provides a car park for customers that come to the airport. A walk-in customer that utilises the airport car park collects a ticket on the entrance to the car park and pays based on the hours the car park was utilised at the time of leaving the car park. Revenue is recognised at that point in time.</p> <p>Customers that regularly use the car park have an agreement with the Company for a fixed charge per month. These customers are provided with an access card which is swiped at an electronic machine at the airport. Revenue is recognised on a monthly basis for these customers.</p>

(c) Other revenue

Other sources of revenue include concessions income from renting out space at the airports and rental of other property. Concessions and rental income is recognised on a straight line basis over the applicable lease terms.

(d) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except for items recognised in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Income tax (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

(e) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are declared by the Board of Directors.

(f) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and bank overdraft and are recognised in profit or loss using the effective interest method.

(g) Investment property

Investment property is measured at cost less accumulated depreciation and impairment.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings and improvements - Shorter of 40 years and term of land lease

(h) Government grants and deferred income

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant, on a systematic basis, to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Deferred income represents the housing estate transferred from the Civil Aviation Authority of Fiji to AFL by order of the Government. This deferred income is recognised in profit or loss over the useful life of the housing estate.

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Value Added Tax

Revenues, expenses and assets are recognised net of the amount of Value Added Tax (VAT) except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

The VAT component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(j) Financial instruments

(i) Recognition and measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and measurement

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

(ii) Classification and measurement (continued)

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial Assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

(ii) Classification and measurement (continued)

Financial Assets: Subsequent measurement and gains and loss

Financial assets that are measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gains or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.



AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments (continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(k) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(l) Impairment

(i) Non-derivative financial assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- other receivables and cash at bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers another receivable or cash balance to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Company considers this to be BB- or higher per Standard and Poors.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment (continued)

(i) Non-derivative financial assets (continued)

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Credit-impaired financial assets

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.



AIRPORTS FIJI PTE LIMITED

**NOTES TO AND FORMING
PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(l) Impairment (continued)****(ii) Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

(m) Trade payables, provisions and other payables

Trade and other payables are stated at cost. A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(n) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their use, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

(p) Property, plant and equipment

Property, plant and equipment are stated at revalued amounts, less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are performed by external independent valuers with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Any revaluation increase arising on the revaluation of such property, plant and equipment is credited as other comprehensive income in the statement of profit or loss and other comprehensive income and recorded as revaluation reserve in the statement of changes in equity.

Decreases that off-set previous increases of the same asset are charged against other comprehensive income and revaluation reserves in the equity; all other decreases are charged as expense in the statement of profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred to retained earnings.

(i) Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(ii) Depreciation

Depreciation is calculated to write off the value of items of property, plant and equipment less their estimated residual values using the straight-line method over the estimated useful life of the asset, and is recognised in profit or loss.

The estimated useful lives of the Company's assets for the current and comparative period are as follows:

- Infrastructure - 2-80 years
- Buildings and Improvements - 3-80 years
- Plant and Equipment - 4-25 years
- Motor Vehicles - 8 years

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Profits and losses on disposals are determined by comparing the proceeds with the carrying amount and are taken into account in determining the results for the year.



AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The company has this right when it has the decision- making rights that are most relevant to changing how and for what purpose that asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either the Company has the right to operate the asset or the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand- alone prices.

(i) As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight- line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end at the lease term. The estimated useful lives of right-of -use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Leases (continued)

(i) As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use has been reduced to zero.

The Company presents right-of-use assets and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of property that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of "other revenue".

(r) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories and other cost incurred in bringing them to their existing location and condition. Allowance for inventory obsolescence is recorded based on a review of inventories.

Inventories considered obsolete or not in usable condition are written off in the period in which they are identified.



AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Employee benefits

Defined contribution plan

Contributions are paid to the Fiji National Provident Fund or nominated superannuation funds on behalf of employees to secure retirement benefits. Costs are included in profit or loss as the services are rendered by employees.

Wages and salaries and annual leave

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are recognised in other payables on the statement of financial position. Annual leave with respect to employees' services up to the reporting date, measured at the amounts expected to be paid when the liabilities are settled, are accrued for under employee benefits.

(t) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year.

