PACIFICFLEET® MANAGEMENT

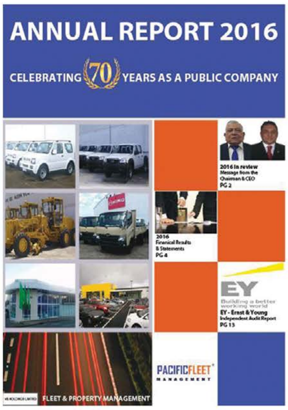
ANNUAL REPORT 2018

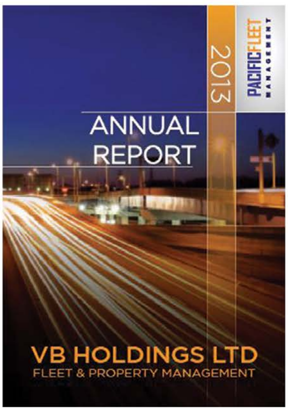
VB HOLDINGS LIMITED

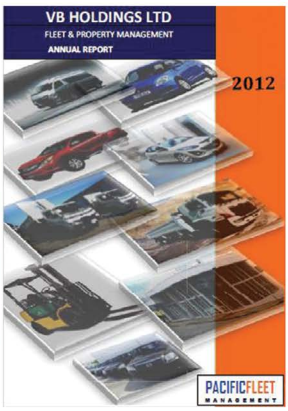
FLEET & PROPERTY MANAGEMENT

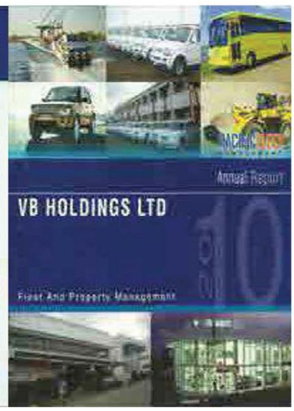
- Message from the Chairman & CEO
- 2018 Financial Results & Statements
- PWC - PricewaterhouseCoopers Independent Audit Report

Previous Years Annual Report Covers









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: CONTINOUS 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

TABLE OF CONTENTS

BOARD OF DIRECTORS

Pt. Vishnu Deo
VB HOLDINGS LIMITED (FOUNDER)

Mr. Sundar Masih Sukhu
CHAIRMAN

Mr. Nitish (Bob) Niranjan
CEO/ COMPANY SECRETARY

Mr. Narayan Singh Niranjan
DIRECTOR

Mr. Devanesh Sharma
DIRECTOR

Mr. Ratnesh Singh
DIRECTOR

Ms. Jinita Prasad
INCOMING DIRECTOR

MESSAGE FROM THE CHAIRMAN

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

Dear Shareholders,

It is my pleasure on our 72nd year of trading to welcome you all and report on your company's performance for the full year trading ending December 2018.

2018 was a year of consolidation and we faced a number of challenges during the year, which made my 5th 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 2018 to a positive finish.

After 17 years of highly charged growth, it was important that we had a year to consolidate and spend time in improving our processes. 2018 saw attention to internal improvements but ended with a reduction over the previous year, considering the country's GDP grew by 3% based on recent forecasts.

Therefore, 2018 will be a year of consolidation and innovation in our 72-year history, assisted in part with Fiji's 9th 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 $7.75 by year end which is 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

"Our greatest weakness lies in giving up. The most certain way to succeed is always to try just one more time."

-Thomas Edison

Dear Shareholders,

It is my privilege to report on the progress that our Company made during the 2018 financial year, our 72nd year as Public Company.

2018 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 2018 was to strengthen the internal processes and consolidate operations after some 17 years of consistent high growth. Accuracy and efficiency was a central focus in our reforms.

We were able to achieve $5.5 million turnover, providing 17.5% reduction over 2017.

Our Fleet Management business was down slightly to $3.6 million and represented 64% of our sales. The Property Management and Other income representing 36% of our sales was slightly up to $1.9 million representing a 107% increase. Our profit also decreased to $1.3million, 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 $2.0 million in 2017. Our total assets decreased by 7.4% to $17.2 million as fleet assets/contracts expired. However, our net assets increased to $15.9 million from $14.9 million, an increase of 5.9% due to pay-off debt.

We were also pleased to have declared dividends of $0.15 cents for the year, by way of 1 interim dividends paid on 6 months of performance. The final dividend for 2018 year was announced on 3rd December 2018 and subsequently paid. We have consistently given our shareholders returns on their investment.

Importantly, our market capitalization was strengthened to $16.6 million, during 2018 with our share price hitting another new level at $7.75 per share. 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 72nd year of trading.

Yours sincerely,

....

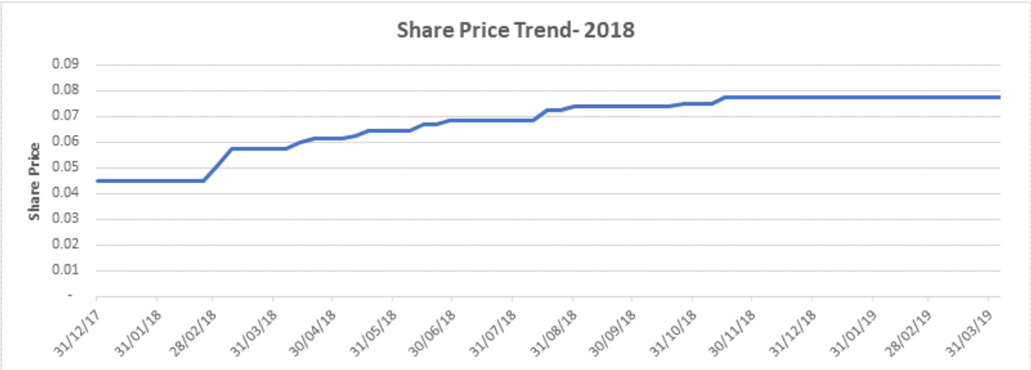
(Bob) N.Niranjan

CEO/ Company Secretary

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 Tax	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
Market Capitalisation	798,000.00	1,310,000.00	2,040,000.00	3,228,300.00	3,978,000.00	4,437,000.00	4,704,624.00

Year	2017	2018
Highest Market Price During Financial Year	4.50	7.75
Lowest Market Price During Financial Year	3.98	4.50
Market Price at the end of the Financial Year	4.50	7.75



