

Assemblies of God High School

Year 13

Accounting Project 2025



Group Members Name's

Marika Ravula (Group Leader)

Vishav Arsh Prasad

Mereoni Naikini

A. Background Information of the Company

Establishment of ATH Company

As part of the Fijian government's public sector reform agenda, Amalgamated Telecom Holdings Limited (ATH) was founded as a public corporation on March 10, 1998, and it started operations on December 16, 1998, with the goal of combining telecommunications investments for privatization.

History of ATH Company

While the government gradually decreased its shareholding, the Fiji National Provident Fund (FNPF) gradually expanded its ownership. With the acquisition of telecom assets in Kiribati, Vanuatu, Samoa, American Samoa, Cook Islands, and Papua New Guinea, ATH has since increased its footprint throughout the Pacific.

Mission

ATH's **Mission** is *"To enhance shareholder value by pursuing areas that leverage off our core investments in ICT"*. This illustrates the company's main objective, which is to maximize returns for investors by concentrating on strategic growth prospects in the ICT industry. By growing its current telecom operations, acquiring new firms, and implementing cutting-edge technology, ATH hopes to accomplish this. The company works to deliver high-quality services while guaranteeing long-term profitability and financial sustainability for its stockholders through constant innovation and improvement.

Vision

ATH's **Vision** *"To be an internationally competitive ICT investment company in the Pacific"*. This indicates that the corporation wants to increase and fortify its position in the Pacific region's information and communications technology (ICT) and telecommunications industries. In order to compete globally, ATH wants to be a leader in the provision of cutting-edge digital connectivity, infrastructure, and services. In order to improve its technological skills and keep a significant competitive edge in the market, ATH consistently invests in innovation and strategic alliances.

Core Values of ATH Company

1. Integrity – Practicing good corporate governance and being faithful to our stakeholders.

ATH is dedicated to upholding transparency in all aspects of its business operations and implementing sound corporate governance. By maintaining integrity and trust in all of its interactions, the company guarantees moral business conduct and stays loyal to its stakeholders.

2. Accountability – Helping our stakeholders understand how we make decisions, taking ownership and being answerable and responsible for our actions.

ATH places a high importance on accountability and taking ownership of its choices and actions. In order to ensure transparency in decision-making procedures and accountability for its promises, the organization makes an effort to keep stakeholders updated on its activities.

3. Innovation – Being at the forefront of the product service and service offerings.

ATH is committed to remaining on the cutting edge of technology. The business maintains its position as a leader in the ICT sector and meets changing client expectations by consistently creating and enhancing its goods and services.

4. Efficiency – Delivering on time, and getting things right the first time.

One of ATH's top priorities is providing services on schedule and guaranteeing correctness right away. In order to deliver top-notch services with the least amount of waste and the highest level of efficiency, the company concentrates on streamlining its operations and resources.

5. Effectiveness – Ensuring that our business is aligned with, and ultimately contributes to the achievement of our vision.

ATH ensures long-term success by coordinating its business strategy with its overarching vision. The business makes sure that every action it takes directly advances its objectives, improves its standing in the market, and spurs expansion around the Pacific.

B. Corporate governance of the company

Chief Executive Officer (CEO)

The CEO of ATH is **Mr. Ivan Fong**. He is responsible for developing and implementing business strategies, managing financial performance, ensuring regulatory compliance, and overseeing relationships with stakeholders.

Board of Directors

The Board of Directors consists of seven (7) Non-Executive Directors, with four (4) Strategic Investor Directors nominated by the Fiji National Provident Fund (FNPF) and three (3) Fiji Directors nominated by the Government of Fiji.

- **Chairman: Attar Singh**
- **Deputy Chairperson: Tanya Waqanika**
- **Directors:**
 - **Vilash Chand**
 - **Joweli Taoi**
 - **Peter Chan**
 - **Dakshesh Patel**
 - **Viliame Vodonaivalu Baleitavua**

Appointment of the CEO

A candidate's qualifications, leadership skills, and industry experience are taken into consideration by the Board of Directors when choosing ATH's CEO. A methodical hiring procedure guarantees that the CEO is qualified to guide the business in accordance with its strategic objectives. After being appointed, the CEO is in charge of carrying out business plans, overseeing finances, and running the entire organization. They report directly to the board. To make sure the business stays on course to meet its goals, the Board regularly assesses the CEO's performance.