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 4. REVENUE AND OTHER INCOME**2023**
\$**2022**
\$**(a) Revenue***Revenue from contracts with customers*

Air navigation charges	35,288,591	26,421,384
Airport security and development fee	19,786,931	12,026,986
Domestic passenger service charge	2,134,055	1,622,664
Landing and parking fees- domestic	928,669	754,412
Landing and parking fees - international	29,528,262	17,976,138
Departure tax share	7,762,504	5,258,957
Terminal navigation aid charges	7,846,224	4,898,620
Car park charges	1,336,595	848,345
	<u>104,611,831</u>	<u>69,807,506</u>

Other revenue

Concessions	40,459,146	24,152,470
Rental - offices and warehouses	6,199,526	4,620,404
Rental - check-in-counter	1,276,803	1,607,100
	<u>47,935,475</u>	<u>30,379,974</u>

Total revenue152,547,306 100,187,480**(b) Other income**

Electricity recharge	1,189,027	1,095,910
Deferred income	21,541	52,457
Other income	1,739,737	1,056,158
	<u>2,950,305</u>	<u>2,204,525</u>

NOTE 5. OTHER EXPENSES

Auditors' remuneration	23,921	8,405
Board expenses	21,733	11,632
Contract costs	7,663,065	5,619,873
Depreciation - property, plant and equipment (Note 15)	26,435,821	24,371,295
Depreciation - right-of-use assets (Note 18)	154,608	152,952
Directors' remuneration	50,038	30,564
Insurance	3,265,674	2,967,089
Land rental	7,865	13,000
Management fee	120,000	270,000
Sundry cost and supplies	696,641	666,790
Travel and accommodation	516,928	202,893
	<u>38,956,294</u>	<u>34,314,493</u>

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 6. OPERATING EXPENSES	2023	2022
	\$	\$
Interest on right-of-use assets	272,976	265,960
Meteorological costs	543,295	321,098
Post and telecommunications	843,724	724,401
Utilities	4,832,256	4,612,078
Other costs	4,650,608	3,993,456
Repairs and maintenance	4,394,028	2,899,522
	<u>15,536,887</u>	<u>12,816,515</u>
NOTE 7. PERSONNEL EXPENSES		
Wages and salaries	15,160,960	11,655,053
Contribution to Fiji National Provident Fund	1,086,893	812,086
Key management compensation - short term benefits	485,170	364,882
Contribution to Fiji National Provident Fund - KMC	33,962	9,816
FNU levy	171,948	117,899
Other employee benefits	2,060,101	218,403
	<u>18,999,034</u>	<u>13,178,139</u>
NOTE 8. FINANCE INCOME AND COSTS		
(a) Finance income		
Interest income	735,742	629,791
(b) Finance costs		
Interest expense - borrowings	3,271,527	3,485,165
Amortised financing cost	79,686	79,686
	<u>3,351,213</u>	<u>3,564,851</u>
NOTE 9. INCOME TAX		
(a) Income tax expense recognised in profit or loss		
<i>Deferred tax benefit</i>		
Origination and reversal of temporary difference	8,853,392	3,764,896
Deferred tax expense	22,580,711	-
Under provision in prior years	-	61,179
	<u>31,434,103</u>	<u>3,826,075</u>
(b) Reconciliation of effective tax		
Profit before income tax	80,813,028	35,855,930
Prima facie income tax expense at 25% (2022:20%)	20,203,257	7,171,186
Effect of permanent differences	(18,163)	(3,839,241)
Tax effect of change in rate	11,146,010	-
Over provision in prior years	102,999	494,130
	<u>31,434,103</u>	<u>3,826,075</u>

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 9. INCOME TAX(CONTINUED)**2023**
\$**2022**
\$**(c) Recognised deferred tax liability, net**

Trade receivables	990,762	1,095,755
Inventories	20,733	16,586
Employee benefits	355,222	135,400
Difference between Right-of-use Assets and Lease Liabilities	(532,395)	(439,926)
Property, plant and equipment	(57,018,046)	(45,606,229)
Tax losses	-	11,195,401
	<u>(56,183,724)</u>	<u>(33,603,013)</u>

