



PACIFICFLEET[®]
MANAGEMENT



ANNUAL REPORT 2017



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PWC - PricewaterhouseCoopers
Independent Audit Report

VB HOLDINGS LIMITED

FLEET & PROPERTY MANAGEMENT

ABOUT VB HOLDINGS LIMITED



MISSION

Through the right focus and business strategy, we aim to deliver on our promise to be the preferred Asset Management company.

CORPORATE GOAL

Maximise value of our business and ensure consistent return to our shareholders with the successful management of our two classes of assets.

OUR THREE-PRONGED STRATEGY: CONTINUOUS BUSINESS IMPROVEMENT

- Restoring operational excellence and profit growth in Fleet Management
- Growth initiatives in Property Management.
- Strengthening shareholders equity & stakeholders interests

BUSINESS CULTURE

- Create accountability
- Continual growth of shareholders' value

SUSTAINABLE GROWTH

- Strong expansion of both classes of assets
- Investing for the future

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BOARD OF DIRECTORS



Pt. Vishnu Deo
VB HOLDINGS LIMITED (FOUNDER)



Mr. Sundar Masih Sukhu
CHAIRMAN



Mr. Nitish (Bob) Niranjn
CEO/ COMPANY SECRETARY



Mr. Narayan Singh Niranjn
DIRECTOR



Mr. Devanesh Sharma
DIRECTOR



Mr. Ratnesh Singh
DIRECTOR

MESSAGE FROM THE CHAIRMAN



"Success is not final; failure is not fatal: It is the courage to continue that counts."

- Winston S. Churchill

Dear Shareholders,

It is my pleasure on our 71st year of trading to welcome you all and report on your company's performance for the full year trading ending December 2017.

2017 was a year of consolidation and we faced a number of challenges during the year, which made my 4th year as your Chairman all the more interesting. However, I am pleased to advise you that the year ended on a sound note and that your Board and CEO were able to maneuver the Company 2017 to a positive finish.

After 16 years of highly charged growth, it was important that we had a year to consolidate and spend time in improving our processes. 2017 saw attention to internal improvements but ended with a 11.2 % reduction over the previous year, considering the country's GDP grew by 4.2% based on recent forecasts.

Therefore, 2017 will be a year of consolidation and innovation in our 71-year history, assisted in part with Fiji's 8th year of positive growth. Both our asset classes-Fleet and Property, performed satisfactorily. We were also pleased to see our share price grew further to \$4.50 by year end. Subsequently, the share price has risen to \$6.00 at time of printing of Annual Report, an all-time high, this shows the company has strengthen its position in the market.

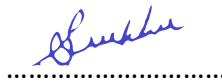
I thank our Board of Directors for their excellent contribution and advice to ensure compliance and performance that has led to another year of positive results.



I also thank our CEO and his Management Team, who have worked diligently to ensure our Company addressed the challenges posed to the Company and ensured the smooth running of our business.

Finally, I thank our shareholders who have continued to have faith in our Board and the direction that we have taken for the betterment of the company.

Yours sincerely,



Mr. S.M.Sukhu

Chairman of Board

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



“There are no secrets to success. It is the result of preparation, hard work, and learning from failure.”

-Colin Powell

paid on 6 months of performance. The final dividend for 2017 year was announced on 30th January 2018 and subsequently paid. We have consistently given to our shareholders returns on their investment.

Dear Shareholders,

It is my privilege to report on the progress that our Company made during the 2017 financial year, our 71st year as Public a Company.

2017 was no doubt a very challenging year for the Company, but we are pleased that with the support of Board, management and customers, we were able to address these hurdles as they presented themselves and to complete the year in satisfactory manner. Focus during 2017 was to strengthen the internal processes and consolidate operations after some 16 years of consistent high growth. Accuracy and efficiency was a central focus in our reforms.

We were able to achieve \$6.7 million turnover, providing 11.2% reduction over 2016.

Our Fleet Management business was down slightly to \$5.8 million and represented 86% of our sales. The Property Management and Other income representing 14% of our sales was slightly up to \$329,000 representing a 7% increase. Our profit also decreased to \$2.0million, taking into consideration revaluation of our property assets, which are done on a shorter time interval than previous cost basis. This is compared to a profit of \$2.3 million in 2016. Our total assets decreased by 1.5% to \$18.6 million as some fleet assets/contracts expired. However, our net assets increased to \$14.9 million from \$13.3 million, an increase of \$12.9% due to a large reduction in debt.

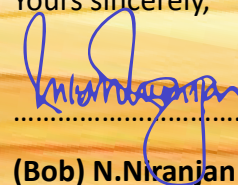
We were also pleased to have declared dividends of \$0.14cents for the year, by way of 1 interim dividend



Importantly, our market capitalization was strengthened to \$9.6 million, during 2017 with our share price hitting another new level at \$4.50 per share. Subsequently, the share price has increased to \$6.00, this represents a \$1.50 increase in share price representing a 33.33% increase. The VB Holdings Ltd Team have been able to achieve another progressive year with positive financial results, through efforts to achieve cost efficiencies, the benefits of which are passed onto our customers and our valued shareholders.

And finally, I thank you our shareholders, for your continued faith in the direction we take on this historic 71st year of trading.

Yours sincerely,



(Bob) N. Niranjan

FINANCIAL OVERVIEW TABLE

Years	2002	2003	2004	2005	2006	2007	2008
Turnover	400,000	605,856	915,218	1,300,084	1,684,575	2,045,180	1,634,233
Net Profit After TaxW	117,887	74,250	235,531	332,243	418,223	252,162	150,234
Dividend	60,000	100,000	101,000	158,100	198,900	183,600	196,026
Dividend Per Share (DPS)	0.10	0.10	0.10	0.10	0.13	0.12	0.13
Net Tangible Assets Per Share	1.36	1.27	1.40	1.72	1.91	1.88	1.93
EPS - \$	0.20	0.07	0.23	0.22	0.27	0.16	0.10
Total Assets	2,529,587	3,282,997	3,109,146	4,520,454	6,573,726	6,813,922	6,261,812
Share Holders Fund	813,085	1,267,335	1,427,466	2,626,709	2,922,532	2,883,994	3,034,228
Share Price	1.33	1.31	2.00	2.11	2.60	2.90	3.00
No of Shares	600,000	1,000,000	1,020,000	1,530,000	1,530,000	1,530,000	1,568,208
Return to Shareholders	12.00%	6.02%	60.31%	10.50%	29.38%	16.15%	7.93%
Return of Equity	14.50%	5.86%	16.50%	12.65%	14.31%	8.74%	4.95%
Fleet Management	37,971	315,756	660,758	1,090,656	1,478,878	1,828,103	1,446,388
Property Management	147,220	124,384	195,410	192,842	205,697	217,077	193,747

Year	2016	2017
Highest Market Price During Financial Year	3.98	4.50
Lowest Market Price During Financial Year	3.60	3.98
Market Price at the end of the Financial Year	3.98	4.50



2009	2010	2011	2012	2013	2014	2015	2016	2017
1,742,274	2,376,094	2,411,017	2,814,181	3,612,272	5,346,499	7,208,289	7,617,177	6,764,140
151,078	594,538	697,854	696,067	609,476	1,389,149	1,414,838	2,094,403	1,860,765
199,522	213,736	213,736	213,736	249,359	274,297	299,237	299,236	299,236
0.13	0.12	0.12	0.12	0.14	0.14	0.14	0.14	0.14*
1.91	2.20	2.47	2.74	2.95	4.92	5.38	6.22	7.02
0.09	0.33	0.39	0.39	0.34	0.65	0.66	0.98	0.87
7,735,280	9,765,927	8,486,899	10,468,616	9,951,026	22,903,960	20,890,643	18,913,864	18,625,352
3,058,806	3,920,513	4,404,631	4,886,962	5,247,079	10,526,047	11,492,030	13,287,197	14,998,344
2.98	2.99	2.98	3.00	3.08	3.18	3.60	3.98	4.50
1,603,021	1,781,134	1,781,134	1,781,134	1,781,134	2,137,403	2,137,403	2,137,403	2,137,403
3.67%	4.36%	3.68%	4.70%	7.33%	7.79%	17.61%	14.44%	16.58%
4.94%	15.16%	15.84%	14.24%	11.62%	13.20%	12.31%	15.76%	12.41%
1,571,018	2,144,882	2,155,771	2,600,994	3,334,971	4,069,079	6,288,774	6,506,441	5,807,655
171,256	231,212	220,592	191,610	192,833	293,421	327,982	307,629	329,130

Note: * 14 cents represents 7 cents first interim dividend per share paid in August 2017, and final dividend for 2017, of 7 cents per share was declared in January, 2018 and subsequently paid in 2018.



