

2020 ANNUAL REPORT

DATED 31ST AUGUST



ENRICHING FAMILIES
SINCE 1920

ENDURING THE TIMES
FOR A BETTER FUTURE



VISION
INVESTMENTS LIMITED



our VISION

We provide Outstanding Products and Quality Service to deliver the Best Value to our Customers.

our PURPOSE

Delighting our Customers.

our VALUES

Customer Focus

We delight our customers to build lifelong, loyal and rewarding relationships.

Challenger Spirit

We create a great work place, where our People are inspired to innovate and become the best they can be.

Personal Excellence

We take ownership to deliver on our commitments.

Team Work

We work together to achieve our common goals whilst valuing individual thought.

Integrity

We value honesty and integrity and ensure ethical standards guide us in our decision making.

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CHAIRMAN'S MESSAGE

I am pleased to present the Company's Annual Report and the Group's Financial Statements for the year ended 31st March 2020. The Group Financial Statements include the operating results of the fully owned subsidiary in Papua New Guinea (PNG) – Vision Homecentres Limited.

When comparing the operating results with the previous year, it must be borne in mind that the previous year included a significant one-off increase in revenue and margin contributions relating to the Governments Homes Care Scheme. This scheme benefitted the retail operations of the Company in the previous year during the period May to August 2018.

As noted in the Half Year Financial Statements market announcement issued in November 2019, the trading conditions during the year were subdued as the Government followed a path of fiscal consolidation to reduce spending and to address widening deficits and public debt, after a decade of expansionary fiscal policy. Government spending is a vital lever in our small economy.

With the economic devastation caused by the Covid-19 pandemic post Balance Date, as per the impairment assessment performed in compliance with the relevant accounting standards, an additional \$1.2million was booked as a doubtful debt expense in the accounts to allow for future potential losses in the Hire Purchase loan book of customers impacted by the economic crisis.

Borrowing costs increased due to additional

interest costs on borrowings to acquire a large commercial property and due to increase in the bank interest rate in May 2019.

Taking the above commentary into consideration, the Group posted a profit after tax and other comprehensive income of \$16.0million (2019: \$23.9million) on total sales revenue of \$181.6million (2019: \$196.3million).

The retail operations of the Company performed satisfactorily, whilst the automotive division posted subdued profitability on the back of a declining new vehicle market. The increase in import duty on motor vehicles half way during the year, eventually resulted in a higher showroom prices which further subdued demand for new motor vehicles. The Company's subsidiary in PNG, Vision Homecentres Limited, continues to struggle in a subdued economy and incurred another loss in the year. Considering the trading conditions and further disruption to the PNG economy due to the Covid-19 pandemic, business activities will be refocused and scaled down for the business to breakeven or return to moderate profitability by end of FY2022. This re-organization will involve some asset write-downs, which will be reflected in the FY2021 accounts. This way when trading conditions improve, the business will be well placed to scale up in line with the opportunities in the market.

The Company's share price in the SPX, after hitting a peak of \$4.95 per share during the year declined to \$4.29 at the end of the

CHAIRMAN'S MESSAGE

financial year. This is similar to the declines seen in stock markets across the world due to the economic disruption and uncertainty caused by the Covid-19 pandemic. However since then as at 28th August, the share price had rebounded to \$4.70.

The management agreement with Vision Services Pte Limited, which was expiring on 30th June 2020, was further renewed for another term of 3 years after endorsement by the Company's independent directors. With the renewal of this important agreement, the Group will continue to benefit from the considerable commercial acumen and management expertise provided by Vision Services Pte Limited.

During the year on 1st March 2020, independent director Ms. Carina Hull resigned due to commitments to her young family in New Zealand. On the same day, as a replacement, Ms. Jenny Seeto was appointed an independent director of the Company. Ms. Seeto has a wide professional and commercial background and I have no doubt that she will make a strong contribution to the deliberations of the Board.

The Board and Board subcommittees continued to discharge their roles with regular quarterly meetings. In recent times due to the international travel restrictions, and social distancing rules, meetings are conducted through video conferencing. The Board subcommittees continues to make strong contributions in enhancing the important areas of corporate governance, compliance, risk identification and mitigation and people development.

The Company as in prior years, continued in its commitment to social responsibility by extending sponsorships to many community based organizations across a wide range of endeavors – including sports development, charitable causes, raising awareness of NCDs, school programs,

community policing, health programs, corporate sponsorship and assistance to disadvantaged communities and groups through our "Helping our Communities" program.

The Company also continued with its sizeable contribution to the Vision Group Foundation to fund its charitable activities. In the new year however, due to measures taken to cut down discretionary spending to manage the Covid-19 economic crisis, some of these activities will be curtailed.

The Covid-19 pandemic has caused widespread economic disruption and large scale job losses, particularly in the tourism related sectors. Due to difficulties in source markets, the RBF is anticipating a marked decline in foreign exchange remittances, an important driver of consumer spending. Although the Government was successful in managing the health emergency, considering the consequential economic devastation, RBF is now predicting the economy will decline in excess of 20% in 2020. The recovery in 2021 and 2022, is contingent upon containment of the pandemic and recovery of global tourism. This economic crisis has forced the Government to reverse its fiscal consolidation policy and embark on a pro-growth stimulus strategy. The various income support schemes, stimulus packages to MSME's and the significant reductions and rationalization of import duties are designed to stimulate consumer demand, which is an absolute necessity to limit the economic fallout from the crisis.



The Government has also extended attractive stimulus packages to the tourism sector, which will benefit the economy when international travel restrictions and tourism begins to normalize. Stimulus has also been provided to the construction industry, which is touted to have a high multiplier effect on the economy, especially in the case of short gestation projects. We sincerely hope the Government's various stimulus packages will galvanize consumer demand and lead to sustainable economic activity until the pandemic is contained and world economies return to normalcy.

Due to this economic crisis caused by the Covid-19 pandemic, the Group too is experiencing a decline in sales. There is significant uncertainty as to how long this crisis will prevail. Considering this uncertainty and the economic disruption, the Company has taken prudent measures to reduce operating costs and to preserve cash reserves to manage and ride out the crisis. Due to the prevailing conditions and uncertainty, no meaningful trading forecasts can be made at this time.

Of particular concern is the hardship caused to our hire purchase customers by the economic crisis and their ability to service their loan obligations. As per the hardships provisions in the Consumer Credit Act, practical assistance has been extended to these customers to help them navigate through this difficult period.

Finally, I would like to thank my colleagues on the Board and Board subcommittees for their valuable contributions during the year. I would like to specifically thank Ms. Carina Hull who resigned as a director during the year for her valuable contribution to the board- especially in the area of people development. I also like to extend a welcome to Ms. Jenny Seeto, who joins the Board as a replacement. On behalf of my fellow Directors, I wish to acknowledge the tremendous contributions of all employees to the Group's performance during the year and the continued support from our very loyal customer base and suppliers.

Dilip Khatri

CHAIRMAN



CEO'S REVIEW

For the financial year ended 31st March 2020, the Group posted a profit after tax and other comprehensive income of \$16.0million (2019: \$23.9million), on total sales revenue of \$181.6million (2019: \$196.3million)

The operating results cannot be directly compared to the prior year due to following;

- a) The prior year included a one off significant contribution to sales and margins from the Homes Care Scheme implemented by the Government, which provided assistance to select communities. This benefitted the retail operations of the Company in the period May to August 2018.
- b) An additional expense of \$1.2million was taken for doubtful debts in the current year by applying the accounting standard IFRS9 – Financial Instruments, to allow for future potential losses in the Hire Purchase (HP) loan book due to customers impacted by the Covid-19 economic crisis.
- c) Increase in the borrowing cost in the current year due to additional interest on borrowing to acquire a large commercial property and due to increase in the bank interest rate in May 2019.

The economic conditions and consumer demand was subdued in the year on the back of reduced Government spending. Also the increase in import duty on a range of white goods and motor vehicles half way in the year, eventually flowed through in the form of higher retail prices in these key categories, which also dampened consumer demand. Commensurate with the decline in profitability, earnings per share was 15cents per share compared to 23cents per share last year.

The total assets slightly decreased by \$5.5million to \$221.2million, mainly due to the decrease in the HP loan book commensurate with the reduced revenue levels.

The total shareholder equity increased by 6% to \$99.6million.

The net debt to total capital gearing is at a comfortable 35%. Cash flows in the year were well managed with net cash generated from operating activities of \$28.9million compared to \$24.5million in the previous year.

The Courts division revenue and margins were stable and comparable to the prior year, after normalizing for the one off impact in the prior year due to the Homes Care Initiative by Government. Sales were however impacted due to subdued consumer demand and increase in prices in the key white goods category towards the latter part of the year, due to an increase in import duties. In November 2019, the Sportsworld store at the MHCC complex in Suva was reorganized and two separate outlets launched. One is Sportsworld Lifestyle store featuring some world-renowned leisure and lifestyle footwear and the other a Courts Cybercity offering a range of ICT and electronic products. In the year a soft launching was done of the Courts App. This App which is downloaded on to smart mobile phones or devices, provides unparalleled convenience to customers to browse product specials and promotions and offers HP customers direct and convenient access to their account information.

Vision Motors division experienced a decline in revenue and profitability in line with the general decline in the new vehicle market due to subdued demand levels. The decision by General Motors in the latter part of the year to cease production of right hand drive vehicles whilst dampening opportunity for revenue growth, will provide a stimulus to expand market share of other passenger and light commercial franchises - namely Peugeot, SsangYong and Maxus. The securing of the agency for superior Schneider elevators and escalators, provides a solid foundation to expand the commercial segment sales.

The Best Buys for Business, which is the B2B division, continues to grow and build lasting relationships with its commercial customers. The recent securing of the agencies for high quality Canasin linen and Calidad printer toners and refills, provides an opportunity for revenue expansion. This business is also expanding into the wholesale and export markets to broad base and grow revenue.

Vision Energy Solutions, operating in the renewable energy sector, continues to establish in the market with its hybrid energy solutions and state-of-the-art inverter technology. It is also promoting wind turbines to the residential and commercial sector, which is gaining traction with several installations already completed. With the concern over greenhouse emissions and the resulting global warming, expanding into the renewable energy sector offers potential for revenue growth and also to meaningfully contribute to the wellbeing of our environment.

The Company's subsidiary in PNG, Vision Homecentres Limited, incurred a loss in the year and continues to struggle in a muted economy. Persisting with the retail operation will take time to establish in an economy further disrupted by the Covid-19 pandemic resulting in further future losses. Therefore, the business will be scaled down and refocused to build a network of dealers for a portfolio of strong brands, with the intention of breaking even or returning to moderate profitability by end of FY2022. Much depends however on the recovery of the PNG economy. This reorganization will result in a write down of assets, which will be reflected in the FY2021 financial statements, which is forecasted to show another year of losses. Due to the accumulated losses of this subsidiary, as per requirements in the relevant accounting standards, the investment in and the advances made to the subsidiary in the parent company's books were considered impaired and fully provided for. This however does not have an impact on the Group financial statements. The details are disclosed in the notes to the financial statements. This remains a key area for management focus.



The Covid-19 pandemic has caused economic devastation across the world and Fiji too has suffered tremendously due to its impact with the virtual closure of the tourism sector and widespread job losses and impaired incomes. As with all businesses, this is a significant challenge for the Group. Very early into the crisis, the Company took swift and prudent measures to reduce operating costs and to carefully shepherd and preserve the Company's cash reserves. This was especially important as there is significant uncertainty as to how long this crisis will prevail. Stress testing done on the Company's operating statements and balance sheet, showed the existing cash reserves are sufficient to manage the crisis for the foreseeable future.

Next year is going to be extremely challenging with the economic disruption caused by the Covid-19 pandemic. Focus is to reduce to the greatest extent possible the decline in sales revenue, to aggressively reduce operating costs and to manage and preserve cash reserves over the period of the crisis. Due to uncertainty as to the depth of the economic crisis and as to how long this crisis will prevail, no meaningful forecasts can be made of the trading outlook in the near term.

The announcement in the recent Government budget to significantly reduce import duty on a range of goods including white goods and motor vehicles, presents an additional challenge to the Company. To maintain same level of sales and margin contributions, significantly more volumes of goods will have to be sold, which is daunting due to the muted consumer demand and low incomes currently prevailing in the economy. However, this is a challenge that will be vigorously pursued.

I take this opportunity to extend my sincere and heartfelt gratitude to all employees of the Group, who have collectively taken a reduction in their remuneration, as a pivotal measure to reduce operating costs and to preserve cash during this unprecedented crisis. My sincere thanks also to landlords of some of the Company's rented properties who have agreed to temporarily offer reductions in the monthly rentals.

To conclude, I would like to thank the Chairman, Deputy Chairman and Board of Directors for the guidance given to me and the senior executives. I also extend my sincere appreciation to the senior management team and to all team members across the Group for their dedication and commitment to our "Purpose" and "Winning Culture" and to the diligent discharge of their responsibilities during this unprecedented and difficult economic crisis caused by the Covid-19 pandemic.

A handwritten signature in black ink, appearing to read 'P.L. Munasinghe'.