Movement in temporary differences during the year

	1 January 2023	Movement	31 December 2023
Trade receivables	1,095,755	(104,993)	990,762
Inventories	16,586	4,147	20,733
Employee Benefits	135,400	219,822	355,222
Difference between Right-of-use Asset and Lease liability	(439,926)	(92,469)	(532,395)
Property, plant and equipment	(1,634,045)	-	(1,634,045)
Tax losses	11,195,401	(11,195,401)	-
Recognised in profit or loss	10,369,171	(11,168,894)	(799,723)
Deferred tax liability on revaluation gain on Property, plant and equipment (Note 15(a))	(43,972,184)	(11,411,817)	(55,384,001)
	<u>(33,603,013)</u>	<u>(22,580,711)</u>	<u>(56,183,724)</u>

	1 January 2022	Movement	31 December 2022
Trade receivables	437,382	658,373	1,095,755
Inventories	16,586	-	16,586
Employee Benefits	158,450	(23,050)	135,400
Difference between Right-of-use Asset and Lease liability	(466,723)	26,797	(439,926)
Property, plant and equipment	(368,957)	(1,265,088)	(1,634,045)
Tax losses	14,418,502	(3,223,101)	11,195,401
Recognised in profit or loss	14,195,240	(3,826,069)	10,369,171
Deferred tax liability on revaluation gain on Property, plant and equipment (Note 15 (a))	(41,450,529)	(2,521,655)	(43,972,184)
	<u>(27,255,289)</u>	<u>(6,347,724)</u>	<u>(33,603,013)</u>

(d) Current tax asset**2023**
\$**2022**
\$

Balance 1 January	(465,039)	(402,104)
Interest withholding tax paid	(54,547)	(62,935)
Current year income tax	8,853,392	-
Payments made during the year	(8,232,406)	-
Balance 31 December	<u>101,400</u>	<u>(465,039)</u>

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 10. CASH AND CASH EQUIVALENTS	2023	2022
	\$	\$
Cash on hand	2,385	2,285
Cash at bank	116,724,931	112,197,569
Cash and cash equivalents in the statement of cash flows	116,727,316	112,199,854

The cash and cash equivalents balance include the "Charity Funds" cash balance of \$203,678 (2022:\$172,590) which is not available for operational use except for charity purpose.

NOTE 11. TRADE RECEIVABLES	2023	2022
	\$	\$
Trade receivables	28,283,667	22,487,486
Impairment allowance	(3,963,048)	(5,478,776)
	24,320,619	17,008,710

NOTE 12. INVENTORIES

Fuel	5,730	2,784
Electrical	406,855	400,324
Telecom	354,293	346,267
	766,878	749,375
Less: allowance for inventory obsolescence	(82,931)	(82,931)
Total Inventories, net	683,947	666,444

NOTE 13. OTHER RECEIVABLES AND PREPAYMENTS

Prepayments	2,971,918	3,009,288
Deposits	1,153,835	1,153,835
Other receivables	190,278	1,500
VAT receivable	116,265	44,745
	4,432,296	4,209,368

NOTE 14. DEBT SECURITIES

Current		
Term deposits	70,000,000	-

Financial assets include term deposits with the following banks/ Financial Institution:

Bank/ Financial Institution	Period	Interest Rate		
Home Finance Company Pte Ltd	365 days	1.25%	45,000,000	-
Bred Bank (Fiji) Pte Ltd	180 days	0.75%	25,000,000	-
			70,000,000	-

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 15. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings \$	Plant and Equipment \$	Infrastructure \$	Motor Vehicles \$	Work In Progress \$	Total \$
Cost						
At 1 January 2022	238,501,039	59,484,733	248,813,282	7,651,796	14,926,352	569,377,202
Additions	39,197	6,747,312	355,671	-	-	7,142,180
Disposals	-	(6,903)	-	-	-	(6,903)
Transfers in/ (out)	-	1,395,154	(372,033)	-	(1,395,154)	(372,033)
Revaluation adjustment	(35,174,816)	(16,344,596)	(39,412,220)	(3,042,759)	-	(93,974,391)
At 31 December 2022	203,365,420	51,275,700	209,384,700	4,609,037	13,531,198	482,166,055
Additions	-	575,928	-	160,783	11,505,027	12,241,738
Transfers in/ (out)	39,485	1,638,398	68,562	2,150,628	(3,897,073)	-
At 31 December 2023	203,404,905	53,490,026	209,453,262	6,920,448	21,139,152	494,407,793
Depreciation and impairment						
At 1 January 2022	36,083,219	22,509,300	19,927,993	3,696,632	-	82,217,144
Depreciation charge	5,533,546	8,230,870	9,677,487	929,392	-	24,371,295
Disposals	-	(5,798)	-	-	-	(5,798)
Revaluation adjustment	(41,616,765)	(30,734,372)	(29,605,480)	(4,626,024)	-	(106,582,641)
At 31 December 2022	-	-	-	-	-	-
Depreciation charge	12,809,940	6,904,733	5,876,349	844,799	-	26,435,821
At 31 December 2023	12,809,940	6,904,733	5,876,349	844,799	-	26,435,821
Net book value:						
At 31 December 2022	203,365,420	51,275,700	209,384,700	4,609,037	13,531,198	482,166,055
At 31 December 2023	190,594,965	46,585,293	203,576,913	6,075,649	21,139,152	467,971,972