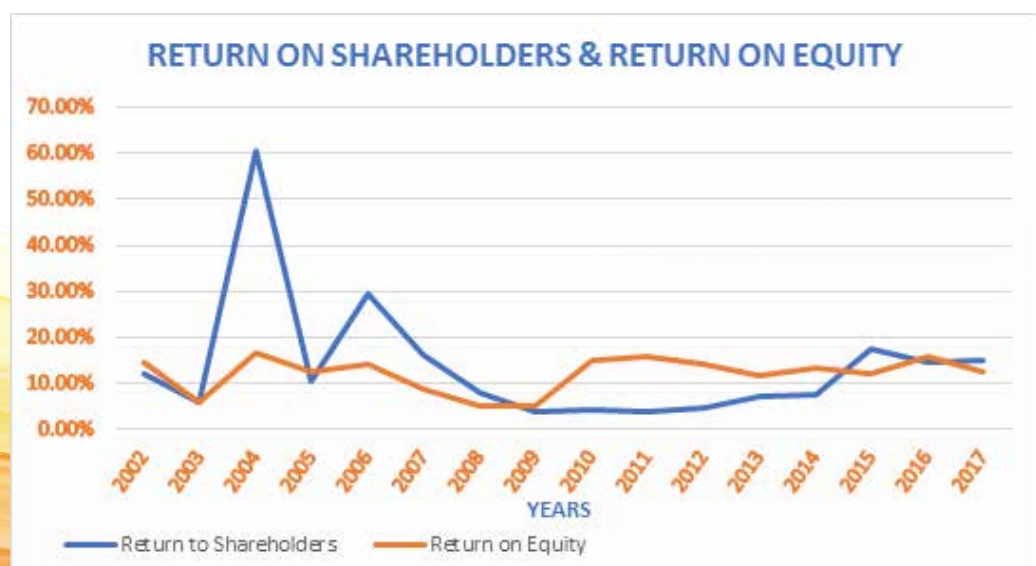
FINANCIAL RESULTS

The Fijian economy stayed on track to record positive growth for the eight-consecutive year, at a Projected faster pace of 4.2%. The company recorded a decrease in Profit before Tax by 11.5% which was \$2,061,768 for the year ended 31st December 2017, compared to profit of \$2,329,767 in 2016. There was a decrease in revenue by 11.2%, from \$7,617,177 in FY 2016 to \$6,764,140 in FY 2017.

Expenditure also decreased from \$6,077,410 to \$5,482,372 mainly due to depreciation on fleet assets, the Fleet division recorded 10.74% reduction in revenue compared to last years. Profit after Tax stood at \$1,860,765 compared to \$2,094,403 in 2016. The Company's total assets have decreased by 1.5% from \$18,913,864 compared to \$18,625,352 in FY 2017. The Net assets have increased by 12.9% from \$13,287,197 to \$14,998,344.

RETURN TO SHAREHOLDERS

The company has operated on principle and transparency, focused on creating value for all its stakeholders, and shareholders. Shareholders equity has increased. At the Balance Sheet date, it stood at \$14.99 million. The Board has declared and paid 7 cents per share as interim Dividends for first half of the FY and 7 cents Share as final dividends for the second half of the FY was announced on the 30th of January 2018, providing an approx. rate of return of 3.11% to investors, based on the last traded price of \$4.50 on the South Pacific Stock Exchange.



FLEET MANAGEMENT

Fleet Management has become an essential segment of the business. This year Fleet Management has generated 85.86% total revenue, almost the same percentage as in 2016. The total revenue for the fleet division for the year 2017 was \$5,807,655 compared to \$6,506,441 in 2016. This is due to expiry of operating leases during the year and also increased competition in the Fleet Management market. The company expects to see positive developments in the corporate sector as well roads and construction, which should lead to an increase in revenue.

PROPERTY MANAGEMENT

The Property Management Division and Other Income has been consistent and stable. The division which was the Company's core business over the past 71 years is now less than 14.14% of sales. However, assets continue to grow in total value due to revaluation. The company now revalues its property assets at shorter intervals to reflect the market values more accurately on its balance sheet. Total property revenue in 2017 was \$329,000, as compared to \$308,000 in 2016 a 6.82% increase reflecting some vacancies from previous years being filled. And also, this increase represents a new high for Property Division income.



CORPORATE GOVERNANCE

Corporate Governance is a structure by which companies are directed and managed. It means carrying out business as per the stakeholders' desires. It is conducted by the Board of Directors and the concerned committees. It is the interaction between various participants Board of Directors, and (management) in shaping the company's performance and progress. The Audit committee, Risk Management committee and Nominations & Remuneration committee further strengthen the company's Corporate Governance.

Below table illustrates the Chairpersons of each committee:

AUDIT COMMITTEE	RISK MANAGEMENT COMMITTEE	NOMINATIONS & REMUNERATION COMMITTEE
Mr. Sundar Masih Sukhu	Mr. Nitish Niranjana	Mr. Devanesh Sharma

VB Holdings Limited's corporate Governance is in compliance with the RBF Corporate Governance principles and reporting guidelines, and in line with section 6.31(xvii). The Board has continued to develop and maintain Corporate Governance at an acceptable Standard. The Board drives the company to achieve and meet the requirements of Corporate Governance. The Following illustrates the structure of VB Holdings Limited Corporate Governance.



BOARD

Directors are elected by shareholders at the Annual General Meeting. One third of the total strength of the Board retires by rotation each year and is eligible for Re-election. The Directors in office on 31st December 2017 were Mr. Sundar Masih Sukhu, Mr. Nitish (Bob) Niranjana, Mr. Narayan Singh Niranjana, Mr. Ratnesh Singh, and Mr. Devanesh Sharma. Additionally, in accordance with section 6.31(xiv) of the SPSE listing rules, the Company Secretary for VB Holdings Limited is Mr. Nitish (Bob) Niranjana.

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for the overall strategy of the company along with the appointment of executives

reviewing the management (outsourced) performance and Ensuring that the company complies with all regulations. To ensure this, the Board conducts monthly meeting with Management to discuss issues. Furthermore, the Board ensures accountability for the company by taking responsibility for its direction and management in order to meet its objective of enhancing shareholder value

The Board's primary objective is to oversee the company's business activities and management for the benefit of all stakeholders by:

- Setting objectives, goals and strategic direction with Management with a view to maximizing long term Shareholder value.
- Overseeing the financial position and monitoring the business and financial affairs of the Company.
- Maintaining Corporate Governance, ethical, environmental and health and safety standards.
- Ensuring significant business risks are identified and appropriately managed.
- Monitoring implementation of strategy.
- Ensuring appropriate resources are available.

CORPORATE GOVERNANCE

(CONTINUED)

- Ensuring the composition of the Board is appropriate, selecting Directors for appointment to the Board and reviewing the performance of the Board and the contribution of individual Directors.
- Ensuring the integrity of risk management, internal control, legal compliance and management information systems.

The Board has delegated the responsibilities and authority to managed (outsourced) for conducting the company's day-to-day business. Core business management issues are handled by the Executive Committee which comprises of senior managers within the Company. Matters such as expenditure and activity approvals which exceed certain parameters of delegation require separate Board approval.

THE BOARD COMMITTEE

The Board comprises of five Directors including three Executive Directors. Due to the small size of the Company and its operations, and to avoid additional layers of Management, the executive Directors are actively involved in the day to day operations of VB Holdings Limited's business.

Due to the Executive Director's individual separate Operational functions, the Board is able to effectively review the performance of management and exercise Independent judgement. The Board has adopted a formal policy to access independent professional advice that Directors are entitled to for the purposes of the proper Performance of their duties.

The Board has now three committees. Risk Management, Audit, and Nominations & Remuneration.

A) RISK MANAGEMENT

The Risk Management committee identifies and addresses the risks facing the company and in doing so increases the likelihood of successfully achieving objectives. The Risk Management committee is headed by the Company Secretary Mr. Nitish (Bob) Niranjana. The committee conducts meetings on a quarterly basis, addressing issues such as strategic risk, business risk, compliance risk, Financial risk and other risks that are associated with the company. The Board has established policies and procedures to recognize, minimize and manage all aspects of risk affecting the company. Although some policies are not Formally documented, they are considered appropriate for a company for this size.

Management has submitted reports to the Board on the areas of risk, its categorization and impact on the business units. A robust system for identifying, monitoring and mitigating risk throughout the group has been Established. The Audit Committee has the ability to review Internal financial control procedures. A risk and disaster management plan covering the Company's electronic data facilities is in place and is reviewed periodically. Whilst there is no formal internal audit function, the Company's Chief Financial Officer performs and delegates certain Internal audit procedures on a rotational basis throughout the year. External auditors are retained to verify the Annual accounts.

