



YEARS ANNIVERSARY CELEBRATION



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 74/25

Fiji Airports is a wholly owned Government Commercial Company. It operates 15 airports in the Fiji Islands including Nadi and Nausori International Airports and 13 other domestic airports with a 25-year track record.

A large, modern sign for Nadi Airport. The sign consists of a grid of vertical red poles of varying heights, with the words "NADI" and "AIRPORT" in large, white, 3D block letters mounted on the poles. The background shows palm trees and a cloudy sky.

NADI
AIRPORT

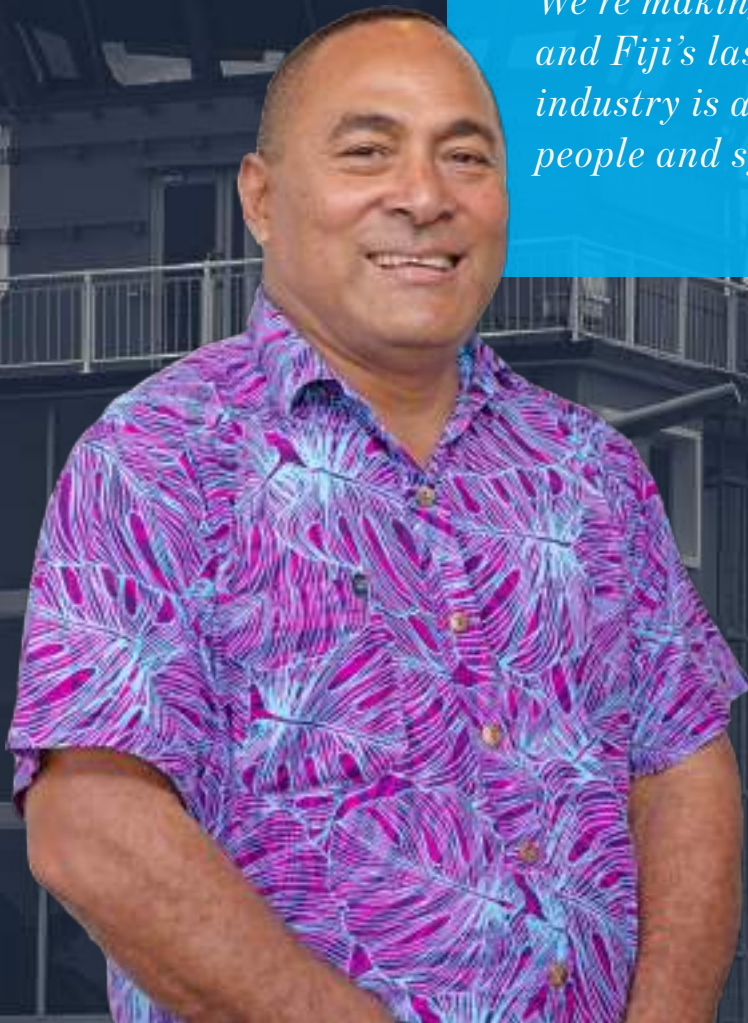
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William Recce
*Manager Air Navigation
and Engineering*

“Fiji Airports has been the cornerstone of my professional dreams, inspiring me since I began here 25 years ago. The company’s commitment to raising standards, particularly in customer service and technological modernization, has been pivotal. I’m proud to see Fiji Airports now excel in aviation safety, fair service delivery and system interoperability, putting us on par with major players like Australia and New Zealand. We’re making a significant impact and Fiji’s lasting presence in the industry is a testament to our strong people and systems.”



KEY STATISTICS

Passenger and Aircraft Statistics

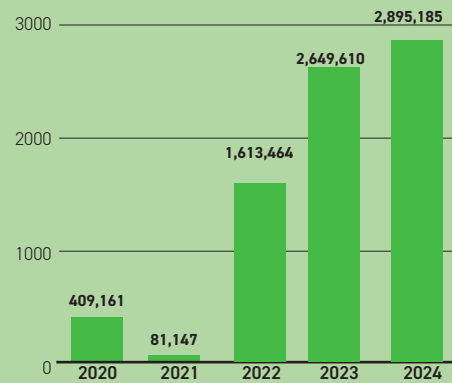
Year	2019	2020	2021	2022	2023	2024
International Passenger Movements						
International Arrivals	1,104,953	201,014	44,376	803,109	1,313,431	1,444,653
International Departures	1,107,137	208,147	36,771	810,355	1,336,179	1,450,532
Total Int'l Movement	2,212,090	409,161	81,147	1,613,464	2,649,610	2,895,185
<i>Growth % on International Passengers</i>		-81.5%	-80.2%	1888.3%	64.2%	9.3%
Excludes Private Jet Movements						
Domestic Passenger Movements						
Domestic Arrivals	449,271	230,737	127,996	365,606	482,424	542,633
Domestic Departures	448,390	230,776	128,348	365,943	495,928	496,999
Total Domestic Passengers	897,661	461,513	256,344	731,549	978,352	1,039,632
<i>Growth % on Domestic Passengers</i>	6.5%	-48.6%	-44.5%	185.4%	33.7%	6.3%
Aircraft Movements						
Int'l aircraft Movements	14,962	3,930	2,283	10,225	16,140	17,665
	-1.6%	-73.7%	-41.9%	347.9%	57.8%	9.4%
Domestic aircraft Movements	47,359	23,307	11,700	42,377	54,655	54,682
	-4.8%	-50.8%	-49.8%	262.2%	29.0%	0.05%
Other	33,547	26,851	19,483	24,195	24,685	26,892
	-7.9%	-20.0%	-27.4%	24.2%	2.0%	8.9%
Total aircraft Movements	95,868	54,088	33,466	76,797	95,480	99,239
<i>Growth%</i>	-5.4%	-43.6%	-38.1%	129.5%	24.3%	3.9%
MCTOW (Maximum certified take-off weight)						
International MCTOW	970,699	301,909	222,791	695,661	1,035,682	1,149,956
	5.9%	-68.9%	-26.2%	212.2%	48.9%	11.0%
Domestic MCTOW (Nadi/ Nausori)	195,450	100,489	60,540	152,921	191,926	193,708
	0.1%	-48.6%	-39.8%	152.6%	25.5%	0.9%
Regional Airport MCTOW	74,083	36,328	19,757	54,628	62,270	57,309
	20.4%	-51.0%	-45.6%	176.5%	14.0%	-8.0%
Total MCTOW	1,240,232	438,726	303,088	903,210	1,289,878	1,400,973
<i>Growth%</i>	5.7%	-64.6%	-30.9%	198.0%	42.8%	8.6%
Air Navigation Service Units						
Air Navigation Service Units	4,160,412	1,765,879	1,382,792	2,793,830	3,718,353	3,850,846
<i>Growth%</i>	0.6%	-57.6%	-21.7%	102.0%	33.1%	3.6%

AIR TRAFFIC STATISTICS

TOTAL INTERNATIONAL PASSENGERS



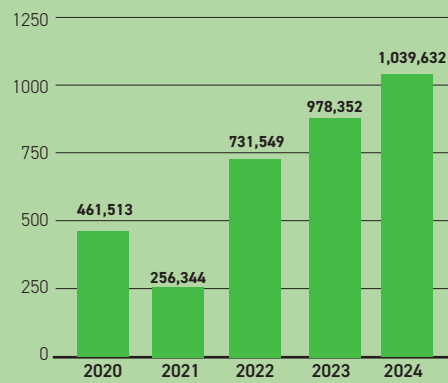
2.895M
7,910 AVERAGE PASSENGERS PER DAY



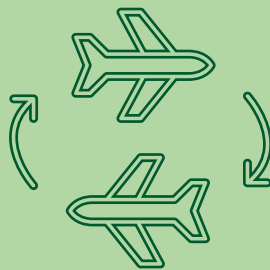
TOTAL DOMESTIC PASSENGERS



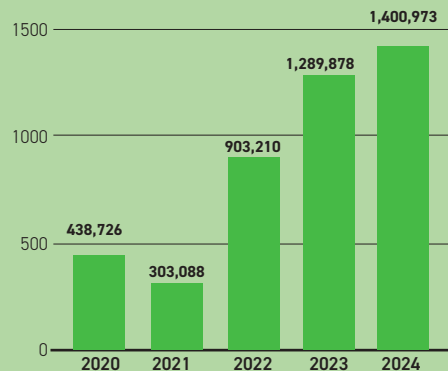
1.039M
2,840 AVERAGE PASSENGERS PER DAY



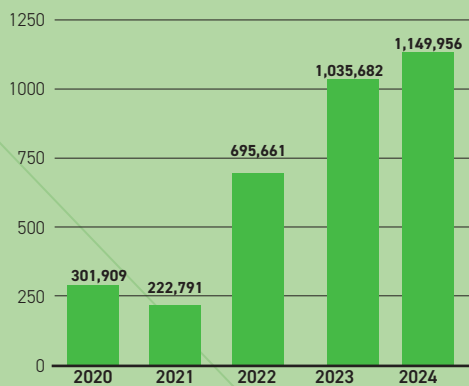
TOTAL AIRCRAFT MOVEMENT (TONNAGE)



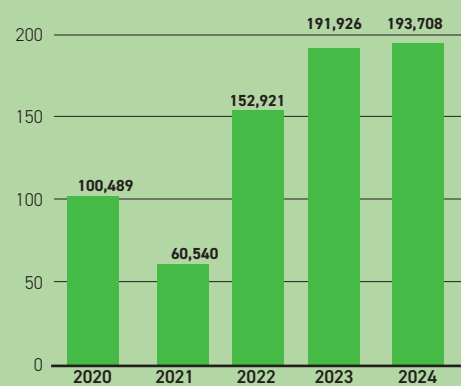
1.401M
3,827 MOVEMENTS PER DAY



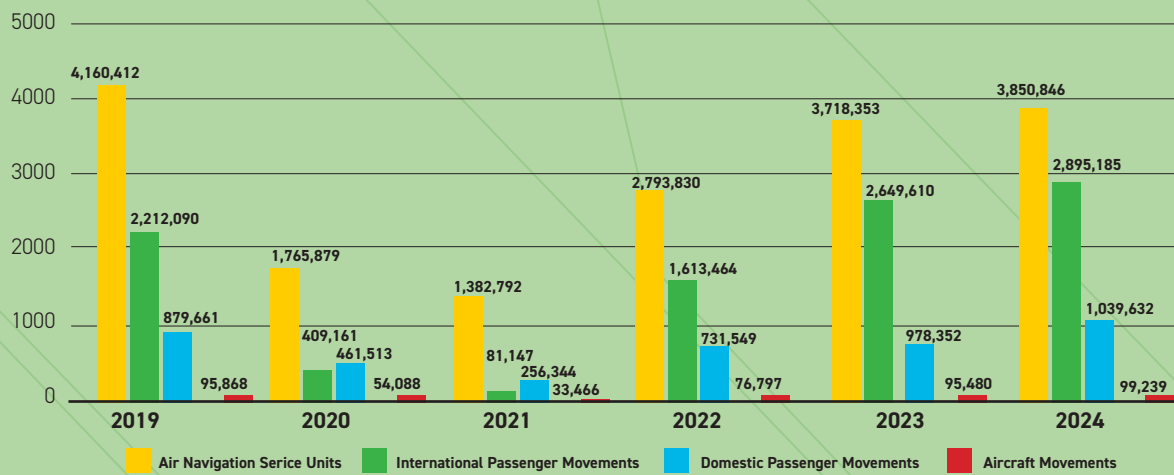
INTERNATIONAL AIRCRAFT MOVEMENT (TONNAGE)



DOMESTIC AIRCRAFT MOVEMENT (TONNAGE)



PASSENGER AND AIRCRAFT STATISTICS



LETTER TO THE PRIME MINISTER

June 9, 2025

The Honourable Prime Minister
Minister for Public Enterprises
Government of the Republic of Fiji
Suva, Fiji

SUBJECT: SUBMISSION OF FIJI AIRPORTS 2024 ANNUAL REPORT

Dear Honourable Prime Minister,

On behalf of the Board and Management of Fiji Airports, it is my privilege to submit the Annual Report for the financial year ended 31 December 2024. This submission is made in accordance with Section 58 of the Public Enterprise Act.