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Effective from 1 January 2018, property, plant and equipment are stated at revalued amounts, less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are performed by external independent valuers to assess the fair values of the assets. The directors work closely with the external valuers to establish the appropriate valuation techniques and inputs to the valuation method.

Latest independent valuation was carried out by registered valuer, Marsh Valuation Services, Pacific (Marsh) for a complete valuation of buildings, infrastructure, plant and equipment and motor vehicles in December 2022.

Revaluation surplus amounting to \$Nil (2022: \$10,086,595) has been recorded in other comprehensive income for the year and accumulated in Asset Revaluation Reserve in equity.

NOTE 16. TRADE AND OTHER PAYABLES	2023	2022
	\$	\$
Trade payables	13,455,495	7,187,432
Advance deposits	1,705,208	1,513,637
Income received in advance	1,185,027	61,019
Other payables	2,207,828	2,083,212
	<u>\$18,553,558</u>	<u>\$10,845,300</u>

NOTE 17. LOANS AND BORROWINGS

Bank Loans		
Balance at 1 January	84,768,582	80,485,024
Drawdowns	5,245,721	4,283,558
Repayments	(2,386,729)	-
Balance at 31 December	<u>87,627,574</u>	<u>84,768,582</u>
Classified as follows:		
Current	7,295,178	4,907,333
Non-current	80,332,396	79,861,249
	<u>87,627,574</u>	<u>84,768,582</u>

Bank Loans

(a) Interest accruals

No interest and other loan charges are payable as at year end (2022: \$292,007).

(b) Loan facilities

Fiji Airports has refinanced its existing loan facility and has taken an additional sum of FJD 40,000,000 for capital works upgrade. The loan facility has been financed through Australia and New Zealand Banking Group (ANZ Bank) in partnership with Australian Infrastructure Financing Facility for the Pacific (AIFFP).

Management have obtained a confirmation from the Bank, that for the period up to June 2023 repayment of loan will be at interest only repayments and thereafter will be inclusive of interest and principal repayment amounting to \$607,931 (2022: \$802,000). A variable interest rate of 3.25% is charged on the loan facility.

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 17. LOANS AND BORROWINGS (CONTINUED)

(b) Loan facilities (continued)

The loan is secured by:

- (i) Registered first fixed and floating charge by Airports Fiji Pte Limited over all its assets and undertakings including uncalled and called but unpaid capital;
- (ii) Registered first mortgage #765062 by Airports Fiji Pte Limited over Crown Lease No. 3469;
- (iii) Negative pledge provided by Airports Fiji Pte Limited;
- (iv) Guarantee issue by Export Finance Australia (EFA) for 100% of all loans undertaken from ANZ.

NOTE 18. LEASES

(a) As a lessee

The Company leases land around the country for the various airports, information about leases for which the Company is a lessee is presented below:

	2023 \$	2022 \$
(i) Right-of-use assets		
Land		
Balance at 1 January	7,657,760	7,313,663
Additions during the year	306,048	497,049
Depreciation charge for the year	(154,608)	(152,952)
Balance at 31 December	<u>7,809,200</u>	<u>7,657,760</u>
(ii) Lease Liabilities		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	344,058	333,158
One to five years	1,328,234	1,308,634
More than five years	16,616,123	15,941,578
Total undiscounted liabilities at 31 December	<u>18,288,415</u>	<u>17,583,370</u>
Lease liabilities included in the statement of financial position		
Current	54,417	54,417
Non-current	5,625,201	5,403,713
	<u>5,679,618</u>	<u>5,458,130</u>
Amounts recognised to profit or loss		
Interest on lease liabilities	272,976	265,960
Expenses relating to leases of low- value assets - Land rental	7,865	13,000
	<u>280,841</u>	<u>278,960</u>