B) AUDIT

The Audit Committee meets every two months to the operational efficiency, system controls, planning and performance of the internal audit function. Moreover, the Committee monitors the external audit of the company's affairs.

CORPORATE GOVERNANCE

(CONTINUED)

C) NOMINATIONS & RUMUNERATION

To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, key Managerial Personnel and the other employees.

MEETINGS OF THE BOARD

All Directors participate in discussing strategy, Performance and financial risk management of the Company. The Board conducts regular Board Meetings and is structured to facilitate open discussions. The meeting minutes are endorsed by the Company Secretary. Along with the Directors, a management representative is Also present at the meeting. The Boards met 4 times during the financial year ended 31st December 2017.

Attendance was as follows:

DIRECTORS	NUMBER OF MEETINGS ENTITLED TO ATTEND	NUMBER OF MEETINGS ATTENDED	APOLOGIES RECEIVED
Mr. Sundar Masih Sukhu	4	3	1
Mr. Nitish Niranjn	4	4	0
Mr. Narayan Singh Niranjn	4	3	1
Mr. Devanesh Sharma	4	4	0
Mr. Ratnesh Singh	4	4	0

ETHICAL AND RESPONSIBLE DECISION MAKING

The Company has clarified the ethical behaviour expected of Directors and staff, as well as its attitude towards securities trading. The Company is committed to diversity and equality in all areas and all levels of its operations. Diversity means those attributes which may differ from person to person, including gender, age, ethnicity and cultural background.

The Company recognizes that the strength of the business is built on the understanding of individual strengths and differences and seeks to respect these. The Company is committed to providing an inclusive work environment with equal opportunities for all current and prospective employees, customers and suppliers, and does not condone Harassment or unlawful discrimination of any kind. The company recognizes that there are many areas in which people experience discrimination and will continue to work towards an anti-discriminatory environment, based on open discussions with employees, customers, supplies and others on perceptions of discrimination and by ensuring that our practices reflect relevant legislation and best practice.

The Company does not gather information on employees' ethnicity and cultural backgrounds, which it considers to be intrusive, but from observation can report that the company employees represents a wide and diverse ethnic and cultural spectrum.

TIME AND BALANCED DISCLOSURE

VB Holdings limited provides all financial highlights to its shareholders via SPSE and the media, with information on the company's plans and strategies. The company's Annual Report also provides information on its financial performance and other related business developments.

The Board is committed to ensuring that all matters which should be disclosed to the market are disclosed in a timely and consistent manner. All matters for disclosure are vetted and authorized by the Board, prior to disclosure.

CORPORATE GOVERNANCE

(CONTINUED)

RIGHTS OF SHAREHOLDERS

Shareholders are encouraged to attend general meeting where formal and informal discussions take place with Board members, senior employees and the external auditors.

The Company's external auditors are always invited to attend the Company's Annual General Meeting and are available to answer shareholder's queries at the time. Shareholders may also communicate freely with board members at any time.

ENHANCED PERFORMANCE

The Board evaluates the performance of key executives against a range of performance criteria.

The current composition of the Board obviates a measurable review of the performance and the size of the Company does not warrant an independent assessment.

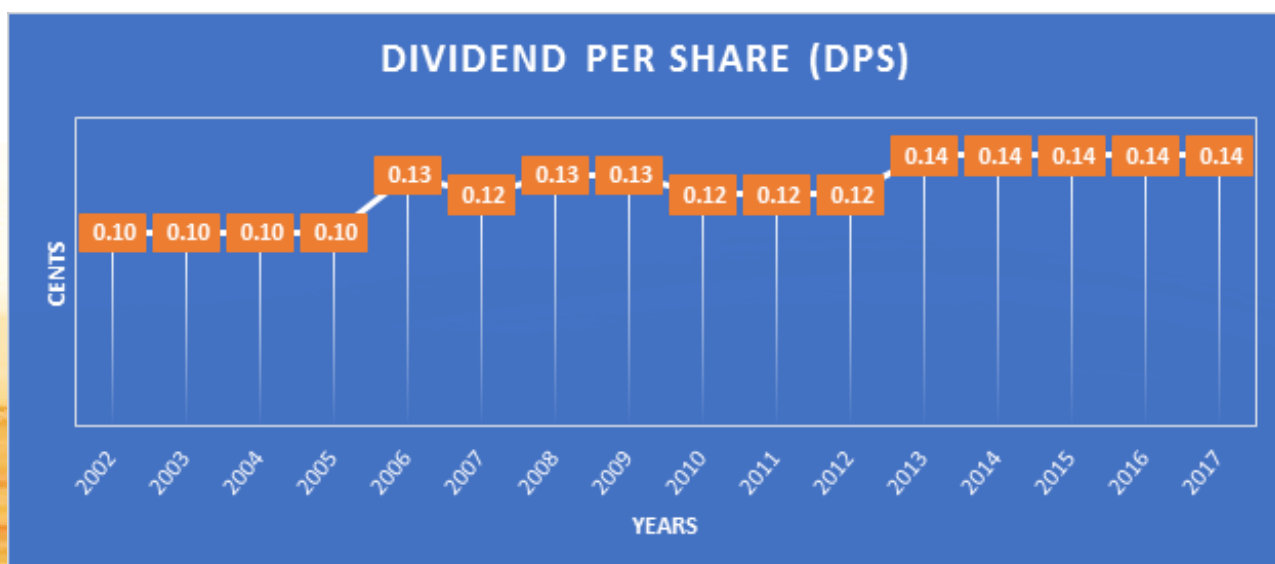
Board members have access to continue education within their spheres of operation and the Board encourages Directors and staff to engage in on-going professional development and skills. Directors have access to all information required to ensure effective and responsible decisions are made. Board meetings are rotated around the Company's various locations and operational management are invited to attend Board meetings on a regular basis to facilitate Directors' understanding of operational matters.

COMMUNICATIONS WITH SHAREHOLDERS

The Board of Directors believes in direct communication with shareholders. VB Holdings Limited provides prompt and efficient communication to its shareholders, particularly through electronic means. The company deals transparently with shareholders by organizing meeting and responding to letters and phone calls.

REGISTER OF INTEREST

All the Board members declare their interests, and these are recorded in the Board minutes. All the Board members are required to declare any conflict of interest or ethical issues.



CORPORATE SOCIAL RESPONSIBILITY

VB Holding Limited under its Corporate Social Responsibility Program has donated computers on 17th November 2017. The company has been providing Educational Scholarship to needy and poor students since 1998, under the **SANJEEV NIRANJAN SCHOLARSHIP FUND**.

SUMMARY OF DONATIONS PROVIDED TO SCHOOLS		
RECEIPIANT OF DONATION	LOCATION	ITEM DONATED
Saint Teresa of Lisieux College	Sigatoka	10 Computer set
Lomawai Secondary school	Sigatoka	10 Computer set
Navosa Central College	Sigatoka	10 Computer set
Nakauvadra High School	Rakiraki	10 Computer set
Nukuloa College	Ba	15 Computer set

However, VBH started its Corporate Social Responsibility Program since its inception in 1946 and sets aside a portion of its profit for educational and social causes.

In the last 26 years, the programme was modified to provide scholarships to children attending High School, but who were unable to complete their schooling due to lack of funds, yet were students with good academic results. This programme now donates computers to schools since the Fiji Government provides school fees and other educational assistance to every child.

We hope this donation will make a lasting impact in the lives of many students and that it will encourage e-learning, provide them with a much-needed learning tool, and also to enrich their lives.



**VB HOLDINGS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of the company as at 31 December 2017, the related statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date and report as follows:

Directors

The names of the directors of VB Holdings Limited at the date of this report are:

Sundar Masih Sukhu (Chairman)
Narayan Singh Niranjana
Nitish Singh Niranjana
Devanesh Sharma
Ratnesh Singh

Principal activities

The principal activities of the company during the financial year were that of property investment, financing of vehicles sold by related parties and fleet management services. There were no significant changes in the nature of these activities during the financial year.

Results

The net profit after income tax for the company amounted to \$1,860,765 (2016: \$2,094,403) after providing income tax expense of \$201,004 (2016: \$235,364).

Dividends

During the financial year, the company declared and made one dividend payment totalling to \$149,618 at the rate of 7 cents per share per dividend payment (2016: during the financial year two dividend payments totalling to \$299,236 at the rate of 7 cents per share per dividend payment).

Reserves

The Directors recommended that no transfer be made to reserves.

Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of business activities and the realisation of assets and the payments of liabilities in the normal course of business.