Appointment of the Board of Directors

Seven (7) Non-Executive Directors make up the Board of Directors and are chosen by nominations from shareholders. The main stakeholder, the Fiji National Provident Fund (FNPF), nominates four (4) Strategic Investor Directors, and the Government of Fiji nominates three (3) Fiji Directors. Additionally, if a person has been proposed by the Board or by shareholders who own at least 10% of all voting shares, they may be nominated as a director at a general meeting. Every year, a third of the Fijian directors retire, albeit they are

up for reelection. To ensure diversity and impartiality in governance, two of the seven directors satisfy the conditions set forth by the South Pacific Stock Exchange (SPX) to be regarded as independent directors.

Duties of the CEO and Board of Directors of ATH

Duties of the Chief Executive Officer (CEO) – Ivan Fong

The CEO is responsible for the overall management and execution of ATH's business strategies. His key duties include:

- 1. Strategic Leadership** – Creating and carrying out business plans that complement the goals and objectives of ATH.
- 2. Financial Management** – Supervising the organization's financial reports, budgets, and key performance indicators.
- 3. Regulatory Compliance** – Ensuring compliance with all governance, legal, and regulatory obligations.
- 4. Stakeholder Engagement** – Managing connections with shareholders, investors, commercial partners, and regulatory organizations.
- 5. Operational Oversight** – ATH's business segments and subsidiaries are driven by efficiency and effectiveness.
- 6. Technology and Innovation** – Overseeing the digital transformation and making sure ATH stays on the cutting edge of ICT developments.
- 7. Risk Management** – Recognizing any business risks and putting mitigation plans in place.
- 8. Workforce Development** – Ensuring employee performance, leadership training, and ongoing education to facilitate company expansion.

Duties of Board of Directors

The Board of Directors plays a governance and oversight role in ATH. Their key responsibilities include:

- 1. Strategic Oversight** – Assessing and approving ATH's strategic direction and ensuring alignment with business objectives.
- 2. Investment Decisions** – Evaluating and approving major financial investments, acquisitions, and growth initiatives.
- 3. Corporate Governance** – Ensuring ATH adheres to corporate governance principles and ethical business practices.
- 4. Financial Review** – Monitoring financial performance, approving budgets, and ensuring shareholder value is maximized.
- 5. Risk Management** – Overseeing company risks and ensuring policies are in place to manage them effectively.
- 6. CEO Supervision** – Evaluating the performance of the CEO and providing guidance on operational and strategic matters.
- 7. Board Committees** – Some directors serve on specialized committees such as:
 - **Audit, Finance & Risk Committee** – Ensures transparency in financial reporting and internal controls.
 - **Nominations Committee** – Oversees board appointments and governance matters.
 - **Human Resources & Remuneration Committee** – Manages executive appointments, salary structures, and employee policies.

8. **Corporate Social Responsibility (CSR)** – Supporting initiatives that benefit the community and promote sustainability.

Auditors of ATH

Internal Auditor

ATH's organizational structure now includes a post for an internal auditor, and an appointment is anticipated within the next year. Until the internal auditor is legally appointed, internal control and risk management operations are currently supervised by the Audit, Finance, and Risk Committee.

External Auditor

At the Annual General Meeting (AGM), the shareholders choose ATH's external auditor. To maintain independence and openness, the external audit firm must rotate its senior audit partner every three years and cannot be hired for more than five years in a row. To preserve the accuracy of the business's financial reporting, the Audit, Finance, and Risk Committee is in charge of the external audit procedure.

Annual General Meeting (AGM) of ATH

Every fiscal year, ATH holds its **Annual General Meeting (AGM)** to update **shareholders** on the company's business operations and financial performance. **The Board of Directors and executive management** address shareholder issues, discuss significant developments, and deliver the company's financial reports during the AGM.

In order to guarantee that shareholders get **timely and accurate disclosures** regarding the company's operations, the AGM is organized in compliance with **regulatory standards**. In order to provide them a chance to interact with the Board directly, shareholders are invited to attend and actively participate in discussions. Official announcements are posted on the **websites of ATH** and the **South Pacific Stock Exchange (SPX)**, and copies of the **Annual Report** are distributed at the AGM.

C. Principal Activities of the Company

With investments in a variety of ICT and telecoms services throughout the Pacific, ATH is the primary telecommunications holding company in Fiji. The business is run by its subsidiaries, which offer a range of digital, financial, and communication services.

The **principal activities** of ATH include:

1. **Voice, Internet, and Data Services** – Providing **fixed-line and mobile telecommunications**, broadband internet, and data connectivity solutions.
2. **Business Communications Solutions** – Offering **enterprise ICT solutions** such as cloud services, network security, and managed IT services.
3. **ICT and Surveillance Products** – Supplying **computing hardware, software solutions, and security surveillance systems**.
4. **Transaction Management and Prepaid Services** – Operating **mobile money platforms** like M-PAiSA for digital transactions and financial inclusion.
5. **Directory Information Services** – Managing **business directories** and digital information services.
6. **Business Process Outsourcing (BPO)** – Providing **call center services and customer support solutions**.