Financial Highlights

The 2024 financial year was characterized by significant recovery and strategic investments. The following key financial outcomes were achieved:

- Net Profit Before Tax: \$86.0 million, an increase from \$80.8 million in 2023
- Net Profit After Tax: \$62.8 million, reflecting a 27% growth compared to the previous year
- Total Assets: \$764.5 million, marking a 10.5% year-on-year growth
- Net Assets: \$569.0 million, up from \$522.0 million in 2023
- Cash and Cash Equivalents: \$128.5 million, ensuring robust liquidity
- Capital Investments: \$46.2 million consisting of upgrades, runway enhancements, and outer island airport development

Key Achievements in 2024

In addition to financial milestones, 2024 marked notable progress and innovation, as detailed below:

- Master Plan Launch: The 2024-2048 Nadi International Airport Master Plan was unveiled, highlighting major infrastructure projects, including new gates, aerobridges, a domestic terminal, photovoltaic solar farm, and advanced aviation rescue and firefighting services.
- Digital Infrastructure Modernization with new systems upgrade
- Workforce Development: Internal recruitment and talent development initiatives were implemented to enhance human capital and inclusivity.
- Business Excellence Journey: Continued strides were made in the pursuit of business excellence with internal graduations, learning programs, and organizational growth initiatives.
- Silver Jubilee Celebration: Fiji Airports celebrated its 25th anniversary in April 2024, marking a legacy of service and transformation within the aviation sector.

These accomplishments illustrate our unwavering commitment to transforming Fijian aviation by delivering world-class airport experiences and contributing to national economic development.

We remain dedicated to transparency, accountability, and excellence in service delivery. I look forward to your continued support as we implement our strategic priorities for the betterment of Fiji.

Yours sincerely,

Hasmukh Patel
Chairman

2024 KEY NUMBERS



Difference (\$)	Difference (%)	2024	2023	2022
Total International Arrival & Departure Passenger Movements				
0.2 million	9%	2.9 million	2.6 million	1.6 million
Total Aircraft Movement (Tonnes)				
0.1 million	9%	1.4 million	1.3 million	0.9 million
Total Revenue				
\$15.7 million	10%	\$172.0 million	\$156.2 million	\$103.0 million
Total Expenditure				
\$10.5 million	14%	\$86.0 million	\$75.4 million	\$67.2 million
Shareholders Fund				
\$47.1 million	9%	\$569.0 million	\$522.0 million	\$450.3 million
Return on Shareholders fund before Social Obligation				
		12.50%	9.50%	6.60%



CHAIRMAN'S REPORT

This year has been a landmark year in terms of both infrastructure and operational advancements, underscoring our commitment to delivering superior airport experiences.



Cola Vina Riki! Greetings from the Fiji Airports family!

It is with great pride and a profound sense of accomplishment that I present the Fiji Airport's 2024 Annual Report. This year has been an extraordinary one, not only marking significant milestones in our operations but also celebrating a momentous occasion—the 25th anniversary of Fiji Airports.

In 2024, Fiji Airports celebrated 25 years of dedicated service to the aviation industry and the people of Fiji. Over the past quarter-century, Fiji Airports has transformed from a small, regional airport operator into a dynamic and key player in the Blue Pacific aviation sector. Our journey has been defined by growth, resilience, and a commitment to excellence in every facet of our operations.

Our 25th anniversary offers an opportunity to reflect on the challenges Fiji Airports has overcome, the partnerships forged, and the significant contributions we've made to the economic and social fabric of Fiji. From humble beginnings, Fiji Airports has developed a world-class airport network, now serving millions of passengers each year. Fiji Airports extends our heartfelt thanks to our dedicated employees, stakeholders, and partners who have been integral to our success.

This has been a landmark year in terms of both infrastructure and operational advancements, underscoring our commitment to delivering superior airport experiences.

Fiji Airports has taken significant steps towards sustainability and invested in renewable energy projects, including solar panels at key airport facilities, and implemented energy-saving measures that reduce our carbon footprint. As part of our 25th anniversary celebrations, Fiji Airports reaffirmed its commitment to environmental stewardship, ensuring that our operations are not only efficient but also sustainable for future generations.



Our continuous partnerships with both international and regional airlines have flourished. The expansion of air services has positioned Fiji as a more accessible and attractive destination for global travellers, while driving tourism and contributing to the nation's economy.

Our ongoing investment in security infrastructure and training programs has strengthened our commitment to the safety of our passengers and staff. Fiji Airports continue to implement the latest technologies and adhere to global best practices in aviation safety and security, maintaining Fiji's reputation as a safe and reliable destination.

Fiji Airports has always placed great importance on its role within the local community. In 2024, Fiji Airports deepened its engagement through community programs, including educational partnerships and environmental conservation efforts. Fiji Airports understand that our success is intricately linked to the prosperity of our communities, and Fiji Airports remain dedicated to making a positive impact.

As we look to the future, Fiji Airports remain committed to its vision of creating world-class airports that connect Fiji to the world. Our ongoing investments in infrastructure, technology, and sustainability will ensure that Fiji Airports continue to deliver exceptional services to passengers, airlines, and our stakeholders.

The next phase of our development will focus on expanding our facilities to meet the growing demands of the aviation industry and enhancing our digital capabilities to improve operational efficiency.

In conclusion, I would like to extend my sincere gratitude to the Board of Directors, management, staff, and our partners for their unwavering commitment and hard work. Together, Fiji Airports have laid the foundation for even greater success in the years to come.

Vina Du Riki for your continued support.

Hasmukh Patel
Chairman



CEO'S REPORT

A key highlight of 2024 was the successful completion of major infrastructure upgrades across our airport network.



A Year of Progress, Resilience, and Growth

It is with great pride and gratitude that I present the Chief Executive Officer's Report for Fiji Airports for the year 2024—a year defined by significant progress, enduring resilience, and strong, strategic growth. These achievements reflect our shared commitment to excellence and our critical role in connecting Fiji to the Blue Pacific and the World.

This year also marked a historic milestone for Fiji Airports—our 25th anniversary. Since our establishment on 12 April 1999, we have grown from a national operator of airspace and airport infrastructure into a key enabler of tourism, trade, and development in the Blue Pacific.

Our silver jubilee was a moment of both celebration and reflection—honouring the visionary leaders who laid the foundation for our success, and acknowledging the thousands of staff, partners, and stakeholders who have helped shape Fiji Airports into the organisation it is today.

The 25th anniversary was commemorated with a series of events, including a special gala dinner attended by government leaders, industry partners, and staff. At the heart of these celebrations was our renewed pledge to continue delivering safe, world-class, and sustainable airport services for the people of Fiji and beyond.

Elevating Infrastructure and Customer Experience

A key highlight of 2024 was the successful completion of major infrastructure upgrades across our airport network. These enhancements have reinforced the safety, modernity, and functionality of our facilities, ensuring we continue to meet rising passenger expectations and operational standards.



More than just physical improvements, these upgrades are a tangible reflection of our long-term planning and foresight—designed to serve the evolving needs of the travelling public, our aviation partners, and the broader community.

The significant scale of modernisation and development underway at Fiji Airports has also seen our dedicated team grow throughout 2024, as we work tirelessly to deliver the airport experience of tomorrow, today. This includes strengthening our internal teams focused on shaping comprehensive plans for future infrastructure development and enhancing existing facilities. We are committed to working hand-in-hand with our valued airline partners to proactively meet the long-term growth needs of Fiji and the broader Blue Pacific region. Paramount in our vision is ensuring enhanced accessibility and integrating sustainable practices as we craft the seamless and world-class passenger journey of the future.

At the heart of this long-term vision is the Nadi Airport Master Plan (2024–2048)—a comprehensive blueprint guiding the transformation of Fiji’s main international gateway over the next two decades. This plan outlines a series of phased infrastructure developments aimed at expanding capacity, enhancing efficiency, and future-proofing Nadi International Airport in line with global aviation trends.

Major Projects in 2024

Fiji Airports embarked on a range of transformative capital projects in 2024, reinforcing our infrastructure and advancing our sustainability goals across its airport network, with the newly established Project Management Office (PMO). Projects included critical runway maintenance at Nadi International Airport, substantial upgrades to outer island airstrips in Labasa, Savusavu, Matei, Lakeba, and Rotuma, and the initiation of early works for the Nadi Departure Lounge Extension.

The year also saw the signing of a landmark agreement with COX Architecture for the comprehensive landside master planning of both Nadi and Nausori airports, alongside continued progress on the Nadi Transit Hotel and the procurement of six new aerobridges, with installations slated for 2025. Further strategic initiatives in 2024 included the launch in the design phase of a 3.25MW solar farm project, a crucial step towards Fiji Airports’ net-zero emissions target by 2050, and the commencement of the \$8.6 million Labasa Terminal redevelopment. The organization additionally advanced design and stakeholder engagement for a phased upgrade of Nausori International Airport.

Strengthening Strategic Partnerships

Our growth has also been underpinned by stronger partnerships with airlines, government agencies, local businesses, and international stakeholders. We firmly believe that collaboration is key to our long-term sustainability.

These relationships have been instrumental in expanding our service offering, improving operational efficiencies, and fostering resilience across the aviation ecosystem.

I wish to acknowledge the invaluable support of our development partners—the World Bank through the Government of Fiji, the Asian Development Bank. Their technical and financial assistance have been critical in advancing key infrastructure upgrades, especially at outer island airports and regional hubs like Savusavu and Labasa. Their commitment to Fiji's aviation development has enabled us to deliver projects that not only improve safety and operational capacity but also support broader goals of regional accessibility, climate resilience, and inclusive economic development.

Our People, Our Strength

At the heart of all our achievements is the dedication and professionalism of our people. From airside operations and terminal services to security, maintenance, air traffic and administration—each member of the Fiji Airports team has played an essential role in our success.

I am deeply proud of the passion, commitment, and adaptability our staff have demonstrated throughout the year, especially in the face of operational challenges. Their hard work continues to be the foundation of our reputation and performance.

Financial Performance and Resilience

In 2024, Fiji Airports achieved a net profit before tax of \$86,024,255, surpassing the previous year's figure of \$80,813,028 by an impressive \$5.2 million and this being the highest to date. This remarkable growth reflects the impact of our strategic investments, disciplined cost management, and ongoing focus on value creation.

Our net profit after tax reached \$62,773,425, up by \$13.4 million from 2023—highlighting our ability to capitalise on opportunities and maintain profitability amidst dynamic market conditions.

EBITDA hit a record \$113.7 million, the highest in our company's history, underlining our robust operational efficiency and margin strength.

Operational and Financial Strength

Our operating revenue grew to \$169.4 million, up from \$155.5 million in 2023, driven by recovery in air traffic and enhanced service offerings.

Cash and cash equivalents rose by 10% to \$128.5 million, ensuring ample liquidity to fund operational needs and capital programmes.

We invested \$105.6 million in term deposits and investments across financial institutions, reinforcing financial stability.

Asset Growth and Investment

Total assets increased by 10.5% to \$764.5 million, propelled by terminal enhancements, digital upgrades, and climate-resilient initiatives.

Net assets climbed to \$569.0 million, underpinned by retained earnings and sustained profitability.

We deployed \$46.2 million in capital projects, including runway upgrades, terminal expansions, and improvements across outer island airports.

Profitability and Efficiency

These results position Fiji Airports on solid financial footing, enabling us to support infrastructure development, strengthen stakeholder returns, and remain agile in a competitive global environment.

As we close out a successful 2024, we do so with strong momentum and an ambitious outlook.

The year ahead presents new opportunities and challenges—but with our talented team, resilient business model, and continued investment in infrastructure and innovation, Fiji Airports is well-positioned for continued leadership in the Pacific aviation sector.

We are committed to raising the bar even higher—delivering exceptional service, improving connectivity, and strengthening our contribution to Fiji's economy and global profile.

To our staff, Board of Directors, partners, and stakeholders: thank you for your contributions to an outstanding year and to 25 years of success. I look forward to what we will accomplish together in the years ahead.



Mesake Nawari
Chief Executive Officer





Sanjana Mishra
*General Manager
Finance*

It has been an exciting journey, of course with challenges but Fiji Airports has built with resilience in the past 25 years. My passion for the job drew from a childhood passion of being brought up here at the Fiji Airports residential quarters. I've worked under various boards and CEOs and for me personally, it makes me proud to see how far we've come. I'm blessed to dedicate my entire profession with Fiji Airports!





CELEBRATING 25 YEARS OF FIJI AIRPORTS: A LEGACY OF TRANSFORMATION AND FORWARD MOMENTUM

In 2024, Fiji Airports proudly celebrated its 25th anniversary, marking a quarter-century of service, growth and transformation. This silver jubilee is more than a reflection of the past, it is a powerful testament to the resilience, innovation and collective vision that continue to shape the company's journey into the future.

Since its establishment on 12 April 1999, Fiji Airports has grown into a regional leader in airport and air navigation services. Today, the organisation manages a network of 15 airports and oversees air traffic operations across a vast six million square kilometre region, covering multiple Pacific Island nations.