Bad and doubtful debts

Prior to the completion of the company's financial statements, the Directors took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the provision for doubtful debts. In the opinion of Directors, adequate provision has been made for doubtful debts.

As at the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts or the provision for doubtful debts inadequate to any substantial extent.

Non-current assets

Prior to the completion of the financial statements, the Directors took reasonable steps to ascertain whether any non-current assets were unlikely to be realised in the ordinary course of business compared to their values as shown in the accounting records of the company. Where necessary, these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to non-current assets in the company's financial statements misleading.

Unusual transactions

In the opinion of the Directors, the results of the operations of the company during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the company in the current financial year, other than those reflected in the financial statements.

Events subsequent to balance date

On 29 January, 2018, the company declared 2nd Interim Dividend of \$0.07 cents per share for the trading period of 12 months as at 31st December, 2017.

Apart from the matter above, there has not arisen in the interval between the end of the financial 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 future financial years.

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 is 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.

Directors' benefits

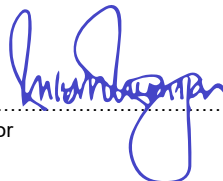
Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements or received as the fixed salary of a full-time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

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

Dated this 28th day of March 2018.



.....
Director



.....
Director

VB HOLDINGS LIMITED
STATEMENT BY DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017

In accordance with a resolution of the Board of Directors of VB Holdings Limited, we state that in the opinion of the Directors:

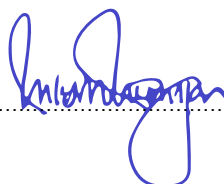
- (i) the accompanying statement of comprehensive income of the company is drawn up so as to give a true and fair view of the results of the company for the year ended 31 December 2017;
- (ii) the accompanying statement of changes in equity of the company is drawn up so as to give a true and fair view of the changes in equity of the company for the year ended 31 December 2017;
- (iii) the accompanying statement of financial position of the company is drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2017;
- (iv) the accompanying statement of cash flows of the company is drawn up so as to give a true and fair view of the cash flows of the company for the year ended 31 December 2017;
- (v) at the date of this statement there are reasonable grounds to believe the company will be able to pay its debts as and when they fall due; and
- (vi) all related party transactions have been adequately recorded in the books of the company.

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

Dated this 28th day of March 2018.



.....
Director



.....
Director

**VB HOLDINGS LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2017**

This directors' declaration 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 2017:
 - i) comply with the International Financial Reporting Standards for Small and Medium-sized Entities and give a true and fair view of the financial position of the company as at 31 December 2017 and of the performance and cash flows of the company for the financial year ended 31 December 2017; 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 Directors.

Dated this 28th day of March 2018.



Director



Director



AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF VB HOLDINGS LIMITED

As auditor for VB Holdings Limited for the financial year ended 31 December 2017, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of VB Holdings Limited during the financial year.


PricewaterhouseCoopers
Chartered Accountants

by 

Grant Burns
Partner

29 March 2018



Independent Auditor's Report

To the Shareholders of VB Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of VB Holdings Limited (the 'Company'), which comprise the statement of financial position as at 31 December 2017, and the statement of 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 our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements of the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Fiji, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Related party transactions</p> <p>Refer also to Note 20</p> <p>Related party transactions represent a significant component of the Company's trading activities for the year. Such relationship exists in many facets of the Company's operations.</p> <p>There is a requirement to disclose related party transactions, balances and commitments. The Company prepared schedules of transactions and balances by related party to support the disclosures made in the financial statements.</p> <p>We focused on this matter as the transactions and balances are significant to the financial statements and clarity around the relationships is important to the understanding of the business.</p>	<p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> - Understanding the nature and type of the Company's related party relationships. - Making inquiries to identify all related parties. - Understanding, evaluating and validating the Company's controls relating to related party purchase and sale transactions. - Obtaining the Company's schedules of related party transactions and balances and agreed them to contracts in place, confirmations obtained from related parties and related party invoices. - Reviewing general ledger accounts for related party transactions and balances to identify whether all were included in the Company's schedules. - Considering the adequacy of the Company's disclosures in respect of related party transactions, balances and commitments.



Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment properties Refer also to Note 1.4 (k) and Note 7</p> <p>The Company holds investment properties either to earn rentals or for capital appreciation. Investment properties are accounted for at fair value which is a reflection of prevailing market conditions at balance date.</p> <p>Fair values are evaluated annually by accredited independent valuers and any gains or losses arising from changes in fair values are recorded in the statement of comprehensive income.</p> <p>Investment properties and the related fair value gains or losses are significant to the financial statements. Valuations are subjective by nature and rely on assumptions and estimates.</p> <p>We considered this a key audit matter because the significant judgements involved by an external party in assessing what is recorded as the carrying values of the properties, have a significant impact on the financial performance and position of the Company.</p>	<p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> - Understanding, evaluating and validating the Company's controls around obtaining and utilizing investment property valuations. - Evaluating the competence, objectivity and independence of the independent valuer. - Understanding and assessing the appropriateness of the valuation technique and assumptions used by the independent valuer based upon review of their valuation report, and discussions directly with the independent valuer. - Comparing the results of the valuations with the valuations of similar properties in the same general area. - Performing procedures over the disclosures in the financial statements of the assumptions used by the independent valuer.
<p>Classification of leases Refer to Note 1.4 (i), 16 and 17</p> <p>The Company leases motor vehicles to customers under operating and finance lease arrangements.</p> <p>The classification of lease arrangements depends on the lease terms and conditions. The accounting treatment for operating leases as a lessor is different from the accounting treatment for finance leases. Operating lease assets and finance lease receivables are significant financial statement components.</p> <p>The lease classification, which involves some judgement, is important for the correct</p>	<p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> - Understanding and evaluating of Company's controls over leases and the process of determining the classification of leases. - Assessing the accounting for the operating and finance leases for appropriateness by reference to accounting standards. - Checked the accuracy of accounting treatments for a selection of leases. - Obtaining a listing of all lease arrangements and assessing the lease classifications used by the company for a selection of operating and finance leases for consistency with accounting



accounting treatment to be applied and we consider this a key audit matter.	<p>standards, ensuring each lease type categorised by their term was considered.</p> <p>- Considering the adequacy of the Company's disclosures in respect of operating and finance leases.</p>
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Other information

Directors and management are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 31 December 2017 (but does not include the financial statements and our auditor's report thereon).

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, except that not all other information was available to us at the date of our signing.

Responsibilities of Directors and Management for the Financial Statements

Directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and with the requirements of the Fiji Companies Act, 2015, and for such internal control as the directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors and management 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 directors and management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors and management are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in



the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors and management.
- Conclude on the appropriateness of the directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with directors and managements regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the directors and management, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

In our opinion the financial statements have been prepared in accordance with the requirements of the Fiji Companies Act 2015 in all material respects, and;

- a) we 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.

Restriction on Use

This report is made solely to the Company's shareholders, as a body, in accordance with Section 396(1) of the Fiji Companies Act 2015. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

A stylized blue ink signature of 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers
Chartered Accountants

A blue ink signature of 'Grant Burns' in a cursive script, enclosed within a circular stamp.

Grant Burns

29 March 2018
Suva, Fiji

VB HOLDINGS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 \$	2016 \$
Operating revenue	2 (a)	6,136,785	6,814,070
Other revenue	2 (b)	627,355	803,107
Total income		6,764,140	7,617,177
Administrative expenses	2 (d)	(98,498)	(61,954)
Depreciation and amortisation expense	6	(4,011,393)	(4,316,516)
Operating expenses	2 (c)	(1,270,829)	(1,442,026)
Finance costs	2 (e)	(101,652)	(256,914)
Total administration and operating expenses		(5,482,372)	(6,077,410)
Profit from operations		1,281,768	1,539,767
Change in fair value of investment properties	7	780,000	790,000
Profit before income tax		2,061,768	2,329,767
Income tax expense	3	(201,004)	(235,364)
Profit for the year		1,860,765	2,094,403
Other comprehensive income		-	-
Total comprehensive income for the year, net of tax		1,860,765	2,094,403
Earnings per share			
Basic earnings per share	11	0.87	0.98

The accompanying notes form an integral part of this Statement of Comprehensive Income.