P.L.Munasinghe

CHIEF EXECUTIVE OFFICER

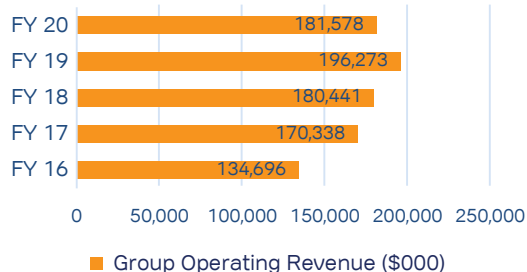
KEY FINANCIAL PERFORMANCE	2020	2019	2018	2017	2016
REVENUE (\$)	181,577,506	196,272,997	180,441,416	170,337,695	134,696,350
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (\$)	33,479,458	41,266,963	29,419,594	26,777,165	22,533,854
PROFIT BEFORE TAX (\$)	17,025,496	27,004,617	22,761,453	20,552,256	16,086,779
NET PROFIT AFTER TAX (\$)	15,742,683	24,023,323	20,168,939	18,396,597	11,472,919
NET CASH FLOW (FROM OPERATING ACTIVITY) (\$)	28,905,308	24,454,793	15,524,072	3,170,398	20,466,023
DIVIDENDS (out of respective Financial Year Profits) (\$)	4,150,777	10,636,366	10,376,943	10,117,519	9,712,634 ¹
TOTAL ASSETS (\$)	221,173,182	226,666,616	155,028,766	141,713,223	125,910,375
TOTAL LIABILITIES (\$)	121,549,629	132,418,235	69,335,837	66,158,216	58,473,068
SHAREHOLDERS EQUITY (\$)	99,623,553	94,248,381	85,692,929	75,555,007	67,437,307
WORKING CAPITAL (\$)	87,014,406	85,013,252	92,255,409	81,760,373	71,436,164
EARNINGS PER SHARE (Cents)	15.00	23.00	19.00	18.00	15.00
DIVIDENDS PER SHARE (Cents)	4.00 ²	10.25	10.00	9.75	9.59
CURRENT RATIO (TIMES)	2.90	2.64	3.41	3.33	3.52
INTEREST COVER (TIMES)	6.94 ³	14.27 ³	10.92	13.10	7.60
MARKET PRICE as at 31 MARCH (\$)	4.29	4.38	3.25	2.08	1.75
ISSUED SHARES	103,769,425	103,769,425	103,769,425	103,769,425	103,769,425
NET TANGIBLE ASSETS PER SHARE (\$)	0.95	0.90	0.82	0.72	0.65
MARKET CAPITALISATION ON SPX as at 31 MARCH (\$)	445,170,833	454,510,082	337,250,631	215,840,404	181,596,494

¹ Dividends of \$9,712,634 comprised of interim dividend of 3.75 cents per share amounting to \$3,652,500 declared on 30 September 2015 based on issued shares of 97,400,000 (prior to issue of additional shares to International Finance Corporation) and second interim dividend of 5.84 cents per share amounting to \$6,060,134 declared on 17 June 2016 based on issued shares of 103,769,425 (following issue of additional shares of 6,369,425 to International Finance Corporation after the listing of the Company on 29 February 2016).

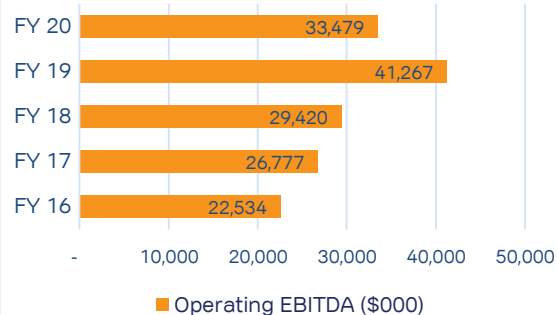
² Interim dividend of 4.00 cents per share amounting to \$4,150,777 was declared on 29th November 2019, and no final dividend was declared from the profits for the year ended 31 March 2020. For FY 2020 amidst the Covid-19 pandemic as a part of measures to preserve cash the Directors have resolved not to make any dividend payment until further notice.

³ For comparative purpose with prior years, interest cover calculations is adjusted to exclude interest costs on leases on adoption of IFRS 16- Leases in FY 2019.

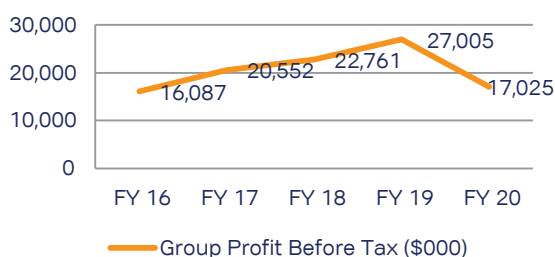
Group Operating Revenue (\$000)



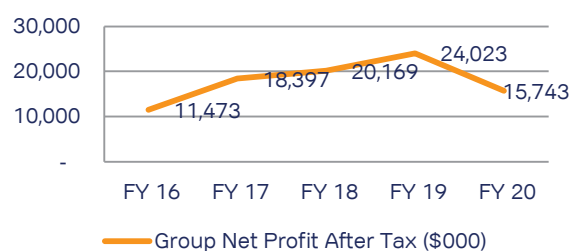
Operating EBITDA (\$000)



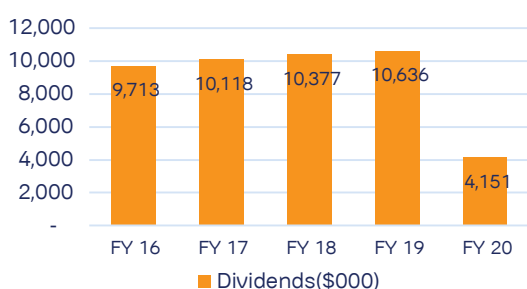
Group Profit Before Tax (\$000)



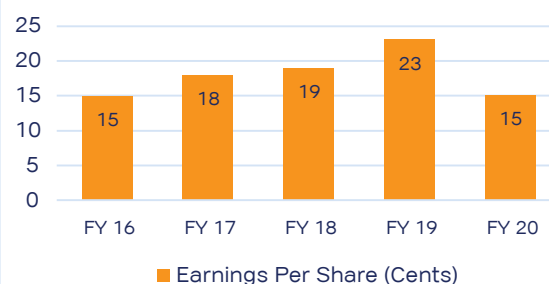
Group Net Profit After Tax (\$000)



Dividend Payout (\$000)



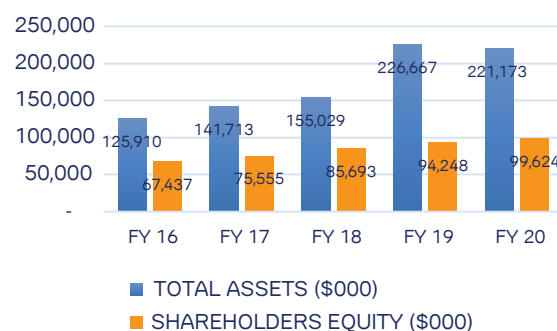
Earnings Per Share (Cents)



Market Capitalisation and Share Price



Group Total Assets and Shareholders Equity (\$000)



DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the directors herewith submit the consolidated statement of financial position of the Group as at 31 March 2020, and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and report as follows:

1. DIRECTORS

The following were directors of the Holding Company at any time during the financial year and up to the date of this report:

Dilip Khatri
Navin Patel
Suresh Patel
Dinesh Patel
Satish Parshotam
Ratu Aisea Waka Vosailagi (Independent)
David Evans (Independent)
Suliano Ramanu
Carina Hull (Independent) - resigned on 01 March 2020
Jenny Seeto (Independent) - appointed on 01 March 2020

2. PRINCIPAL ACTIVITIES

The principal activities of the Group are the sale of furniture, household electrical items, electronic goods, general merchandise and the financing of these products at a margin, manufacture of furniture and joinery works; and trading, leasing and repair of motor vehicles, vehicle rentals and spare parts, and insurance agency.

3. TRADING RESULTS

The net profit after income tax of the Group for the year ended 31 March 2020 was \$15,742,683 (2019: \$24,023,323).

4. DIVIDENDS

No final dividend was declared from the profit for the year ended 31 March 2020 (2019: \$6,485,589). The Directors declared an interim dividend of \$4,150,777 (2019: \$4,150,777) during the year.

5. BAD AND DOUBTFUL DEBTS

The directors took reasonable steps before the Group's consolidated financial statements were made out to ascertain that all known bad debts were written off and adequate provision was made for doubtful debts.

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

DIRECTORS' REPORT - Continued

6. CURRENT ASSETS

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

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

7. DIRECTORS' BENEFIT

No director of the Holding Company has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors as shown in the Group's financial statements) by reason of a contract made by the Holding Company or related company with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

8. GOING CONCERN

The consolidated financial statements of the Group have been prepared on a going concern basis. We consider the application of the going concern principle to be appropriate in the preparation of these consolidated financial statements as we believe that the Group has adequate funds to meet its liabilities as and when they fall due over the next twelve months.

9. COVID-19 GLOBAL PANDEMIC

The World Health Organisation declared a pandemic in relation to the Novel Coronavirus (COVID-19) on 11 March 2020, bringing a significant health impact globally. Measures taken to contain the virus are already having a significant negative economic impact on global markets including Fiji's major trading partners. Economic activity in Fiji has also been drastically impacted with business disruptions and levels of activity already reduced in most market sectors.

There is considerable uncertainty around the possible duration of and the resulting depth of impact that may come from the disruption caused due to the fluidity of the situation. It is expected that there will be a negative impact on the operations for the Group's 2020/2021 year.

In response to the economic impact of the COVID-19 outbreak, the Group has implemented cost-cutting measures to reduce the expenditures together with cost control. Of particular concern is the impact the economic crisis is having on the Group's hire purchase customers and the loan book. As per the hardship provisions in the Consumer Credit Act, practical assistance has been extended to customers directly impacted by the crisis. The hire purchase loan book is under close monitoring.

The Group continues to carefully monitor and assess its business operations and finances regularly. As one of the measures to preserve cash, the Directors have resolved to temporarily cease dividend payments to shareholders until further notice. Robust stress testing has been done on the Group's Operations; the stress testing indicated that the Group can manage with the existing cash reserves for the foreseeable future.

DIRECTORS' REPORT - Continued

10. EVENTS SUBSEQUENT TO BALANCE DATE

Apart from those disclosed in the notes to the consolidated financial statements, there has not arisen in the interval between the end of the financial year and the date of this report, transactions or events of a material and unusual nature likely, in the opinion of the Board of Directors, to affect significantly the operations of the Group, the results of those operations or the state of affairs of the Group.

11. BASIS OF PREPARATION

The consolidated financial statements of the Group have been drawn up in accordance with International Financial Reporting Standards and the requirements of law. The consolidated financial statements have been prepared under the historical cost convention.

12. OTHER CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or consolidated financial statements which render any amounts stated in the consolidated financial statements misleading.

Signed in accordance with a resolution of the directors this 31st day of July 2020.

For and on behalf of the Board:



.....
Director



.....
Director

DIRECTORS' DECLARATION

This directors' declaration is required by the Companies Act 2015.

The directors of the Holding Company have made a resolution that declared:

- (a) In the directors' opinion, the attached consolidated financial statements for the financial year ended 31 March 2020:
 - i. give a true and fair view of the financial position of the Group as at 31 March 2020 and of the performance of the Group for the year ended 31 March 2020;
 - ii. have been prepared in accordance with the Companies Act 2015.
- (b) They have received declarations as required by Section 395 of the Companies Act 2015;
- (c) At the date of this declaration, in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors this 31st day of July 2020.

For and on behalf of the Board:



Director



Director



AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF VISION INVESTMENTS LIMITED

As group auditor for the audit of Vision Investments Limited and its subsidiary for the financial year ended 31 March 2020, 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 Vision Investments Limited and the entity it controlled during the financial year ended 31 March 2020.

PricewaterhouseCoopers
Chartered Accountants


by


Kaushick Chandra
Partner

31 July 2020

PricewaterhouseCoopers, Level 8 Civic Tower, 272 Victoria Parade, Suva, Fiji.