Over the past 25 years, Fiji Airports has emerged as a catalyst for national development, driving progress in tourism, trade and employment. Nadi International Airport, which handles 97% of all international arrivals, now serves more than 2.4 million passengers annually, reinforcing its status as the gateway to Fiji and a hub for the blue Pacific.

Guided by long-term master plans the company's continuous investment in airport modernisation has not only elevated service standards but also supported job creation and regional growth. Through regular dividend contributions, Fiji Airports also plays a vital role in financing essential public services, including healthcare, education and infrastructure.

Fiji Airports is fully aligned with global goals to create a more sustainable aviation sector. In 2023, Nadi International Airport earned Level 3 Optimisation accreditation under the Airport Carbon Accreditation programme, in recognition of its emissions reduction achievements and stakeholder engagement.

Ongoing sustainability initiatives include:

- Development of a solar farm at Nadi, with expansion plans underway
- Upgrading airfield lighting systems to energy-efficient LEDs
- Transition to electric vehicles

Fiji Airports is embracing digital transformation, deploying advanced technologies across airside and terminal operations to improve efficiency and enhance the passenger experience.



Fiji Airports Donates \$100,000 to Charitable Causes

In celebration of its 25th Anniversary, Fiji Airports reaffirmed its deep commitment to community development by donating \$100,000 to four deserving Fijian charitable organisations. The milestone event was commemorated with a special ceremony attended by Prime Minister Sitiveni Rabuka.

This charitable initiative highlights Fiji Airports' enduring values of compassion, service, and social responsibility. The four beneficiaries, each addressing critical social needs — received \$25,000 to advance their missions and continue their vital work in the community.

WOWS Kids (Fiji) – Supporting Children Battling Cancer

A key recipient was WOWS Kids Fiji, the only NGO in the country dedicated to supporting children with cancer. The \$25,000 donation will provide life-saving assistance to around 80 young patients through the procurement of chemotherapy drugs, pathology tests and essential

medications not available through public healthcare. It will also support transportation for children needing regular hospital treatments. Operating without government grants, WOWS Kids Fiji relies entirely on community and corporate donations. As of 2023, the organisation supports 77 children and faces ongoing challenges, including new cancer diagnoses and the heartbreaking loss of young lives each year.

St Mina's Home – Providing Shelter and Hope

St Mina's Home received \$25,000 to enhance care for 23 orphaned and disadvantaged children. The funds will enable the development of a sustainability-focused farm and support specialised educational programs for children with learning difficulties. Plans are also underway to build a recreational basketball court.

Treasure House – A Safe Haven for Newborns and Children

For over two decades, Treasure House Christian Children's Home has offered a safe environment for Fiji's most vulnerable children. The \$25,000 contribution from Fiji

Airports will revive a previously paused construction project aimed at building a permanent home for the children currently in care. The facility houses 19 children referred by the government's social welfare department. Director Ulamila Kaisau described the donation as timely and transformative, reinforcing the home's mission of long-term, stable care supported predominantly by private donations.

Loloma Home – Rebuilding Lives with Dignity

Facing urgent structural issues due to termite damage, the home will now be able to begin construction on a new concrete facility. Loloma Home currently shelters 14 children along with seven single mothers and their children. This donation represents a critical step toward securing a safe and sustainable future for its residents.

As Fiji Airports commemorates a quarter-century of service, it remains firmly grounded in its purpose, enabling progress, not only through infrastructure and aviation excellence but through meaningful social impact. These donations reflect more than just celebration, they represent a pledge to uplift the communities that have journeyed alongside Fiji Airports since its inception. The company looks forward to continuing its legacy of corporate citizenship for many years to come.



SUSTAINABLE DEVELOPMENT GOALS

SDG 3: Good Health and Well Being

Fiji Airports dedicates one hour every Tuesday and Friday to employee health and wellness, ensuring that this time is reserved in all employees' calendars to prioritize well-being without work interruptions. Quarterly health checks are organized to support staff well-being.

SDG 4: Quality Education

Fiji Airports invests in providing training and skill development opportunities for all employees by promoting lifelong learning and ensuring equitable access to quality education for all ages.

SDG 5: Gender Equality

In 2024, the Executive Committee (EXCO) comprised 71% male and 29% female members, while the Management Committee had a higher male representation at 75% and female representation at 10%.

SDG 6: Clean Water & Sanitation

Installation of water purifiers at the terminal and Fiji Airports office spaces to ensure safe and clean water.

SDG 7: Affordable and Clean Energy

Fiji Airports is committed to reducing carbon emissions and enhancing energy efficiency through these initiatives:

- Five solar-powered electric vehicle chargers installed at key locations that are used to charge our electric vehicles.
- Transition to solar-powered streetlights at the Fiji Airports Estate Compound.
- Complete transition of Nadi and Nausori terminal lights to LED for energy efficiency.
- Installed solar energy capacity across various locations:
 - Nadi Domestic Terminal – 26 kW
 - Motor Pool – 16 kW

SDG 8: Decent Work and Economic Growth.

Ensure fair wages, ethical labour practices, and safe working conditions.

- Fiji Airports has consistently been regarded as an employer of choice. The organization has maintained a strong ethical foundation, with minimal labour-related concerns reported. Our Occupational Health and Safety team, which includes staff representation, ensures that any issues raised are promptly and effectively addressed.

We are committed to fair compensation, offering competitive wages along with a comprehensive benefits package that includes medical coverage and term life insurance. In addition, allowances such as overtime, penal rates, meal provisions, standby, and license-related payments exceed the standards set by the ERA

Support local economies through job creation and investment.

Several islands, including Koro, Vanuabalavu, Cicia, and Moala, have village contract arrangements where local communities serve as caretakers of the airport, handling responsibilities such as grass cutting and maintenance. Similarly, the landscaping contract for Nausori Airport is managed by a nearby village group.

Support youth employment-

Our attachment scheme for tertiary universities provides students with the opportunity to complete six-month attachment programs with the company, helping them fulfill their academic requirements. Many participants later transition into full-time roles within the organization.

SDG 9: Industry, Innovation and Infrastructure.

Fiji Airports is enhancing airport resilience through investing in renewable energy and owns 14 electric vehicles to avoid reliance on fossil fuels.



SUSTAINABILITY

Environment

Fiji Airports implemented a range of initiatives focused on reducing the carbon footprint of Nadi International Airport (NAN) and minimizing environmental impact resulting from our operations. In line with the AFL Strategic Plan 2025-2034, Fiji Airports is committed to sustainability, having recognized it as one of our core values. Fiji Airports acknowledges that its operations contribute to greenhouse gas emissions, and therefore we are dedicated to implementing science-based and nature-based solutions aimed at significantly reducing our carbon footprint. Our sustainability journey began in 2017 with the completion of our first carbon footprint report and established 2014 as our baseline year. In 2023, we have achieved a 32% reduction in carbon emissions.

To effectively manage our environmental impact, we conduct an annual carbon footprint assessment to identify the primary sources of our emissions. Based on these insights, we have established targeted initiatives to address and mitigate these emissions. Below are some of the sustainability initiatives that Fiji Airports has implemented in 2024:

- In June 2024, Fiji Airports, Fiji Airways and FICAC office in Lautoka planted 5000 mangrove seedlings in remembrance of World Environment Day & World Ocean Day.
- In July, Fiji Airports staff planted 1000 mangrove seedlings to restore the mangrove ecosystem along Wailoaloa foreshore to protect our infrastructure from extreme climate events.
- Based on our 2023 carbon footprint, electricity is our major source of greenhouse gas emission. Therefore, the company has engaged a consultant to design the 3.5MW Solar Farm Projects for Nadi International Airport.
- In 2024, our Renewable Energy Special Projects team completed the transition of all streetlights to solar powered lights.
- Fiji Airports Renewable Energy Special Projects team installed the rooftops 26kW solar at NAN domestic building for the electric vehicles solar charging stations and carpark lights.
- Fiji Airports purchased 14 electric vehicles and installed 5 solar charging stations for these Electric Vehicles.



GENDER EQUITY, DIVERSITY AND SOCIAL INCLUSION (GEDSI)

Fiji Airports (FA) is committed to creating an inclusive and equitable work culture in line with one of the key values stipulated in our decade long strategic plan.

Fiji Airports has embarked on working towards a more inclusive and equitable work culture by focusing on; bridging the gender workforce gap through increasing the representation of women across all departments both at operational and managerial level and developing social safeguards to ensure that the rights and needs of marginalized groups such as persons with disabilities, the elderly, children and the LGBTQIA+ community are considered and addressed in planning and execution of projects and programs.

This focus will be evident in the reviews of organizational policies, as we will integrate GEDSI principles such as equity, access, empowerment, inclusion, justice, respect, participation, representation, diversity, and awareness.

To promote diversity, equity and inclusion, listed below are the initiatives implemented by Fiji Airports in 2024:

- We are dedicated to closing the gender workforce gap by intentionally recruiting more women while maintaining our commitment to merit and qualifications. Although our efforts have led to an increase in female employees from 19% in

2023 to 23% in 2025, we celebrate this progress and remain focused on achieving greater equality in the workplace.

- Our mentorship program empowers young women by pairing them with experienced mentors who provide guidance and skills through work attachments, fostering their growth in a traditionally male-dominated field.
- In August 2024, managerial staff at Fiji Airports participated in the first GEDSI training conducted by the United Nations Development Program (UNDP) at the FA Academy.

Gender Equity and Social Inclusion Training



- In March 2024 the Fiji Women in Aviation Network (Fiji WAN) was launched, which is a platform for knowledge sharing, skill development, and mentorship to empower women in the industry, with the goal of fostering gender equity and promoting career opportunities.



(Fiji WAN 2024)



- Promoting an inclusive environment by actively embracing and celebrating diverse religions and cultures, such as Diwali in 2024 and other significant events.



(Fiji Airports Diwali 2024)



BOARD OF DIRECTORS

25
YEARS
ANNIVERSARY
CELEBRATION



Mr Hasmukh Patel
Chairperson



Mr Naushad Ali
Deputy Chairperson



Ms Emele Duituturaga
Board Director



Mr Mark Halabe
Board Director



Mr Jona Sevura
Board Director



Mr Bhavick Kapadia
Board Director



Mr Arvind Singh
Board Director

MANAGEMENT TEAM



Mesake Nawari
Chief Executive Officer



Amit Singh
General Manager ATM & Operations



Kelepi Dainaki
General Manager Asset Infrastructure



Niranjwan Chettiar
Director Projects



Salote Delailomaloma
General Manager Airports



Aisake Cabemaiwai
General Manager Commercial



Sanjana Mishra
General Manager Finance & Company Secretary



Emmanuel Narayan
Legal Counsel



Patrick Morell
Manager Fleet Services & Acting Manager Planning, Monitoring & Evaluation



Iosefo Qalovi
Manager Airport Rescue Fire Services



Moira Raduva
Communications & Public Relations Manager



Rengeena Singh
Manager Human Resources



Rohit Prasad
Senior Management Accountant



Sunia Koroisigasiga
Manager Safety & Risk Management



Isaia Roko
Manager Airside & Airport Safety Operations



Mosese Ligalevu
Manager Airport Security Services



Ivan Wong
Head of Operations & Support



William Reece
Manager Air Navigation Services & Engineering



Vula Seru
Operations Manager Nausori & OuterIslands



Priti Singh
Manager Airport Landside Operations & Customer Services



Vineet Naidu
Financial Controller



Luke Luvevou
Manager ICT



Riaz Khan
Manager Procurement



Shameer Khan
Manager Building Civil Works

FACILITIES AT NADI INTERNATIONAL AIRPORT



Luggage storage



Airline lounge



Car park



Free WiFi



Retail Outlets



Duty-free retail



Cafes & restaurants



Left Luggage



Banking services & ATMs



Currency exchange bureau



Airport information desk



Prayer Room



PROJECTS 2024

The Project Management Office (PMO) was established on February 13, 2024, and since then embraced digital technologies to streamline Operations.

The PMO successfully recruited a diverse team, including project managers, site engineers, drafting technicians, a project controller, project accountants, and a project administrator. By December 2024, the division comprised 13 staff members, led by the Director Projects.

Outer Island Airport Pavement Maintenance Package 1

Fiji Airports committed \$9,921,805.80 VEP to upgrade its Outer Island Airport Runways at Labasa, Savusavu, Rotuma, Matei, and Lakeba. Upgrade works involved resurfacing the existing chip-seal runways as well as the implementation of new line markings to enhance operational safety. Works commenced on 27th May 2024 and concluded on 7th October 2024. New fence construction works in Labasa are in progress with an anticipated completion date of 31st July 2025.