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 18. LEASES (CONTINUED)**2023**
\$**2022**
\$**(a) As a lessee (continued)***(ii) Lease Liabilities (continued)**Amounts recognised in statement of cash flows*

Total cash outflow for leases	357,536	217,450
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Land leases

The Company leases land for the operation of the various airports. The leases for land typically are for a period of 9 to 99 years and a few land leases contain upfront lease payments. The leases do not have an option to renew. The lease payments are fixed yearly payments to be paid half yearly in equal instalments each year. Lease payments are reassessed after certain number of years.

(b) As a lessor

Lease income from lease contracts in which the Company acts as a lessor is disclosed in Note 4 as "other revenue". These are operating leases.

The Company leases out space and equipment at the various airports around the country. The Company classifies these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2023	2022
	\$	\$
Less than one year	24,431,977	24,152,470
One to five years	92,046,466	87,163,007
More than five years	56,738,742	52,686,774
Total undiscounted lease payments	173,217,185	164,002,251

NOTE 19. EMPLOYEE BENEFITS

Annual leave

Balance at 1 January	676,999	792,250
Charge to profit or loss	1,415,220	671,328
Utilised during the year	(671,333)	(786,579)
Balance at 31 December	1,420,886	676,999

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 20. DEFERRED INCOME	2023	2022
	\$	\$
<u>Housing Estate</u>		
Balance at 1 January	411,829	464,286
Recognised in profit or loss	(21,541)	(52,457)
Balance at 31 December	<u>390,288</u>	<u>411,829</u>
Classified as follows:		
Current	21,541	52,457
Non-current	368,747	359,372
	<u>390,288</u>	<u>411,829</u>

Deferred income represents the housing estate transferred from Civil Aviation Authority of Fiji to AFL by order of the government and government grants. These deferred income is recognised in profit or loss over the useful life of the housing estate and government grants. In December 2017, the balance useful life for housing estate has been determined as 3 to 17 years. Accordingly, the housing estate and government grants is being depreciated over 3 to 17 years and 8 years, respectively.

NOTE 21. SHARE CAPITAL	2023	2022
	\$	\$
(a) Paid up capital		
92,300,180 ordinary shares	<u>92,300,180</u>	<u>92,300,180</u>
(b) Dividends		

During the year, the Directors declared and paid dividend of 0.1734 per share for year 2022 amounting to \$16,000,000 (interim dividend of \$10,000,000 was declared on 25 May 2023 and paid in 2023 and final dividend of \$6,000,000 was declared on 7 December 2023 and paid in 2024).

NOTE 22. COMMITMENTS	2023	2022
	\$	\$
Approved and committed	17,388,290	18,232,554
Approved but not committed	43,581,850	42,559,413
	<u>60,970,140</u>	<u>60,791,967</u>

Capital expenditure are primarily in respect to upgrade of the runway at Nausori Airport, Nadi Airport baggage handling upgrade, Lounge expansions and upgrades to Labasa and Savusavu Airport terminals and various other outer island Airport Terminals.

NOTE 23. CONTINGENT LIABILITIES

The Company is vigorously defending several claims received from suppliers amounting to \$2,000,000 (2022: \$3,500,000). The Directors do not consider that these claims have merit and no provision has been recognised in these financial statements as the Directors do not consider it probable that a loss will arise.

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 24. RELATED PARTIES

	2023	2022
	\$	\$

(a) Directors

The Directors of the Company in office during the year and up to the date of this report were:

- Mr. Hasmukh Patel - appointed on 5 June 2022, appointed as Chairman on 5 June 2022
- Mr. Naushad Ali - appointed on 17 April 2023, appointed as Deputy Chairman on 25 May 2023
- Mr. Viliame Vodonaivalu - term expired on 17 Apr 2023
- Mr. Mark Morris Halabe - appointed on 17 April 2023
- Mr. Bhavick Kapadia - appointed on 17 April 2023
- Mr. Jona Sevura - appointed on 17 April 2023
- Ms. Ro Teimumu Kepa - appointed on 11 August 2023, resigned on 23 October 2023
- Ms Emele Sima Duituturaga - appointed on 2 February 2024
- Mr Arvind Singh - appointed on 24 January 2024

	2023	2022
	\$	\$
Directors' remuneration		
Fees	50,038	30,564
Other benefits	21,733	11,632
	71,771	42,196

(b) Identity of related parties

The Company is a commercial enterprise wholly owned and controlled by the Government of Fiji. Government includes the government agencies and similar bodies whether local or national. Other related parties include government-related entities which are controlled, jointly controlled or significantly influenced by the Government of Fiji.