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Independent Auditor's Report

To the Shareholders of Vision Investments Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Vision Investments Limited and its subsidiary (together the 'Group'), which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2020, and of its financial performance and its 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 Group 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 consolidated financial statements in Fiji, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key audit matters

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

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Key audit matter	How our audit addressed the key audit matter
<p>Basis of preparation - Impact of COVID-19 Refer also to Notes 1(b) and 24</p> <p>The Group prepares its financial statement using International Financial Reporting Standards (IFRS), which is a going concern basis of accounting. We focused on the appropriateness of using a going concern basis of accounting given the impact of the COVID-19 pandemic on the global and local economy and its potential impact on the Group's operations. The ability of the Group to continue as a going concern is dependent on Management's ability to maintain liquidity in order to repay its existing creditors and lenders.</p> <p>Management has considered the impact of the COVID-19 virus on the Group's cashflows and in particular, the potential negative impacts arising from financial distress faced by the Group's hire purchase and other debtors and their ability to continue to service their debts, as well as decline in future sales due to decline in demand from customers.</p> <p>Management has carried out cashflow forecasts for the next two financial years and have stress tested the same using different scenarios, including a severe or worst-case scenario. As part of their assessment, they have also considered the cash reserves, unutilised credit facilities as well as principal and interest repayment relief provided by the lenders.</p> <p>Management's assessment of going concern is based on cash flow projections and business plans, each of which is dependent on significant management judgement and can be influenced by management bias.</p>	<p>In assessing the appropriateness of the going concern assumption used in preparing the financial statements, we:</p> <ul style="list-style-type: none"> • Checked the mathematical accuracy of Management's cash flow forecasts and validated the opening cash position; • Reviewed management's cashflow projections, and in particular, the stress test scenarios for incorporation of deterioration in sales and hire purchase debtor repayments, as well as comparing cost assumptions to historic actuals and anticipated cost reductions; • Reviewed business plans for the motor vehicles division and assessed the realistic probability of achieving forecast results; • Considered subsequent to year-end operating results and compared them against the above projections to assess achievability (or otherwise) of the projections; • Considered the cash reserves, unutilized credit facilities and the relief provided by the lenders on principal and interest repayments; and • Reviewed the adequacy and appropriateness of Management's going concern disclosures in the financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Existence and Valuation of Inventory Refer also to Notes 1(g) and 12</p> <p>The Group carries a significant amount of inventory due to the nature of its operations and the different segments it operates in. Inventory is held at numerous warehouses and branch outlets. The various categories of inventory held by the Group is detailed in Note 12. Ascertaining the existence and valuation of inventory is relatively straight forward and the application of judgement is limited.</p> <p>As such, inventory is not an area of significant risk for our audit. However, we focused on this area because of the nature and quantum of inventory items held, its significance to the Group's financial position, and the significant time and resource required to audit the existence and valuation of inventory.</p>	<p>Our audit procedures included, amongst others, the following in response to the existence and valuation of inventory:</p> <ul style="list-style-type: none"> • Understanding, evaluating the appropriateness of, and where applicable validating the Group's accounting policies, processes and controls over inventory. • Attending inventory cycle counts spread across a sample of branches and warehouses during the year to ensure cycle counts were performed in accordance with the Group's policies, and cycle counts objectives were achieved. • Reviewing a sample of the Group's inventory cycle count documentation for counts and locations not physically attended by us. • Attending annual inventory counts for selected divisions and inventory items to ensure existence of inventory at balance date. • Testing supporting evidence for inventory in transit. • Testing supporting evidence for and recalculating inventory costs reported by the Group. • Testing the net realizable value of a sample of inventory items susceptible to higher risk of obsolescence to ensure that valuations were at lower of cost or net realizable value. • Assessing the adequacy of provision for impairment of inventory in accordance with the Group's accounting policy, and in light of the ageing of inventory, historical and current levels of inventory write-offs, and the expected impact of COVID-19 on inventory turnover. • Evaluating the relevant IT systems and the design and operating effectiveness of controls over the capture and recording of inventory transactions.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of trade and other receivable – Expected credit losses for trade receivables Refer also to Notes 1(k), 1(l), 2(b) and 9</p> <p>The Group's trade and other receivables portfolio consists of amounts due from customers for merchandise sold or services performed in the ordinary course of business. A large portion of the balance represents amounts owed for goods bought under hire purchase. At 31 March 2020, the Group's trade and other receivables balance amounted to \$73,026,429, of which \$9,004,801 was provided for.</p> <p>The Group's trade and other receivables are subject to expected credit loss (ECL) impairment assessment. The ECL model used by the Group is based on various assumptions and estimates and is a forward-looking model. The COVID-19 outbreak has impacted the Group's exposure to credit risk and introduced further estimation uncertainty in the determination of ECLs, particularly in relation to forward-looking factors.</p> <p>The trade and other receivables balance is significant. Since there is complexity and judgement surrounding estimates and assumptions incorporated in the ECL model, together with uncertainty from COVID-19 crisis and the resulting change in credit risk, expected credit losses have been identified as a key audit matter.</p>	<p>Our audit procedures included the following in response to the determination of expected credit losses:</p> <ul style="list-style-type: none"> • Understanding, evaluating the appropriateness of, and where applicable validating the Group's accounting policies, processes and controls relating to the determination of ECLs. • Testing the design of the ECL model to ensure the logic and formulae reflect the requirements of IFRS 9. • Evaluating the appropriateness of changes in the ECL model relative to prior year ECL model for the Group's financial assets, and in particular, trade and other receivables. • Testing the data flows from source systems to spreadsheet-based models to test their completeness and accuracy, including testing the reliability of data used in the determination of probability of default and loss given default, being important inputs in the ECL model. • Evaluating the appropriateness of forward-looking factors incorporated in the ECL model, including corroborating external data inputs and forward-looking assumptions to publicly available information. • Assessing the reasonableness of assumptions and judgements applied by management by performing sensitivities over these. • Evaluating the financial statement disclosures in relation to credit risk and expected credit losses and determining if they were in accordance with the requirements of IFRS 9.

Other Information

Directors and management are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 31 March 2020 (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated 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 consolidated 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 consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, the Directors and Management are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

The Directors and Management are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole is 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the 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.

We also provide directors and management with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors and management, we determine those matters that were of most significance in the audit of the consolidated 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 consolidated 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 Group has kept financial records sufficient to enable the financial statements to be prepared and audited.

Restriction on Use

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

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', written over a faint, larger version of the same signature.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Kaushick Chandra', written over a faint, larger version of the same signature.

Kaushick Chandra

31 July 2020

Suva, Fiji

	Notes	2020 (\$)	2019 (\$)
Revenue	5	181,577,506	196,272,997
Cost of sales		(111,344,226)	(118,162,359)
Cost of providing services		(1,065,134)	(1,214,965)
Gross Profit		69,168,146	76,895,673
Other income		1,571,875	2,657,169
Impairment allowance for financial assets	6	(1,588,610)	(362,027)
Administration expenses		(32,952,770)	(33,161,640)
Other costs		(14,304,705)	(14,836,894)
Operating profit before finance costs and taxes		21,893,936	31,192,281
Net finance costs		(4,868,440)	(4,187,664)
Profit before income tax	6	17,025,496	27,004,617
Income tax expense	7(a)	(1,282,813)	(2,981,294)
Profit for the year from continuing operations		15,742,683	24,023,323
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation differences		268,855	(139,954)
Other comprehensive income/(loss) for the year		268,855	(139,954)
Total comprehensive income for the year		\$ 16,011,538	\$ 23,883,369

**Earnings per share from continuing operations
attributed to members:**

- Basic and diluted earnings per share	21	\$ 0.15	\$ 0.23
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The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

	Notes	2020 (\$)	2019 (\$)
ASSETS			
Non-current assets			
Trade and other receivables	9	13,375,526	12,439,763
Investment in equity securities		1,230	1,230
Property, plant and equipment	10	30,969,484	31,466,669
Right-of-use assets	19	40,448,964	43,023,966
Intangible assets	11	860,513	974,403
Deferred income tax assets	7(c)	2,670,548	1,884,483
		88,326,265	89,790,514
Current Assets			
Cash and cash equivalents	13	4,796,295	2,823,099
Trade and other receivables	9	52,430,852	59,764,654
Amounts owing from related company	15(d)	1,218,192	575,271
Current tax asset	7(b)	1,095,284	2,360,093
Inventories	12	73,306,294	71,352,985
		132,846,917	136,876,102
TOTAL ASSETS		\$ 221,173,182	\$ 226,666,616
EQUITY			
Issued capital	8	58,699,997	58,699,997
Foreign currency translation reserve		267,058	(1,797)
Retained earnings		40,656,498	35,550,181
		99,623,553	94,248,381
LIABILITIES			
Non-current liabilities			
Borrowings	18	36,905,722	36,916,160
Lease liabilities	19(a)(i)	33,985,635	37,679,408
Contract liabilities	20	4,575,352	5,709,408
Amounts owing to related parties	15(e)	250,409	250,409
		75,717,118	80,555,385
Current liabilities			
Trade payables		4,996,584	4,959,484
Other payables and accruals		6,392,994	7,448,178
Bank overdraft	13	10,093,023	16,629,865
Borrowings	18	10,768,236	10,725,000
Lease liabilities	19(a)(i)	6,793,922	6,060,954
Contract liabilities	20	4,851,921	3,843,797
Leave entitlements	14	1,935,831	2,195,572
		45,832,511	51,862,850
TOTAL LIABILITIES		121,549,629	132,418,235
TOTAL EQUITY & LIABILITIES		\$ 221,173,182	\$ 226,666,616


The above consolidated statement of financial position should be read in conjunction with the accompanying notes. These consolidated financial statements are approved in accordance with a resolution of the Board of Directors.

Signed in accordance with a resolution of the directors this 31st day of July 2020.

For and on behalf of the Board:



Director



Director

	Issued Capital (\$)	Foreign Currency Translation Reserve (\$)	Retained Earnings (\$)	Total Equity (\$)
Balance at 31 March 2018	58,699,997	138,157	26,854,775	85,692,929
Changes on initial application of IFRS 9 (net of taxes)	-	-	(147,029)	(147,029)
Changes on initial application of IFRS 15 (net of taxes)	-	-	(4,803,945)	(4,803,945)
Balance at 1 April 2018	58,699,997	138,157	21,903,801	80,741,955
<i>Comprehensive income</i>				
Profit for the year	-	-	24,023,323	24,023,323
Dividends	-	-	(10,376,943)	(10,376,943)
Other comprehensive income	-	(139,954)	-	(139,954)
Balance at 31 March 2019	58,699,997	(1,797)	35,550,181	94,248,381
Balance at 1 April 2019	58,699,997	(1,797)	35,550,181	94,248,381
<i>Comprehensive income</i>				
Profit for the year	-	-	15,742,683	15,742,683
Dividends	-	-	(10,636,366)	(10,636,366)
Other comprehensive income	-	268,855	-	268,855
Balance at 31 March 2020	58,699,997	267,058	40,656,498	99,623,553

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

	Notes	2020 (\$)	2019 (\$)
Cash flows from operating activities			
Receipts from customers		191,820,142	202,597,247
Payments to suppliers and employees		(156,334,718)	(171,108,964)
Cash generated from operations		35,485,424	31,512,283
Income tax paid	7(b)	(1,711,676)	(2,869,826)
Interest paid		(4,868,440)	(4,187,664)
Net cash generated from operating activities		28,905,308	24,454,793
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(4,170,473)	(23,140,064)
Investment in listed company shares		-	(1,230)
Proceeds from sale of plant and equipment		265,355	78,485
Net cash used in investing activities		(3,905,118)	(23,062,809)
Cash flows from financing activities			
Redraw/borrowings of term loan		-	16,783,962
Repayment of principal lease payments		(5,832,520)	(5,472,540)
Net amounts received from related parties		178,408	-
Dividends paid		(10,636,366)	(10,376,943)
Net cash (used in)/ generated from financing activities		(16,290,478)	934,479
Net increase in cash held		8,709,712	2,326,463
Cash and cash equivalents at the beginning of the year		(13,806,766)	(15,991,087)
Effect of exchange rate movement on cash and cash equivalents		(199,674)	(142,142)
Cash and cash equivalents at the end of the year	13	(\$ 5,296,728)	(\$ 13,806,766)

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General Information

Vision Investments Limited ('the Company') and its subsidiary Vision Homecentres Limited (together 'the Group') engage in:

- retailing of household furniture, furnishings, home appliances, information technology products, and vehicles;
- manufacture of household furniture for sale through retail outlets;
- after sales servicing of vehicles;
- leasing and rental of vehicles

The Company is a limited liability company incorporated and domiciled in the Republic of Fiji and the subsidiary is incorporated and domiciled in Papua New Guinea. The Company is listed on the South Pacific Stock Exchange.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

These consolidated financial statements were authorised for issue by the Board of Directors on 31 July 2020.

(b) Basis of preparation

The consolidated financial statements are general purpose consolidated financial statements and have been prepared on a going concern basis and in accordance with the requirements of the Fiji Companies Act 2015 and International Financial Reporting Standards (IFRS).

The consolidated financial statements have been prepared under the historical cost convention, as modified by certain accounting policies below.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

New and amended standards adopted by the Group

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2019 that have a material impact on the Group.

(c) Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(c) Principles of consolidation - Continued

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Intercompany transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Plant and equipment are depreciated over their estimated useful lives. Assets are first depreciated in the year of acquisition. The principal depreciation rates used are as follows:

Class of asset	Rate of depreciation
Plant and equipment	5% to 20% (Straight-line method)
Furniture, fixtures and fittings	10% to 50% (Straight-line method)
Motor vehicles	18% to 50% (Straight-line method)
Computer equipment	25% to 50% (Straight-line method)
Leased vehicles	Term of lease

The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other income' in the statement of profit or loss and other comprehensive income.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(e) Intangible assets

Computer software

Acquired computer software licences, which have a finite life, are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding three years).

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(f) Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Determination of cost

Merchandise - Cost is determined using the weighted average cost method.

Motor vehicles - Cost is determined using the first-in-first out (FIFO) cost method.

Spare parts, tyres and lubricants - Cost is determined using the weighted average cost method.

Raw materials (timber) - Cost is determined using the weighted average cost method.

Work in progress (furniture) - Cost is determined using the weighted average cost method.

Critical accounting estimates and judgements - recoverable amount of inventory

Management has assessed the value of inventory that is likely to be sold below cost and booked a provision for this amount. The determination of provisions involves judgement around forecasting sell through rates of inventory on hand at period end to estimate the value of inventory likely to sell below cost in the future.

To the extent that these judgements and assumptions prove incorrect, the Group may be exposed to potential additional inventory write-downs in future periods.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(h) Leases

As a lessee

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Group does not have leases which contain the following:

- amounts expected to be payable by the lessee under residual value guarantees

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

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

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment.

Cash payments for the principal portion of the lease liabilities are presented as cash flows from financing activities. Cash payments for the interest portion are presented as cash flows from operating activities, consistent with presentation of other interest payments. Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented as cash flows from operating activities.

Extension options

Extension options are included in a number of property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension options held are exercisable only by the Group and not by the respective lessor.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(h) Leases - Continued

Critical judgements in determining rates for discounting future lease payments

The Group has entered into commercial property leases for its retail outlets. Management applied judgment in selecting an appropriate rate to discount the remaining future lease payments when determining lease liabilities under IFRS 16.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at balance date. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

As a lessor

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

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

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(i) Revenue recognition

The Group derives revenue from the transfer of goods and services over time and at a point in time. Revenue is shown net of value-added tax, returns and discounts.