VB HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Share Capital (Note 12)	Share Premium Reserve (Note 13)	Forfeited Share Reserve (Note 13)	Retained Earnings	Total
As at 1 January 2016	2,137,403	1,534,176	16,948	7,803,503	11,492,030
Profit for the year	-	-	-	2,094,403	2,094,403
	2,137,403	1,534,176	16,948	9,897,906	13,586,433
Movement during the year	-	-	-	-	-
Dividends	-	-	-	(299,236)	(299,236)
As at 31 December 2016	<u>2,137,403</u>	<u>1,534,176</u>	<u>16,948</u>	<u>9,598,670</u>	<u>13,287,197</u>
As at 1 January 2017	2,137,403	1,534,176	16,948	9,598,670	13,287,197
Profit for the year	-	-	-	1,860,765	1,860,765
	2,137,403	1,534,176	16,948	11,459,435	15,147,962
Movement during the year	-	-	-	-	-
Dividends declared and paid	-	-	-	(149,618)	(149,618)
Transfer of share premium reserve and forfeited share reserve to share capital per Companies Act 2015 requirements	1,551,124	(1,534,176)	(16,948)	-	-
As at 31 December 2017	<u>3,688,527</u>	<u>-</u>	<u>-</u>	<u>11,309,817</u>	<u>14,998,344</u>

The accompanying notes form an integral part of this Statement of Changes in Equity.

VB HOLDINGS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	14(b)	1,753,638	619,673
Held-to-maturity investments	4	400,000	258,262
Trade and other receivables	5	884,260	1,608,734
Advance current tax		274,718	42,050
Total current assets		3,312,616	2,528,719
Non-current assets			
Trade and other receivables	5	1,219,889	335,581
Plant and equipment	6	8,077,847	10,814,564
Investment properties	7	6,015,000	5,235,000
Total non-current assets		15,312,736	16,385,145
Total assets		18,625,352	18,913,864
Current liabilities			
Trade and other payables	8	1,177,744	853,084
Interest-bearing borrowings	9	1,157,827	2,997,534
Dividends Payable	10	58,065	53,845
Total current liabilities		2,393,636	3,904,463
Non-current liabilities			
Deferred income tax liability	3	721,696	397,347
Interest-bearing borrowings	9	511,676	1,324,857
Total non-current liabilities		1,233,372	1,722,204
Total liabilities		3,627,008	5,626,667
Net assets		14,998,344	13,287,197
Shareholders' equity			
Share capital	12(b)	3,688,527	2,137,403
Reserves	13	-	1,551,124
Retained earnings		11,309,817	9,598,670
Total shareholders' equity		14,998,344	13,287,197

The accompanying notes form an integral part of this Statement of Financial Position.

VB HOLDINGS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 \$	2016 \$
Cash flows from Operating Activities			
Receipts from operating activities		6,113,907	5,886,515
Payments for operating activities		(1,044,667)	-1,560,247
Interest paid		(101,652)	-256,914
Interest received		11,176	106,990
Income tax paid		(109,323)	-256,028
Net cash provided by Operating Activities	14(a)	<u>4,869,441</u>	<u>3,920,316</u>
Cash flows from Investing Activities			
Acquisition of plant and equipment		(1,972,758)	(606,069)
Proceeds from sale of plant and equipment		1,177,305	1,202,694
Placement of term deposits		(141,738)	-
Net cash provided by/(used in) Investing Activities		<u>(937,191)</u>	<u>596,625</u>
Cash flows from Financing Activities			
Dividends paid	10	(145,398)	(301,668)
Payment of finance lease liabilities		(3,919,281)	(4,230,400)
Proceeds from finance lease liabilities		1,266,393	508,304
Net cash (used in) by Financing Activities		<u>(2,798,286)</u>	<u>(4,023,764)</u>
Net increase/(decrease) in cash and cash equivalents		1,133,965	493,177
Net cash and cash equivalents at the beginning of the year		619,673	126,496
Net cash and cash equivalents at the end of the year	14(b)	<u><u>1,753,638</u></u>	<u><u>619,673</u></u>

The accompanying notes form an integral part of this Statement of Cash Flows.

1. CORPORATE INFORMATION

The financial statements of VB Holdings Limited ("the Company") for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of directors on 28 March 2018. VB Holdings Limited is a public company incorporated and domiciled in the Republic of the Fiji Islands.

The principal activity of the company is described in Note 24.

1.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been drawn up in accordance with the provisions of the Fiji Companies Act, 2015 and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared primarily on the basis of historical costs and except where specifically stated, do not take into account current valuations of non-current assets.

1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The following standards, amendments and interpretations to existing standards were published and are mandatory for the accounting periods beginning on or after 1 January 2017 or later periods.

Reference	Summary	Application date of standard
IFRS 15 Revenue from Contracts with Customers	Requires revenue to be recognised on satisfaction of the performance obligations specified under contracts	1 January 2018
IFRS 9 Financial Instruments	New requirements on recognition of expected credit losses	1 January 2018
IFRS 16 Leases	Requires operating leases to be recognised on balance sheet	1 January 2019

Management has yet to fully assess the impact of these standards. The company intends to adopt the standards no later than the accounting period in which they become effective.

1.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at balance date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of investment properties

Subsequent to initial recognition, the Company records investment properties at fair value, which reflects market conditions at the reporting date. Fair value measurements involves significant judgment about the amount and timing of cash flows and assumptions of future conditions, transactions or events whose outcome is uncertain and would be subject to changes over time. The valuation of the investment property represents a significant judgment area and a significant percentage of the total assets of the Company. The valuation of the investment property is highly dependent on forecasts and estimates. The Company policy is that property valuations are performed by external experts at least once a year. Amongst other matters, these valuations are based on assumptions such as forecast rental revenues, occupancy rates, estimated capitalisation rates, net sales rate and replacement value less of depreciation and obsolescence rates.

Classification of Leases

As detailed in Note 1.4 (i), the company enters into leases in the ordinary course of business as lessor and lessee. The classification of leases between operating lease and finance lease is dependent upon analysis of lease terms and particular consideration surrounding expected useful lives of the related assets and the relative values of future cash flows.

1.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Functional and presentation currency

The financial statements are presented in Fiji dollars ("FJD"), which is the company's functional currency. Except as indicated, financial information presented in FJD has been rounded to the nearest dollar.

(b) Foreign currencies

Foreign currency transactions during the year are translated to Fiji dollar at rates ruling at the date of transaction. Assets and liabilities in foreign currencies at year end are translated to Fiji dollar at rates ruling at balance date. Gains and losses (realised and unrealised) are brought to account in the statement of comprehensive income.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

(i) Rental income

Rental income from the leasing of properties and operating leases of motor vehicles is recognised on a straight line basis over the relevant lease term.

(ii) Interest income

Interest income on finance leases and bill of sale revenue is recognised on an accrual basis using the effective interest basis.

(iii) Maintenance income

Maintenance income is recognised on a straight-line basis over the term of the relevant finance or operating lease.

(d) Expense recognition

All expenses are recognised in the statement of comprehensive income on an accrual basis.

(e) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short term liquid investments net of any bank overdraft. Bank overdrafts are classified as borrowings under current liabilities on the statement of financial position.

(f) Plant and equipment

Owned assets (including operating lease assets)

Items of plant and equipment are stated at cost less depreciation and impairment losses. Assets that are being constructed or developed for future use are classified as work in progress under plant and equipment and stated at cost until construction or development is complete. Gains and losses on disposal of plant and equipment are taken into account in the statement of comprehensive income. Where an item of plant and equipment comprises major components having different useful lives, they are accounted for as separate items of plant and equipment.

Subsequent expenditure

Expenditure incurred to replace a component of an item of plant and equipment that is accounted for separately, including major improvements, renovations and overhaul expenditure, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of plant and equipment. All other expenditure is recognised in the statement of comprehensive income as an expense as incurred.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight line-basis over the estimated useful lives of items of plant and equipment. The depreciation rates used for each class of asset are as follows:

Furniture and fittings	10%
Motor vehicles	20%

1.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(g) Trade and other receivables

Trade receivables are carried at original invoice amount less allowance made for impairment. Other receivables are recognised and carried at cost less any impairment loss. An allowance for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. This allowance is based on a review of all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.

(h) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it related to items recognised directly in equity, in which case the item is recognised in equity.

Current tax is the expected tax payable on taxable income for the year using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of prior years.

Deferred tax is recognised using the balance sheet method providing for 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 the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary difference when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. 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.

(i) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The company leases (as lessor) investment properties and motor vehicles to lessees.

(i) Finance leases - the company as lessee

Assets acquired under finance lease, which the company then leases to other parties as operating leases, are capitalised. The initial amount of the leased asset and corresponding lease liability are recorded at the present value of minimum lease payments. Leased assets are amortised over the life of the relevant lease or, where it is likely the company will obtain ownership of the asset on expiration of the lease, the expected useful life of the asset. Assets acquired under finance leases which the company re-leases on finance leases to customers are treated as finance lease receivables (refer (ii) below). Lease liabilities are reduced by the principal component of lease payments. The interest component is included in operating results.