Nadi Runway Pavement Maintenance FY 2023

Fiji Airports engaged China Railway No. 5 Engineering Group Co. Ltd to conduct maintenance works on the Nadi International Airport runway 02-20 and apron areas. Works commenced on 02nd April 2024 and concluded on 20th August 2024 within a construction budget of \$7,349,050.39 VEP.





Bridge 2R being loaded onto ship.

Nadi Offgates

The project involves the construction of concrete hardstands to accommodate additional parking provisions for 2 code E or 4 code C aircraft. Works also include new JUHI fuel line installation, Airfield Ground Lights, and associated drainage works. The project is anticipated to be completed by May 2025. Overall Budget of \$36m.

New Aerobridges at Nadi International Airport

The project involves the procurement of 6 new aerobridges for Nadi International Airport. Installation is scheduled to commence on March 2025. The total cost of this is estimated to be \$10m.

Nadi Airport Departure Lounge Extension – Early Works

The project involves the expansion of the departure lounge to create more seating capacity with the terminal. Estimated cost of \$4.7m.

The RFT process, is planned to happen as soon as the landside master planner has confirmed the hotel location.

The target is to get a hotel operator engaged by the end of 2025, subject to the Fiji Airports confirming the development model suited to its capital development plan.



Landside Master Plan and Business Case for Nadi and Nausori Airports

The project involves the development of a landside master plan for Nadi and Nausori airport landside land holdings that are owned by Fiji Airport but have not been developed for commercial income. This engagement is worth \$1.8m.



Figure 3: Preliminary Doodle of Nadi Airport Master Plan.

Labasa Airport Terminal

The new terminal at Labasa Airport is a significant infrastructure project aimed at enhancing air connectivity. The construction for the New Labasa Airport terminal started in October 2024 with the construction of the temporary terminal, which became operational in January 2025, this paved the way for the demolition of the existing terminal to make room for the construction of the new terminal.

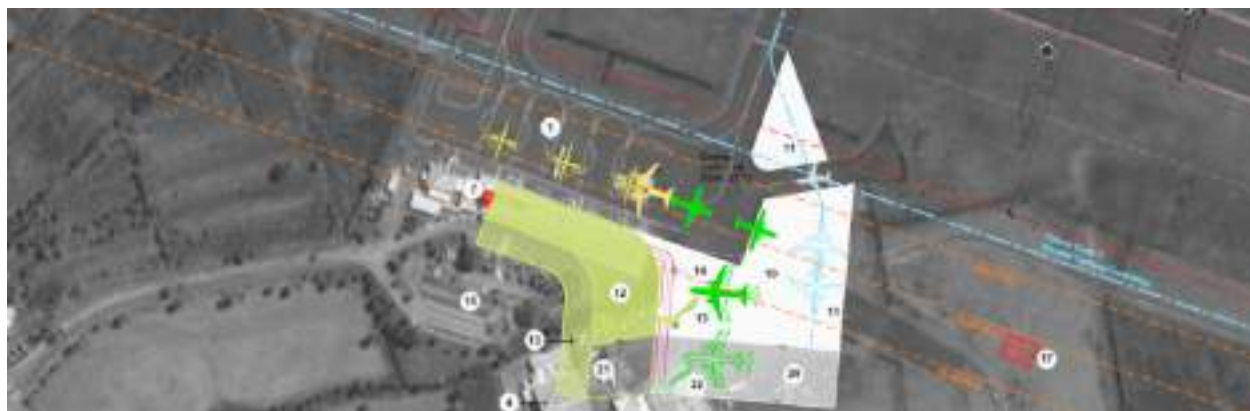
The new terminal is expected to be completed in 18 months, which is June 2026. Fiji Airports has allocated \$8.6 million for this development.

Upgrade of Nausori International Airport

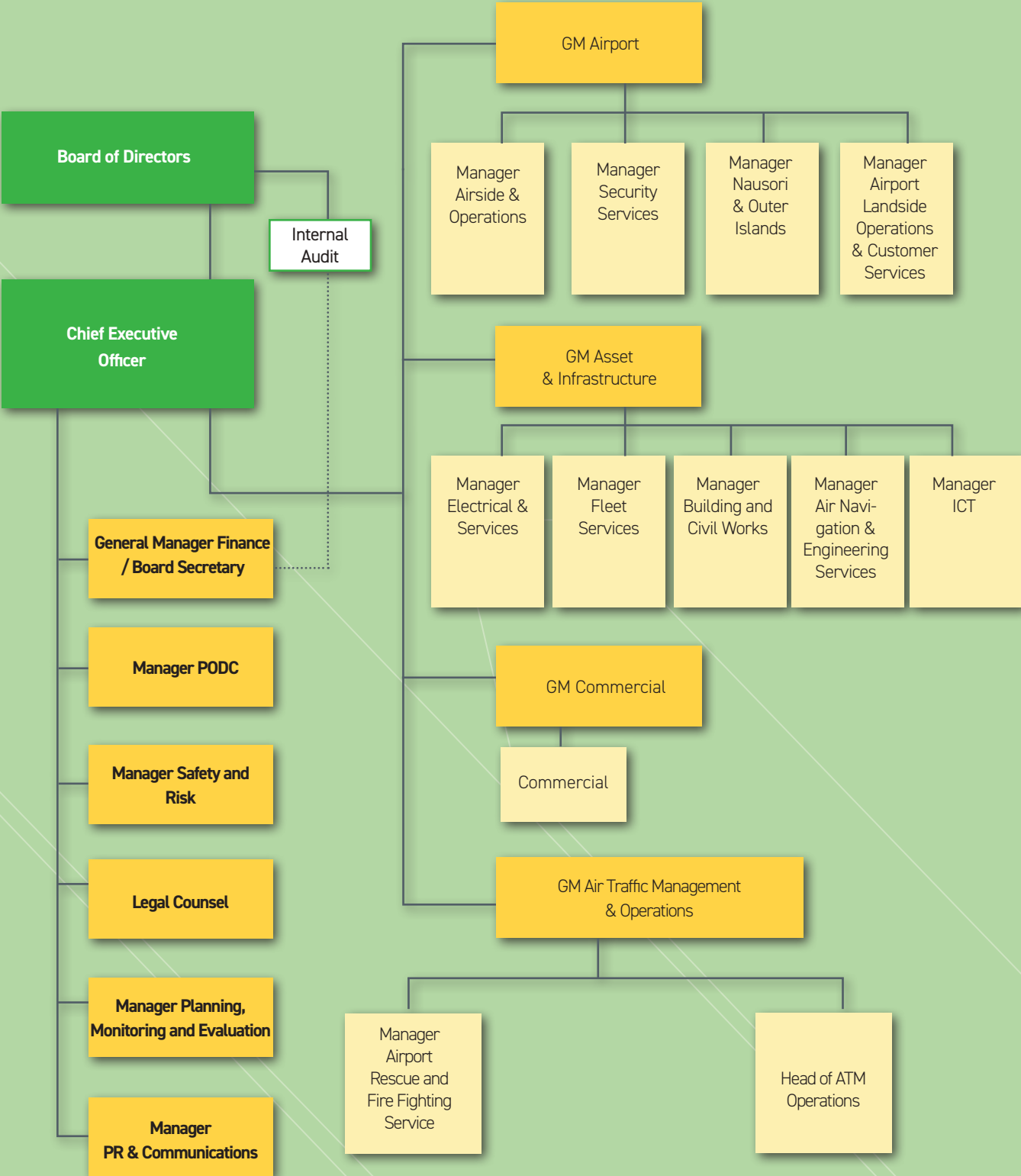
In line with our commitment to modernize and enhance passenger experience at Nausori Airport Terminal. Fiji Airports initiated the project to relook at the development at Nausori on a staged approach.



Airport	WIP as at December 2023	Additions at December 2024	Capitalised December 2024	WIP as at December 2024
Nadi	20,755,892	38,951,375	17,271,167.00	42,436,100
Nausori	55,627	1,101,518	607,909.51	549,235
Outer Islands	327,631.28	6,135,227.71	5,917,386.14	545,472.85
	21,139,150	46,188,120	23,796,462.65	43,530,808



ORGANISATION STRUCTURE (2024)



FIJI AIRPORTS OPERATIONS



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

Air Traffic Management

Fiji Airports is responsible for the provision of air navigation services (ANS) for aircrafts operating within the Nadi Flight Information Region (FRA) under the Chicago Convention. The Nadi FIR comprises an area of 6 million square kilometres and lies between longitudes 163°East and 170°Fiji West and latitudes 0330°North and 30°South. This includes the sovereign airspaces above Fiji, Tuvalu, New Caledonia, Kiribati, Vanuatu and Wallis & Futuna.



AIS - AIM Implementation

In 2024, the AIS team achieved several key milestones across staffing, training and regional collaboration. The AIS-AIM implementation progressed with the successful takeover and staffing of the NOTAM office, supported by the induction of 10 new AIS Officers in two batches, with Batch 1 already assuming operational roles. A Data Provision Agreement with Fiji Airports was finalized, with five agreements signed in total. The AAITF (Aeronautical Information and Infrastructure Task Force) held its first local meeting and three meetings overall, marking it as the most active task force for the year. AIS also participated in the AAITF Regional Meeting, where it was recognized for resolving 85% of its waypoint (5LNC) duplications, an achievement highlighted during a recent ICAO meeting. Additionally, the first-ever in-country Instrument Flight Procedure (IFP) training was conducted, training five participants including two AIS staff, under a JICA secondment. The long-vacant Cartographer position was successfully filled after seven years, marking a significant step forward for AIS cartographic capabilities.

Fire Department

Fiji Airports is thrilled to announce a significant upgrade to its firefighting capabilities with the recent arrival of two additional Rosenbauer Panther 6x6 Aviation Rescue and Fire Fighting Vehicles (ARFFVs) at Nadi International Airport. The delivery of the two trucks complements the one that arrived in December 2023, marking the completion of a major enhancement to our fire and rescue fleet.

The acquisition of these state-of-the-art ARFFVs was approved by the Fiji Airports Board in January 2023 as part of our capital expenditure plan.

Originally scheduled for progressive delivery over two years, the delivery timeline was accelerated following successful Factory Acceptance Testing (FAT) of the first truck in July 2023. This adjustment reflects the urgent operational need for more reliable firefighting equipment at Nadi International Airport.

The two newly arrived Rosenbauer Panther 6x6 ARFFVs are equipped to meet the highest standards of aviation fire safety, costing approximately \$4 million, boast a capacity of approximately 12,000 litres of water and 1,500 litres of Fluorine Free Foam for each truck.



These features ensure that the units can effectively tackle aviation incidents within three minutes of deployment, thereby significantly enhancing response times and operational efficiency.

With the introduction of these advanced fire trucks, Fiji Airports will not only bolster safety at Nadi International Airport but will also be able to reallocate existing fire trucks to Nausori and other airports. This strategic redistribution will further improve overall safety and operational capabilities across the network.

Fiji Airports is committed to maintaining the highest standards of safety and efficiency, and these new vehicles are a testament to our ongoing dedication to safety of our passengers and aircraft.

Pavement Maintenance Project

Fiji Airports also committed a \$10 million investments to undertake runway pavement maintenance projects on five of its 13 outer island stations, including Labasa, Rotuma, Savusavu, Lakeba, and Matei (Taveuni).

This is part of the ongoing maintenance works for all the outer island airports, reflecting the company's commitment to maintaining government-owned outer island airports.

Digital Services and Future Developments

Our team also worked on enhanced digital services for travellers, including mobile check-in and improved baggage handling systems, which have streamlined airport operations.

Strengthened Security

Our commitment to safety was strengthened with the implementation of new baggage screening technologies and compliance with international aviation safety standards in collaboration with Fiji Airports.

Obstacle Limitation Surface (OLS) and Aerodrome Data Survey of Fiji's Outer-Island Airports

Fiji Airports is undertaking this project to ensure safety at the nine outer-island airports that are managed on behalf of the Fiji government.



These surveys have not been conducted in Kadavu, Bureta, Lakeba, Cicia, Moala, Gau, Koro, Vanua Balavu, and Ono-I-Lau airports for the past 20 years. The contract with Wood and Jepsen Consultants will enable Fiji Airports to determine a pathway that will set safety and further recognition of these airports.

Wildlife

Fiji Airports recently installed the AVA Sonic Fence on the airside to disperse birds and wildlife from Nausori and Nadi airport.



The device is powered by batteries and can be installed on the vehicle to enable a larger footprint on the airside when the vehicle is being driven to conduct the wildlife patrol.

Commercial

The commercial department manages all non-aeronautical revenue streams for Fiji Airport, and this includes office space rental, land leases, car park, retail outlets, concessionaires, speciality & Food & Beverage, residential leases, facilities fees, advertising and many more. The non-aeronautical revenue continues to experience a steady growth over the years post-pandemic to the end of FY2024.