(c) Amounts receivable/ (payable) to related parties

	2023	2022
	\$	\$
Fiji Airways	8,674,724	4,938,168
Fiji Meteorological Services	(137,613)	(321,098)

Amounts payable to related parties are unsecured, interest-free and repayable on demand.

(d) Transactions with related parties

During the year, the Company entered into various transactions with related parties. The aggregate value of major transactions with the related parties during the year is as follows:

Fiji Government		
iTaukei Land Trust Board (TLTB) - Land rental expense	357,536	217,450

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 24. RELATED PARTIES (CONTINUED)	2023	2022
	\$	\$
(d) Transactions with related parties (continued)		
Fiji Airways		
Aeronautical and rental revenue	57,958,987	33,275,814
Aeronautical and rental revenue - discount during the year	-	3,720,674
Management fee	(120,000)	(270,000)
Fiji Meteorological Services		
Reimbursement of Meteorological office operating cost	543,295	321,098
Civil Aviation Authority of Fiji (CAAF)		
Airport License & Inspection Fee	258,649	281,886
Fiji National Provident Fund		
Post employment benefit plan - Superannuation	1,120,855	821,902

(e) Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. During the year 2023, Chief Executive Officer, General Manager Air Traffic management, General Manager Assets and Infrastructure, General Manager Airports and General Manager Commercial were the executives identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the Company.

In addition to their salaries, the Company also provides non-cash benefits to key management personnel.

Transactions with key management personnel are on terms that are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to third parties at arm's length.

Key management personnel compensation (excluding Directors remuneration as disclosed in Note 24 (a) is disclosed in Note 7.

NOTE 25. RISK MANAGEMENT**Overview**

The Company has exposure to the following risks:

- (i) Credit risk;
- (ii) Liquidity risk;
- (iii) Market risk; and
- (iv) Operational risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are documented in the Company's Finance policy and procedures manual. Risk management is carried out by executive management. Executive management identifies, evaluates and monitors financial risks in close to operation with the operating units.

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 25. RISK MANAGEMENT (CONTINUED)

2023 **2022**
\$ **\$**

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank, trade receivable and investment in debt securities.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Impairment losses on financial assets and contract assets recognised in profit or loss were as follows:

Cash at bank	116,724,931	112,197,569
Trade receivables	28,283,667	22,487,486
Other receivables (excluding prepayments)	1,460,378	1,200,080
	<u>146,468,976</u>	<u>135,885,135</u>

The Company has agreements in place with its customers for the various types of revenue. These customers are mainly reputable airline companies both domestic and international using Fiji's airspace and duty free stores. These customers have been transacting with the Company for a number of years with minimal impairment loss recognised against these customers. The Company limits its exposure to credit risk from trade receivables by establishing payment period of 30 days.

Impairment loss on financial assets recognised in profit or loss were as follows:

Impairment loss on trade and other receivables	1,423,103	(3,291,868)
	<u>1,423,103</u>	<u>(3,291,868)</u>

Expected credit losses assessment for trade receivables

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 31 December 2023.

31 December 2023	Weighted- average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current (not past due)	5.17%	13,190,832	(682,097)	No
31 to 61 days past due	13.43%	10,911,132	(1,451,411)	No
62 to 89 days past due	26.69%	1,667,059	(444,933)	No
90 to 120 days past due	47.83%	151,143	(72,296)	No
More than 120 days past due	55.52%	2,363,501	(1,312,311)	No
Specific provision		-	-	
		<u>28,283,667</u>	<u>(3,963,048)</u>	

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 25. RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Expected credit losses assessment for trade receivables (continued)

Loss rates are based on actual credit loss experience over the past two years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Company's view of economic conditions over the expected lives of trade receivables. Scalar factors are based on actual and GDP growth rates.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 31 December 2022.