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	5,577,963
151,078	594,538	697,854	696,067	609,476	1,389,149	1,414,838	2,094,403	1,860,765	1,356,667
199,522	213,736	213,736	213,736	249,359	274,297	299,237	299,236	299,236	470,229
0.13	0.12	0.12	0.12	0.14	0.14	0.14	0.14	0.14	0.15
1.91	2.20	2.47	2.74	2.95	4.92	5.38	6.22	7.02	7.43
0.09	0.33	0.39	0.39	0.34	0.65	0.66	0.98	0.87	0.63
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	17,242,063
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	15,884,782
2.98	2.99	2.98	3.00	3.08	3.18	3.60	3.98	4.50	7.75
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	2,137,403
3.67%	4.36%	3.68%	4.70%	7.33%	7.79%	17.61%	14.44%	16.58%	75.56%
4.94%	15.16%	15.84%	14.24%	11.62%	13.20%	12.31%	15.76%	12.41%	8.54%
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	3,591,576
171,256	231,212	220,592	191,610	192,833	293,421	327,982	307,629	329,130	348,286
4,777,002.58	5,325,590.66	5,307,779.32	5,343,402.00	5,485,892.72	6,796,941.54	7,694,650.80	8,506,863.94	9,618,313.50	16,564,873.25

FINANCIAL RESULTS

The Fijian economy stayed on track to record positive growth for the ninth-consecutive year, at a Projected pace of 3.0 percent. The company recorded a decrease in Profit before Tax of 33.3% which was $1,373,517 for the year ended 31st December 2018, compared to profit of $2,061,769 in 2017. There was a decrease in revenue by 17.5%, from $6,764,140 in FY 2017 to $5,577,963 in FY 2018.

Expenditure also decreased from $5,482,372 to $4,444,446 mainly due to depreciation on fleet assets, the Fleet division recorded 38.16% reduction in revenue compared to last years. Profit after Tax stood at $1,356,667 compared to $1,860,765 in 2017. The Company's total assets have decreased by 7.4% from $18,625,352 compared to $17,242,063 in FY 2018. The Net assets have increased by 5.9% from $14,998,344to $15,884,782.

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 $15.88 million. The Board has declared and paid 7 cents per share as interim Dividends for first half of the FY and 8 cents Share as final dividends for the second half of the FY was announced on the 3rd December 2018, providing an approx. rate of return of 2% to investors, based on the last traded price of $7.75 on the South Pacific Stock Exchange.

FLEET MANAGEMENT

Fleet Management has become an essential segment of the business. This year Fleet Management has generated 64.39% total revenue. The total revenue for the fleet division for the year 2018 was $3,591,576 compared to $5,807,655 in 2017. 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 72 years is now less than 35.61% 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 2018 was $348,000, as compared to $329,000 in 2017 a 5.82% 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 Directors, and (management) in shaping the company's performance and progress. An 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 COMMITTE	RISK MANAGEMENT COMMITTEE	NOMINATIONS & REMUNERATION COMMITTE
Mr. Sundar Masih Sukhu	Mr. Nitish Niranjan	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 2018 were Mr. Sundar Masih Sukhu, Mr. Nitish (Bob) Niranjan, Mr. Narayan Singh Niranjan, Mr. Ratnesh Singh, Mr. Devanesh Sharma and Ms. Jinita Prasad. Ms. Jinita Prasad was appointed as an independent director on the 5th of December 2018, this resulted in the board of directors being 50% independent and also Ms. Prasad became the first female board member at VB Holdings Limited. Additionally, in accordance with section 6.31(xiv) of the SPSE listing rules, the Company Secretary for VB Holdings Limited is Mr. Nitish (Bob) Niranjan.

ROLES AND RESPOSIBILTY 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.
- 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) Niranjan. 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.

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 2018.

Attendance was as follows:

DIRECTORS	NUMBER OF MEETINGS ENTITLED TO ATTEND	NUMBER OF MEETINGS ATENDED	APOLOGIES RECEIVED
Mr. Sundar Masih Sukhu	4	3	1
Mr. Nitish Niranjan	4	4	0
Mr. Narayan Singh Niranjan	4	1	3
Mr. Ratnesh Singh	4	4	0
Mr. Devanesh Sharma	4	3	1
Ms. Jinita Prasad	1	1	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

The Board of Directors believes in direct communication with 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.

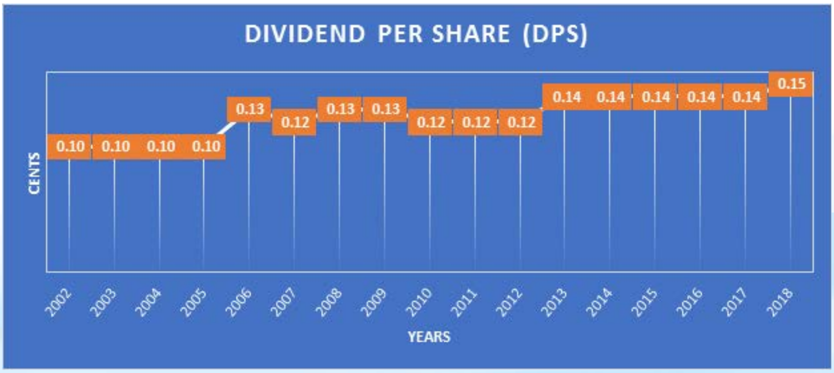
Board members have access to continuing education within their spheres of operation and the Board encourages Directors and staff to engage in on-going professional development and skills. Directors have access to all information required to ensure effective and responsible decisions are made. Board meetings 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

SUMMARY OF DONATIONS PROVIDED TO SCHOOLS		
RECEIPIANT OF DONATION	LOCATION	ITEM DONATED
Wainimakutu Secondary School	**Namosi**	10 Computer set
Naqaqa SDA Primary School	**Rakiraki**	10 Computer set
Madhuvani Primary School	**Rakiraki**	10 Computer set
RA High School	**Rakiraki**	10 Computer set

VB Holding Limited under its Corporate Social Responsibility Program has donated computers on 20th November 2018. The company has been providing Educational Scholarship to needy and poor students since 1998, under the **SANJEEV NIRANJAN SCHOLARSHIP FUND.**

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 27 years, the programme was modified to provide scholarships to children at High School, 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 Fiji Government provides school fees and other educational assistances 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 also enrich their lives.

Wainimakutu Secondary School (Namosi)

Madhuvani Primary School (Rakiraki)

Naqaqa SDA Primary (Rakiraki)

RA High School (Rakiraki)

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 2018, 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 Niranjan
Nitish Singh Niranjan
Devanesh Sharma
Ratnesh Singh
Jinita Prasad

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 $1,356,667 (2017: $1,860,765) after providing income tax expense of $16,850 (2017: $201,004).

Dividends

During the financial year, the company declared and made three dividend payment totalling to $470,229 at the rate of 7/8 cents per share per dividend payment (2017: the company declared and made one dividend payment totalling to $149,618 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

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 29th day of March 2019.