New policies and requirements were set in place to ensure the highest and best use of the airport facilities, and these resulted in 100% occupancy for most of our properties at the Nadi Airport, and Fiji Airports hope this will extend to other airports once terminals undergo expansions and renovations. The landside masterplan will provide some guidance and direction that will cater for the changing demands of travelling guests and this can be capitalized to generate much-needed income for project developments.



Fiji Airports are receiving diverse interest from a wide cross-section of service providers, including Beauty & Spa, Coffee Shops, Restaurants, Hotel Lounge, Rental Cars, Tour Operators, Souvenirs and handicraft, and many more. Fiji Airports are improving and expanding to ensure all our airports provide the benefit of agglomeration of economy and infrastructure, and this will be a rolling 5 to 10-year development program. Several benchmarks were chosen to ensure a successful 2024, and they included performance, process, strategic, functional, financial, internal, external, competitive, and best in use benchmarks with other international airports.

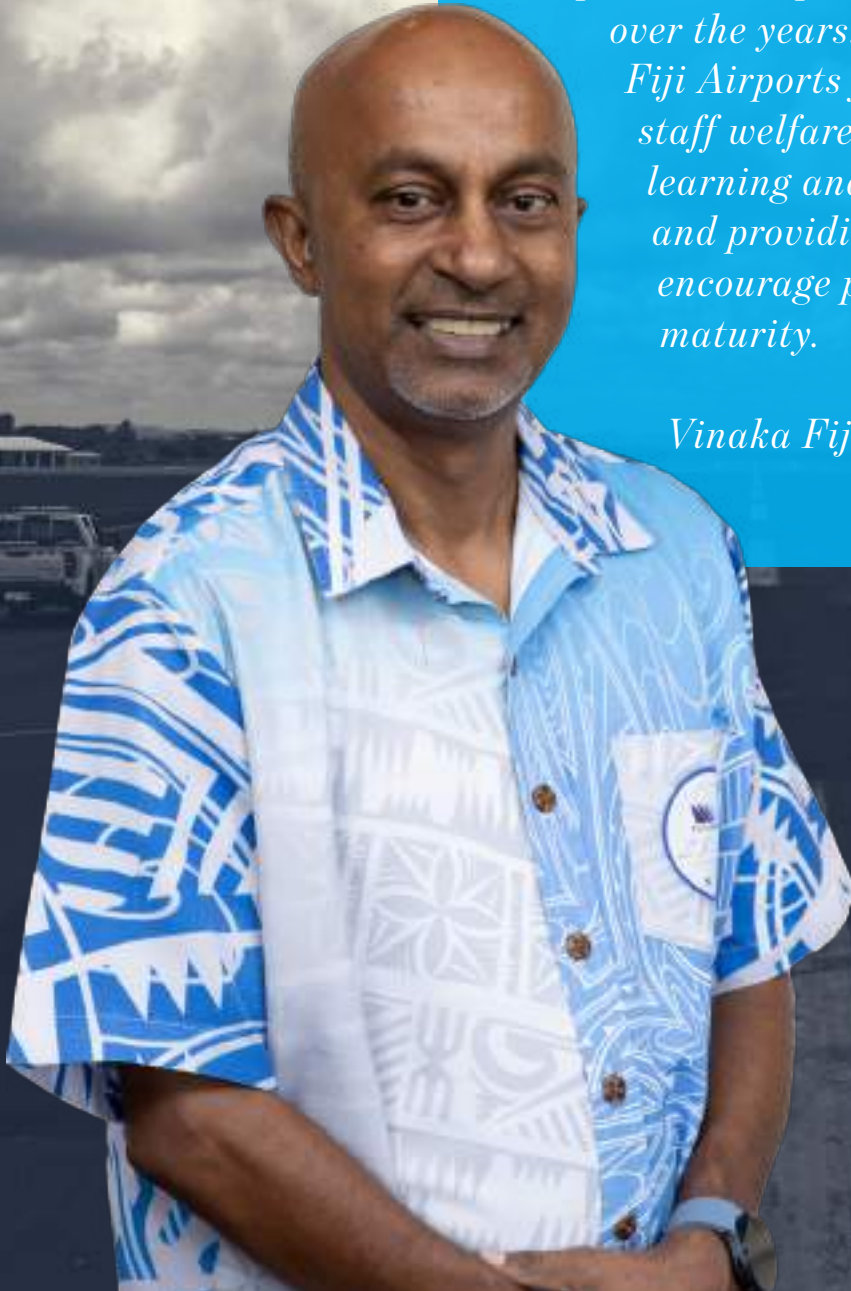




Rohit Prasad
*Senior Management
Accountant*

I started off as a finance officer and got promoted over the years to what I am today. Fiji Airports has always allowed professional growth for staff, provides training and lays out guidelines and policies which provides the platform to learn over the years. I am grateful to Fiji Airports for prioritising staff welfare and encouraging learning and development and providing a space which encourage progress and maturity.

Vinaka Fiji Airports!





CORPORATE GOVERNANCE PRACTICES

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

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 2024, the Board comprised of the Chairperson Mr Hasmukh Patel, Deputy Chairperson Mr Naushad Ali and five non-executive independent directors, Mr Mark Halabe, Mr Jona Sevura and Mr Bhavick Kapadia, Ms Emele Duituturaga and Mr Arvind Singh.

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

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 6.15 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 six regular meetings during the financial year ended 31 December 2024 and two Special Meetings. In addition to the above the separate Board Subcommittees met regularly before each Board meeting. There are four Board Subcommittee Boards, and they are as follows: Audit and Risk, Finance and Commercial, Infrastructure and People's.

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 5.8 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 \$101,283 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 \$53,857 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.



25
YEARS
ANNIVERSARY
CELEBRATION

**FIJI AIRPORTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 2024**

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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 2024 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:

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.

Review and Results of Operations

The net profit of the Company for the year after taking into account an income tax expense of \$23,250,830 (2023: \$31,434,103) was \$62,773,425 (2023: \$49,378,925).

Our Values

At Airports Fiji Pte Limited, we have six key values that are the core of our business:

- Integrity: *We demonstrate ethical and honest behavior*
- Collaboration: *We embrace and engage our Community and Stakeholders*
- Customer Centric: *We place our customers at the center of everything we do*
- Innovation: *We are innovative in how we do things*
- Sustainability: *We are environmentally conscious*
- Inclusive: *We value and respect our people*

Our Strategy

- Infrastructure capacity delivery and sustainment
- Digitalisation and operational efficiencies
- Customer centric
- Financial sustainability
- People and wellbeing
- Safety and security compliance
- Stakeholder and community engagement

Our Priorities This Year

- Invest in infrastructure and technology for safe and secure aviation and associate services.
- Deliver a unique Bula Experience to all our guests.
- Attract and effectively manage exceptional talent.
- Grow shareholder value sustainably.
- Collaborate and grow with stakeholders and Partners.

Key Statistics

- 533 staff
- Total revenue - \$165m

The Future

- A green and forward-thinking airport, committed to attaining Net Zero by 2050.
- A green procurement policy and initiatives for a whole-of-organization approach is to be developed.
- Progressively achieve higher levels of carbon accreditation set by Airports Council International (ACI).
- Renewable energy sources are to be explored and developed to attain Net Zero 2050.
- An Environmental and Social Governance framework is to be developed and implemented.

Dividends

On 26 June 2024, the Directors have declared and paid dividends for the financial year 2023 of \$16,000,000 and on 9 February 2024, the Directors have paid a final dividend for the financial year 2022 of \$6,000,000.

Dividends declared and paid out during the year were as follows:

Dividend	Date resolved	Date paid	Total dividends
Final dividend paid for 2023	26 June 2024	4 July 2024	\$ 16,000,000
Final dividend paid for 2022	21 December 2023	9 February 2024	\$ 6,000,000

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.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of our Company during the year ended 31 December 2024.

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.

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.

Details of Directors and Executives

None of the Directors held shares in the Company.

Auditor Independence

The Directors have obtained an independence declaration from the Company's auditor, Office of the Auditor General. A copy of the auditor's independence declaration is set out in the *Auditor's Declaration to the Directors of Airports Fiji Pte Limited* on page 6.

Board and Committee Meeting Attendance

Details of the number of meetings held by the Board and its committees during the financial year ended 31 December 2024, and attendance by Board members, are set out below:

Directors	Date of Appointment	Board	
		A	B
Mr. Hasmukh Patel (Chairman)	5 June 2022	8	7
Mr. Naushad Ali	17 April 2023	8	8
Mr. Mark Morris Halabe	17 April 2023	8	8
Mr. Bhavick Kapadia	17 April 2023	8	8
Mr. Jona Sevura	17 April 2023	8	8
Ms Emele Sima Duituturaga	2 February 2024	8	8
Mr Arvind Singh	24 January 2024	8	7

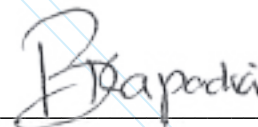
Column A: number of meetings held
 Column B: number of meetings attended

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

Dated this 6th day of June 2025.



Director



Director

DIRECTORS' DECLARATION

For the year ended 31 December 2024

This declaration by Directors is required by the Companies Act 2015.

The Directors of the Company have made a resolution that declares:

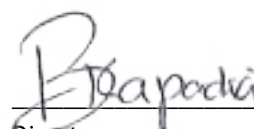
- a) In the opinion of the Directors, the financial statements of the Company for the financial year ended 31 December 2024:
 - i. comply with the International Financial Reporting Standards (IFRS) accounting standards and give a true and fair view of the financial position of the Company as at 31 December 2024 and of the performance and cash flows of the Company for the year ended 31 December 2024; and
 - ii. have been prepared in accordance with the Companies Act 2015.
- b) The Directors have received independence declaration by auditors as required by Section 395 of the Companies Act 2015; and
- c) At the date of this declaration, in the opinion of the Directors, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

For and on behalf of the Board and in accordance with a resolution of the Board of Directors.

Dated this 6th day of June 2025.



Director



Director

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza
Karsanji Street, Vatuwaqa
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E-mail: info@auditorgeneral.gov.fj
Website: www.oag.gov.fj



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 2024, 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



Level 1, Modyl Plaza
Karsanji Street, Vatuwaqa
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Telephone: (675) 8921519
E-mail: info@auditorgeneral.gov.fj
Website: www.oag.gov.fj



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 2024, 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 2024, 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 Accountants' *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 Management and Directors are responsible for the other information. The other information comprise the Directors Report and Annual Report but does not include the financial statements and the auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

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 (cont'd)

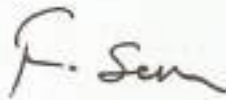
I communicate with the Management and Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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
09 June 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 \$	2023 \$
Revenue	4 (a)	165,417,034	152,547,306
Other income	4 (b)	4,003,046	2,950,305
Other expenses	5	(40,870,126)	(38,968,138)
Operating expenses	6	(19,876,107)	(15,525,043)
Impairment gain on trade and other receivables	27 (i)	838,927	1,423,103
Personnel expenses	7	<u>(23,940,056)</u>	<u>(18,999,034)</u>
Operating profit		85,572,718	83,428,499
Finance income	8 (a)	2,519,046	735,742
Finance costs	8 (b)	<u>(2,067,509)</u>	<u>(3,351,213)</u>
Profit before income tax		86,024,255	80,813,028
Income tax expense	9 (a)	<u>(23,250,830)</u>	<u>(31,434,103)</u>
Profit for the year		62,773,425	49,378,925
Other comprehensive income for the year, net of income tax	23	285,248	-
Total comprehensive income for the year		<u>63,058,673</u>	<u>49,378,925</u>
Earnings per share	20	0.68	0.53

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share Capital	Revaluation Reserve	Retained Earnings	Total
	\$	\$	\$	\$
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 22 (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
Balance at 1 January 2024	92,300,180	175,888,709	253,799,413	521,988,302
Total comprehensive income for the year				
Profit for the year	-	-	62,773,425	62,773,425
Other comprehensive income for the year, net of income tax (Note 23)	-	285,248	-	285,248
Total comprehensive income for the year	92,300,180	176,173,957	316,572,838	585,046,975
Transactions with owners of the company				
Dividends declared and paid (Note 22 (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 2024	92,300,180	176,173,957	300,572,838	569,046,975