(ii) Finance leases - the company as a lessor

Amounts due from lessees under finance lease are recorded as receivables at the amount of company's net investment in the lease. Finance lease receipts are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic return on the net investments outstanding in respect of the lease.

Amounts due from lessees under finance leases and operating leases for maintenance charges are allocated over the term during which services are provided. Maintenance services are subcontracted to a related entity.

(iii) Operating leases - the company as a lessor

Rental and maintenance income from operating leases is recognised as described in Note 1.3(i). Maintenance expense are recognised on the same basis as maintenance income. Leased assets are amortised over the expected useful life of the asset. The leased assets are included within plant and equipment.

1.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(j) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Trade and other payables are stated at cost (inclusive of VAT where applicable).

(k) Investment properties

Investment property is held to earn rentals or for capital appreciation rather than for own use or sale in the ordinary course of business.

Investment properties were measured initially at cost, including transactions costs. Subsequent to initial recognition, from 24 September 2014, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from the changes in the fair values of investment properties are included in the Statement of Comprehensive Income in the period in which they arise. Fair values are evaluated annually by an accredited external, independent valuer, applying a valuation method recommended by the International Valuation Standards.

Investment properties are derecognised when either they have been disposed or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

Transfers are made to and 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. If owner-occupied property becomes investment property the company accounts for such property in accordance with the policy stated under Note 1.4 (f).

(l) Impairment of assets

The carrying amounts of the company's assets are reviewed at balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

(m) Borrowings

Borrowings are stated at the gross value of the outstanding balance. Interest expense is taken to the statement of comprehensive income as incurred on an effective interest basis.

The borrowing costs that are directly attributable to the acquisition or construction of capital assets are capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

(n) Dividend distribution

Dividends paid during the year are subject to the provisions of the Fiji Income Tax Act and Income Tax (Dividend) Regulations 2001. Dividends are recorded in the company's financial statements in the period in which they are declared by the directors.

(o) Earnings per share

Basic earnings per share is determined by dividing profit after income tax attributable to shareholders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year.

Where the company has on issue outstanding potential ordinary shares which are dilutive, diluted EPS is calculated. Diluted EPS is the same as the basic EPS for the company as there are no ordinary shares which are considered dilutive.

1.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(p) Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segment. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

(q) Comparatives

Where necessary, comparative information has been re-classified to achieve consistency in disclosure with current financial year amounts.

2. OPERATING PROFIT	2017	2016
	\$	\$
(a) <u>Operating revenue</u>		
Rental income - operating lease	4,491,212	5,019,188
Maintenance income - operating lease	1,196,000	1,380,263
Rental income - property	329,130	307,629
Interest income - finance lease	114,700	106,990
Maintenance income - finance lease	5,743	-
	<u>6,136,785</u>	<u>6,814,070</u>
(b) <u>Other revenue</u>	\$	\$
Gain on disposal of plant and equipment	479,223	710,896
Other income	148,132	92,211
	<u>627,355</u>	<u>803,107</u>
(c) <u>Operating expenses</u>		
Management fees	108,000	108,000
Maintenance expense - operating lease	1,026,536	1,214,246
Other operating expenses	136,293	119,780
	<u>1,270,829</u>	<u>1,442,026</u>
(d) <u>Administrative expenses</u>	\$	\$
Fees paid to auditors - audit services	14,500	5,500
- other services	2,000	2,438
Bank charges	13,589	-
Corporate donation	12,615	9,053
Directors' fees	25,000	20,000
Managing director's remuneration	5,000	-
Other administrative expenses	10,182	22,384
Share registry maintenance fees	2,643	2,579
Stamp duty charges	12,969	-
	<u>98,498</u>	<u>61,954</u>
(e) <u>Finance costs</u>	\$	\$
Interest expense	<u>101,652</u>	<u>256,914</u>

VB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2017

3. INCOME TAX	2017	2016
A reconciliation between tax expense and the product of accounting profit multiplied by the tax rate for the years ended 31 December 2017 and 2016 is as follows:		
	\$	\$
Accounting profit before income tax	2,061,768	2,329,767
At statutory income tax rate of 10%	206,177	232,977
Under/(Over) provision from prior years	11,024	2,387
Tax losses not brought into account	(16,197)	-
Income tax attributable to operating profit	201,004	235,364
The major components of income tax expense are:		
Current tax	206,177	232,977
Temporary differences	-	2,387
Permanent differences	(5,173)	-
	201,004	235,364
<u>Deferred income tax assets/(liabilities)</u>		
Net deferred income tax at 31 December relates to the following:		
Allowance for doubtful debts	12,536	12,536
Cyclone reserve account	(40,000)	(25,826)
Unrealised gain in investment properties	(78,000)	(79,000)
Accelerated depreciation	(616,232)	(305,057)
	(721,696)	(397,347)
Represented on the statement of financial position:		
Deferred income tax asset	12,536	12,536
Deferred income tax liability	(734,232)	(409,883)
	(721,696)	(397,347)
4. HELD-TO-MATURITY INVESTMENTS	\$	\$
Westpac Banking Corporation- cyclone reserve account	400,000	258,262
	400,000	258,262
The terms of the investments are 12 months at interest rate of 3% to 3.5%.		
5. TRADE AND OTHER RECEIVABLES	\$	\$
<u>Current</u>		
Bill of sale receivables	37,560	43,467
Finance Lease receivables	934,169	1,617,792
Less: Unearned interest on bill of sale receivables	-	(12,539)
Less: Unearned interest on finance lease receivables	(116,825)	(92,848)
Less: Unearned insurance on finance lease receivables	(7,065)	-
Less: Unearned maintenance charges on finance lease receivables	(5,743)	(5,743)
Net trade receivables	842,096	1,550,129
Deposits	1,274	1,874
Other receivables	40,890	56,731
	884,260	1,608,734
<u>Non-current</u>		
Bill of sale receivables	-	41,734
Finance Lease receivables	1,712,885	589,303
Less: Unearned interest on bill of sale receivables	(9,183)	-
Less: Unearned interest on finance lease receivables	(319,625)	(143,781)
Less: Unearned insurance on finance lease receivables	(18,255)	-
Less: Unearned maintenance charges on finance lease receivables	(20,579)	(26,321)
Less: Allowance for doubtful debts	(125,354)	(125,354)
	1,219,889	335,581
Total trade and other receivables	2,104,149	1,944,315

VB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2017

6. PLANT AND EQUIPMENT	2017	2016
	\$	\$
<u>Furniture and fittings</u>		
<i>Cost:</i>		
At 1 January	16,620	16,620
Additions	1,535	-
At 31 December	18,155	16,620
<u>Furniture and fittings</u>		
<i>Depreciation and impairment:</i>		
At 1 January	15,180	15,028
Depreciation charge for the year	306	152
At 31 December	15,486	15,180
Net book value - furniture and fittings	2,669	1,440
<u>LMS Software</u>		
<i>Cost:</i>		
At 1 January	-	-
Additions	46,550	-
At 31 December	46,550	-
<u>LMS Software</u>		
<i>Depreciation and impairment:</i>		
At 1 January	-	-
Depreciation charge for the year	9,310	-
At 31 December	9,310	-
Net book value - LMS Software	37,240	-
<u>Motor vehicles (under lease)</u>		
<i>Cost:</i>		
At 1 January	21,010,308	22,683,506
Additions	1,924,672	606,069
Disposal	(2,403,929)	(2,279,267)
At 31 December	20,531,051	21,010,308
<i>Depreciation and impairment:</i>		
At 1 January	10,197,184	7,668,288
Depreciation charge for the year	4,001,777	4,316,364
Disposal	(1,705,848)	(1,787,468)
At 31 December	12,493,113	10,197,184
Net book value - motor vehicles (under lease)	8,037,938	10,813,124
Net book value as at 31 December	8,077,847	10,814,564

The total written down value of vehicles on finance lease (as lessee) liability amounted to \$1,686,337.07 (2016: 5,441,326). The remainder are under operating lease (as lessor).

7. INVESTMENT PROPERTIES	\$	\$
Opening balance	5,235,000	4,445,000
Net gain on fair value adjustment	780,000	790,000
Closing balance at 31 December	6,015,000	5,235,000
Rental income derived from investment properties	329,130	307,629
Direct operating expenses (included repairs and maintenance)	(24,449)	(9,471)
Net profit arising from investment properties	304,681	298,158

The properties were revalued at 31 December, 2017 based on the report by an independent valuer (Pacific Valuation Limited) using a market approach, applying the comparable sales method resulting in an increase in the value attached to the company's investment properties of \$780,000. The directors have adopted the valuation reports and are of the view that the carrying amounts recorded approximate the fair values of the properties as at 31 December 2017. The valuations are based on Level 2 inputs. The valuer bases its assessment on comparable sales information obtained from market sources around land sale rates per square metre and building sale rates per square metre in the same comparable locations. Land rates of \$1300-\$1500 per square metre and building rates of \$1,170 per square metre have been used.