....	....
Director	Director

MARKET ANNOUNCEMENT

1ST FEMALE APPOINTMENT ACHIEVES 50% INDEPENDENT BOARD

VBH further strengthens its Board with the appointment of a prominent member of the capital markets sector Ms. Jinita Prasad, former CEO of the South Pacific Stock Exchange.

The Chairman Mr. S.M. Sukhu and the Board members of VB HOLDINGS LTD, are pleased to announce the appointment of Ms. Jinita Prasad as an Independent member of the Board, effective immediately.

The Company is raising the bar once again for Board renewal, disclosure and engagement and has actively been pursuing skills and experience that will enhance the Company's performance.

VB HOLDINGS LIMITED
STATEMENT BY DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018;

(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 2018;

(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 2018;

(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 2018;

(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 29th day of March 2019.

.... Director

.... Director

MARKET ANNOUCEMENT

VBH Declares 1st Interim Dividend For 2018

Corporate fleet management delivery

VB Holdings Ltd was formed as a public company 72 years ago but was restructured and listed on the South Pacific Stock Exchange in 2001. It was not formed to take advantage or that it needed to be enticed by incentives to become a public listed company.

The founders wanted to share ownership with the people of Fiji and have continuity and sustainability even with changes in shareholding.

VBH is also pleased to announce its 1st interim dividend for 2018, of $0.07 cents per share. This will provide a total return of 71% per annum on an annualized basis.

VB HOLDINGS LIMITED
DIRECTORS DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018:

   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 2018 and of the performance and cash flows of the company for the financial year ended 31 December 2018; 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 29th day of March 2019.

Director

Director

MARKET ANNOUCEMENT

INCREASED RETURNS TO SHAREHOLDERS

VB Holdings Ltd (VBH) a pioneer asset management company, established in 1945, announces its 2nd interim for the period ending October 2018.

Although a public company for nearly 72 years, the Company listed on the SPSE in 2001.

VBH is pleased to announce its increased final dividend for 2018, of $0.08 cents per share. This will provide a total dividend return of 15 cents for the year. Furthermore, the company is debt free for the 1st time in over 20 years, having paid off all its loans.

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

As auditor for VB Holdings Limited for the financial year ended 31 December 2018, 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
PricewaterhouseCoopers
Chartered Accountants

Grant Burns
Partner

29 March 2019

PricewaterhouseCoopers, Level 8 Civic Tower, 272 Victoria Parade, Suva, Fiji.
GPO Box 200, Suva, Fiji.
T: (679)3313955 / 3315199, F: (679) 3300947

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 2018, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, 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.

PricewaterhouseCoopers, Level 8 Civic Tower, 272 Victoria Parade, Suva, Fiji.
GPO Box 200, Suva, Fiji.
T: (679)3313955 / 3315199, F: (679) 3300947

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
Related party transactions ***Refer also to Note 20*** 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. 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. 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.	Our audit procedures included, amongst others, the following: - 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
Classification of leases ***Refer to Note 1.4 (j), 16 and 17*** The Company leases motor vehicles to customers under operating and finance lease arrangements. 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. The lease classification, which involves some judgement, is important for the correct accounting treatment to be applied and we consider this a key audit matter.	Our audit procedures included, amongst others, the following: - 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 standards, ensuring each lease type categorised by their term was considered. - Considering the adequacy of the Company's disclosures in respect of operating and finance leases.

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 2018 (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 of the financial statements that give a true and fair view 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 represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with directors and management 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.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants

Grant Burns

29 March 2019
Suva, Fiji

VB HOLDINGS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018	2017
		$	$
Operating revenue	2 (a)	4,007,914	6,221,412
Finance income		43,674	11,176
Other revenue	2 (b)	1,526,375	531,552
Total Revenue		5,577,963	6,764,140
Administrative expenses	2 (d)	(88,641)	(98,498)
Depreciation and amortisation expense	6	(3,117,186)	(4,011,392)
Impairment losses on trade receivables	20 (b)	(199,386)	-
Operating expenses	2 (c)	(997,809)	(1,270,829)
Finance costs		(41,424)	(101,652)
Total administration and operating expenses		(4,444,446)	(5,482,371)
Profit from operations		1,133,517	1,281,769
Change in fair value of investment properties	7	240,000	780,000
Profit before income tax		1,373,517	2,061,769
Income tax expense	3	(16,850)	(201,004)
Profit for the year		1,356,667	1,860,765
Other comprehensive income		-	-
Total comprehensive income for the year, net of tax		1,356,667	1,860,765
Earnings per share			
Basic earnings per share	11	0.63	0.87

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

MARKET ANNOUNCEMENT

VB HOLDINGS DONATES COMPUTERS TO RURAL SCHOOLS

VB Holdings Ltd (VBH) a pioneer asset management company, has delivered computers to rural Schools as part of its Corporate Social Responsibility program.

Wainimakutu Secondary School (Namosi)

Naqaqa SDA Primary School (RakiRaki)

VBH established in 1945 and has been setting aside a portion of its profits to provide educational scholarships. Since mid 90's is has provided school fees for high school students, who could not complete their studies due to financial constraints but had good marks.

The program over the years grew to providing school fees for some 70 students a year. However, VB Holdings Ltd under its Corporate Social Responsibility Program, now donates computers to schools instead, since the Government provides school fees and other educational assistance.

VB HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share Capital (Note 12)	Share Premium Reserve	Forfeited Share Reserve	Retained Earnings	Total
As at 1 January 2017	2,137,403	1,534,176	16,948	9,598,670	13,287,197
Profit for the year and other comprehensive income	-	-	-	1,860,765	1,860,765
	2,137,403	1,534,176	16,948	11,459,435	15,147,962
Dividends	-	-	-	(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	3,688,527	-	-	11,309,817	14,998,344
As at at 1 January 2018	3,688,527	-	-	11,309,817	14,998,344
Profit for the year and other comprehensive income	-	-	-	1,356,667	1,356,667
	3,688,527	-	-	12,666,484	16,355,011
Dividends declared and paid	-	-	-	(470,229)	(470,229)
As at 31 December 2018	3,688,527	-	-	12,196,255	15,884,782

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

VB HOLDINGS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	2018 $	2017 $
Current assets			
Cash and cash equivalents	13(b)	3,413,711	1,753,638
Term deposits	4	411,425	400,000
Trade and other receivables	5	1,049,357	884,260
Advance current tax		251,539	274,718
Total current assets		5,126,032	3,312,616
Non-current assets			
Trade and other receivables	5	1,318,916	1,219,889
Plant and equipment	6	4,520,376	8,077,847
Investment properties	7	6,276,739	6,015,000
Total non-current assets		12,116,031	15,312,736
Total assets		17,242,063	18,625,352
Current liabilities			
Trade and other payables	8	580,375	1,177,744
Interest-bearing borrowings	9	-	1,157,827
Unclaimed dividends	10	61,540	58,065
Total current liabilities		641,915	2,393,636
Non-current liabilities			
Deferred income tax liability	3	715,366	721,696
Interest-bearing borrowings	9	-	511,676
Total non-current liabilities		715,366	1,233,372
Total liabilities		1,357,281	3,627,008
Net assets		**15,884,782**	**14,998,344**
Shareholders' equity			
Share capital	12(b)	3,688,527	3,688,527
Retained earnings		12,196,255	11,309,817
Total shareholders' equity		**15,884,782**	**14,998,344**

The statement of financial position is to be read in conjunction with the notes to the financial statements.