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2024

	Note	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	128,459,415	116,727,316
Trade receivables	11	20,755,894	24,320,619
Inventories	12	903,281	683,947
Other receivables and prepayments	13	6,915,740	4,432,296
Financial assets	14	2,504,303	70,000,000
Total current assets		159,538,633	216,164,178
Non-current assets			
Financial assets	14	103,145,404	-
Property, plant and equipment	15	488,712,641	467,971,972
Right-of-use assets	18 (a)(i)	13,115,786	7,809,200
Total non-current assets		604,973,831	475,781,172
TOTAL ASSETS		764,512,464	691,945,350
LIABILITIES			
Current liabilities			
Trade and other payables	16	18,857,642	18,553,558
Interest-bearing borrowings	17	10,811,580	7,295,178
Lease liabilities	18 (a)(ii)	68,471	54,417
Employee benefits	19	1,776,703	1,420,886
Deferred income	21	359,207	21,541
Current tax liability	9 (d)	12,255,819	101,400
Total current liabilities		44,129,422	27,446,980
Non-current liabilities			
Interest-bearing borrowings	17	83,189,013	80,332,396
Lease liabilities	18 (a)(ii)	5,577,553	5,625,201
Deferred income	21	4,777,134	368,747
Deferred tax liability	9 (c)	57,792,367	56,183,724
Total non-current liabilities		151,336,067	142,510,068
TOTAL LIABILITIES		195,465,489	169,957,048
NET ASSETS		569,046,975	521,988,302
SHAREHOLDERS' EQUITY			
Share capital	22 (a)	92,300,180	92,300,180
Asset revaluation reserve	23	176,173,957	175,888,709
Retained earnings		300,572,838	253,799,413
TOTAL SHAREHOLDERS' EQUITY		569,046,975	521,988,302

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		171,400,837	149,364,336
Payments to suppliers and employees		(47,338,521)	(44,705,851)
Cash generated from operations		<u>124,062,316</u>	<u>104,658,485</u>
Income tax and interest withholding tax paid	9 (d)	(9,487,768)	(8,286,953)
Interest received		2,519,046	735,742
Interest paid		(2,350,728)	(3,624,189)
Net cash from operating activities		<u>114,742,866</u>	<u>93,483,085</u>
Cash flows from investing activities			
Investment in term deposits	14	(35,649,707)	(70,000,000)
Purchase of leasehold land		(5,500,000)	-
Payment for property, plant and equipment	15	(46,173,288)	(11,730,055)
Net cash used in investing activities		<u>(87,322,995)</u>	<u>(81,730,055)</u>
Cash flows from financing activities			
Proceeds from borrowings	17	12,892,711	5,245,721
Repayment of borrowings	17	(6,519,692)	(2,386,729)
Payment of principal portion of lease liabilities	18 (ii)	(60,791)	(84,560)
Dividends paid	22 (b)	(22,000,000)	(10,000,000)
Net cash used in financing activities		<u>(15,687,772)</u>	<u>(7,225,568)</u>
Net increase in cash and cash equivalents		11,732,099	4,527,462
Cash and cash equivalents at beginning of year		<u>116,727,316</u>	<u>112,199,854</u>
Cash and cash equivalents at end of year	10	<u>128,459,415</u>	<u>116,727,316</u>
Non-cash investing activity	30	14,832	511,683

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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) accounting standards 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 6th June 2025.

(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). The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

(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 accounting standards, 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

Revaluation of property, plant and equipment and investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. For investment properties, a valuation methodology based on a discounted cash flow (DCF) model was used, as there is a lack of comparable market data because of the nature of the properties. In addition, the Company measures the properties at revalued amounts, with changes in fair value being recognised in OCI. The properties were valued by reference to transactions involving properties of a similar nature, location and condition. The Company engages an independent valuation specialist to assess fair values as at balance date when required.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Note 15.

NOTE 3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES*New and amended standards and interpretations*

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New standards and amendments	Impact on the Company
Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback	No impact
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	No impact
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	No impact

NOTE 3.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. These amendments are not expected to have a material impact on the Company's financial statements.

New standards and amendments	Impact on the Company
Lack of exchangeability - Amendments to IAS 21	1 January 2025
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027

NOTE 3.3 SUMMARY OF 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.

NOTE 3.3 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(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.
Airport Security, airport development, and departure tax share	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. 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.
Landing	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.
Parking	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.
Terminal navigation aid	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.

NOTE 3.3 SUMMARY OF 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.

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.

NOTE 3.3 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(d) Income tax (continued)

Deferred tax (continued)

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 properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Company considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(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.

NOTE 3.3 SUMMARY OF 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.

NOTE 3.3 SUMMARY OF 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.

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.

NOTE 3.3 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**(j) Financial instruments (continued)****(ii) Classification and measurement (continued)****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.

(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.

NOTE 3.3 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(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.

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;

NOTE 3.3 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**(l) Impairment (continued)****(i) Non-derivative financial assets (continued)***Credit-impaired financial assets (continued)*

- 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.

(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.

NOTE 3.3 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

NOTE 3.3 SUMMARY OF 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.

NOTE 3.3 SUMMARY OF 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.

(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.

NOTE 3.3 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**(t) Fair value measurement**

The Company measures financial instruments and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations. The Valuation Committee is comprised of the head of the investment properties segment, the head of the risk management department, chief finance officers and the managers of each property.

External valuers are involved for valuation of significant assets, such as investment properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is determined annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

NOTE 3.3 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**(t) Fair value measurement (continued)**

At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Valuation Committee also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Valuation Committee and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- | | |
|--|-----------|
| - Disclosures for valuation methods, significant estimates and assumptions | Note 2(d) |
| - Quantitative disclosures of fair value measurement hierarchy | Note 28 |
| - Property, plant and equipment under revaluation model | Note 15 |
| - Financial instruments (including those carried at amortised cost) | Note 31 |

(u) Comparative figures

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

NOTE 4. REVENUE AND OTHER INCOME	2024	2023
(a) Revenue	\$	\$
<i>Revenue from contracts with customers</i>		
Air navigation charges	37,231,197	35,288,591
Airport security and development fee	23,116,020	19,786,931
Domestic passenger service charge	2,275,142	2,134,055
Landing and parking fees- domestic	947,268	928,669
Landing and parking fees - international	33,053,785	29,528,262
Departure tax share	7,912,947	7,762,504
Terminal navigation aid charges	8,638,831	7,846,224
Car park charges	1,940,960	1,336,595
	<u>115,116,150</u>	<u>104,611,831</u>
<i>Other revenue</i>		
Concessions	41,982,454	40,459,146
Rental - offices and warehouses	7,040,909	6,199,526
Rental - check-in-counter	1,277,521	1,276,803
	<u>50,300,884</u>	<u>47,935,475</u>
Total revenue	<u><u>165,417,034</u></u>	<u><u>152,547,306</u></u>
(b) Other income		
Electricity recharge	1,269,036	1,189,027
Deferred income	51,812	21,541
Dividend income	443,698	-
Gain on disposal of property, plant and equipment	119,903	-
Other income	2,118,597	1,739,737
	<u>4,003,046</u>	<u>2,950,305</u>
NOTE 5. OTHER EXPENSES		
Auditor's remuneration	19,435	23,921
Board expenses	53,857	21,733
Contract costs	8,225,131	7,663,065
Depreciation - property, plant and equipment (Note 15)	25,335,090	26,435,821
Depreciation - right-of-use assets (Note 18)	221,611	154,608
Donations and sponsorship	44,263	11,844
Directors' remuneration	101,283	50,038
Insurance	4,633,693	3,265,674
Land rental	412	7,865
Management fee	-	120,000
Sundry cost and supplies	1,400,233	696,641
Travel and accommodation	835,118	516,928
	<u>40,870,126</u>	<u>38,968,138</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

NOTE 6. OPERATING EXPENSES	2024	2023
	\$	\$
Interest on right-of-use assets	283,219	272,976
Meteorological costs	521,739	543,295
Post and telecommunications	1,084,645	843,724
Utilities	5,315,083	4,832,256
Other costs (i)	6,466,929	4,638,764
Repairs and maintenance	6,204,492	4,394,028
	<u>19,876,107</u>	<u>15,525,043</u>
(i) Other costs comprise of the following:		
Airport inspection and license fees	526,578	392,942
Bank charges	7,566	7,049
Consultancy	1,265,817	519,663
Other expenses	1,108,783	852,272
Island States share of Air Traffic Management income	1,861,620	1,764,490
Training and conference	716,165	271,152
Vehicle and fuel costs	980,400	831,196
	<u>6,466,929</u>	<u>4,638,764</u>
NOTE 7. PERSONNEL EXPENSES		
Wages and salaries	18,683,669	15,160,960
Contribution to Fiji National Provident Fund	1,910,280	1,086,893
Key management compensation - short-term benefits	1,054,731	485,170
Contribution to Fiji National Provident Fund - KMC	95,027	33,962
Fiji National University levy	202,582	171,948
Other employee benefits	1,993,767	2,060,101
	<u>23,940,056</u>	<u>18,999,034</u>
NOTE 8. FINANCE INCOME AND COSTS		
(a) Finance income		
Interest income	<u>2,519,046</u>	<u>735,742</u>
(b) Finance costs		
Interest expense - borrowings	1,987,823	3,271,527
Amortised financing cost	79,686	79,686
	<u>2,067,509</u>	<u>3,351,213</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	21,642,187	8,853,392
Deferred tax expense	1,608,643	22,580,711
	<u>23,250,830</u>	<u>31,434,103</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

NOTE 9. INCOME TAX (CONTINUED)

	2024	2023
	\$	\$
(b) Reconciliation of effective tax		
Profit before income tax	86,024,255	80,813,028
Prima facie income tax expense at 25% (2023:25%)	21,506,064	20,203,257
Effect of non-deductible tax differences	(130,919)	(18,163)
Tax effect of change in rate	-	11,146,010
Others	1,375,250	
Under provision in prior years	500,435	102,999
	<u>23,250,830</u>	<u>31,434,103</u>

(c) Recognised deferred tax liability, net

Allowance for expected credit losses	598,963	990,762
Inventories	20,733	20,733
Gain	4,416	-
Employee benefits	444,176	355,222
Difference between right-of-use assets and lease liabilities	(1,867,441)	(532,395)
Property, plant and equipment	(56,993,214)	(57,018,046)
	<u>(57,792,367)</u>	<u>(56,183,724)</u>

Movement in temporary differences during the year

	1 January 2024	Movement	31 December 2024
Allowance for expected credit losses	990,762	(391,799)	598,963
Inventories	20,733	-	20,733
Employee benefits	355,222	88,954	444,176
Difference between right-of-use assets and lease liabilities	(532,395)	(1,335,046)	(1,867,441)
Property, plant and equipment	(1,634,045)	(55,359,169)	(56,993,214)
Gain	-	4,416	4,416
Recognised in profit or loss	<u>(799,723)</u>	<u>(56,992,644)</u>	<u>(57,792,367)</u>

	1 January 2023	Movement	31 December 2023
Allowance for expected credit losses	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 assets and lease liabilities	(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	<u>10,369,171</u>	<u>(11,168,894)</u>	<u>(799,723)</u>
Deferred tax liability on revaluation gain on Property, plant and equipment (Note 14 (a))	<u>(43,972,184)</u>	<u>(11,411,817)</u>	<u>(55,384,001)</u>
	<u>(33,603,013)</u>	<u>(22,580,711)</u>	<u>(56,183,724)</u>

(d) Current tax liability

	2024	2023
	\$	\$
Balance 1 January	101,400	(465,039)
Interest withholding tax paid	(217,711)	(54,547)
Current year income tax	21,642,187	8,853,392
Payments made during the year	(9,270,057)	(8,232,406)
Balance 31 December	<u>12,255,819</u>	<u>101,400</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