Revenue type	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of goods and vehicles	<p>The Group operates retail stores selling household furniture, furnishings, home appliances, information technology products and vehicles.</p> <p>Revenue from the sale of goods is recognised at a point in time when the Group sells a product to the customer and control of the product has transferred, being when the products are delivered to the customer. However, for export sales, control might also be transferred when goods are delivered either to the port of departure or port of arrival, depending on the specific terms of the contract.</p> <p>It is the Group's policy to sell its products to the end customer with a right of return within up to 7 days. Accumulated experience is used to estimate such returns at the time of sale (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date. No contract liability (refund liability) nor the right to the returned goods are recognised for the products expected to be returned as the return rate is assessed to be insignificant, based on accumulated experience of the Group.</p> <p><i>(i) Cash sales</i> For cash sales, payment of the transaction price is due immediately when the goods are delivered to the customer. Revenue from cash sales is recognised based on the price specified in the contract, net of rebates and discounts.</p> <p><i>(ii) Credit sales</i> Credit sales are non-interest bearing and are generally on 30 days terms. Revenue from credit sales is recognised based on the price specified in the contract, net of rebates and discounts.</p>
Extended warranty revenue	<p>The Group offers its customers the option of purchasing extended warranty on goods purchased. A warranty that a customer can purchase separately from the related good (that is, it is priced or negotiated separately) is accounted for as a separate performance obligation, and revenue allocated to the warranty is recognized over the warranty period.</p> <p>The transaction price and payment terms for extended warranty sales mirror the transaction price and payment terms of the cash or credit sale of the related good, as described above.</p>

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(i) Revenue recognition – Continued

Revenue type	Nature, timing of satisfaction of performance obligations and significant payment terms
After sales servicing of vehicles	After sales servicing of vehicles is recognised as the services are being rendered. The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when services have been rendered to the satisfaction of the customer. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component.
Hire purchase sales	Hire purchase agreements where substantially all the risks and rewards are considered to have transferred to the customer are recognised as sale of goods and as a finance lease transaction. The income from the sale of goods is recognised according to 'sale of goods' above and the finance lease transaction is recognised based on the net present value of the future cash flows over the term of the agreement using the effective interest method.

(j) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) *Financial assets*

Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortised cost; fair value through other comprehensive income – debt investments, fair value through other comprehensive income – equity investments, or fair value through profit or loss.

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(j) Financial instruments – initial recognition and subsequent measurement - Continued

(i) Financial assets – Continued

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

Classification and subsequent measurement - Continued

A debt investment is measured at fair value through other comprehensive income 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

Debt instruments at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Equity investments measured at fair value through other comprehensive income are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at fair value through profit or loss are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(j) Financial instruments – initial recognition and subsequent measurement – Continued

Business model assessment

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

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

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

Solely payment of principal and interest (SPPI)

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

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

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

Derecognition

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

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(k) Impairment of financial assets

Financial Instruments

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost. The Group's financial assets measured at amortised cost comprise cash at bank and on hand, trade and hire purchase receivables, and related party receivables.

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

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

The Group has elected to apply the simplified model in its determination of impairment of trade and hire purchase receivables. Loss allowances for trade and hire purchase receivables are therefore always measured at an amount equal to lifetime ECLs.

Impairment allowances for related party receivables are individually assessed.

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

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

The Group considers cash balances to have low credit risk when the credit risk rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's.

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

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

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

Measurement of ECLs

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

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

Presentation of allowance for ECL in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(l) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 1(k).

(m) Employee benefits

Liabilities for employees' entitlements to wages and salaries, annual leave and other current employee entitlements (that are expected to be paid within twelve months) are accrued at undiscounted amounts, calculated at amounts expected to be paid as at reporting date.

(n) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

(o) Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and bank overdrafts. In the balance sheet, bank overdraft is shown in current liabilities.

(p) Borrowings

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

Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(q) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation.

(r) Contract liabilities

Contract liabilities arise where a customer has paid an amount of consideration prior to the Group performing by transferring the related good or service to the customer. The year-end contract liability balance represents advanced consideration received from customers.

(s) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

(t) Dividend distribution

Provision is made for the amount of any dividend declared, determined or publicly recommended by the directors on or before the end of the financial year but not distributed at balance date.

(u) Earnings per share

Basic earnings per share – is determined by dividing the profit for the year of the Group by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share – is determined on the same basis as above as the Group does not have any convertible instruments, options, warrants or ordinary shares that will be issued upon the satisfaction of specified conditions.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

(v) Foreign currency translation

(i) *Functional and presentation currency*

The consolidated financial statements are presented in Fiji dollars, which is the functional and presentation currency of the Group.

(ii) *Transactions and balances*

Transactions denominated in a foreign currency are initially recorded in the functional currency at the exchange rate on the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end are recognised in the statement of profit or loss and other comprehensive income.

(iii) *Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- (b) income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- (c) all resulting exchange differences are recognised in other comprehensive income.

(w) Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(x) Segment reporting

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 segments. 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.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

2 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the executive committee under policies approved by the Board of Directors. The committee identifies and evaluates financial risks in close co-operation with the Group's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures in respect to purchase of inventory, primarily with respect to the USD, NZD and AUD. Foreign exchange risk arises from future commercial transactions and liabilities.

Management has set up a policy to require the Group to manage their foreign exchange risk against their functional currency, in this case the Fiji dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the Fiji Dollar. For significant settlements, the Group is required to seek quotations from recognised banks and use the most favourable exchange rate for purposes of the settlement.

As at year end, assets and liabilities denominated in foreign currencies are not significant and hence changes in foreign currencies by 100 basis points is expected to have minimal impact on profit or loss.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Fijian dollars, were as follows:

	31 March 2020			31 March 2019		
	USD	NZD	AUD	USD	NZD	AUD
Trade payables	297,233	650,721	229,918	758,699	685,662	240,046

(ii) Cash flow interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings and bank overdrafts. Borrowings and bank overdraft issued at variable rates expose the Group to cash flow interest rate risk. There are no borrowings issued at fixed rates. All borrowings are in local currency. The Group regularly negotiates its interest rate with the Banks so that the lowest possible rate is available.

At 31 March 2020, if interest rates on borrowings and bank overdraft had been 10 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been \$48,684 (2019: \$41,877) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

2 FINANCIAL RISK MANAGEMENT – Continued

(b) Credit risk

Credit risk is managed by the executive committee with Board oversight. Credit risk arises from cash and cash equivalents as well as credit exposures to wholesale and retail customers, including outstanding trade and hire purchase receivables (Note 9).

(i) Cash on hand and at bank

The Group held cash on hand and at bank of \$4,796,295 at 31 March 2020 (2019: \$2,823,099). The cash on hand and at bank are held with banks, which are rated B to AA, based on Standards and Poor's (S&P) ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Accordingly, due to short maturities and low credit risk the Group did not recognise an impairment allowance against cash and cash equivalents.

(ii) Trade, hire purchase and related party receivables

As part of its credit risk control over trade and hire purchase receivables, an assessment of the credit quality of a new customer, taking into account its financial position, past experience and other factors is carried out. Individual credit risk limits are then set based on the assessments done. The utilisation of credit limits is regularly monitored. Sales to credit customers are settled either in cash, cheques, credit/debit cards, or through instalments over a period of time.

The Group uses an allowance matrix to measure the ECLs of trade and hire purchase receivables from individual customers, which comprise a large number of small balances. ECLs for related party receivables are assessed on an individual counterparty basis.

(iii) Measurement of ECLs

The key inputs into the measurement of ECL are:

- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

These parameters are generally derived from internally generated historical data. They are adjusted to reflect forward-looking information as described below.

PD estimates are estimates at a certain date, which are calculated using the 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. If a counterparty or exposure migrates between aging buckets, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD model considers recovery costs of any collateral that is integral to individual receivable.

2 FINANCIAL RISK MANAGEMENT – Continued

(b) Credit risk - Continued

(iii) Measurement of ECLs - Continued

LGD estimates are recalibrated for different economic scenarios. They are calculated based on actual weighted average method of actual loss suffered over the total transaction value over a period of five years.

EAD represents the expected exposure in the event of a default, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest. The Group has computed this by taking the history of defaulted credit transactions for the last 5 years.

Incorporation of forward-looking information

The Group incorporates forward-looking information into its measurement of ECLs. Based on advice from the Audit Committee and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by Reserve Bank of Fiji.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

Predicted relationship between the key indicators, which the Group considers to be the GDP, inflation and loss rates on trade and hire purchase receivables, have been developed based on analysing historical data over the past 5 years and determining the correlation of the above indicators to loss rates. The adjustment factors derived are applied to the loss rates when performing ECL assessment for trade and hire purchase receivables.

The following table provides information about the exposure to credit risk and ECLs for trade and hire purchase receivables from individual customers as at 31 March 2020:

	Expected weighted average loss rate	Gross carrying value \$	Loss allowance \$	Credit Impaired
Accounts collectively assessed				
Current (not past due)	3%	41,177,242	714,660	N
1 to 60 days past due	5%	21,910,644	1,685,054	N
61 to 90 days past due	21%	1,803,751	450,704	N
Above 91 days past due	76%	8,134,792	6,154,383	Y
Total		<u>73,026,429</u>	<u>9,004,801</u>	

ECLs for related party receivables is assessed on an individual counterparty basis. The Group did not consider receivables from related parties to be impaired to any material extent.

2 FINANCIAL RISK MANAGEMENT – Continued

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet present obligations.

Management monitors rolling forecasts of the Group's liquidity reserve, comprising of cash and cash equivalents (Note 13) on the basis of expected cash flow.

The Group's financial liabilities are analysed below:

As at 31 March 2020	Up to 1 year	1 to 2 years	3 to 5 years	Over 5 years	Total Contractual Cash flows	Carrying Amounts
	\$	\$	\$	\$	\$	\$
Bank overdraft	10,093,023	-	-	-	10,093,023	10,093,023
Borrowings	11,207,625	38,407,930	-	-	49,615,555	47,673,958
Trade/other payables	11,389,578	-	-	-	11,389,578	11,389,578
Lease liabilities	8,535,190	7,588,365	12,574,214	20,902,327	49,600,096	40,779,557
Total	41,225,416	45,996,295	12,574,214	20,902,327	120,698,252	109,936,116

As at 31 March 2019	Up to 1 year	1 to 2 years	3 to 5 years	Over 5 years	Total Contractual Cash flows	Carrying Amounts
	\$	\$	\$	\$	\$	\$
Bank overdraft	16,629,865	-	-	-	16,629,865	16,629,865
Borrowings	11,127,188	38,300,516	-	-	49,427,704	47,641,160
Trade/other payables	12,407,662	-	-	-	12,407,662	12,407,662
Lease liabilities	6,391,307	6,205,234	14,900,774	18,229,544	45,726,859	43,740,362
Total	46,556,022	44,505,750	14,900,774	18,229,544	124,192,090	120,419,049

3 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for 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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) add bank overdraft, less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt. Equity also comprises of "quassi" equity through shareholder advances. The Group has complied with the financial covenants of its borrowing facilities. The gearing ratios at 31 March 2020 and 31 March 2019 were as follows:

	2020 (\$)	2019 (\$)
Total borrowings	47,673,958	47,641,160
Add: Cash and cash equivalents (Note 13(a))	5,296,728	13,806,766
Less: Liquid investments	(1,230)	(1,230)
Net debt (Note 13(d))	52,969,456	61,446,696
Total equity	99,623,553	94,248,381
Total capital	\$ 152,593,009	\$ 155,695,077
Gearing ratio	35%	39%

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions being different from actual results. Detailed information about each of these estimates and judgements is included in Note 1 together with information about the basis of calculation for each affected line item in the consolidated financial statements.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Inventory refer Note 1(g) - Critical accounting estimates and judgements - recoverable amount of inventory.
- Leases refer Note 1(h) - Critical judgements in determining rates for discounting future lease payments.
- Trade receivable refer Note 9 - Critical judgements in determining the assumptions for impairment provision.