VB HOLDINGS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018	2017
		$	$
Cash flows from Operating Activities			
Receipts from operating activities		3,316,192	6,113,907
Payments for operating activities		(1,683,820)	(1,044,667)
Interest paid		(41,424)	(101,652)
Interest received		43,674	11,176
Income tax paid		-	(109,323)
Net cash provided by Operating Activities	13(a)	1,634,622	4,869,441
Cash flows from Investing Activities			
Acquisition of plant and equipment and investment properties		(1,237,983)	(1,972,758)
Proceeds from sale of plant and equipment		3,179,030	1,177,305
Placement of term deposits		-	(141,738)
Net cash provided by/(used in) Investing Activities		1,941,047	(937,191)
Cash flows from Financing Activities			
Dividends paid	10	(466,754)	(145,398)
Payment of finance lease liabilities		(1,669,503)	(3,919,281)
Proceeds from finance lease liabilities		220,662	1,266,394
Net cash (used in) by Financing Activities		(1,915,595)	(2,798,285)
Net increase/(decrease) in cash and cash equivalents		1,660,073	1,133,965
Net cash and cash equivalents at the beginning of the year		1,753,638	619,673
Net cash and cash equivalents at the end of the year	13(b)	3,413,711	1,753,638

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

1. CORPORATE INFORMATION

The financial statements of VB Holdings Limited ("the Company") for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of directors on 29th March 2019. 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 2018 or later periods.

New standards adopted by the company

IFRS 9 'Financial Instruments'

The company has applied IFRS 9 for the first time for its annual reporting period commencing 1 January 2018. IFRS 9 replaces the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 resulted in changes in accounting policies and presentation. The nature and effects of the key changes to the company resulting from its adoption of IFRS 9 are summarised below.

(i) Classification of financial assets and financial liabilities

Management has assessed which business models apply to the financial assets held by the company and has classified its financial assets into appropriate IFRS 9 categories. Refer to Note 1.4 (h) for details on how the company classifies and measures its financial assets.

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the company's financial assets as at 1 January 2018:

	Measurement category		Carrying amount	
Financial assets	**Original (IAS 39)**	**New (IFRS 9)**	**Original**	**New**
Cash and cash equivalents	Loans and receivables	Amortised cost	1,753,638	1,753,638
Trade & Other receivables	Loans and receivables	Amortised cost	2,104,149	2,104,149
Term Deposits	Loans and receivables	Amortised cost	400,000	400,000
Total			4,257,787	4,257,787

The adoption of IFRS 9 had no significant impact on the classification and measurement of the company's financial liabilities.

(ii) Impairment of financial assets

The company was required to revise its impairment methodology from an 'incurred loss' model in IAS 39 to an 'expected credit loss' model in IFRS 9. The new impairment model applies to financial assets measured at amortised cost.

Management has assessed that the impact of the change in impairment methodology on trade receivables on the opening balance of retained earnings as at 1 January 2018 is deemed immaterial.

IFRS 15 'Revenue from Contracts with Customers'

The company has adopted IFRS 15 from 1 January 2018. Recognition of maintenance income and insurance income continues to be the same under IFRS 15, as the company recognises revenue as (over time) it satisfies a performance obligation by transferring the services to its customer. The standard does not apply to rental income for operating leases and interest income for finance leases, which are part of lease contracts within the scope of IAS 17 Leases.

Accordingly, management has assessed that such adoption did not result in changes in the timing of recognition and the quantification of revenue, and there are no adjustments to the amounts recognised in the financial statements. However, the company has expanded its disclosures in accordance with IFRS 15 as detailed in Note 1.4 (c).

1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES - Continued

New standard issued but not effective for the financial year beginning 1 January 2018 and not early adopted

Topic	Key Requirements	Effective Date
IFRS 16, 'Leases'	This standard replaces the current guidance in IAS 17 and is a far-reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.	Annual periods beginning on or after 1 January 2019 with earlier application permitted if IFRS 15, 'Revenue from Contracts with Customers', is also applied.

The Company is yet to assess the impact of these standards and intends to adopt the standards no later than the accounting period in which it becomes 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.

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.

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 is 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 (j), 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 profit or loss.

(c) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue when it transfers control over a service to a customer.

Revenue type	Nature, timing of satisfaction of performance obligations and significant payment terms
Rental Income - Property	This relates to rental income from leasing of properties. Customers are required to pay two months deposit in advance before they start occupying rental property. The rent levels are based on the rental space that the customer wants to occupy and by negotiations with tenants. Arrangements are covered by contracts. Revenue is recognised on a straight line basis over the relevant lease term. A fixed amount of property rental is billed every month. Payment term is 30 days.
Rental Income - Operating Lease	This relates to rental income from operating lease of motor vehicles. Customers are required to pay two months deposit in advance before they take possession of vehicles under lease. The price of rental is based on interest rates agreed with customers, which ranges from 6%-9%, and each arrangement is covered by a contract. Revenue is recognised on a straight line basis over the relevant lease term. A fixed amount of operating lease rental is billed every month based on the agreed price. Payment term is 30 days.
Interest Income	This relates to interest income on finance leases. Customers are required to pay two months interest income deposit in advance before they take possession of vehicles under lease. The price is based on interest rate agreed with customer. Interest is recognised on an accrual basis using the effective interest basis and is included within the finance lease. A fixed amount of lease payments is billed every month based on the agreed price. Payment term is 30 days.
Maintenance Income	This relates to income in relation to servicing and maintenance services provided for vehicles on operating and finance leases. Customers are required to pay two months maintenance income deposit in advance before they take possession of vehicle under lease. The price depends on the vehicle the customer is leasing. Arrangements are covered by contracts. Revenue is recognised on a straight line basis over the relevant lease term. A fixed amount of maintenance income is billed every month based on the agreed price. Payment term is 30 days.
Insurance Income	This relates to insurance cover arranged and put in place on vehicles leased out under operating and finance leases arrangements. Customers are required to pay two months insurance income deposit in advance before they take possession of vehicles under lease. The price depends on the insurance policy on the vehicle on lease. Revenue is recognised on a straight line basis over the relevant lease term. A fixed amount of insurance income is billed every month based on the agreed price. Payment term is 30 days.