	2024	2023
	\$	\$
NOTE 10. CASH AND CASH EQUIVALENTS		
Cash on hand	2,385	2,385
Cash at bank	128,457,030	116,724,931
Cash and cash equivalents in the statement of cash flows	<u>128,459,415</u>	<u>116,727,316</u>
The cash and cash equivalents balance include the “Charity Funds” cash balance of \$147,463 (2023:\$203,678) which is not available for operational use except for charity purpose.		
During the year, grant of \$3,476,215 (restricted for operations) was received from World bank for broader initiative to enhance the resilience and safety of transport infrastructure in Fiji. The funding aims to ensure that these infrastructures can withstand natural hazards and climate change, benefiting a significant portion of Fiji’s population. Additionally, the World Bank supports Fiji’s efforts to boost fiscal, climate, and disaster resilience, as well as private sector development.		
NOTE 11. TRADE RECEIVABLES	\$	\$
Trade receivables	23,151,744	28,283,667
Impairment allowance	(2,395,850)	(3,963,048)
	<u>20,755,894</u>	<u>24,320,619</u>
NOTE 12. INVENTORIES	\$	\$
Fuel	7,470	5,730
Electrical	549,619	406,855
Telecom	429,123	354,293
	986,212	766,878
Less: allowance for inventory obsolescence	(82,931)	(82,931)
Total Inventories, net	<u>903,281</u>	<u>683,947</u>
NOTE 13. OTHER RECEIVABLES AND PREPAYMENTS	\$	\$
Prepayments	3,757,002	2,971,918
Deposits	1,154,965	1,153,835
Other receivables	949,424	190,278
Value added tax receivable	1,054,349	116,265
	<u>6,915,740</u>	<u>4,432,296</u>
NOTE 14. FINANCIAL ASSETS	\$	\$
Equity instruments designated at fair value through OCI		
Listed equity investments		
Unit Trust of Fiji	30,834,395	-
Fijian Holdings Unit Trust	19,619,185	-
	<u>50,453,580</u>	-
Debt instruments at amortised cost		
Term deposit	Maturity date	Interest Rate
Kontiki Finance Limited	16/07/2027	3%
Merchant Finance	17/07/2029	4.15%
Home Finance Company Pte Limited	22/10/2024	1.25%
Bred Bank (Fiji) Pte Limited	18/04/2024	0.75%
Credit Corporation (Fiji) Pte Limited	04/12/2025	2.50%
Credit Corporation (Fiji) Pte Limited	04/01/2026	2.50%
		15,187,521
		35,000,000
		-
		45,000,000
		25,000,000
		2,504,303
		2,504,303
		-
		<u>55,196,127</u>
		<u>70,000,000</u>
Classified as follows:		
Current		2,504,303
Non-current		70,000,000
		103,145,404
		-
		<u>105,649,707</u>
		<u>70,000,000</u>

NOTE 15. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Plant and Equipment	Infrastructure	Motor Vehicles	Work In Progress (b)	Total
	\$	\$	\$	\$	\$	\$
Cost or valuation						
At 1 January 2023	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
Additions	-	1,149,290	-	2,642,598	42,396,232	46,188,120
Disposals	-	-	-	(203,300)	-	(203,300)
Transfers in/ (out)	280,758	1,732,337	13,001,041	4,990,438	(20,004,574)	-
At 31 December 2024	203,685,663	56,371,653	222,454,303	14,350,184	43,530,810	540,392,613
Depreciation and impairment						
At 1 January 2023	-	-	-	-	-	-
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
Depreciation charge	12,413,789	5,320,841	6,113,256	1,487,204	-	25,335,090
Disposals	-	-	-	(90,939)	-	(90,939)
At 31 December 2024	25,223,729	12,225,574	11,989,605	2,241,064	-	51,679,972
Net book value:						
At 31 December 2023	190,594,965	46,585,293	203,576,913	6,075,649	21,139,152	467,971,972
At 31 December 2024	178,461,934	44,146,079	210,464,698	12,109,120	43,530,810	488,712,641

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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.

(b) Work in progress breakdown by airport

	Nadi	Nausori	Outer Islands	Total
	\$	\$	\$	\$
At 31 December 2023	20,755,892	55,627	327,633	21,139,152
Additions	35,159,486	1,101,518	6,135,228	42,396,232
Capitalised	(13,566,114)	(545,697)	(5,892,763)	(20,004,574)
At 31 December 2024	42,349,264	611,448	570,098	43,530,810

NOTE 16. TRADE AND OTHER PAYABLES

	2024	2023
	\$	\$
Trade payables	11,678,016	13,455,495
Advance deposits	1,805,678	1,705,208
Income received in advance	1,128,112	1,185,027
Accruals - meteorological charges	86,957	137,613
Accruals - Pay As You Earn, Fiji National Provident Fund, Fiji National University levy	655,143	557,494
Accruals - utilities	806,241	509,730
Accruals - security cost	2,262,222	644,695
Accruals - expenditure	379,257	375,186
Other payables	56,016	(16,890)
	<u>18,857,642</u>	<u>18,553,558</u>

NOTE 17. INTEREST-BEARING BORROWINGS

	2024	2023
	\$	\$
Bank Loans		
Balance at 1 January	87,627,574	84,768,582
Drawdowns	12,892,711	5,245,721
Repayments	(6,519,692)	(2,386,729)
Balance at 31 December	<u>94,000,593</u>	<u>87,627,574</u>
Classified as follows:		
Current	10,811,580	7,295,178
Non-current	<u>83,189,013</u>	<u>80,332,396</u>
	<u>94,000,593</u>	<u>87,627,574</u>

Bank Loans**(a) Interest accruals**

No interest and other loan charges are payable as at year end (2023: \$Nil).

(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).

NOTE 17. INTEREST-BEARING BORROWINGS (CONTINUED)**(b) Loan facilities (continued)**

During the year Export Finance Australia (EFA) Loan Facility was taken over by Australian Infrastructure Financing Facility for the Pacific (AIFFP) through a refinancing of \$10m to settle the EFA loan account. A variable interest rate of 4.25% is charged on the loan facility.

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:

(i) Right-of-use assets	2024	2023
Land	\$	\$
Balance at 1 January	7,809,200	7,657,760
Additions during the year	5,528,197	306,048
Depreciation charge for the year	(221,611)	(154,608)
Balance at 31 December	<u>13,115,786</u>	<u>7,809,200</u>
(ii) Lease Liabilities		
Lease liabilities included in the statement of financial position		
Current	68,471	54,417
Non-current	5,577,553	5,625,201
	<u>5,646,024</u>	<u>5,679,618</u>
Amounts recognised to profit or loss		
Interest on lease liabilities	283,219	272,976
Expenses relating to leases of low- value assets - Land rental	412	7,865
	<u>283,631</u>	<u>280,841</u>

The maturity analysis of lease liabilities is disclosed in Note 27(ii).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

NOTE 18. LEASES (CONTINUED)

	2024	2023
	\$	\$
(a) As a lessee (continued)		
(ii) Lease Liabilities (continued)		
<i>Amounts recognised in statement of cash flows</i>		
Total cash outflow for leases	<u>344,010</u>	<u>357,536</u>

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.

	\$	\$
Less than one year	24,640,871	24,431,977
One to five years	82,064,564	92,046,466
More than five years	17,390,071	56,738,742
Total undiscounted lease payments	<u>124,095,506</u>	<u>173,217,185</u>

NOTE 19. EMPLOYEE BENEFITS*Annual leave*

Balance at 1 January	1,420,886	676,999
Charge to profit or loss	446,252	1,415,220
Utilised during the year	(90,435)	(671,333)
Balance at 31 December	<u>1,776,703</u>	<u>1,420,886</u>

NOTE 20. EARNINGS PER SHARE (EPS)

The following table reflects the income and share data used in the basic EPS calculations:

Profit attributable to ordinary equity holders	62,773,425	49,378,925
Number of ordinary shares for basic EPS	92,300,180	92,300,180
Earnings per share	<u>0.68</u>	<u>0.53</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

NOTE 21. DEFERRED INCOME

	2024	2023
	\$	\$
<u>Housing Estate</u>		
Balance at 1 January	390,288	411,829
Recognised in profit or loss	(51,812)	(21,541)
Prior year grant assets written off	94,650	-
<i>Balance at 31 December</i>	<u>433,126</u>	<u>390,288</u>
Classified as follows:		
Current	52,457	21,541
Non-current	380,669	368,747
	<u>433,126</u>	<u>390,288</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.

	\$	\$
<u>Asian Development Bank</u>		
Balance at 1 January	-	-
Recognised in profit or loss	-	-
Grant received	1,227,000	-
<i>Balance at 31 December</i>	<u>1,227,000</u>	<u>-</u>
Classified as follows:		
Current	306,750	-
Non-current	920,250	-
	<u>1,227,000</u>	<u>-</u>

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\$1,227,000 in grant for works done at the Nadi and Nausori International Airport.

	\$	\$
<u>World Bank</u>		
Balance at 1 January	-	-
Recognised in profit or loss	-	-
Grant received	3,476,215	-
<i>Balance at 31 December</i>	<u>3,476,215</u>	<u>-</u>
Classified as follows:		
Non-current	3,476,215	-
	<u>3,476,215</u>	<u>-</u>

The World Bank’s funding to Fiji Airports is part of a broader initiative to enhance the resilience and safety of transport infrastructure in Fiji. The funding aims to ensure that these infrastructures can withstand natural hazards and climate change, benefiting a significant portion of Fiji’s population. Additionally, the World Bank supports Fiji’s efforts to boost fiscal, climate, and disaster resilience, as well as private sector development.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

	2024	2023
	\$	\$
NOTE 22. SHARE CAPITAL		
(a) Issued capital		
92,300,180 ordinary shares issued and fully paid	<u>92,300,180</u>	<u>92,300,180</u>

(b) Dividends

On 26 June 2024, the Directors have declared and paid dividends for the financial year 2023 of \$16,000,000 and on 9 February 2024, the Directors have paid a final dividend for the financial year 2022 of \$6,000,000.

	\$	\$
NOTE 23. ASSET REVALUATION RESERVE		
Balance at 1 January	175,888,709	175,888,709
Write-off of grant assets	(94,649)	-
Gain on revaluation of shares held in Unit Trust of Fiji	760,712	-
Loss on revaluation of shares held in Fijian Holdings Unit Trust	(380,815)	-
Balance at 31 December	<u>176,173,957</u>	<u>175,888,709</u>

	\$	\$
NOTE 24. COMMITMENTS		
Approved and committed	72,609,765	17,388,290
Approved but not committed	47,169,037	43,581,850
	<u>119,778,802</u>	<u>60,970,140</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 25. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company is vigorously defending several claims received from suppliers amounting to \$1,015,269 (2023: \$2,000,000). 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.

NOTE 26. RELATED PARTIES**(a) Directors**

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

- Mr. Hasmukh Patel (Chairman)
- Mr. Naushad Ali
- Mr. Mark Morris Halabe
- Mr. Bhavick Kapadia
- Mr. Jona Sevura
- Ms Emele Sima Duituturaga
- Mr Arvind Singh

	2024	2023
	\$	\$
Directors' remuneration		
Fees	101,283	50,038
Other benefits	53,857	21,733
	<u>155,140</u>	<u>71,771</u>

NOTE 26. RELATED PARTIES (CONTINUED)

(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.

	2024	2023
	\$	\$
(c) Amounts receivable/ (payable) to related parties		
Fiji Airways	5,409,301	8,674,724
Fiji Meteorological Services	<u>(86,957)</u>	<u>(137,613)</u>

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	<u>344,010</u>	<u>357,536</u>
Fiji Airways		
Aeronautical and rental revenue	62,808,681	57,958,987
Management fee	<u>-</u>	<u>(120,000)</u>
Fiji Meteorological Services		
Reimbursement of Meteorological office operating cost	<u>521,739</u>	<u>543,295</u>
Civil Aviation Authority of Fiji (CAAF)		
Airport License & Inspection Fee	<u>300,948</u>	<u>258,649</u>
Fiji National Provident Fund		
Post employment benefit plan - Superannuation	<u>2,005,307</u>	<u>1,120,855</u>

(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 2024, Chief Executive Officer, General Manager Air Traffic management, General Manager Assets and Infrastructure, General Manager Airports, General Manager Finance, Projects Director 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 26 (a) is disclosed in Note 7.

NOTE 27. 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.

(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:

	2024	2023
	\$	\$
Cash at bank	128,457,030	116,724,931
Trade receivables	23,151,744	28,283,667
Other receivables (excluding prepayments)	3,158,738	1,460,378
	<u>154,767,512</u>	<u>146,468,976</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 gain on financial assets recognised in profit or loss were as follows:

	\$	\$
Impairment gain on trade and other receivables	(838,927)	(1,423,103)
	<u>(838,927)</u>	<u>(1,423,103)</u>

(i) Credit risk (continued)**Trade receivables (continued)****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 2024.

31 December 2024	Weighted- average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current (not past due)	3.62%	13,952,220	(504,878)	No
31 to 61 days past due	10.11%	7,108,499	(758,785)	No
62 to 89 days past due	21.62%	379,108	(81,968)	No
90 to 120 days past due	41.78%	186,565	(77,946)	No
More than 120 days past due	50.42%	927,422	(466,968)	No
Specific provision		597,930	(505,305)	
		<u>23,151,744</u>	<u>(2,395,850)</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.

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>	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

(i) Credit risk (continued)**Trade receivables (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.

Cash and cash equivalents

The Company held cash of \$128,457,030 (2023: \$116,724,931). 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 2024 is Nil (2023: \$Nil).