5 REVENUE

	2020 (\$)	2019 (\$)
Retail, hire purchase sales and extended warranty revenue	138,978,970	156,586,897
Motor vehicle sales, repairs and servicing	<u>23,792,470</u>	<u>21,596,138</u>
	162,771,440	178,183,035
Hire purchase service charges	18,266,445	17,415,269
Operating lease income	<u>539,621</u>	<u>674,693</u>
Total revenue	\$ 181,577,506 =====	\$ 196,272,997 =====
<i>Revenue from contracts with customers</i>		
Point in time recognition	156,370,313	172,278,033
Over time recognition	<u>6,401,127</u>	<u>5,905,002</u>
	162,771,440	178,183,035

6 PROFIT BEFORE INCOME TAX

Profit before income tax is stated after charging / (crediting) the following specific items:

	2020 (\$)	2019 (\$)
Amortisation and depreciation	11,585,522	10,074,682
Auditors' remuneration:		
- Audit	129,063	119,731
- Other services	41,941	37,000
Bad debts written off	288,905	274,671
Directors' fees	218,750	225,000
Management fees	1,659,758	2,721,872
Exchange gain	(165,098)	(228,661)
FNPF, NAS Fund and FNU levy	1,790,818	2,414,124
Gain on disposal of plant and equipment	(63,950)	(45,281)
Inventory write-offs	767,290	901,074
Salaries and wages	17,236,101	18,895,842
Movement in provisions:		
- Leave entitlements	(259,741)	36,180
- Impairment loss: Doubtful debts	1,588,610	362,027
- Stock obsolescence	1,129,379	325,258
Finance costs attributable to:		
- external borrowings	2,866,202	2,035,479
- leases	2,002,238	2,152,185

7 INCOME TAX

- (a) The income tax expense in the statement of profit or loss and other comprehensive income is determined in accordance with the policy set out in Note 1(f). The major components of the income tax expense are:

	2020 \$	2019 \$
Current tax:		
Current tax on profits for the year	2,068,878	2,950,164
Prior year adjustment	-	(32,462)
Total current tax	2,068,878	2,917,702
Deferred tax:		
Origination and reversal of temporary differences	(971,062)	49,401
Prior year adjustment	184,997	14,191
Total deferred tax	(786,065)	63,592
Income tax expense	\$ 1,282,813	\$ 2,981,294

- (b) The prima facie income tax payable on the operating profit differs from the income tax expense figure in the financial statements and is reconciled as follows:

	2020 \$	2019 \$
Operating profit before tax	\$ 17,025,496	\$ 27,004,617
Prima facie tax	1,702,550	2,700,462
Tax effect of:		
- Non-deductible and other items	105,790	114,967
- Tax losses not recognised (note 7(d))	(324,592)	(508,311)
- Difference in overseas tax rates	(258,191)	688,367
- Deferred tax assets not recognised	(127,741)	-
- Prior year adjustments	184,997	(14,191)
Income tax expense	1,282,813	2,981,294
Movement in temporary differences	786,065	(63,592)
	2,068,878	2,917,702
Opening current income tax (asset)	(2,360,093)	(358,832)
Transfer to/(from) VAT	907,607	(2,049,137)
Tax paid	(1,711,676)	(2,869,826)
Current income tax (asset)	(\$ 1,095,284)	(\$ 2,360,093)

(c) Deferred income tax assets

The deferred income tax asset reflects the net effect of the following temporary differences at the current income tax rate of 10%:

	Provisions	Property, plant and equipment	Contract liabilities	Total
At 1 April 2019	1,083,369	251,005	550,109	1,884,483
Charged / (credited) to profit or loss	1,006,494	(35,432)	-	971,062
Prior year adjustment	(94,246)	(90,751)	-	(184,997)
At 31 March 2020	1,995,617	124,822	550,109	\$ 2,670,548

7 INCOME TAX - Continued

(d) Tax losses

	2020 \$	2019 \$
Unused tax losses for which no deferred tax asset has been recognised	5,079,550 =====	4,754,958 =====

The unused tax losses were incurred by the foreign subsidiary company and it is not probable to generate taxable income in the foreseeable future. These tax losses are available for carry forward for a period of 20 years from the year in which losses were incurred.

8 CAPITAL AND RESERVES

(a) Issued and paid up capital

	2020 \$	2019 \$
97,400,000 ordinary shares	48,700,000	48,700,000
6,369,425 ordinary shares	9,999,997 -----	9,999,997 -----
103,769,425 ordinary shares	\$ 58,699,997 =====	\$ 58,699,997 =====

(b) Foreign Currency Translation Reserve

Foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries during the consolidation process.

9 TRADE AND OTHER RECEIVABLES

	2020 \$	2019 \$
Current		
Trade receivables	4,830,035	5,915,161
Other receivables and prepayments	10,004,170	9,818,024
Hire purchase receivables	37,596,647 -----	44,031,469 -----
	52,430,852	59,764,654
Non-current		
Hire purchase receivables	13,375,526 -----	12,439,763 -----
Total	\$ 65,806,378 =====	\$ 72,204,417 =====

(i) Trade receivables

Trade receivables comprise receivables from credit sales to customers. Trade receivables are non-interest bearing and are generally on 30-day terms.

	2020 \$	2019 \$
Gross trade receivables	5,540,435	6,697,199
Less: Provision for impairment loss	(710,400) -----	(782,038) -----
Net trade receivables	4,830,035 =====	5,915,161 =====

9 TRADE AND OTHER RECEIVABLES – Continued

(ii) Hire purchase receivables

The Group sells goods to customers on hire purchase. Under the hire purchase agreements, the title to goods pass to the customer when full payment for the goods has been received by the Group. Amounts due from customers under hire purchase agreements are recorded as receivables.

Hire purchase receivables are initially recognised at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term.

Hire purchase payments are allocated between interest revenue and reduction of the receivable over the term of the contract in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the contract.

	2020 \$	2019 \$
Current		
Gross hire purchase receivables	50,140,305	55,815,095
Less: Unearned service charges	(6,381,138)	(6,931,412)
Present value of hire purchase receivables	43,759,167	48,883,683
Provision for impairment loss	(6,162,520)	(4,852,214)
	37,596,647	44,031,469
	=====	=====
Non-current		
Gross hire purchase receivables	17,345,689	16,131,226
Less: Unearned service charges	(1,838,282)	(2,291,486)
Present value of hire purchase receivables	15,507,407	13,839,740
Provision for impairment loss	(2,131,881)	(1,399,977)
	13,375,526	12,439,763
	=====	=====
Carrying amount of hire purchase receivables	\$ 50,972,173	\$ 56,471,232
	=====	=====

	No later than 1 year	Later than 1 year and no later than 5 years	Later than 5 years	Total
31 March 2020				
Gross investment in hire purchase receivables	50,140,305	17,345,689	-	67,485,994
Present value of minimum hire purchase payments	43,759,167	15,507,407	-	59,266,574
31 March 2019				
Gross investment in hire purchase receivables	55,815,095	16,131,226	-	71,946,321
Present value of minimum hire purchase payments	48,883,683	13,839,740	-	62,723,423

9 TRADE AND OTHER RECEIVABLES – Continued

Movements on provision for impairment of trade and other receivables are as follows:

	2020 \$	2019 \$
At 1 April	7,034,229	6,397,532
Additional provisions during the year	2,827,996	1,523,806
Unused amounts reversed	(1,146,329)	(1,161,780)
Amounts used during the year	<u>288,905</u>	<u>274,671</u>
At 31 March	\$ 9,004,801 =====	\$ 7,034,229 =====

The impairment allowance for receivables is included in impairment allowance for financial instruments in the statement of profit or loss and other comprehensive income. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

10 PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Furniture & Fittings	Motor Vehicles	Leased Vehicles	Work in Progress	Total
At 31 March 2018						
Cost	-	20,796,086	6,913,296	3,314,728	29,156	31,053,266
Accumulated Depreciation	-	(14,279,663)	(3,300,340)	(1,129,465)	-	(18,709,468)
Net book amount	\$ -	\$ 6,516,423	\$ 3,612,956	\$ 2,185,263	\$ 29,156	\$ 12,343,798
Year ended 31 March 2019						
Opening net book amount	-	6,516,423	3,612,956	2,185,263	29,156	12,343,798
Additions	19,126,293	867,449	29,625	18,293	3,886,828	23,928,488
Disposals	-	(642,325)	(110,905)	(175,479)	(755,562)	(1,684,271)
Net foreign exchange differences	-	(2,992)	270,480	-	-	267,488
Transfers	-	2,204,372	956,050	-	(3,160,422)	-
Depreciation charge	-	(2,194,129)	(974,894)	(219,811)	-	(3,388,834)
Closing net book amount	\$ 19,126,293	\$ 6,748,798	\$ 3,783,312	\$ 1,808,266	\$ -	\$ 31,466,669
At 31 March 2019						
Cost	19,126,293	23,225,582	7,788,066	3,157,542	-	53,297,483
Accumulated Depreciation	-	(16,476,784)	(4,004,754)	(1,349,276)	-	(21,830,814)
Net book amount	\$ 19,126,293	\$ 6,748,798	\$ 3,783,312	\$ 1,808,266	\$ -	\$ 31,466,669
Year ended 31 March 2020						
Opening net book amount	19,126,293	6,748,798	3,783,312	1,808,266	-	31,466,669
Additions	-	283,597	16,033	6,679	3,995,596	4,301,905
Disposals	-	(57,934)	(775,351)	(499,638)	(51,054)	(1,383,977)
Net foreign exchange differences	-	89,528	4,758	-	-	94,286
Transfers	-	2,908,667	282,124	592,989	(3,582,079)	201,701
Depreciation charge	-	(1,985,071)	(1,202,521)	(523,508)	-	(3,711,100)
Closing net book amount	\$ 19,126,293	\$ 7,987,585	\$ 2,108,355	\$ 1,384,788	\$ 362,463	\$ 30,969,484
At 31 March 2020						
Cost	19,126,293	24,865,160	5,794,400	2,404,333	362,463	52,552,649
Accumulated Depreciation	-	(16,877,575)	(3,686,045)	(1,019,545)	-	(21,583,165)
Net book amount	\$ 19,126,293	\$ 7,987,585	\$ 2,108,355	\$ 1,384,788	\$ 362,463	\$ 30,969,484

10 PROPERTY, PLANT AND EQUIPMENT - Continued

The depreciation policies adopted are set out in Note 1(d). Depreciation expense is recognised in profit or loss within administrative costs, except for depreciation expense in relation to leased vehicles which is recognised within cost of sales.

There were no indications that any items of property, plant and equipment were impaired based on the assessment performed by the Group at the end of the reporting period.

Note 18 provides information on property, plant and equipment pledged as security by the company. Motor vehicles includes the following amounts where the Group is a lessor under a finance lease:

	2020 \$	2019 \$
Cost	2,404,333	3,157,542
Accumulated depreciation	(1,019,545)	(1,349,276)
Net book amount	\$ 1,384,788 =====	\$ 1,808,266 =====

11 INTANGIBLE ASSETS

Intangible assets are included in the consolidated financial statements on the following bases:

	Computer Software \$
At 1 April 2018	
Cost	2,046,678
Accumulated amortisation	(1,199,129)
Net book amount	<u>847,549</u>
Year ended 31 March 2019	
Opening net book amount	847,549
Additions	374,609
Disposals	(6,945)
Net foreign exchange differences	(194)
Amortisation charge	(240,616)
Closing net book amount	<u>974,403</u>
At 31 March 2019	
Cost	2,414,342
Accumulated amortisation	(1,439,939)
Net book amount	<u>\$ 974,403</u>
Year ended 31 March 2020	
Opening net book amount	974,403
Transfers	201,701
Disposals	-
Net foreign exchange differences	5,958
Amortisation charge	(321,549)
Closing net book amount	<u>\$ 860,513</u>
At 31 March 2020	
Cost	2,622,001
Accumulated amortisation	(1,761,488)
Net book amount	<u>\$ 860,513</u> =====

12 INVENTORIES

	2020 \$	2019 \$
Merchandise	49,569,898	47,138,528
Motor vehicles and associated stock	22,529,301	20,475,149
Other	3,479,303	2,994,888
Provision for impairment loss	(4,053,581)	(2,924,202)
	<u>71,524,921</u>	<u>67,684,363</u>
Goods in transit	<u>1,781,373</u>	<u>3,668,622</u>
	<u>\$ 73,306,294</u>	<u>\$ 71,352,985</u>
	=====	=====

Inventories recognised as an expense during the year ended 31 March 2020 amounted to \$111,344,226 (2019: \$118,162,359). These were included in cost of sales.

13 RECONCILIATION OF CASH

- (a) For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks net of bank overdraft. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2020 \$	2019 \$
Cash on hand and at bank	4,796,295	2,823,099
Bank overdraft	(10,093,023)	(16,629,865)
Total cash and cash equivalents	<u>(\$ 5,296,728)</u>	<u>(\$ 13,806,766)</u>
	=====	=====

(b) Financing facilities

Bank overdraft facilities totalling \$34,636,559 (2019: \$34,434,700) were available to the Group as at the reporting date.

(c) Securities

Securities on the overdraft facilities are disclosed in Note 18.

(d) Net debt reconciliation

	2020 \$	2019 \$
Cash on hand and at bank	4,796,295	2,823,099
Liquid investments	1,230	1,230
Bank overdraft	(10,093,023)	(16,629,865)
Borrowings- repayable within one year	(10,768,236)	(10,725,000)
Borrowings- repayable after one year	<u>(36,905,722)</u>	<u>(36,916,160)</u>
Net debt	<u>(\$ 52,969,456)</u>	<u>(\$ 61,446,696)</u>
	=====	=====

13 RECONCILIATION OF CASH – Continued

Net debt reconciliation	Cash	Liquid investments	Borrowings
Balance as at 1 April 2018	(15,991,087)	-	(30,857,198)
Cash flows	2,326,463	1,230	(16,783,962)
Effect of exchange rate movement	(142,142)	-	-
Balance as at 31 March 2019	(13,806,766)	1,230	(47,641,160)
Restatement on adoption of IFRS 9	-	-	-
Balance as at 1 April 2019	(13,806,766)	1,230	(47,641,160)
Cash flows	8,709,712	-	(32,798)
Effect of exchange rate movement	(199,674)	-	-
Balance at 31 March 2020	(5,296,728)	1,230	(47,673,958)

14 LEAVE ENTITLEMENTS

	2020 \$	2019 \$
Annual leave	1,799,949	1,872,587
Long service leave	135,882	322,985
	<u>\$ 1,935,831</u>	<u>\$ 2,195,572</u>
	=====	=====

15 RELATED PARTY TRANSACTIONS

(a) Directors

(i) The following were directors of the Holding Company at any time during the financial year and up to the date of these consolidated financial statements:

Dilip Khatri
Navin Patel
Suresh Patel
Dinesh Patel
Satish Parshotam
Ratu Aisea Waka Vosailagi (Independent)
David Evans (Independent)
Suliano Ramanu
Carina Hull (Independent) - resigned on 01 March 2020
Jenny Seeto (Independent) - appointed on 01 March 2020

(ii) For fees paid to directors, refer Note 6.