(d) Expense recognition

All expenses are recognised in profit or loss on an accrual basis.

1.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(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.

(f) Plant and equipment *continued*

Depreciation

Depreciation is charged to profit or loss 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%

(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.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, significant difficulties of the debtor and default or delinquency in payments.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(h) Financial instruments

Accounting policies applied starting from 1 January 2018

Financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through profit or loss or through OCI), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial statements and the contractual terms of the cash flows.

The company's financial assets measured at amortised cost consist of cash and cash equivalents, trade and other receivables and term deposits.

1.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(h) Financial instruments *continued*

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the company has also transferred substantially all risks and rewards of ownership.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

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

Financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by any impairment losses. Interest income, gains/(losses) arising from derecognition, foreign exchange gains/(losses) and impairment losses are recognised in profit or loss.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its financial assets measured at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial liabilities

i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:
- Financial liabilities arising from the transfer of Financial assets which did not qualify for de-recognition, whereby a Financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Company recognises any expense incurred on the financial liability; and

- Financial guarantee contracts and loan commitments.

ii) De-recognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Accounting policies applied before 1 January 2018

The company has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the company's previous accounting policy. However, there is no financial impact on the amount of the impairment as at 1 January 2018 from the change in policy in 2018.

(i) Classification

The company classifies its financial assets in the following categories: loans and receivables and held-to-maturity financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets since their maturities are 12 months or less. The company's loans and receivables are comprised of cash and cash equivalents and trade and other receivables.

1.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(h) Financial instruments *continued*

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity. For the company, these comprise term deposit investments.

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the company commits to purchase or sell the asset. Financial assets are initially recognised at cost plus transaction costs that are directly attributable to their acquisition.

Loans and receivables and held-to-maturity investments are subsequently carried at cost less provision for impairment.

Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the company has also transferred substantially all risks and rewards of ownership.

Interest income on held-to-maturity investments is included in profit or loss and is reported under finance income as interest income. In the case of impairment, it is reported as a deduction from the carrying value of the investment and recognised in profit or loss as impairment on investment.

(iii) Impairment of financial assets

The company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

(i) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss 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.

(j) 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.

1.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(j) Leases *continued*

(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. The leased asset is derecognised at the time the finance lease becomes effective.

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 1.4 (c). Maintenance expenses are recognised on the same basis as maintenance income. Leased assets are depreciated over the expected useful life of the asset. The leased assets are included within plant and equipment.

(k) 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).

(l) 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, 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 profit or loss 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 profit or loss 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.

(m) 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 profit or loss.

(n) Employee entitlements

Liabilities for wages and salaries, including non-monetary benefits, annual leave and sick leave expected to be settled within 12 months of the reporting date represent present obligations in respect of employees' services up to the reporting date. These are calculated at undiscounted amounts based on remuneration rates that the company expects to pay as at reporting date including related on-costs, such as payroll tax. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss as incurred.

(o) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provision are measured at present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(p) Borrowings

Borrowings are stated at the gross value of the outstanding balance. Interest expense is taken to profit or loss 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.

1.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(q) 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.

(r) 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.

(s) 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. The company operates predominantly within one geographical segment, that is, Fiji. For reporting purposes, the company considers itself to be operating in two business segments as follows:

- > Fleet Management - leasing out vehicles under finance and operating lease arrangements.
- > Property Management - leasing out rental space to tenants.

(t) Comparatives

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

		2018	2017
2.	**OPERATING PROFIT**	**$**	**$**
(a)	Operating revenue		
	Rental income - operating lease	2,685,456	4,491,212
	Maintenance income - operating lease	747,597	1,196,000
	Rental income - property	348,286	329,130
	Interest income - finance lease	148,676	114,700
	Maintenance income - finance lease	7,796	5,743
	Insurance income	70,103	84,627
		4,007,914	6,221,412

All revenue types are recognised over time.

(b)	Other revenue	$	$
	Gain on disposal of plant and equipment	1,522,504	479,223
	Other income	3,871	52,329
		1,526,375	531,552
(c)	Operating expenses	$	$
	Management fees	108,000	108,000
	Maintenance expense - operating lease	718,137	1,026,536
	Other operating expenses	171,672	136,293
		997,809	1,270,829
(d)	Administrative expenses		
		$	$
	Fees paid to auditors - audit services	15,069	14,500
	- other services	2,000	2,000
	Bank charges	5,510	13,589
	Corporate donation	15,266	12,615
	Directors' fees	25,333	25,000
	Managing director's remuneration	5,000	5,000
	Other administrative expenses	7,634	10,183
	Share registry maintenance fees	4,699	2,643
	Stamp duty charges	8,130	12,969
		88,641	98,498

3. INCOME TAX

A reconciliation between tax expense and the product of accounting profit multiplied by the tax rate for the years ended 31 December 2018 and 31 December 2017 is as follows:

	2018	2017
	$	$
Accounting profit before income tax	1,373,517	2,061,769
At statutory income tax rate of 10%	137,352	206,177
Under/(Over) provision from prior years	(39,102)	11,024
Utilisation of previously unrecognised tax losses	(81,400)	-
Tax Losses not brought into account	-	(16,197)
Income tax attributable to operating profit	16,850	201,004
The major components of income tax expense are:		
Current tax	137,352	206,177
Utilisation of previously unrecognised tax losses	(81,400)	
Temporary differences	(39,102)	
Permanent differences	-	(5,173)
	16,850	201,004

Unrecognised tax losses referred to above relates to amount as per prior year lodged tax returns that was not recognised in the company's accounting records.

Deferred income tax assets/(liabilities)

	2018	2017
Net deferred income tax at 31 December relates to the following:		
Allowance for doubtful debts	32,474	12,536
Cyclone reserve account	(41,143)	(40,000)
Unrealised gain in investment properties	(24,000)	(78,000)
Accelerated depreciation	(682,697)	(616,232)
	(715,366)	(721,696)
Represented on the statement of financial position:		
Deferred income tax asset	32,474	12,536
Deferred income tax liability	(747,840)	(734,232)
Net deferred income tax liability	(715,366)	(721,696)

4. TERM DEPOSITS

	$	$
Westpac Banking Corporation- cyclone reserve account	411,425	400,000

The term of the investments are between 3 to 12 months at interest rates of 3% to 3.5%.