31 December 2022	Weighted- average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current (not past due)	6.53%	9,639,290	(629,175)	No
31 to 61 days past due	16.60%	7,045,344	(1,169,211)	No
62 to 89 days past due	28.34%	1,556,466	(441,170)	No
90 to 120 days past due	54.01%	496,548	(268,162)	No
More than 120 days past due	60.85%	1,989,429	(1,210,649)	No
Specific provision		1,760,409	(1,760,409)	
		<u>22,487,486</u>	<u>(5,478,776)</u>	

Loss rates are based on actual credit loss experience over the past two years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Company's view of economic conditions over the expected lives of trade receivables. Scalar factors are based on actual and GDP growth rates.

Cash and cash equivalents

The Company held cash of \$116,724,931 (2022: \$112,199,854). Cash are held with banks which are rated A1, Aa3 and Bb3 based on Standard & Poors and Moody's ratings.

Impairment on cash and cash equivalents has been measured on the 12 month expected loss basis and reflects short term maturities of the exposures. (The Company considers that its cash have low credit ratings of the counterparties).

The amount of impairment allowance at 31 December 2023 is Nil (2022: Nil).

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 25. RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date:

Financial Liabilities	Carrying amount \$	Contractual cash flows			
		Total \$	6 months or less \$	6-12 months \$	More than 1 year \$
31 December 2023					
Trade and other payables	18,553,558	18,553,558	18,553,558	-	-
Loans and borrowings	87,627,574	87,627,574	3,647,589	3,647,589	80,332,396
Lease liabilities	5,679,618	18,288,415	172,029	172,029	17,944,357
	111,860,750	124,469,547	22,373,176	3,819,618	98,276,753
31 December 2022					
Trade and other payables	10,845,300	10,845,300	10,845,300	-	-
Loans and borrowings	84,768,582	225,725,126	112,862,563	4,812,000	108,050,563
Lease liabilities	5,458,130	17,583,370	166,579	166,579	17,250,212
	101,072,012	254,153,796	123,874,442	4,978,579	125,300,775

The Company is required to make interest only payments till the end of the availability period and thereafter principal plus interest payments (refer 17 (b)). The principal amount to be paid will only be determined by the bank at the end of the availability period. The interest rate is subject to the Company's selection of variable rate and or fixed rate at the end of the availability period. For the purpose of calculating the contractual maturities, the rate for the duration of the loan has been assumed at the current rate.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk refers to the possibility that the fair value of future cash flows of financial instrument will fluctuate because of changes in market interest rates. The Company adopts a policy of ensuring that its exposure to changes in interest rates on borrowings is on a fixed-rate basis over a period of time, and reviewed periodically with the Bank, taking into account assets with exposure to changes in interest rates. The Company also invests excess cash in term deposits to manage the risk of changes in market interest rate exposed to the Company due to loans and borrowings.

AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 25. RISK MANAGEMENT (CONTINUED)

(iii) Market risk (continued)

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

Fixed rate instruments	2023 \$	2022 \$
Loan from ANZ Banking Group Limited and Export Finance Australia (i)	87,627,574	84,768,582

(i) The Company is required to make interest only payments till the end of the availability period and thereafter principal plus interest payments (Note 17). The principal amount to be paid will only be determined by the bank at the end of the availability period. The interest rate is subject to the Company's selection of variable rate and or fixed rate at the end of the availability period. As a result the sensitivity analysis has not been disclosed.

Foreign currency risk

The Company is exposed to foreign currency risk as a result of transactions denominated in foreign currencies arising from normal trading activities. Where significant settlements are required to be done in currencies other than the Fiji dollar, the Company seeks quotations from recognised banks and uses the most favourable exchange rate for the purposes of the settlement. The Company does not have significant exposure to foreign currency risk.

Regulatory risk

The Company's profitability can be impacted by regulatory agencies established which govern the business sector in Fiji. Specifically prices for aeronautical services and air navigation service fees are regulated by Fijian Competition and Consumer Commission.

The salaries and wages payable to workers are subject to relevant Wages Regulations 2017 and Employment Relations Act.

(iv) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, and fraud to external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The Company cannot expect to eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the Company is able to manage risks. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment procedures.



AIRPORTS FIJI PTE LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 26. CAPITAL MANAGEMENT

The Company's capital includes share capital and retained earnings.

The Company's policy is to maintain a strong capital base so as to maintain creditor confidence and to sustain future development of the business.