(iii) Interests held by directors in the ordinary shares of the Holding Company, either directly or indirectly, are as follows:

15 RELATED PARTY TRANSACTIONS – Continued

	2020 No. of shares	2019 No. of shares
Dilip Khatri	2	2
Dinesh Patel	20,002	20,002
Satish Parshotam	2	2
Suresh Patel	40,551	40,551
Candle Investments Pte Limited	6,445,323	6,445,323
Challenge Engineering Pte Limited	19,335,959	19,335,959
Jacks Equity Investments Pte Limited	19,335,959	19,335,959
R C Manubhai & Co Pte Limited	19,335,959	19,335,959
Vision Group Pte Limited	806,460	806,460

(b) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. During the year the executives identified as key management personnel were the Chief Executive Officer, General Manager Commercial & People Development, General Manager Credit, General Manager Finance, General Manager Retail Operations, General Manager Group Retail & Procurement, Chief Marketing Officer, Manager HR & Compliance, Head of Audit, Risk & Governance, General Manager Sportsworld, Head of Commercial and Service, General Manager - Vision Motors, Manager - Mahogany Industries (Fiji) and PNG Commercial Manager.

The amount of compensation of the key management personnel recognised in profit or loss is as follows:

	2020 \$	2019 \$
Short-term employee benefits	\$ 2,540,744	\$ 2,557,084

Some management personnel have interest either directly or indirectly, in the ordinary shares of the Holding Company. This totalled 109,297 shares as at 31 March 2020 (2019: 620,797).

(c) Transactions with director-related entities

Director-related entities are those entities which have common director(s) with the Holding Company. The following summarises the material transactions the Group has with director-related entities:

- Vision Group Pte Limited (VGL) – the Holding Company charges management fees to VGL and its subsidiaries for provision of administrative and support services at the rate of \$362,023 per annum (2019: \$308,000).
- Vision Properties Pte Limited (VPL) – the Holding Company leases a number of properties from VPL.
- Vision Services Pte Limited (VSL) – Pursuant to a management agreement, the Holding Company is charged a management fee by Vision Services Pte Limited. For the year ended 31st March 2020, the management fee was \$1,659,758 (2019: \$2,721,872).
- Challenge Engineering Pte Limited (CEL) – the Holding Company leases a number of properties from CEL.

The Group also transacts with other director-related entities as part of its normal business operations.

15 RELATED PARTY TRANSACTIONS – Continued

The current year transactions arising from the above are as follows:

	2020 \$	2019 \$
Sales of various goods and services	1,860,791	2,225,078
Purchases of various goods and services	1,611,137	1,970,609
Management fees income	362,023	308,000
Management fees expense	1,659,758	2,721,872
Lease of premises	3,953,060	3,878,252
Legal fees	36,527	39,069

(d) Amounts owing by related parties

The Group held a number of loans, advances and other balances with various director-related companies.

	2020 \$	2019 \$
Current		
Denarau Investments Pte Ltd	189,561	335,681
Hilton Fiji Beach Resort & Spa	731,895	229,867
Others	296,736	9,723
	<u>\$ 1,218,192</u>	<u>\$ 575,271</u>

(e) Amounts owing to related parties

	2020 \$	2019 \$
Non-current		
Loans and advances from related parties:		
Warehouse Kingdom (Pacific) Limited	<u>\$ 250,409</u>	<u>\$ 250,409</u>

16 CAPITAL AND OTHER COMMITMENTS

As at 31 March 2020, there were no capital expenditure commitments for the Group (2019: \$1,323,660).

17 CONTINGENT LIABILITIES

The Company has undertaken to provide sufficient financial assistance to its Subsidiary company, Vision Homecentres Limited, as and when it is needed to enable the subsidiary to continue its operations and fulfil all of its financial obligations now and in the future. This undertaking has been provided for a minimum period of twelve months from the signing of the subsidiary's 31 March 2020 financial statements.

18 BANK OVERDRAFT AND BORROWING

The borrowings include loan facilities with Westpac Banking Corporation – Fiji amounting to \$47.7 million which has been drawn. The Group also holds bank overdraft facilities amounting to \$34.6 million (2019: \$34.4 million) of which \$10.1 million (2019: \$16.6 million) has been utilised.

The non-current loans are due for repayment on 30 April 2022 and renewable subject to the Holding Company meeting the bank's normal criteria. Currently, these loans are on interest only basis. One facility for \$6.6 million is subject to principal repayment of \$125,000 per month commencing from 31 May 2020. The current loan for the purchase of the vacant freehold land expires on 30 April 2021 and thereafter or on a later date as determined by the bank the principal and interest repayment will be amortised over the term of the construction loan. This facility is currently subject to interest only repayment.

The overdraft and loan facilities of the Group are secured by a registered fixed and floating charge over the Group's assets and undertakings including its uncalled and called but unpaid capital and first registered mortgage over CT No. 32768 Lot 1 DP 8349 situated at Corner of Kings Road and Ratu Dovi Road, Laqere, Nasinu.

19 LEASES

(a) Right-of-use assets

The Group leases buildings for its office space, retail stores and warehouses. The leases of office space, retail stores and warehouses typically run for a period of two to twenty years. The Group also has lease contracts for leasehold land for a remaining period of ninety six years.

Some leases include an option to renew the lease for an additional period in accordance with the lease contracts after the end of initial lease term. Some leases provide for additional rent payments that are based on changes in the consumer price index or market rent review.

Certain real estate leases also have a variable component to the amount whereby the lease is based on changes in the consumer price index.

The Group expects the relative proportions of fixed and variable lease payments to remain broadly consistent in future years.

Information about leases for which the Group is a lessee is presented below.

The statement of financial position shows the following amounts relating to right-of-use assets:

Right-of-use assets - Properties

	2020 \$	2019 \$
Balance as at 1 April 2019	43,023,966	40,751,755
Additions	4,778,486	8,717,443
Terminations	(1,229,055)	-
Remeasurements	1,428,440	-
Depreciation charge for the year	(7,552,873)	(6,445,232)
Balance as at 31 March 2020	\$ 40,448,964 =====	\$ 43,023,966 =====

19 LEASES – Continued

(i) Amounts recognised in the statement of financial position

	2020 \$	2019 \$
Right-of-use assets	40,448,964	43,023,966
Lease liabilities included in the statement of financial position at 31 March 2020		
Current	6,793,922	6,060,954
Non-current	33,985,635	37,679,408
Total lease liabilities at 31 March 2020	\$ 40,779,557 =====	\$ 43,740,362 =====

(ii) Amounts recognised in profit or loss

The statement of profit or loss shows the following amounts relating to leases

Depreciation charge of right-of-use assets	7,552,873	6,445,232
Interest expense (included in finance cost)	2,002,238	2,152,185
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	500,134	1,068,777

(iii) Amounts recognised in statement of cash flows

Total cash outflow for leases	7,751,948	7,624,725
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(b) Lease Liabilities

Maturity analysis – contractual undiscounted cash flows

	2020 \$	2019 \$
Less than one year	8,535,190	6,391,307
One to five years	20,162,579	21,106,009
More than five years	20,902,327	18,229,544
Total undiscounted lease liabilities at 31 March 2020	\$ 49,600,096 =====	\$ 45,726,860 =====

Short term lease expenditure and commitments

The Group leases a number of properties from external and related parties which are on short term basis.

Total commitments for future lease rentals, which have not been provided for in the consolidated financial statements are as follows:

	2020 \$	2019 \$
Less than one year	286,552	1,080,817

20 CONTRACT LIABILITIES

	2020 \$	2019 \$
Contract liabilities- extended warranties	9,427,273	9,553,205
<i>(i) Revenue recognised in relation to contract liabilities</i>		
Revenue recognised that was included in the contract liability balance at the beginning of the period	4,446,131	3,347,498
Revenue recognised in relation to contract liabilities arising during the year	247,023	269,127
Total revenue recognised in relation to contract liabilities	<u>\$ 4,693,154</u>	<u>\$ 3,616,625</u>

Management expects the transaction price allocated to unsatisfied or partially unsatisfied performance obligations to be recognised as revenue as follows:

	2020 \$	2019 \$
Within 1 year	4,851,921	3,843,797
Between 1 and 2 years	3,400,575	3,690,628
Between 2 and 3 years	1,174,777	2,018,780
Total contract liabilities at 31 March 2020	<u>\$ 9,427,273</u>	<u>\$ 9,553,205</u>

21 EARNINGS PER SHARE – BASIC & DILUTED

Basic earnings per share

Basic earnings per share is determined by dividing the profit for the year of the Group by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share

Diluted (loss)/earnings per share is determined on the same basis as above as the Group does not have any convertible instruments, options, warrants or ordinary shares that will be issued upon the satisfaction of specified conditions.

	2020	2019
Profit for the year	\$ 15,742,683	\$ 24,023,323
Weighted average number of ordinary shares used to compute earnings per share	103,769,425	103,769,425
Basic and diluted earnings per share	<u>\$ 0.15</u>	<u>\$ 0.23</u>

22 PRINCIPAL ACTIVITIES

The principal activities of the Group are the sale of furniture, household electrical items, electronic goods, general merchandise and the financing of these products at a margin, manufacture of furniture and joinery works; and trading, leasing and repair of motor vehicles, vehicle rentals and spare parts, and insurance agency.

23 INCORPORATION AND REGISTERED OFFICE

The Holding Company is incorporated and domiciled in Fiji and its registered office is located at:

Level 2 Vivrass Plaza
Lot 1 Corner of Ratu Dovi Road and Kaua Road
Laucala Beach Estate
Suva

24 COVID-19

The World Health Organisation declared a pandemic in relation to the Novel Coronavirus (COVID-19) on 11 March 2020, bringing a significant health impact globally. Measures taken to contain the virus are already having a significant negative economic impact on global markets including Fiji's major trading partners. Economic activity in Fiji has also been drastically impacted with business disruptions and levels of activity already reduced in most market sectors.

There is considerable uncertainty around the possible duration of and the resulting depth of impact that may come from the disruption caused due to the fluidity of the situation. It is expected that there will be a negative impact on the operations for the Group's 2020/2021 year.

In response to the economic impact of the COVID-19 outbreak, the Group has implemented cost-cutting measures to reduce the expenditures together with cost control. Of particular concern is the impact the economic crisis is having on the Group's hire purchase customers and the loan book. As per the hardship provisions in the Consumer Credit Act, practical assistance has been extended to customers directly impacted by the crisis. The hire purchase loan book is under close monitoring.

The Group continues to carefully monitor and assess its business operations and finances regularly. As one of the measures to preserve cash, the Directors have resolved to temporarily cease dividend payments to shareholders until further notice. Robust stress testing has been done on the Group's Operations; the stress testing indicated that the Group can manage with the existing cash reserves for the foreseeable future.

25 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 items, transaction or event of a material and unusual nature likely, in the opinion of the Board, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group.

26 SEGMENT INFORMATION

(a) Description of segments and principal activities

The Group's chief decision makers comprise of the executive committee who examine the Group's performance and have identified two reportable business segments:

The principal activities of the Group comprise:

- retailing of household furniture, furnishings, home appliances, information technology products, and vehicles;
- manufacture of household furniture for sale through retail outlets;
- after sales servicing of vehicles;
- leasing and rental of vehicles.

The Group operates in the geographical segments of Fiji and Papua New Guinea.

The chief decision makers primarily use a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) to assess the performance of the operating segments. However, the executive committee also receives information about the segments' revenue and assets on a monthly basis.

(b) Business segments

	Retailing \$	Automotive \$	Inter Segment \$	Total \$
31 March 2020				
External operating revenue	160,741,317	26,950,061	(6,113,872)	181,577,506
Total assets	216,517,099	27,890,613	(23,234,530)	221,173,182
Total liabilities	123,875,490	22,859,118	(25,184,979)	121,549,629
31 March 2019				
External operating revenue	175,706,528	26,029,662	(5,463,193)	196,272,997
Total assets	223,290,920	27,773,602	(24,397,906)	226,666,616
Total liabilities	126,393,189	23,363,810	(17,338,764)	132,418,235

26 SEGMENT INFORMATION - Continued

(c) Geographical Segments

	Fiji \$	PNG \$	Inter Segment \$	Total \$
31 March 2020				
External operating revenue	179,528,246	2,049,260	-	181,577,506
Total assets	215,633,980	5,539,202	-	221,173,182
Total liabilities	117,382,916	6,349,405	(2,182,692)	121,549,629

	Fiji \$	PNG \$	Inter Segment \$	Total \$
31 March 2019				
External operating revenue	194,368,142	1,904,855	-	196,272,997
Total assets	227,542,954	6,175,872	(7,052,210)	226,666,616
Total liabilities	127,958,996	5,226,228	(766,989)	132,418,235

(d) Performance of investment in subsidiary (PNG Segment)

The carrying values of the Holding Company's investment in and receivables from its subsidiary were assessed for impairment due to the subsidiary incurring ongoing losses and having a net liability position as at 31 March 2020.

At the Holding Company level both the investment in and receivables from the subsidiary were fully impaired. Total impairment provisions taken up in the Holding Company financial statements amounted to \$8,529,226.

This does not impact the Group operating results as the investment in and the receivables from the subsidiary balances are eliminated in the Group financial statements. The subsidiary's operating losses are already reflected in the Group's operating results.