5. TRADE AND OTHER RECEIVABLES

	$	$
Current		
Lease receivables	1,491,432	971,729
Less: Unearned interest on finance lease receivables	(193,348)	(126,008)
Less: Unearned insurance on finance lease receivables	(7,600)	(7,065)
Less: Unearned maintenance charges on finance lease receivables	(9,769)	(5,743)
Net lease receivables	1,280,715	832,913
Deposits	1,274	1,274
Other receivables	20,245	40,890
Less: Allowance for impairment losses (Note 20 (b))	(252,877)	(125,354)
	1,049,357	749,723
Non-current		
Lease receivables	1,952,367	1,712,885
Less: Unearned interest on finance lease receivables	(525,278)	(319,625)
Less: Unearned insurance on finance lease receivables	(11,019)	(18,255)
Less: Unearned maintenance charges on finance lease receivables	(25,291)	(20,579)
Net lease receivables	1,390,779	1,354,426
Less: Allowance for impairment losses (Note 20 (b))	(71,863)	-
	1,318,916	1,354,426
Total trade and other receivables	2,368,273	2,104,149

6. PLANT AND EQUIPMENT

	2018 $	2017 $
Furniture and fittings		
Cost:		
As at 1 January	18,155	16,620
Additions	330	1,535
As at 31 December	18,485	18,155
Depreciation and impairment:		
As at 1 January	15,486	15,180
Depreciation charge for the year	332	306
As at 31 December	15,818	15,486
Net book value - furniture and fittings	2,667	2,669
LMS Software		
Cost:		
As at 1 January	46,550	-
Additions	-	46,550
As at 31 December	46,550	46,550
LMS Software		
Depreciation and impairment:		
As at 1 January	9,310	9,310
Depreciation charge for the year	9,310	-
As at 31 December	18,620	9,310
Net book value - LMS Software	27,930	37,240
Motor Vehicles under operating leases		
Cost:		
As at 1 January	20,531,048	21,010,308
Additions	1,215,914	1,924,672
Disposal	(7,169,198)	(2,403,929)
As at 31 December	14,577,764	20,531,051
Depreciation and impairment:		
As at 1 January	12,493,113	10,197,184
Depreciation charge for the year	3,107,544	4,001,777
Disposal	(5,512,672)	(1,705,848)
As at 31 December	10,087,985	12,493,113
Net book value - motor vehicles	4,489,779	8,037,938
Net book value as at 31 December	4,520,376	8,077,847

The total written down value of vehicles on finance lease liability amounted to $1,096,223 (2017: 1,686,337).

7. INVESTMENT PROPERTIES

	2018 $	2017 $
Opening balance	6,015,000	5,235,000
Net gain on fair value adjustment	240,000	780,000
Additions - subsequent expenditure	21,739	-
Closing balance at 31 December	6,276,739	6,015,000
Rental income derived from investment properties	348,286	329,130
Direct operating expenses (included repairs and maintenance)	(11,812)	(24,449)
Net profit arising from investment properties	336,474	304,681

The properties were revalued at 31 December, 2018 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 $240,000 (2017: $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 2018. The valuations are based on Level 2 inputs. The valuer based 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
Rental deposits	48,497	48,497
Lease deposits	467,804	433,688
VAT Payable	3,883	31,029
Other payables and accruals	60,191	48,812
	580,375	1,177,744

9. INTEREST-BEARING BORROWINGS

	$	$
Current		
Finance lease liability (Note 14b)	-	1,157,827
Non-current		
Finance lease liability (Note 14b)	-	511,676
Total Interest-bearing borrowing	-	1,669,503

Finance lease liabilities were 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

(c) Standard lease agreements with Westpac Banking Corporation over various motor vehicles.

The entire interest bearing borrowing balance was paid off during the current year.

10. DIVIDENDS PAYABLE

	$	$
As at 1 January	58,065	53,845
Dividends declared	470,229	149,618
Dividends paid	(466,754)	(145,398)
As at 31 December	61,540	58,065

11. EARNINGS PER SHARE

	$	$
Net profit for the year	1,356,667	1,860,765
Number of equity shares outstanding	2,137,403	2,137,403
Basic and diluted earnings per share (par value $1.00)	0.63	0.87

		2018	2017
12.	**SHARE CAPITAL**	**$**	**$**
(a)	Authorised capital 5,000,000 ordinary shares		
(b)	Issued and paid up capital		
	2,137,403 ordinary shares	3,688,527	2,137,403
	Transfer of share premium reserve and forfeited share reserve to share capital per Companies Act 2015 requirements	-	1,551,124
		3,688,527	3,688,527

13. 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	1,356,667	1,860,765
Depreciation and amortisation	3,117,186	4,011,393
Change in fair value of investment properties	(240,000)	(780,000)
Impairment losses on trade receivables	199,386	-
Gain on disposal of plant and equipment	(1,522,500)	(479,224)
	2,910,739	4,612,934
Net cash provided by operating activities before change in assets and liabilities:		
(Increase)/decrease in trade receivables and other receivables	(665,373)	(159,834)
(Decrease) in trade and other payables	(593,895)	324,660
(Decrease)/increase in current tax payable	(23,179)	(232,668)
Increase/(decrease) in deferred income tax liability	6,330	324,349
Net cash provided by Operating Activities	1,634,622	4,869,441

(b) Cash and cash equivalents consist of balances as follows:

	$	$
Cash at bank		
Westpac Banking Corporation	301,452	1,151,471
Bank of Baroda	101,667	102,167
Cash equivalents		
Westpac Banking Corporation	500,000	500,000
Bred Bank	2,510,592	-
Total cash and cash equivalents	**3,413,711**	**1,753,638**

Cash equivalents consists of term deposits that have a term of 3 months or less.

		$	$
14.	**COMMITMENTS**		
(a)	Capital expenditure commitments	28,261	-
(b)	Finance lease expenditure contracted for motor vehicles are as follows:		
	Not later than one year	-	1,202,451
	Later than one year but not later than two years	-	526,655
		-	1,729,106
	Less: Future finance charges	-	(59,603)
	Net finance lease liability	-	1,669,502
	Reconciled as:		
	Current finance lease liability (Note 9)	-	1,157,827
	Non-current finance lease liability (Note 9)	-	511,675
		-	1,669,502

15. FUTURE OPERATING LEASE RENTALS

The company has provided properties and motor vehicles under operating leases to customers on normal commercial terms and conditions on monthly rentals.

	2018 $	2017 $
Operating lease rentals are expected as follows:		
Not later than one year	2,706,738	4,271,932
Later than one year but not later than two years	1,722,618	1,258,345
Later than two years but not later than five years	1,362,341	27,139
	5,791,697	5,557,416

16. FUTURE LEASE RECEIVABLES

	$	$
Lease expenditure contracted for motor vehicle receivables are as follows:		
Not later than one year	1,491,432	934,169
Later than one year but not later than two years	1,660,067	1,320,096
Later than two years but not later than five years	292,300	392,789
	3,443,799	2,647,054
Less: Unearned interest on finance income and maintenance charges	(772,305)	(488,092)
Net lease receivables	2,671,494	2,158,962

Reconciled as:	$	$
Current lease receivables (Note 5)	1,280,715	804,536
Non-current lease receivables (Note 5)	1,390,779	1,354,426
	2,671,494	2,158,962

17. CONTINGENT LIABILITIES

	$	$
(a) Performance bond	100,000	100,000

18. SEGMENT INFORMATION

(a) Secondary reporting – geographical segments

The Company operates in the geographical segment of Fiji.