7. International Telecommunications Facilities – Operating submarine cable networks and international gateway services to connect Fiji and the Pacific region to global markets.

In order to strengthen its position as the top ICT supplier in the Pacific, ATH has acquired telecommunications assets in **Samoa, American Samoa, Cook Islands, Vanuatu, Papua New Guinea, and Kiribati.**

Par Value of Shares for ATH as of 21st March 2025

As of March 21, 2025, there were no recorded trades for ATH shares on the South Pacific Stock Exchange (SPX). The most recent trades prior to that date occurred on March 11, 2025, with prices ranging from FJ\$1.81 to FJ\$1.99 per share. The current market price of ATH shares is FJ\$1.99.

Interim/Final Dividends declared by the company for the financial year 2024

For the fiscal year that concluded on June 30, 2024, Amalgamated Telecom Holdings Limited (ATH) announced an **interim/final** dividend per share of \$0.03, up from \$0.05 per share the year before.

Top 10 Shareholders of ATH Company

The top ten shareholders of Amalgamated Telecom Holdings Limited (ATH) are listed here, together with the percentage of shares they possess and the number of shares they own.

1. **Fiji National Provident Fund Board** – 72.70% (347,964,953 shares)
2. **Republic of Fiji Islands** – 15.25% (72,966,105 shares)
3. **Unit Trust of Fiji (Trustee Company) Limited** – 4.05% (19,391,624 shares)
4. **iTaukei Trust Fund Board** – 1.38% (6,584,144 shares)
5. **Amalgamated Telecom Nominees Limited** – 0.98% (4,700,193 shares)
6. **Retirement Fund Board (Tonga)** – 0.84% (4,000,000 shares)
7. **Unit Trust of Fiji (Trustee Company) Ltd** – 0.73% (3,494,804 shares)
8. **Unit Trust of Samoa (Trust)** – 0.72% (3,464,355 shares)
9. **FHL Trustees Limited ATF Fijian Holdings Unit Trust** – 0.72% (3,448,936 shares)
10. **BSP Life (Fiji) Limited** – 0.45% (2,173,387 shares)

D. Accounting Conceptual Framework

Compliance Status Employed by the Company

Amalgamated Telecom Holdings Limited (ATH) uses the following two compliance measures to conform to the necessary accounting standards in Fiji:

1. Compliance with International Financial Reporting Standards (IFRS)

ATH prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). This guarantees that ATH's financial reporting fits with worldwide best practices and meets openness and comparability requirements.

Explanation

ATH guarantees accurate financial reporting, appropriate revenue recognition, asset valuation, and expense allocation by adhering to IFRS. IFRS compliance guarantees regulatory approval from financial regulators in Fiji and boosts investor confidence.

2. Annual Compliance Reporting and Audit Governance

Because ATH adheres to stringent corporate governance guidelines, an independent external auditor conducts audits every year. The Audit, Risk, and Finance Committee oversees the business and confirms that it is financially sound and compliant with regulations.

Explanation

The absence of significant misstatements in ATH's financial records is guaranteed by yearly independent audits. In order to maintain compliance with Fiji's Companies Act 2015 and Stock Exchange Listing Rules, the Audit, Risk, and Finance Committee is essential to risk management and financial supervision.

Opinion(s) of the External Auditors

The **independent auditor's opinion** for Amalgamated Telecom Holdings Limited (ATH) for the financial year ended **30 June 2024** states:

- The **consolidated financial statements** present a **true and fair view** of the **financial position, performance, and cash flows** of ATH in accordance with **International Financial Reporting Standards (IFRS)**.
- The audit was conducted in accordance with **International Standards on Auditing (ISA)**.
- The auditors found **no material misstatements** and concluded that the financial statements comply with the **Companies Act, 2015**.

Accounting Concepts

Here are three accounting concepts and how they have been applied by **Amalgamated Telecom Holdings Limited (ATH)** in its financial reporting:

1. Historical Cost Concept

With the exception of some financial assets, such **equity investment securities**, which are valued at fair value, ATH bases the preparation of its consolidated financial statements on the **historical cost concept**. This ensures consistency and dependability in financial reporting by recording assets and liabilities at their original purchase price rather than their current market value.