(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	Total	Contractual cash flows		
			6 months or less	6-12 months	More than 1 year
	\$	\$	\$	\$	\$
31 December 2024					
Trade and other payables	18,857,642	18,857,642	18,857,642	-	-
Loans and borrowings	94,000,593	94,000,593	5,405,790	5,405,790	83,189,013
Lease liabilities	5,646,024	18,069,251	173,029	173,029	17,723,193
	<u>118,504,259</u>	<u>130,927,486</u>	<u>24,436,461</u>	<u>5,578,819</u>	<u>100,912,206</u>

NOTE 27. RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk (continued)

Financial liabilities	Carrying amount	Total	Contractual cash flows		
			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
	<u>111,860,750</u>	<u>124,469,547</u>	<u>22,373,176</u>	<u>3,819,618</u>	<u>98,276,753</u>

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.

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	2024	2023
	\$	\$
Loan from ANZ Banking Group Limited and Export Finance Australia (i)	<u>94,000,593</u>	<u>87,627,574</u>

(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.

NOTE 27. RISK MANAGEMENT (CONTINUED)

(iii) Market risk (continued)

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.

NOTE 28. FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Company's assets.

Fair value measurement hierarchy for assets as at 31 December 2024:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Property , plant and equipment (Note 15)	Dec-22	445,181,831	-	445,181,831	-
Listed equity investments	Dec-24	50,453,580	50,453,580	-	-

Fair value measurement hierarchy for assets as at 31 December 2023:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Property , plant and equipment (Note 15)	Dec-22	467,971,972	-	467,971,972	-

NOTE 29. 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 2024.

	2024	2023
	\$	\$
Trade and other payables (Note 16)	18,857,642	18,553,558
Interest-bearing borrowings (Note 17)	94,000,593	87,627,574
Less: cash and cash equivalents (Note 10)	<u>(128,459,415)</u>	<u>(116,727,316)</u>
Net debt	(15,601,180)	(10,546,184)
Total capital and equity	<u>300,572,838</u>	<u>253,799,413</u>
Net debt to equity ratio	<u>-5%</u>	<u>-4%</u>

NOTE 30. 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	<u>14,832</u>	<u>511,683</u>

NOTE 31. 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 32. SIGNIFICANT EVENTS

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.

NOTE 33. 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.

NOTE 34. Profitability by Geographical Segment

Fiji Airports in its additional financial information have provided the profit per airports for the international and domestic airports. The additional information provides a detail breakdown of the revenue and the expenses for each airport and the profit/loss incurred.

ADDITIONAL FINANCIAL INFORMATION DETAILED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	2024 \$	2023 \$
Revenue		
Air navigation charges	37,231,197	35,288,591
Airport security and development fee	23,116,020	19,786,931
Concessions	41,982,454	40,459,146
Domestic passenger service charge	2,275,142	2,134,055
Landing and parking fees - domestic	947,268	928,669
Landing and parking fees - international	33,053,785	29,528,262
Departure tax share	7,912,947	7,762,504
Rental - offices and warehouses	7,040,909	6,199,526
Rental - check-in-counter	1,277,521	1,276,803
Terminal navigation aid charges	8,638,831	7,846,224
Electricity recharge	1,269,036	1,189,027
Deferred income	51,812	21,541
Dividend income	443,698	-
Gain on disposal of property, plant and equipment	119,903	-
Identification card charges	208,016	151,405
Left luggage charges	195,016	187,085
Interest on term deposit	2,519,046	735,742
Sundry income	1,715,565	1,401,247
Car park charges	1,940,960	1,336,595
Total income	<u>171,939,126</u>	<u>156,233,353</u>
Expenses		
Airport inspection and license fees	526,578	392,942
Auditor's remuneration	19,435	23,921
Bank charges	7,566	7,049
Board expenses	53,857	21,733
Consultancy	1,265,817	519,663
Contract costs	8,225,131	7,663,065
Depreciation - property, plant and equipment	25,335,090	26,435,821
Depreciation - right-of-use assets	221,611	154,608
Directors' remuneration	101,283	50,038
Donations and sponsorship	44,263	11,844
Expected credit loss (impairment gain in trade and other receivables)	(838,927)	(1,423,103)
Insurance	4,633,693	3,265,674
Interest - loan	2,067,509	3,351,213
Interest - right-of-use	283,219	272,976
Land rental	412	7,865
Management fee	-	120,000
Meteorological costs	521,739	543,295
Other expenses	1,108,783	852,272
Post and telecommunications	1,084,645	843,724
Repairs and maintenance	6,204,492	4,394,028
Balance carried forward to page 47	<u>50,866,196</u>	<u>47,508,628</u>

ADDITIONAL FINANCIAL INFORMATION DETAILED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

Expenses (continued)	2024	2023
	\$	\$
Balance brought forward from page 46	50,866,196	47,508,628
Island States share of Air Traffic Management income	1,861,620	1,764,490
Sundry costs and supplies	1,400,233	696,641
Training and conference	716,165	271,152
Travel and accommodation	835,118	516,928
Utilities and services	5,315,083	4,832,256
Vehicle and fuel costs	980,400	831,196
Wages and salaries	23,940,056	18,999,034
Total expenditure	<u>85,914,871</u>	<u>75,420,325</u>
Operating profit before tax	<u><u>86,024,255</u></u>	<u><u>80,813,028</u></u>

ADDITIONAL FINANCIAL INFORMATION DETAILED STATEMENT OF PROFIT OR LOSS BY GEOGRAPHICAL SEGMENT

For the year ended 31 December 2024

INCOME	Nadi	Nausori	Labasa	Savusavu	Matei	Kadavu	Rotuma	Vanuabalavu	Ono-I-Lau	Moala	Lakeba	Gau	Cicia	Bureta	Koro	Saqani	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Aeronautical																	
Landing & Parking Fee - Int'l	32,989,432	64,353	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,053,785
Landing & Parking Fee - Dom	404,261	351,996	125,991	22,612	23,585	4,521	9,125	1,040	-	579	1,049	431	767	457	854	-	947,268
Air Navigation Charges	37,231,197	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,231,197
Terminal Navigation Charges - Int'l	7,824,083	33,057	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,857,140
Terminal Navigation Charges - Dom	454,115	327,576	-	-	-	-	-	-	-	-	-	-	-	-	-	-	781,691
Passenger Service Charge	7,908,199	4,748	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,912,947
Airport Charges	23,058,576	57,445	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,116,020
Domestic Passenger Service Charges	848,741	884,844	332,153	88,084	79,844	14,866	16,496	2,602	40	1,173	3,410	487	1,966	124	312	-	2,275,141
Concession - Fuel	8,746,701	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,746,701
Sub Total Aeronautical	119,465,305	1,724,018	458,144	110,696	103,428	19,387	25,621	3,642	40	1,752	4,459	918	2,733	580	1,165	-	121,921,890
Non - Aeronautical																	
Commercial																	
Concessions	33,026,311	209,441	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,235,753
Rental: Offices & Warehouses	4,388,165	549,381	13,419	3,934	8,055	1,600	-	-	-	-	-	-	-	-	-	-	4,964,554
Land Lease Rental	2,535,964	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,535,964
Housing Estate Rental	817,913	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	817,913
Car Park	1,683,817	257,143	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,940,960
Rental: Left Luggage SVC - NA	195,016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	195,016
Sub Total Commercial	42,647,185	1,015,965	13,419	3,934	8,055	1,600	-	-	-	-	-	-	-	-	-	-	43,690,158
Others																	
Sundry Income	1,850,821	187,817	201,835	122,189	109,532	14,490	500	-	-	-	-	-	-	-	-	-	2,487,184
Electricity Charges	1,236,176	32,860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,269,036
Amortisation of Housing Depreciation	51,812	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51,812
Interest on Term Deposits	2,519,046	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,519,046
Sub Total Others	5,657,855	220,677	201,835	122,189	109,532	14,490	500	-	-	-	-	-	-	-	-	-	6,327,079
Total Income	167,770,345	2,960,661	673,398	236,819	221,015	35,477	26,121	3,642	40	1,752	4,459	918	2,733	580	1,165	-	171,939,126

ADDITIONAL FINANCIAL INFORMATION DETAILED STATEMENT OF PROFIT OR LOSS BY GEOGRAPHICAL SEGMENT (CONTINUED)

For the year ended 31 December 2024

	Nadi	Nausori	Labasa	Savusavu	Matei	Kadavu	Rotuma	Vanuabalavu	Ono-I-Lau	Moala	Lakeba	Gau	Cicia	Bureta	Koro	Saqani	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EXPENDITURE																	
Operating																	
Salaries	16,710,134	2,713,928	252,466	133,108	123,621	61,125	139,888	-	-	-	49,083	-	-	60,250	-	-	20,243,602
Penal Rates	679,691	183,486	22,512	7,592	8,817	-	-	-	-	-	-	-	-	-	-	-	902,098
Overtime	2,004,832	539,936	139,484	47,168	48,641	20,311	(6,260)	-	-	-	-	-	-	244	-	-	2,794,356
Sub total - Staff Cost	19,394,657	3,437,349	414,462	187,869	181,079	81,436	133,628	-	-	-	49,083	-	-	60,493	-	-	23,940,056
Contract Costs	7,434,583	678,574	1,433	-	-	-	-	18,750	17,783	18,253	-	18,750	18,253	-	18,750	-	8,225,131
Sub total - Contract Cost	7,434,583	678,574	1,433	-	-	-	-	18,750	17,783	18,253	-	18,750	18,253	-	18,750	-	8,225,131
Repairs & Maintenance	5,196,945	551,998	52,401	99,097	13,885	33,527	188,839	4,254	3,469	9,181	8,843	15,990	7,745	7,077	11,239	-	6,204,491
Sundry Costs/Supplies	1,294,742	81,839	9,004	5,930	3,560	1,263	1,593	54	144	-	599	595	185	656	69	-	1,400,233
Utilities	4,867,115	424,584	16,954	4,760	615	306	566	-	-	182	-	-	-	-	-	-	5,315,083
Post & Telecommunication	1,041,418	40,461	464	497	544	-	709	-	-	73	17	167	-	157	139	-	1,084,645
Airport License fee / Compliance Costs	375,339	47,205	10,324	4,826	5,116	5,143	18,298	9,348	6,851	4,760	8,739	7,987	8,739	4,535	9,368	-	526,578
Vehicle Cost	605,318	293,409	10,495	4,766	16,616	7,265	21,919	4,854	-	-	2,337	1,595	4,658	-	7,166	-	980,400
Meteorological Cost	521,739	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	521,739
Others	1,048,865	54,034	2,857	490	400	35	400	-	-	-	-	-	200	287	1,215	-	1,108,783
Sub total - operating cost	14,951,482	1,493,529	102,499	120,366	40,736	47,540	232,323	18,511	10,464	14,197	20,536	26,335	21,528	12,712	29,196	-	17,141,952
Auditor's remuneration	19,435	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,435
Travel & Accommodation	754,527	41,847	12,071	10,336	5,179	1,906	8,017	-	-	341	-	252	-	642	-	-	835,118
Training & Conferences	672,123	29,283	1,861	1,666	2,623	2,433	1,976	-	-	-	-	-	-	4,200	-	-	716,165
Consultancy Fees	1,265,817	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,265,817
Board Expense	53,857	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,857
Directors' Remuneration	101,283	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	101,283
Interest on Lease of use on Assets	18,609	153,748	4,253	3,776	-	4,686	27,002	6,126	6,149	5,165	6,310	7,367	6,539	25,308	8,181	-	283,219
Interest on Loan	2,067,509	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,067,509
Bank Charges	7,566	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,566
Insurance	4,633,693	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,633,693
Land Rental - NA	100	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	412
Share of ATM Income	1,861,620	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,861,620
Donations and Sponsorship	44,263	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,263
Expected credit loss	(838,927)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(838,927)
Sub Total Administration Cost	10,661,476	225,190	18,185	15,778	7,802	9,025	36,995	6,126	6,149	5,505	6,310	7,619	6,539	30,149	8,181	-	11,051,031
Depreciation	20,765,209	2,553,182	217,743	268,263	166,678	132,376	397,430	70,280	46,986	76,931	102,912	101,101	33,529	325,239	77,233	-	25,335,090
Depreciation - right-of-use assets	221,611	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	221,611
Sub Total Depreciation	20,986,820	2,553,182	217,743	268,263	166,678	132,376	397,430	70,280	46,986	76,931	102,912	101,101	33,529	325,239	77,233	-	25,556,701
Total expenditure	73,429,018	8,387,825	754,322	592,275	396,296	270,376	800,376	113,667	81,382	114,886	178,840	153,805	79,848	428,593	133,361	-	85,914,871
Operating profit/(loss)	94,341,327	(5,427,164)	(80,923)	(355,456)	(175,281)	(234,899)	(774,255)	(110,025)	(81,342)	(113,134)	(174,381)	(152,886)	(77,116)	(428,013)	(132,195)	-	86,024,255



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