(b) Primary reporting - business segments 2018

	Fleet Management $	Property Management $	Total $
Operating revenue	3,659,628	348,286	4,007,914
Other revenue	1,526,375	-	1,526,375
	5,186,003	348,286	5,534,289
Segment result before income tax and finance cos	819,025	312,242	1,131,267
Net finance income	2,250	-	2,250
Change in fair value of investment property	-	240,000	240,000
Profit before income tax expense	821,275	552,242	1,373,517
Income tax expense	(11,778)	(5,072)	(16,850)
Net profit / (loss)	809,497	547,170	1,356,667
Segment assets	10,965,323	6,276,739	17,242,063
Segment liabilities	15,884,782	-	15,884,782
Acquisition of plant and equipment	1,216,246	21,739	1,237,985
Depreciation expense	3,117,186	-	3,117,186
Net cash flows from operating activities	1,142,588	492,034	1,634,622

18. SEGMENT INFORMATION *continued*

(b) **Primary reporting - business segments 2017**

	Fleet Management	Property Management	Total
	$	$	$
Operating revenue	5,892,282	329,130	6,221,412
Other revenue	531,552	-	531,552
	6,423,834	329,130	6,752,964
Segment result before income tax and finance cos	1,072,253	299,992	1,372,245
Net finance costs	(90,476)	-	(90,476)
Change in fair value of investment property	-	780,000	780,000
Profit before income tax expense	981,777	1,079,992	2,061,769
Income tax expense	(157,414)	(43,590)	(201,004)
Net profit / (loss)	824,363	1,036,402	1,860,765
Segment assets	12,610,352	6,015,000	18,625,352
Segment liabilities	3,627,008	-	3,627,008
Acquisition of plant and equipment	1,972,757	-	1,972,757
Depreciation expense	4,011,393	-	4,011,393
Net cash flows from operating activities	3,813,513	1,055,928	4,869,441

19. 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 Niranjan
Nitish Singh Niranjan
Sundar Masih Sukhu
Devanesh Sharma
Ratnesh Singh
Jinita Prasad

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 Niranjan	Managing Director

	2018	2017
The values of transactions with related parties were as follows:	$	$
Directors' fees	25,333	25,000
Managing Director's remuneration	5,000	5,000

19. RELATED PARTY TRANSACTIONS *continued*

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

	2018	2017
Trade and other receivables	$	$
Jans Rental Cars Ltd	-	255,054
Niranjans Motor Corporation Limited	-	3,931
Niranjans Hire Plant Limited	325,339	401,526
Trade and other payables		
Niranjans Autoport Limited	-	615,718

Apart from the above, the company pays management fees to Niranjans 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	729,433	1,777,825
Jans Rentals Cars (Fiji) Limited	Sale of motor vehicles	23,683	-
Niranjans Hire Plant Limited	Finance lease income	27,395	27,395
Niranjans Motor Corporation Limited	Rental income	36,064	43,277
Niranjans Autoport Limited	Sale of motor vehicles	2,988,355	1,177,305
Expenses			
Niranjans Autoport Limited	Management fees	108,000	108,000
Niranjans Autoport Limited	Maintenance charges	720,171	1,026,536
Capital expenditure			
Niranjans Autoport Limited	Motor vehicle purchases	1,303,108	1,924,672
Deposits			
Niranjans Motor Corporation Limited	Rental deposit	4,057	4,057
Jans Rental Cars (Fiji) Limited	Lease deposit	188,570	200,488

20. 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.

20. FINANCIAL RISK MANAGEMENT *continued*

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
2018	+100 bp	10,356
	-100 bp	(10,356)
2017	+100 bp	25,413
	-100 bp	(25,413)

(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 trade receivables, other receivables and cash and cash equivalents which are measured at amortised cost.

The carrying amount of financial assets represents the maximum credit exposure.

The company has no significant concentrations of credit risk. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Credit levels accorded to customers are regularly reviewed to reduce the exposure to risk of bad debts.

Expected credit loss assessment starting from 1 January 2018

The company applies the IFRS 9 simplified approach to measure expected credit losses for trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared risk characteristics and the days past due. The company uses the 'net flow rate' model based on the probability of trade receivables following the movement of cash outstanding from payment status of current through all delinquency buckets until write off. Loss rates are based on historical credit losses experienced within this year. These rates are then adjusted to reflect current and forward looking information based on macroeconomic factors and the company's internal evaluation of trade receivables over their expected lives.

The following table provides analysis about the exposure to credit risk and expected credit losses for trade receivables as at 31 December 2018:

	Expected weighted average loss rate	Gross carrying amount	Loss allowance
		$	$
Current portion of trade receivables			
Accounts collectively assessed			
Current portion of long-term receivables not yet due	5.2%	550,716	28,446
Current	5.0%	223,993	11,105
1 to 30 days past due	8.9%	127,374	11,366
31 to 60 days past due	19.2%	110,341	21,218
61 to 90 days past due	30.0%	12,054	3,616
More than 90 days past due	60.0%	197,778	118,667
		1,222,256	194,419
Accounts individually assessed		58,459	58,459
Total		1,280,715	252,878
Non-current portion of trade receivables	5.2%	1,390,779	71,863

20. FINANCIAL RISK MANAGEMENT *continued*

Movement in allowance for impairment losses on trade receivables:

	2018		
	$	$	$
	Non-current	**Current**	**Total**
Balance at beginning of year	-	125,354	125,354
Impairment losses adjustment recognised	71,863	127,524	199,386
Balance at end of year	71,863	252,878	324,740

While cash and cash equivalents, other receivables and term deposits are also subject to impairment requirements of IFRS 9, any impairment loss is deemed immaterial, due to their short term nature and historical lack of default.

In prior year, under the previous accounting policy, the allowance for impairment losses was determined on a consideration of incurred loss events prior to balance date.

(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.

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	Total
2018	$	$	$	$
Trade and other payables	580,374	-	-	580,374
Interest bearing borrowings	-	-	-	-
Unclaimed dividends	61,540	-	-	61,540
2017				
Trade and other payables	1,177,744	-	-	1,177,744
Interest bearing borrowings	300,613	901,838	526,655	1,729,106

21. CAPITAL RISK MANAGEMENT

The company's objectives when managing capital is to safeguard the company's ability to continue as a going concern in order to provide return to shareholders and benefit to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell asset to reduce debt. The company has a number of financial covenants to comply with as part of the terms of its borrowings. The financial covenants are managed as part of the companies capital management. The company has compiled with all its externally imposed financial requirements.