2. Accrual Concept

The business records revenues and expenses as they are incurred rather than when money is collected or paid since it uses the **accrual method of accounting**. This is clear from the way ATH handles revenue recognition for **telecom services**, where revenue is recorded at the time services are rendered, regardless of when the cash payment is received.

3. Going Concern Concept

ATH's financial statements are prepared on a **going concern basis**, which implies that the firm will continue its operations for the foreseeable future. The company's compliance with **IFRS** and its financial risk

management techniques, such as **liquidity risk management and capital structure maintenance**, support this premise, ensuring that ATH stays financially stable.

E. Ethics and Fraud

Code of Conduct

The following are three professional accountant codes of conduct and how Amalgamated Telecom Holdings Limited (ATH) complies with them:

1. Integrity

By providing **timely and accurate disclosures** in its Annual Reports in accordance with **Rule 51 of the Listing Rules**, ATH guarantees **integrity and openness** in financial reporting. The business maintains stakeholder confidence by adhering to stringent corporate governance guidelines, which guarantee that **all relevant information is presented truthfully and without omissions**.

2. Objectivity

ATH's **Conflict-of-Interest Policy** requires **directors, executives, and employees to declare** any potential conflicts of interest **once a year**. This guarantees the **impartiality** of financial and business choices and the disclosure of any linked party transactions in a **register of interests**.

3. Professional Competence and Due Care

In addition to ensuring that **senior management and financial professionals receive frequent training** on the most recent accounting and reporting requirements, ATH adheres to **International Financial Reporting Standards (IFRS)**. This ensures that the business prepares and presents financial statements in accordance with the **highest professional standards**.

Policy of Fraud of Schemes

In order to combat fraudulent actions, Amalgamated Telecom Holdings Limited (ATH) has put in place a Fraud Policy that includes both preventive and corrective measures. The main elements of the policy and the procedure the business uses in the event of fraud are listed below:

1. Whistleblower Policy and Fraud Prevention

Employees, stakeholders, and other parties can report **fraud, corruption, or unethical behavior** through the **Whistleblower Policy** that ATH has created. Whistleblowers are guaranteed confidentiality and protection from reprisals under the policy. A designated whistleblower team, which consists of an **ATH director** and staff from **Risk and Human Resources**, can receive reports of fraudulent activity via **email or directly**.

2. Investigation Process

The **whistleblower team is tasked with looking into a fraud accusation** after it is reported. This group collects evidence, assesses the **claim's veracity**, and, if required, **performs internal audits**. The **Audit, Risk, and Finance Committee**, which **guarantees impartial supervision and adherence to financial rules**, may also be tasked with taking up the case.

3. Disciplinary and Legal Actions

ATH initiates **disciplinary action**, which could involve **financial restitution, legal action, or termination of employment**, if fraudulent activity is proven. By **informing the appropriate authorities**, such as the **Reserve Bank of Fiji or law enforcement**, about **fraud cases**, the company also complies with **regulatory duties**. ATH keeps a close **eye on internal controls** to stop fraud in the future.

F. Conclusions and Recommendations

Conclusion

In addition to its **solid corporate governance, significant investments in digital services and 5G technologies, and adherence to IFRS standards**, Amalgamated Telecom Holdings Limited (ATH) exhibits **great financial stability**. Long-term sustainability and financial stability are guaranteed by its **robust shareholder base**, which is headed by the **Fiji National Provident Fund (FNPF)**.

ATH must contend with the **hazards of regulatory compliance** in several nations, competitive pressures from new market entrants like Starlink, and **difficulties managing debt levels**. Financial concerns are also posed by foreign exchange problems in important markets like **Papua New Guinea**.

Despite these challenges, ATH has **significant growth opportunities** in expanding **financial technology (M-PAiSA services), regional telecommunications infrastructure**, and further **5G network rollouts**. With continued strategic investments and risk management, ATH is well-positioned for **sustained regional growth** in the Pacific.

Recommendations

• Debt Management and Cost Optimization

ATH should implement a **structured debt reduction strategy** by refinancing high-interest loans and prioritizing **cost-saving initiatives** across its subsidiaries. This will **reduce financial strain**, improve cash flow, and enhance profitability. Strengthening financial risk management policies can help mitigate **foreign exchange challenges**, particularly in markets like **Papua New Guinea**.

• Expansion of Digital and Financial Services

Given the success of **M-PAiSA and digital payment solutions**, ATH should **expand its fintech offerings** across the Pacific, leveraging its existing telecom infrastructure. This will **diversify revenue streams** beyond traditional telecommunications and position ATH as a key player in the **regional digital economy**, capitalizing on the increasing demand for **mobile banking and e-commerce solutions**.