**VISION INVESTMENTS LIMITED AND SUBSIDIARY
DISCLAIMER ON UNAUDITED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020**

The additional unaudited supplementary information presented on page 62 to 65 is compiled by the Board of Vision Investments Limited. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

We advise that neither the firm nor any member or employee of the firm accepts any responsibility arising in any way whatsoever to any person in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

31 July 2020
Suva, Fiji


PricewaterhouseCoopers
Chartered Accountants

PricewaterhouseCoopers, Level 8 Civic Tower, 272 Victoria Parade, Suva, Fiji.

GPO Box 200, Suva, Fiji.

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PricewaterhouseCoopers is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

VISION INVESTMENTS LIMITED AND SUBSIDIARY

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in this Annual Report)

a) Disclosure under rule 51.2(vi) of the SPX Listing Rules

No of Shareholders	Shareholding	Total Percentage Holding
61	0 - 500 shares	0.01%
159	501 - 5,000 shares	0.33%
61	5,001 - 10,000 shares	0.54%
21	10,001 - 20,000 shares	0.33%
6	20,001 - 30,000 shares	0.15%
0	30,001 - 40,000 shares	0.00%
4	40,001 - 50,000 shares	0.18%
3	50,001 - 100,000 shares	0.17%
9	100,001 - 1,000,000 shares	1.88%
9	Over 1,000,000 shares	96.41%
333	Total	100.00%

b) Disclosure under rule 51.2 (iv) of the SPX Listing Rules

Details of Directors and Senior Management who hold shares directly or indirectly in Vision Investments Limited are as follows

Directors	Direct Interest (No of Shares)	Indirect Interest (No of Shares)
Dinesh Patel (Indirect Interest via R C Manubhai & Company Pte Limited and connected persons)	2	19,355,959
Suresh Patel (Indirect Interest via Challenge Engineering Pte Limited and connected persons)	2	19,376,508
Dilip Khatri (Indirect Interest via Jacks Equity Investments Pte Limited)	2	19,335,959
Satish Parshotam (Indirect Interest via Candle Investments Pte Limited)	2	6,445,323
Dinesh Patel, Suresh Patel, Dilip Khatri, Satish Parshotam (Indirect Interest via Vision Group Pte Limited)	-	806,460

Related Parties

Navin Patel is a director and shareholder of Jacks Equity Investments Pte Limited and a director of Vision Group Pte Limited and these companies held 19,335,959 and 806,460 ordinary shares respectively in Vision Investments Limited as at the date of this report.

VISION INVESTMENTS LIMITED AND SUBSIDIARY

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in this Annual Report) (Continued)

Senior Management	Direct Interest (No of Shares)	Indirect Interest (No of Shares)
Ajay Lal	69,276	-
Maria Sandys	10,021	-
Vinod Kumar	10,000	-
Tarun Patel	-	6,000
Niraj Kumar Bhartu	5,000	-
Sanjesh Prasad	5,000	-
Anil Senewiratne	3,000	-
Ram Aman Singh	1,000	-

c) Disclosure under rule 51.2 (v) of the SPX Listing Rules

Details of shareholdings of those persons holding twenty (20) largest blocks of shares;

Shareholder Name	No of Shares	Total% Holding
Jacks Equity Investments Pte Limited	19,335,959	18.63%
Challenge Engineering Pte Limited	19,335,959	18.63%
R C Manubhai & Company Pte Limited	19,335,959	18.63%
Fiji National Provident Fund Board	18,750,128	18.07%
BSP Life (Fiji) Limited	6,905,869	6.66%
Candle Investments Pte Limited	6,445,323	6.21%
Unit Trust of Fiji (Trustee Company) Ltd	4,458,598	4.30%
International Finance Corporation	3,184,712	3.07%
FHL Trustees Limited ATF Fijian Holdings Unit Trust	2,287,633	2.20%
Vision Group Pte Limited	806,460	0.78%
Harikisun Pte Limited	210,000	0.20%
Na Hina Limited	200,000	0.19%
Herbert And Diane Powell	178,300	0.17%
Vanuabalavu Vision Pte Limited	122,832	0.12%
Sanjay Lal Kaba	120,000	0.12%
Narhari Electrical Company Pte Limited	110,000	0.11%
Dr Jayant Patel & Dr Nirmalaben Patel	106,320	0.10%
Pravin Patel	101,000	0.10%
Ajay Lal	69,276	0.07%
Fiji Media Limited	60,260	0.06%
Ritesh Singh	50,004	0.05%
Fiji Care Insurance Limited	50,000	0.05%
Coledale Limited	50,000	0.05%
	102,274,592	98.57%

VISION INVESTMENTS LIMITED AND SUBSIDIARY

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in this Annual Report) (Continued)

d) Disclosure under rule 51.2 (x) of the SPX Listing Rules:

Subsidiary's performance:

	2020 \$	2019 \$
Turnover	2,049,260	1,904,855
Other income	-	-
	<u>2,049,260</u>	<u>1,904,855</u>
Depreciation & amortisation	(902,946)	(888,747)
Interest expense	(307,818)	(227,255)
Other expenses	(2,262,486)	(2,493,841)
Tax expense	-	-
Net loss after tax	<u>(1,423,990)</u>	<u>(1,704,988)</u>
Assets	5,539,203	6,175,872
Liabilities	(6,349,405)	(5,226,228)
(Deficiency in capital)/ Shareholders' funds	<u>(810,202)</u>	<u>949,644</u>

e) Disclosure under rule 51.2 (xiv) of the SPX Listing Rules:

Summary of key financial results for the Group:

	2020 \$
Net Profit after Tax	15,742,683
Assets	221,173,182
Liabilities	121,549,629
Equity	99,623,553

f) Disclosure under rule 51.2 (xv) of the SPX Listing Rules:

	2020
Dividend declared per share (cents)	4.00
Earnings per share (cents)	15.17
Net tangible assets per share (\$)	0.95
Highest market price per share (\$)	4.95
Lowest market price per share (\$)	4.29
Market price per share at end of financial year (\$)	4.29

VISION INVESTMENTS LIMITED AND SUBSIDIARY

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in this Annual Report) (Continued)

(g) Disclosure under rule 51.2 (viii) of the SPX Listing Rules:

Board Meeting Attendance

Directors	24.04.19	30.07.19	24.09.19	11.12.19
Dilip Khatri	✓	✓	✓	✓
Navin Patel	✓	✓	✓	✓
Suresh Patel	✓	✓	✓	✓
Dinesh Patel	✓	✓	✓	✓
Satish Parshotam	✓		✓	✓
Suliano Ramanu	✓	✓	✓	✓
Ratu Aisea Waka Vosailagi		✓		
David Evans	✓	✓	✓	✓
Carina Hull – resigned on 01.03.2020		✓	✓	✓
Jenny Seeto – appointed on 01.03.2020				

Corporate Governance Report required under rule 62 and 51.2(xix) of the SPX Listing Rules.

Principle	Requirement	Compliance Status
1. Establish clear responsibilities for board oversight	Separation of duties: Clear separation of duties between Board and Senior Management.	In place and included in the Board Charter.
	Board Charter: Adopt a Board charter detailing functions and responsibilities of the Board.	Board Charter in place.
2. Constitute an effective Board	Board Composition: Balanced Board Composition with Executive and Non-Executive directors of which 1/3rd of total number of directors to be independent directors.	Board comprises of 9 directors with 3 Independent Directors.
	Gender Diversity: Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?	Policy on board gender diversity included in Nominating and Governance Committee Charter. One female director on the Board.
	Nomination Committee: Selection, approval, renewal and succession of Directors to be conducted by Nomination Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.	In place and included in the Nominating and Governance Committee Charter. Rotation of Directors done in accordance with Articles of Association.
	Board Evaluation: Process of evaluation of performance of the Board, its Committees and individual directors. Evaluation to be linked to key performance indicators of the listed entity.	Process for evaluation included in the Nominating and Governance Committee Charter. First evaluation of board members done internally by an Independent Director in December 2018.
	Directors Training: Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively.	In place and included in Nominating and Governance Committee Charter.
	Board Sub-committees: Board must have sub-committees which must at a minimum include - • Audit Committee; • Risk Management Committee; and • Nomination Committee/ Recruitment Committee.	The following Sub Committees in place: - Nominating and Governance Sub Committee - Audit, Finance and Risk Sub Committee - Remuneration and Human Resource Sub Committee

Principle	Requirement	Compliance Status
3. Appointment of Chief Executive Officer/Managing Director	CEO: To appoint a suitably qualified and competent Chief Executive Officer/ Managing Director	In place and included in the Nominating and Governance Committee Charter.
4. Appointment of a Board and Company Secretary	Company Secretary: Board to appoint a suitably qualified and competent Company Secretary, who is accountable to the Board, through Chair, for all compliance and governance issues.	Board Secretary in place and included in the Board Charter.
5. Timely and balanced disclosure	Annual Reports: Timely and accurate disclosures are made in Annual reports as per rule 51 of Listing Rules.	Disclosures made as per SPX Listing Rules and Communication and Disclosure Policy.
	Payment to Directors and Senior management: Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior Management.	Disclosure made in the Annual Report.
	Continuous Disclosure: General disclosures or company announcements to be made in a timely manner. The disclosures should be factual without omitting material information and to be expressed in a clear and objective manner to shareholders.	Disclosures made in compliance with SPX Listing Rules and Communication and Disclosure Policy.
6. Promote ethical and responsible decision-making	Code of Conduct: To establish a minimum Code of Conduct of the listed entity applicable to Directors, Senior Management and Employees and conduct regular trainings on the same.	<p>Code of Ethics and Conduct for Board of Directors in place.</p> <p>Directors have signed an acknowledgement of Governance Policies and Ethics.</p> <p>Senior Management have signed an acknowledgement of Code of Conduct and Ethics.</p> <p>Code of Conduct for employees noted in the Employee Handbook and Employment Contracts.</p>

Principle	Requirement	Compliance Status
7. Register of Interests	Conflicts of Interest: Transactions with related parties resulting in conflict of interest are disclosed and a register is maintained for this purpose.	Register of Interest Policy in place for Directors. General rules of Conflict of Interest noted in the Employee Handbook.
8. Respect the rights of shareholders	Communication with shareholders: To design communication strategy to promote effective communication with shareholders and encourage their participation. Examples: Communication through Annual Reports, Annual General Meetings, or any other means of electronic communication.	Communication and Disclosure Policy in place. Market Announcements made for all significant events. Annual Reports provided to all shareholders through the Central Share Registry.
	Website: To create and maintain a Website of the listed entity to communicate effectively with shareholders and other stakeholders. All matters of importance to be updated regularly on the Website.	Website in place. www.vil.com.fj
	Grievance Redressal Mechanism: To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.	Included in the Shareholder Charter.
	Shareholders' Complaints: To provide the number of shareholders' complaints received and attended to during the year. Provide reasons if any complaint is unresolved or unattended.	None received.
	Corporate Sustainability: To adopt a business approach that creates long-term shareholder value by embracing opportunities, managing risks, maximising profits and minimising negative social, economic, and environmental impacts.	Approach to business is noted in the Company Vision, Purpose, Values and Strategic Objective statements. Shareholder, Governance and Risk policies noted in various Charters and Policy Documents.

Principle	Requirement	Compliance Status
9. Accountability and audit	Internal Audit: To appoint an internal auditor or an alternative mechanism to achieve the objectives of risk management, control and governance.	Internal Audit Department in place managed by the Head of Audit, Risk & Governance. Risks are managed and mitigated through the Enterprise Risk Management Framework and Risk Appetite Statement.
	External Audit: To appoint an external auditor who reports directly to the Board Audit Committee.	External Auditors appointed by Shareholders at the AGM and report to the Audit, Finance and Risk Sub Committee.
	Rotation of External Auditor: To appoint the external auditor for a fixed term requiring senior partner of the audit firm to rotate once in every three or less financial years.	Board Charter specifies Senior Partner of the Audit Firm to rotate every five years on recommendation made by Audit, Finance and Risk Sub Committee.
	Audit Committee: To establish an Audit Committee comprising of at least 3 members of which majority are independent and Chair is not Chair of the Board.	Audit, Finance and Risk Sub Committee in place with four Directors as members chaired by an Independent Director. Enterprise Risk Management Framework and Risk Appetite Statement in place.
10. Risk Management	Risk Management Policy: To establish a Risk Management Policy to address risk oversight, risk management and internal control. The Policy to clearly define the roles and responsibilities of the Board, Audit committee, management and internal audit function.	Risk Registers in place for all functional Departments and reviewed quarterly. Risk identification, management and mitigation overseen by the Audit, Finance and Risk Sub Committee.
	Whistle Blower Policy: As part of risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behavior, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX rules or Companies Act. [Refer rule 68 of the Listing Rules]	Whistle Blower Policy in place to encourage reporting of malpractices and employee harassment. Prevention of Insider Trading Policy in place to manage ethical trading of Company Securities.

CORPORATE GOVERNANCE

ROLE OF THE BOARD

The Board of Directors ("Board") is elected by the Shareholders to oversee the management of the Company and to direct performance in the best interest of the Company and its Shareholders. The focus of the Board is to create long term shareholder value with due regard to interest of other stakeholders and ensuring the Company is managed in accordance with best practice and high level of Corporate Governance.