8. TRADE AND OTHER PAYABLES	\$	\$
Amounts owing to related parties	615,718	369,723
Rental deposits	48,497	45,071
Lease deposits	433,688	371,643
VAT Payable	31,029	39,317
Other payables and accruals	48,812	27,330
	1,177,744	853,084

VB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2017

9. INTEREST-BEARING BORROWINGS	2017	2016
<u>Current</u>	\$	\$
Finance lease liability (Note 15b)	1,157,827	2,997,534
	<u>1,157,827</u>	<u>2,997,534</u>
<u>Non-current</u>	\$	\$
Finance lease liability (Note 15b)	511,676	1,324,857
Total Interest-bearing borrowing	<u>1,669,503</u>	<u>4,322,391</u>
Finance lease liabilities are with Westpac Banking Corporation and are on normal terms and conditions, subject to interest rates ranging from 4% secured by the following:		
(a) Registered mortgage debenture by the company over all its assets and undertakings including its uncalled and called but unpaid capital;		
(b) Registered all monies mortgage no. 44668 by the company over property located at the corner of Stewart Street and Waimanu Road Commercial property comprised in CT No: 24277; and		
(c) Standard lease agreements with Westpac Banking Corporation over various motor vehicles.		
10. DIVIDENDS PAYABLE	\$	\$
At 1 January	53,845	56,277
Dividends declared	149,618	299,236
Dividends paid	(145,398)	(301,668)
At 31 December	<u>58,065</u>	<u>53,845</u>
During the year, the Company declared one dividends of 7 cents per share each with a total value of \$149,618.		
11. EARNINGS PER SHARE	\$	\$
Net profit for the year	1,860,765	2,094,403
Number of equity shares outstanding	2,137,403	2,137,403
Basic and diluted earnings per share	<u>0.87</u>	<u>0.98</u>
12. SHARE CAPITAL	\$	\$
(a) <u>Authorised capital</u>		
5,000,000 ordinary shares		
(b) <u>Issued and paid up capital</u>		
2,137,403 ordinary shares	2,137,403	2,137,403
Transfer from share premium reserve and forfeited share reserve	1,551,124	-
	<u>3,688,527</u>	<u>2,137,403</u>
13. RESERVES	\$	\$
Forfeited shares	-	16,948
Share premium reserve	-	1,534,176
	<u>-</u>	<u>1,551,124</u>
Share premium reserve relates to share issue proceeds received in excess of the par value of shares.		
Forfeited shares reserve relates to the value of share entitlements not taken up by shareholders in accordance with the articles of the company, the shares have been forfeited.		
In accordance with provision of the section 196 (a) and section 737 of Companies Act 2015, the share premium reserve has been reclassified as part of existing total issued capital.		
14. NOTES TO THE STATEMENT OF CASH FLOWS	\$	\$
(a) Reconciliation of net cash provided by operating activities to operating profit after income tax:		
Operating profit after tax	1,860,765	2,094,403
Depreciation and ammortisation	4,011,393	4,316,516
Change in fair value of investment property	(780,000)	(790,000)
Doubtful debts	-	-
Interest Income	-	(6,760)
Gain on disposal of plant and equipment	(479,224)	(710,896)
	<u>4,612,934</u>	<u>4,903,263</u>

14. NOTES TO THE STATEMENT OF CASH FLOWS <i>continued</i>	2017	2016
<i>Net cash provided by operating activities before change in assets and liabilities:</i>	\$	\$
(Increase)/decrease in trade receivables and other receivables	(159,834)	(906,016)
(Decrease) in trade and other payables	324,660	(56,267)
(Decrease)/increase in current tax payable	(232,668)	(77,845)
Increase/(decrease) in deferred income tax liability	324,349	57,181
Net cash provided by Operating Activities	<u>4,869,441</u>	<u>3,920,316</u>
 (b) Cash and cash equivalents	\$	\$
Cash and cash equivalents consist of balances with bank net of bank overdraft.		
Cash at bank - Westpac Banking Corporation	1,651,471	231,572
Cash at bank - Bank of Baroda	<u>102,167</u>	<u>388,101</u>
	<u>1,753,638</u>	<u>619,673</u>
 15. COMMITMENTS	\$	\$
(a) Capital expenditure commitments - Nil (2016: Nil)		
(b) Finance lease expenditure contracted for motor vehicles are as follows:		
Not later than one year	1,202,451	3,105,524
Later than one year but not later than two years	526,655	1,153,991
Later than two years but not later than five years	<u>-</u>	<u>198,558</u>
	1,729,106	4,458,073
Less: Future finance charges	<u>(59,604)</u>	<u>(135,682)</u>
Net finance lease liability	<u>1,669,502</u>	<u>4,322,391</u>
 Reconciled as:		
Current finance lease liability (Note 9)	1,157,827	2,997,534
Non-current finance lease liability (Note 9)	<u>511,675</u>	<u>1,324,857</u>
	<u>1,669,502</u>	<u>4,322,391</u>
 16. OPERATING LEASES		
The company has provided properties and motor vehicles under operating leases to customers on normal commercial terms and conditions on monthly rentals.		
Operating lease rentals are as follows:	\$	\$
Not later than one year	4,271,932	3,061,575
Later than one year but not later than two years	1,258,345	1,468,482
Later than two years but not later than five years	<u>27,139</u>	<u>150,916</u>
	<u>5,557,416</u>	<u>4,680,973</u>
 17. LEASE RECEIVABLES		
Lease expenditure contracted for motor vehicle receivables are as follows:	\$	\$
Not later than one year	934,169	1,617,792
Later than one year but not later than two years	1,320,096	196,514
Later than two years but not later than five years	<u>392,789</u>	<u>392,789</u>
	2,647,054	2,207,095
Less: Unearned interest on finance income and maintenance charges	<u>(488,092)</u>	<u>(268,693)</u>
Net lease receivables	<u>2,158,962</u>	<u>1,938,402</u>

17. LEASE RECEIVABLES <i>continued</i>	2017	2016
Reconciled as:	\$	\$
Current lease receivables (Note 5)	804,536	1,519,201
Non-current lease receivables (Note 5)	1,354,426	419,201
	<u>2,158,962</u>	<u>1,938,402</u>
18. CONTINGENT LIABILITIES	\$	\$
(a) Performance bond	<u>100,000</u>	<u>100,000</u>

19. SEGMENT INFORMATION

- (a) Operating segments
The company operates in property and fleet management.

Information about reportable segments

	Property Management	Fleet Management	Total
2017			
External revenue	329,130	6,298,054	6,627,184
Change in fair value of investment property	780,000	-	780,000
Depreciation/amortisation	306	4,011,087	4,011,393
Reportable segment profit before tax	331,962	1,885,002	2,216,964
Reportable segment assets	6,017,669	12,607,683	18,625,352
Reportable segment liabilities	-	3,627,008	3,627,008
2016			
External revenue	307,629	7,217,337	7,524,966
Change in fair value of investment property	790,000	-	790,000
Depreciation/amortisation	152	4,316,364	4,316,516
Reportable segment profit before tax	297,283	1,954,750	2,252,033
Reportable segment assets	5,236,440	13,689,960	18,926,400
Reportable segment liabilities	-	5,626,667	5,626,667

External revenue of the Fleet Management segment includes \$114,700 (2016: \$106,990) of interest income. Finance expenses of \$108,428 (2016: \$256,914) are attributable to the Fleet Management segment.

	2017	2016
Revenue	\$	\$
Total revenue from reportable segments	7,407,184	8,407,177
Other revenue	(136,956)	(92,211)
Total revenue	<u>7,270,228</u>	<u>8,314,966</u>
Profit or loss		
Total profit for reportable segments	2,061,768	2,329,767
Other income	136,956	92,211
Unallocated amounts:		
Corporate donation	12,615	9,053
Listing fees	5,625	5,424
	<u>2,216,964</u>	<u>2,436,455</u>
Assets		
Total assets for reportable segments	18,625,352	18,926,400
Other unallocated amounts	-	-
Total assets	<u>18,625,352</u>	<u>18,926,400</u>
Liabilities		
Total liabilities for reportable segments	3,627,008	5,626,667
Other unallocated amounts	-	-
Total liabilities	<u>3,627,008</u>	<u>5,626,667</u>

- (b) Geographical segment
The company operates predominantly in Fiji and is therefore one geographical area for reporting purposes.