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.

	2018 $	2017 $
Interest bearing borrowings (Note 9)	-	1,669,503
Less cash and cash equivalents	(3,413,711)	(1,753,638)
Less term deposits	(411,425)	(400,000)
Net debt	(3,825,136)	(484,135)
Equity	16,246,532	14,998,344
Net debt plus equity	12,421,396	14,514,209
Gearing ratio	-31%	-3%

22 SUBSEQUENT EVENTS

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 as reported in these financial statements.

23 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.

24 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 (2017: Nil).

VB HOLDINGS LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	$	$
INCOME		
Gain on disposal of plant and equipment	1,522,500	479,223
Interest Income	43,674	11,176
Interest income - finance lease	148,676	114,700
Maintenance income - finance lease	9,847	5,743
Maintenance income - operating lease	747,597	1,196,000
Operating lease rental	2,685,456	4,491,212
Rental income	348,286	329,130
Other income	71,925	136,956
	5,577,962	6,764,140
EXPENSES		
Audit fees	17,069	16,500
Impairment losses on trade receivables	199,386	-
Bank charges	5,510	13,589
Corporate donation	15,266	12,615
Depreciation and amortisation	3,117,186	4,011,393
Directors' fees	25,333	25,000
Directors' remuneration	5,000	5,000
Insurance	125,765	75,108
Interest	41,424	101,652
Light and power	1,498	1,849
Listing fees	5,936	5,627
Maintenance fleet expense - operating lease	718,137	1,026,536
Management fees	108,000	108,000
Printing, postage and stationery	1,697	4,556
Rates and taxes	22,733	22,733
Repairs and maintenance	11,812	24,449
Share registry maintenance fees	4,699	2,643
Stamp duty charges	8,130	12,969
Sundry	9,862	12,152
	4,444,445	5,482,371
Profit from operations	1,133,517	1,281,769
Change in fair value of investment properties	240,000	780,000
Profit before income tax	**1,373,517**	**2,061,769**

(a) Statement of interest of each Director in the share capital of the company as at 31 December 2018

Directors	Direct Interest (Number of Shares)	Indirect Interest (Number of Shares)
Nitish Singh Niranjan	724,499	356,285
Narayan Singh Niranjan	231,820	-
Sundar Masih Sukhu	22,664	-
Ratnesh Ravindra Singh	2,261	-

(b) Distribution of share holding

Holding	**No. of holders**	**% Holding**
Less than 500 shares	40	0.16
501 to 5,000 shares	52	4.21
5,001 to 10,000 shares	6	2.02
10,001 to 20,000 shares	3	2.44
20,001 to 30,000 shares	3	3.50
30,001 to 40,000 shares	-	-
40,001 to 50,000 shares	2	3.85
50,001 to 100,000 shares	2	5.77
100,001 to 1,000,000 shares	5	78.05
Over 1,000,000 shares	-	-
Total	113	100

Share Register

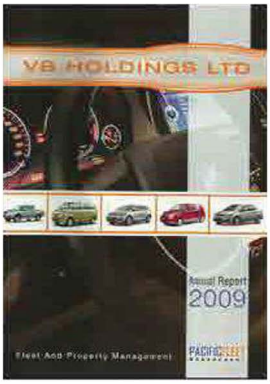
(c) Central Share Registry Pte Limited
Shop 1 & 11
Sabrina Building
Victoria Parade
Suva
Fiji

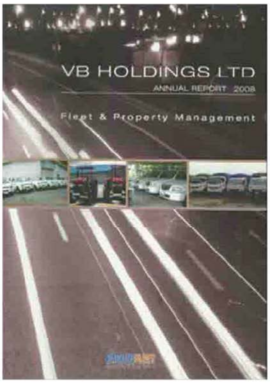
Shareholding of those persons holding the 20 largest blocks of shares:

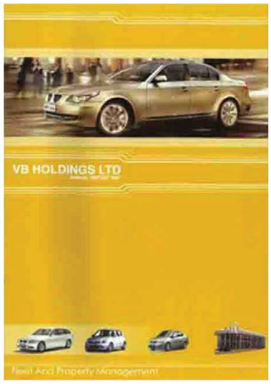
(d)

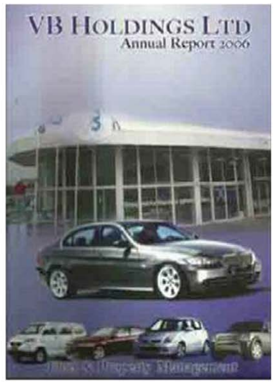
Shareholders	No. Of Shares
Nitish Niranjan	724,499
N S Niranjans Holdings Ltd	356,285
FHL Trustees Limited	251,762
Narayan Singh Niranjan	231,820
Sashi Kant Lakhan	103,888
Francesa Niranjan	72,398
Trustee of AP Sabha	50,900
The South Pacific Investment Company Limited	42,000
Pacific Gas Company Limited	40,284
Patelkhatri Investments (Fiji) Ltd	27,669
Praful Patel Investments Pty ltd	24,500
Sundar Masih Sukhu	22,664
Jimaima T Schultz	19,783
Abdul Sayed Jalal	19,349
Rama Kant Lakhan	12,989
Kamla Singh	8,207
Hardayal Singh	8,197
Warwick Pleass	7,400
Tutanekai Investment Limited	6,700
Satya Nand Nandan	6,375

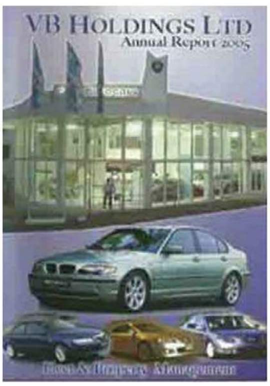
Previous Years Annual Report Covers

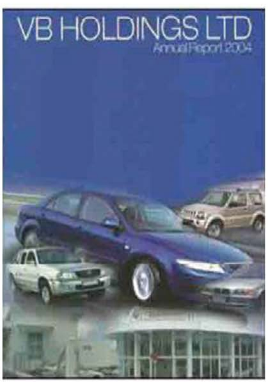












PACIFIC FLEET MANAGEMENT

VB HOLDINGS LIMITED

HO: 366 GRANTHAM ROAD, SUVA, FIJI ISLANDS

POST: G.P.O.BOX 450, SUVA, FIJI ISLANDS.

PHONE: +679 338 1555

EMAIL: info@vbholdingsltd.com