The principle responsibilities of the Board are to:

- Establish the Company's objectives and review the major strategies for achieving these objectives;
- Establish an overall policy framework within which the Company conducts its business;
- Review the Company's performance including approval of and monitoring against budget;
- Ensure that Company financial statements are prepared and presented to give a true and fair view of the Company's financial position, financial performance and cash flows;
- Review performance of senior executives against approved objectives and key performance indicators;
- Ensure effective policies and procedures are in place to safeguard the integrity of the Company's financial reporting;
- Ensure that any significant risks facing the Company are identified and that appropriate risk management programs are in place to control and report on these risks;
- Ensure that the Company operates in accordance with laws, regulations, rules, professional standards and contractual obligations;
- Report to Shareholders and other key stakeholders;
- Appointment of Board Subcommittees; and
- Appointment of the Chief Executive Officer position

BOARD CHARTER

The Board has put in place a Board Charter that specifies the powers and responsibilities of the Board. As per this Charter, the Board shall consist of no fewer than 6 members of which 1/3 of the members shall be Independent Directors as defined in the SPX rules and regulations. A minimum of four Directors Meetings must be held every year and the quorum for the meeting is four members, out of which one member must be an Independent Director.

The Charter provides that the Board will undertake self-assessment and review of the performance of the Chairman and individual Directors and Board Subcommittees.

CODE OF CONDUCT AND ETHICS FOR THE BOARD

The Board has put in place a Code of Conduct and Ethics for the Board to promote high ethical standards, professionalism, accountability and responsible decision making in the conduct of affairs of the Company.

BOARD MEMBERSHIP

The Company's Articles of Association sets out the rules on the appointment and removal of Directors. The Articles specify the Company should have a minimum of 3 Directors although the Board Charter adopted by the Board, specifies a minimum of 6 Directors. The SPX rules and regulations specify that 1/3 of the Directors shall be Independent Directors. Currently the Board consists of 9 Directors. 5 Directors are Founder Shareholder Directors, 3 Directors are Independent Directors and 1 Director nominated by the significant shareholder Fiji National Provident Fund.

Under the Articles of Association, 1/3 of the Directors must retire by rotation at the Annual General Meeting each year, but if eligible, may offer themselves for re-election.

BOARD COMMITTEES

The Board has constituted and put in place 3 Subcommittees to provide specific input and guidance in particular areas of Corporate Governance.

- Nominating and Governance Committee (NGC)
- Audit, Finance and Risk Committee (AFRC)
- Remuneration and Human Resource Committee (RHRC)

The Committees operate under specific Charters put in place by the Board. In order to fulfill its responsibilities, each Committee is empowered to seek any information it requires from employees and to obtain such independent legal or other professional advice it may deem necessary.

NOMINATING AND GOVERNANCE COMMITTEE CHARTER

The Committee consists of 5 members of the board. The committee is to meet as and when required but at least once every year, and the quorum at a meeting must be at least 3 members. The principal responsibilities of the Committee include - guiding the Board on Corporate Governance, advising on the size, composition and structure of the Board and Subcommittees, nomination and orientation of Directors, assessing the effectiveness of the Board Subcommittees, recommending fees to be paid to Directors and Chairman and recommending appointment of CEO position and terms of remuneration. The proceedings of the Committee are reported to the Board.

AUDIT, FINANCE AND RISK COMMITTEE CHARTER

The Committee comprise of 4 Directors, majority of whom shall be Independent Directors. The Committee meets at a minimum of four times every year and a quorum at the meeting must be 2 members. The primary responsibilities of the Committee are overseeing the integrity of the Company's financial statements, financial reporting processes, financial statement audits, compliance to legal and regulatory requirements, internal controls, risk management processes, internal audit and managing the relationship with the external auditors. The proceedings of the Committee are reported to the Board.

REMUNERATION AND HUMAN RESOURCE COMMITTEE CHARTER

The Committee comprise of 5 members of the Board. The Committee meets as and when required but at least once every year and the quorum at a meeting must be 2 members.

The primary responsibilities of the Committee are overseeing appropriate human resource policies and practices, establishment of policies and programs to attract, retain and motivate key employees, professional development of Senior Executives, overseeing compensation plans for the Chief Executive Officer and senior executive positions. The proceedings of the Committee are reported to the Board.

SHAREHOLDER CHARTER

The Board has put in place a Shareholder Charter which underpins the approach of the Board in serving the interest of the Shareholders. The principles in the Charter comprise of delivering long term returns and

values to Shareholders, good Corporate Governance, maintaining clear and open communication with Shareholders and the market, facilitating constructive Shareholder meetings and ethical and responsible decision making.

Pursuant to rule 60 of the SPX Listing Rules the Shareholder Charter includes Grievance Redressal Mechanism which outlines the approach to expeditiously handling and satisfactorily resolving all shareholder grievances.

REGISTER OF INTEREST

The Board has put in place a Register of Interest Policy for Directors. Under this policy the Directors are required to disclose any interest they may have in matters relating to the affairs of the Company. All interests declared are maintained in a Register of Interest & Conflict.

COMMUNICATIONS AND PUBLIC DISCLOSURES

The Board has put in place a Communication and Public Disclosure Policy. This is to ensure effective communication to the Company's Shareholders and the market. The Policy is to ensure key financial and material information is communicated to the market in a clear and timely manner. The Policy specifies information that needs to be classified as material and procedures for release of information to the market. A Committee of 3 executives have been nominated to administer compliance to this Policy.

TRADE UNIONS AND COLLECTIVE BARGAINING POLICY

With guidance from the cornerstone shareholder International Finance Corporation, the Board put in place a Trade Unions and Collective Bargaining Policy. This policy protects the rights of employees to join a Trade Union and engage in collective bargaining on matters of interest and concern to employees. This Policy also ensures the Company comply in good faith to provisions in any Collective Agreement with a Trade Union representing Company Employees.

PREVENTION OF INSIDER TRADING

The Board has put in place a Prevention of Insider Trading Policy. The purpose of the policy is intended to prevent both intentional and unintentional acts of prohibited insider trading, maintenance of confidentiality of price sensitive information relating to the listed security and promote compliance to Reserve Bank of Fiji Capital Markets Supervision Policy Statement No.10.

DOCUMENT RETENTION POLICY

Pursuant to section 386 (2) of the Companies Act 2015 and rule 59 of the SPX Listing Rules, the Board has put in place a Document Retention Policy for the purpose of strengthening the Company's compliance with respect to the preservation of documents either permanently or with preservation period under statutory requirements.

RISK MANAGEMENT

The Board has put in place an Enterprise Risk Management Framework to identify and manage the risks the Company faces in the operating environment. These risks include:

1. Financial risks

This relates to the balance sheet structure, income statement (profitability) structure, credit risk, liquidity, market risks and foreign exchange risk;

2. Operational risks

This relates to internal fraud, external fraud, employment practices and OHS issues, innovation of products and business services, damage to physical assets, business, process management risk, duty of care, Innovation & Technology;

3. Business risks

This relates to risk in financial infrastructure, legal liability, regulatory compliance, competition, reputational and fiduciary risk, governance, and Strategic risk;

4. Event risks

This relates to political risks, contagion, banking crisis and other exogenous factors;

5. Environmental risks.

This relates to the threats that the Company and its Subsidiary may pose to the environment such as improper waste disposal, vehicle exhaust fumes emission, improper use and storage of ozone depleting substances, spillage of toxic substances and pollution;

6. Technology risks

This relates to disruption & system failures, and Cyber attacks.

RISK APPETITE STATEMENT

The Board has put in place a Risk Appetite Statement (RAS) to serve as a guide for conduct of the Company's operations and investment activities. Through careful evaluation of the affects of risks on the Company's ability in achieving its strategic goals, the RAS is designed to articulate the level and the type of risks the Company will accept while conducting its operations.

INTERNAL AUDIT

The Company has in place an internal audit function and separate department. The internal audit function reports to the Audit, Finance and Risk Committee.

Each year the internal audit program based on a 3 year rolling plan, is approved by the Committee. The programme of audits considers the most significant areas of business risk and is developed following discussions with senior management and the review of the business processes and findings of the strategic risk assessment.

The role of the internal audit is to:

- Assess the effectiveness of operational and accounting internal controls
- Provide the Board an independent assessment of the Company's internal controls, business processes and operating risks
- Assist the Board in meeting its Corporate Governance and regulatory responsibilities

MEETINGS OF THE BOARD & SUB COMMITTEES

During the financial year the Board and the various Sub Committees met four times and the Directors attendance are noted in the table below.

Board Member	Board		NGC		AFRC		RHRC	
	Number of Meetings		Number of Meetings		Number of Meetings		Number of Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Dilip Khatri	4	4	4	3			4	3
Navin Patel	4	4	4	4	4	4	4	4
Suresh Patel	4	4						
Dinesh Patel	4	4	4	3			4	4
Satish Parshotam	4	3						
David Evans	4	4	4	4	4	4		
Ratu Aisea Vosailagi	4	1			4	1	4	2
Suliano Ramanu	4	4	4	3				
Carina Hull*	4	3			4	3	4	3
Jenny Seeto **								

* Carina Hull resigned as an Independent Director on 01st March 2020

** Jenny Seeto appointed as an Independent Director on 01st March 2020

HELPING OUR COMMUNITIES



Sigatoka field visit



Product demonstrations



Women empowerment catalogue launch



Deuba field visit



Financial literacy



Tailevu/ Rewa Mini Awards



Naitasiri highlands visit



Annual awards sponsorship



Rakiraki community visit

HELPING OUR COMMUNITIES



Ba Farmers Carnival contestant sponsorship



School oratory and debate contest



Duavata Northern Crime prevention sponsorship



Fiji Cancer Society – Fun Run support



Donation to CWM Hospital patient care staff



Presentation to Golden Age Home Labasa



Fiji Rural Women's fashion show



Supporting young entrepreneurs during Fiji Fashion Week



Kamil Muslim College Ba annual awards



Fiji Oral Health Care Association awards

HEALTH & WELLNESS



Medical screening and Body Mass Index awareness



Tips and Tasty treats



Benefits of Health and Fitness



Healthy meal preparations



Oral hygiene - Smile Month



Oral health care awareness

SPONSORSHIPS & SPORTS



2019 Courts IDC



2019 Courts IDC - Torch lighting



2019 Courts IDC winners - Babasiga Lions



Cardio activities. - Zumba



The fight against NCD's - Courts & SportsWorld Fun Run

SPONSORSHIPS & SPORTS



RFMF Rugby sponsorship



Waidamudamu Charity Golf sponsorship



Fiji Chess competition



Darts club sponsorship



Fiji Police Youth Empowerment National Awareness



Supporting Rugby 7's

NEW STORE OPENINGS



SportsWorld Lifestyle



Cyber City

TRADESHOWS



Trade Tech Show



Fiji Showcase



Carnival sale



2019 Hotec

OUR TEAM IS OUR STRENGTH

25 YEARS
SERVICE

30 YEARS
SERVICE



30 YEARS
BAKAN HUSSEIN



30 YEARS
VEENA KUMAR



25 YEARS
SAROJINI DEVI



25 YEARS
ROSHNI BHAN



25 YEARS
PAULINI LIKUQILIQILI



25 YEARS
ROSZINA LAL



25 YEARS
MARGARET SAROJ



25 YEARS
ISAPETI FURIVAI



25 YEARS
RAIJELI ROKOMAQISA



25 YEARS
AISEA TAMANIVALU



25 YEARS
MADGE SHAW



25 YEARS
MERERAI WASAWASARUA



25 YEARS
BABITA CHAND



25 YEARS
LUIA NAVUDI

20 YEARS
SERVICE

OUR TEAM IS OUR STRENGTH



20 YEARS
RAJESH LAL



20 YEARS
ZABEEN HUSSEIN



20 YEARS
CHANDRAN PILLAY



20 YEARS
JOPE MATAVESI



20 YEARS
ILAISA VAKALEKA



20 YEARS
KEWEKEWE MORGAN



20 YEARS
AMINISITAI TORA



20 YEARS
JAGENDRA SINGH



20 YEARS
KELEMEDI LAWALILI



20 YEARS
SHALWYN PRASAD



20 YEARS
MOON LAL



20 YEARS
LITIANA TUINIVONO



20 YEARS
JOTIKA SWAMY



20 YEARS
TAVAITA MADIGI



20 YEARS
NITIN KUMAR

CORPORATE DIRECTORY

List of Directors:

- | | | |
|----|---------------------------|-------------------|
| 1. | Mr Dilip Khatri | (Chairman) |
| 2. | Mr Navin Patel | (Deputy Chairman) |
| 3. | Mr Suresh Patel | |
| 4. | Mr Dinesh Patel | |
| 5. | Mr Satish Parshotam | |
| 6. | Mr Suliano Ramanu | |
| 7. | Mr David Evans | (Independent) |
| 8. | Ratu Aisea Waka Vosailagi | (Independent) |
| 9. | Ms Jenny Seeto | (Independent) |

Chief Executive Officer:

Mr P L Munasinghe

Company Secretary:

Mr Niraj Bhartu

Company No:

1363

Company Tin:

50-01532-0-0

Solicitors:

Parshotam Lawyers
Sherani & Co
Howards Lawyers

Auditors:

PricewaterhouseCoopers (PwC)
DFK Mayberry Chartered Accountants (PNG)

Bankers:

Westpac Banking Corporation (WBC - Fiji)
Bank of South Pacific Limited (BSP - PNG)

Registered Office:

Level 2 Vivrass Plaza
Lot 1 Corner of Ratu Dovi Road and Kaua Road
Laucala Beach Estate
Suva

Contact Information:

Telephone number:	8925 989
Email:	info@vil.com.fj
Website:	www.vil.com.fj

Security Register:

Security Register:
Central Share Registry Pte Limited
Shop 1 and 11, Sabrina Building
Victoria Parade
GPO Box 11689
Suva, Fiji

Telephone number: 330 4130



 **VISION**
INVESTMENTS LIMITED