The Company is not subject to any externally imposed capital requirements. The Company's policies with respect to capital management are reviewed regularly by the Board of Directors.

There have been no material changes in the Company's management of capital during the year ended 31 December 2023.

	2023	2022
	\$	\$
Trade and other payables	18,553,558	10,845,300
Borrowings	87,627,574	84,768,582
Less cash and cash equivalents	(116,727,316)	(112,199,854)
Net debt	(10,546,184)	(16,585,972)
Total capital and equity	253,799,413	220,420,488
Net debt to equity ratio	-4%	-8%

NOTE 27. NON-CASH INVESTING ACTIVITY

Non-cash transactions relate to acquisition of property, plant and equipment and is made up of the following:

Additions not paid for at year end and accrued	511,683	-
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NOTE 28. FAIR VALUE ESTIMATION

The carrying value of trade and other receivables, trade and other payables and loans and borrowings are assessed to approximate their fair values.

NOTE 29. ASIAN DEVELOPMENT BANK (ADB) GRANT

Under the Project Agreement, Asian Development Bank (ADB) has agreed to grant US\$3 million dollars to the Fijian Government for "Enhancing COVID-19 Preparedness for Economic Recovery" project, to finance minor works and goods, to support COVID-safe reopening of Fiji's borders. The Grant agreement is financed by the Japan Fund for Prosperous and Resilient Asia ("JFPR") on the condition that a portion of the US \$3million dollars grant is made available to Airports Fiji Limited and Air Pacific Limited to be used in implementing the projects to enhance economic recovery post covid 19.

The grant is expected to fund the projects at Airports Fiji Limited to a total of USD\$1.56 million. The project was approved on 13 April 2022, the grant and project agreements were signed on 23 May 2022, and the grant was made effective on 27 July 2022. The grant closing date is 31 December 2024. As at balance date, Fiji Airports have received a total of FJD\$199,336 in grant for minor works done at the Nadi and Nausori International Airport.

NOTE 30. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

AIRPORTS FIJI PTE LIMITED

DETAILED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 \$	2022 \$
Revenue		
Air navigation charges	35,288,591	26,421,384
Airport security and development fee	19,786,931	12,026,986
Concessions	40,459,146	24,152,470
Domestic passenger service charge	2,134,055	1,622,664
Landing and parking fees - domestic	928,669	754,412
Landing and parking fees - international	29,528,262	17,976,138
Departure tax share	7,762,504	5,258,957
Rental - offices and warehouses	6,199,526	4,620,404
Rental - check-in-counter	1,276,803	1,607,100
Terminal navigation aid charges	7,846,224	4,898,620
Electricity recharge	1,189,027	1,095,910
Deferred income	21,541	52,457
Identification card charges	151,405	151,908
Left luggage charges	187,085	86,286
Interest on term deposit	735,742	629,791
Sundry income	1,401,247	817,964
Car park charges	1,336,595	848,345
Total income	156,233,353	103,021,796

AIRPORTS FIJI PTE LIMITED

DETAILED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 \$	2022 \$
Expenses		
Airport inspection and license fees	392,942	287,778
Auditors' remuneration	23,921	8,405
Bank charges	7,049	5,342
Board expenses	21,733	11,632
Consultancy	519,663	1,099,035
Contract costs	7,663,065	5,619,873
Depreciation – property, plant and equipment	26,435,821	24,371,295
Depreciation – right-of-use assets	154,608	152,952
Directors' remuneration	50,038	30,564
Doubtful debts (impairment loss in trade and other receivables)	(1,423,103)	3,291,868
Insurance	3,265,674	2,967,089
Interest - loan	3,351,213	3,564,851
Interest – right-of-use	272,976	265,960
Land rental	7,865	13,000
Management fee	120,000	270,000
Meteorological costs	543,295	321,098
Other expenses	864,116	458,722
Post and telecommunications	843,724	724,401
Repairs and maintenance	4,394,028	2,899,522
Island States share of Air Traffic Management income	1,764,490	1,321,149
Sundry costs and supplies	696,641	666,790
Training and conference	271,152	121,988
Travel and accommodation	516,928	202,893
Utilities and services	4,832,256	4,612,078
Vehicle and fuel costs	831,196	699,442
Wages and salaries	18,999,034	13,178,139
Total expenditure	75,420,325	67,165,866
Operating profit before tax	80,813,028	35,855,930



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