20. RELATED PARTY TRANSACTIONS

(a) Directors

The names of persons who were Directors of VB Holdings Limited at any time during the financial year were as follows:

Narayan Singh Niranjani	Devanesh Sharma
Nitish Singh Niranjani	Ratnesh Singh
Sundar Masih Sukhu	

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. These personnel were not paid by the company. However, management fees were paid to a related entity which pays remuneration for them.

During the year the following persons were identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the company:

Name	Current title
Sundar Masih Sukhu	Chairman
Nitish Singh Niranjani	Managing Director

	2017	2016
	\$	\$
The values of transactions with related parties were as follows:		
Directors' fees	25,000	15,000
Managing Director's remuneration	5,000	5,000
Niranjani Autoport Limited (Management fees)	108,000	108,000

(c) Amounts owing from/(to) related companies

Net owing by/(to) related companies	\$	\$
Jans Rental Cars Ltd	255,054	-
Niranjani Autoport Limited	(619,921)	334,211
Niranjani Motor Corporation Limited	3,931	-
Niranjani Hireplant Limited	401,526	458,390

Apart from the above, the company pays management fees to Niranjani Autoport Limited for management services.

(d) Transactions with related parties

All transactions disclosed in the financial statements with related parties during the year were:

Related party	Transaction type	\$	\$
Income:			
Jans Rentals Cars (Fiji) Limited	Operating lease income	1,777,825	1,534,702
Niranjani Hireplant Limited	Finance lease income	27,395	21,652
Niranjani Motor Corporation Limited	Rental income	43,277	43,277
Niranjani Autoport Limited	Sale of motor vehicles	1,177,305	1,162,099
Expenses			
Niranjani Autoport Limited	Management fees	108,000	108,000
Niranjani Autoport Limited	Maintenance charges	1,026,536	1,214,246
Capital expenditure			
Niranjani Autoport Limited	Motor vehicle purchases	1,924,672	606,069
Deposits			
Niranjani Motor Corporation Limited	Rental deposit	4,057	4,057
Jans Rental Cars (Fiji) Limited	Lease deposit	200,488	197,819

21. FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

Risk management is carried out by the Managing Director of the company. The Managing Director identifies, and evaluates financial risks in close co-operation with the company's operating units. The Board of Directors provides direction for overall risk management covering specific areas, such as mitigating credit risks, and investment of excess liquidity.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices 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 on risk.

(i) Interest rate risk

Interest rates on financial assets and liabilities are fixed over the terms of the relevant contracts, thereby minimising the risk of mis-matches in interest rates. At the reporting date, the interest rate profile of the company's interest bearing financial instruments carrying amounts were:

	2,017	2,016
	\$	\$
<u>Fixed rate instruments</u>		
Financial assets	2,504,149	2,202,577
Financial liabilities	(1,669,503)	(4,322,391)

The following sensitivity analysis is based on the interest risk exposures, if any, in existence at balance date:

	Increase /(decrease) in interest rate	Effect on profit before tax
2017	+100 bp	25,413
	-100 bp	(25,413)
2016	+100 bp	64,229
	-100 bp	(64,229)

(ii) Cash flow and fair value interest rate risk

The company has no significant variable interest assets or liabilities. Therefore the company's income and operating cash flows are substantially independent of changes in the market interest rates at reporting date.

(b) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

The company has no significant concentrations of credit risk apart from those with related parties. The company has policies in place to ensure that services are provided to customers with an appropriate credit history. The company has policies that limit the amount of credit exposure to any one customer or group of customers. Credit levels accorded to customers are regularly reviewed to reduce the exposure to risk of bad debts.

The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	\$	\$
Trade receivables - external	1,666,696	725,420
Trade receivables - related parties	395,289	1,160,290
	2,061,985	1,885,710

21. FINANCIAL RISK MANAGEMENT *continued*

(b) Credit risk *continued*

2017 2016

The movement in allowance for impairment in respect of trade receivables during the year was as follows:

	\$	\$
Balance at 1 January	125,354	125,354
Impairment loss recognised	-	-
Balance at 31 December	125,354	125,354

Based on past experience, the company believes that no impairment allowance is necessary in respect of trade receivables not past due; 95% of the balance which includes the amount owed by the company's most significant customers and relates to customers that have a good track record with the company. Balances due from related parties are deemed to be fully receivable.

(c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. 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.

Prudent liquidity risk management implies maintaining sufficient cash, marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 years
2017	\$	\$	\$	\$	\$
Trade and other payables	1,177,744	-	-	-	-
Interest Bearing	300,613	901,838	526,655	-	-
Dividend payable	58,065	-	-	-	-
2016					
Trade and other payables	853,084	-	-	-	-
Interest Bearing	776,381	2,329,143	1,153,991	198,558	-
Dividend payable	53,845	-	-	-	-

22. CAPITAL RISK MANAGEMENT

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The company's objectives when obtaining and managing capital are to safeguard the company's ability to continue as a going concern and provide shareholders with consistent level of returns and to maintain an optimal capital structure to reduce the cost of capital.

The company monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total interest bearing borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the company's statement of financial position plus net debt.

	2017	2016
	\$	\$
Interest bearing borrowings (Note 9)	1,669,503	4,322,391
Less cash and cash equivalents	(1,753,638)	(619,673)
Less held to maturity investments	(400,000)	(258,262)
Net debt	(484,135)	3,444,456
Equity	14,998,344	13,287,197
Net debts plus equity	14,514,209	16,731,653
Gearing ratio	-3%	21%

23. SUBSEQUENT EVENTS

On 29 January, 2018, the company declared a 2nd Interim Dividend of \$0.07 cents per share for the trading period of 12 months as at 31st December, 2017. Apart from the matter above, there has not arisen in the interval between the end of the financial 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 future financial years.

24. PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year were that of property investment and fleet management services including financing of vehicles sold by related parties. There were no significant changes in the nature of these activities during the financial year.

25. COMPANY DETAILS

Company Incorporation

The company is a public company domiciled and incorporated in Fiji under the Companies Act, 2015. The company's shares are traded on the South Pacific Stock Exchange, Suva.

Registered office and principal place of business

The registered office of the company is located at:
366 Grantham Road
Suva, Fiji

Number of Employees

There were no employees employed by the company during the year (2016: Nil).

VB HOLDINGS LIMITED
OTHER INFORMATION - SOUTH PACIFIC STOCK EXCHANGE DISCLOSURE REQUIREMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

(a) Statement of interest of each Director in the share capital of the company as at 31 December 2017

Directors	<u>Direct Interest</u> <u>(Number of Shares)</u>	<u>Indirect Interest</u> <u>(Number of Shares)</u>
Nitish Singh Niranjana	724,499	-
Narayan Singh Niranjana	588,105	-
Sundar Masih Sukhu	22,664	-
Ratnesh Ravindra Singh	2,261	-

Distribution of share holding

(b) Holding	No. of holders	% Holding
Less than 500 shares	44	0.21
501 to 5,000 shares	54	4.44
5,001 to 10,000 shares	6	2.02
10,001 to 20,000 shares	4	3.02
20,001 to 30,000 shares	1	1.06
30,001 to 40,000 shares	1	1.65
40,001 to 50,000 shares	2	3.85
50,001 to 100,000 shares	3	8.24
100,001 to 1,000,000 shares	4	75.50
Over 1,000,000 shares	-	-
Total	119	100

Share Register

- (c) Central Share Registry
Level 2, Plaza One
Provident Plaza
33 Ellery Street
Suva
Fiji

Shareholding of those persons holding the 20 largest blocks of shares:

(d) <u>Shareholders</u>	<u>No. Of Shares</u>
Nitish Niranjana	724,499
Narayan Singh Niranjana	588,105
FHL Trustees Limited	197,302
Sashi Kant Lakhan	103,888
Francesca Niranjana	72,398
Praful Patel Investments Pty Ltd	52,884
Trustee of AP Sabha	50,900
The South Pacific Investment Company Limited	42,000
Pacific Gas Company Limited	40,284
Patelkhatri Investments (Fiji) Ltd	35,280
Sundar Masih Sukhu	22,664
Jimaima T Schultz	19,783
Abdul Sayed Jalal	19,349
Rama Kant Lakhan	12,989
Kuar Singh	12,459
Kamla Singh	8,207
Hardayal Singh	8,197
Warwick Pleass	7,400
Tutanekai Investment Limited	6,700
Satya Nand Nandan	6,375

- (e) VB Holdings Limited
366 Grantham Road Raiwaqa, Suva
Ph: 3381555