TOYOTA TSUSHO (SOUTH SEA) LTD

FINANCIAL STATEMENT 2022

Prepared For :

Daniel Gallego

Contents

For the Year Ended 31 March 2022

Corporate Directory
For the Year Ended 31 March 2022

Directors	Masahiro Kuwahara (Chairman – resigned 31 March 2022) Teresa Julia Apted Digby Bossley Craig Joseph Sims Hendra Joewono Akira Shida (Chairman - appointed 1 April 2022)
Secretary	Ronald Nitesh Kumar
Principal registered office in Fiji	Ratu Mara Road, Nabua Suva, Fiji Ph: 338 4888
Auditor	KPMG Chartered Accountants Suva, Fiji
Notice of annual general meeting	The 102nd annual general meeting of the shareholders of Toyota Tsusho (South Sea) Limited
	Will be held at The Regional Training Centre, Asco Motors, Ratu Mara Road, Nabua
	Time 12.30 pm
	Date 22 August 2022

COMPANY PROFILE

Toyota Tsusho (South Sea) Limited has been operating in the Pacific for the past 100 years. Initially part of the Burns Philp Group, the company has been majority-owned by Toyota Tsusho Corporation since 1998.

Toyota Tsusho (South Sea) Limited, trading as Asco Motors, operates through dealerships which are strategically located throughout Fiji, Tonga, Samoa and American Samoa. The Company markets Toyota, Yamaha, Massey Ferguson, Bridgestone, Kobe, other world proven products and also operates the Avis franchise. In each region that Asco Motors operates, it is the market leader in many of the market segments.

Toyota Tsusho (South Sea) Limited
Chairman's Report
For the Year Ended 31 March 2022

Business Review

Consolidated revenue for the Group for the financial year 2021/22 grew by 12.24% compared to the prior year. The growth for the group included growth of 4.7% in the Fiji operations. This was attributed to the strong new vehicle sales performance by TTSS and its subsidiaries.

The 2021/22 financial year saw the Fiji government release its budget, announcing a reduction in customs duties on the import of new vehicles which had resulted in retail price reduction and created an increase in customer demand. The opening of borders and improvement in economic activities has resulted in a return in confidence in the Fijian economy. The American Samoa economy saw stimulus packages being offered by the government to support its people.

The new vehicle sales and also the increase in gross profit margin shouldered a significant portion of our profit position and also expense management initiatives implemented have worked well. Our car rental business was impacted but as borders reopened the business improved and finished the financial year with a profit. I am pleased to inform you that our companies achieved above budget results, including significant expense savings and a healthy cash reserve.

We continue to invest in service delivery and infrastructure upgrades across the business. Some highlights during the year include the commencement of the new Nadi 3S dealership and construction works will be completed by December 2022, completion of the Rust Protection bay, and installation of CCTV Cameras at the Suva dealership. Also, the GHD consultant commenced with the environment audit for all our dealerships.

The consolidated Group after-tax profit for the 2021/22 year was FJD 13.8m well above the previous year's result, which is attributable to the new vehicle sales, increase in gross profit percentage, good expense management initiatives, the opening of borders and economic normalcy in the Group countries.

Safety

We are committed to ensuring a safe workplace. All our countries invested significantly in COVID-19 related safety measures for our valued employees and customers. Within a continuous improvement context, we regularly monitor and review workplace hazards and implement preventive measures where required. Safe driving and safety in our workshops and on our construction sites are a particular focus.

Dividend

No dividends were declared in the 2021/22 financial year. During the financial year, TTSS paid a final dividend relating to the 2020/2021 financial year of 20 cents per share, amounting to $2,806,440.

Staff

Staff numbers increased on a consolidated basis, closing at 421 employees at the year-end (2021: 409). All staff departures were due to non-redundancy reasons. All our businesses maintained their entire staff on the payroll and extended additional Pandemic Leave to assist its staff in lockdown situations.

Our employees are critical to our business success, and the group continues to invest in their learning and development to maximise business performance, employee morale and employee empowerment. On behalf of the company's Board of Directors, I thank our valued employees for their continued efforts towards the results achieved during the year.

Corporate Social Responsibility

TTSS has an impressive Corporate Social Responsibility portfolio of programmes and activities, some of which include building cancer awareness, environmental improvement activities, improving lives through awareness of non-communicable diseases such as diabetes and various programs that help foster a stronger relationship with the people of Fiji.

It finances the Asco Foundation, a Charitable Trust which was established in 2018. The Asco Foundation provides donations and support to several charities and institutions within Fiji.
June 2021 – Sai Prema and Asco Foundation teamed up to help 500 families in the West.
November 2021 – Asco Foundation will pay one year's rental fee and also invest in the refurbishment of Lifeline Fiji's office space.
May 2022 – Asco Foundation donated 40 new laptops and WiFi modem with 12 months of Digicel Data to 8 rural and maritime schools.

Outlook

Fiji's economic growth is expected to be moderate as the country heads into the general elections in 2022.

The business outlook is expected to be moderate. The vehicle market is forecast to remain very competitive, due to high levels of activity from existing and new entrants to the market in all segments including used vehicles. The fixed operations, marine and car hire businesses, however, are expected to grow. Business is focused on improving the quality levels of our infrastructure and service levels as part of the long-term strategic goal.

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Akira Shida
Chairman
Date: 29 June 2022

Corporate Governance Statement

31 March 2022

Toyota Tsusho (South Sea) Limited (TTSSL) is committed to strengthening its corporate governance and transparency in reporting, in accordance with the Listing Rules of the South Pacific Stock Exchange, the Companies Act 2015 for Fiji, Reserve Bank of Fiji's Corporate Governance Code for Capital Markets and International Financial Reporting Standards.

TTSSL's approach to governance, which has remained largely consistent over time, is to:

- promote long term profitability of TTSSL, while prudently managing risk;
- drive superior and sustainable shareholder value over the long term through alignment of the interests of shareholders and staff; and
- meet stakeholder expectations of sound corporate governance as part of TTSSL's broader responsibility to clients, shareholders, investors and the communities in which it operates.

ANNUAL COMPLIANCE REPORT ON CORPORATE GOVERNANCE

The table below summarises the status of compliance with the Annexure P of the listing rules issued by South Pacific Stock Exchange ("SPX"), providing details where it has not been explained in the Corporate Governance Report which has been summarised to maintain a high level view of the subject.

Principle	Requirement	Compliance Status
1. Establish clear responsibilities for board oversight	Separation of duties: Clear separation of duties between Board and Senior Management.	The TTSSL Board is responsible for the overall corporate governance of the company. The TTSSL Articles of Association set out the powers and duties of directors in terms of managing the company effectively and efficiently. The Board has adopted a formal charter, which details the Board's role and responsibilities and its relationship with management. Each year, the Board reviews the company's strategies, the nature and scope of activities to be undertaken, and performance targets. The Board monitors management's performance relative to these objectives and targets.
	Board Charter: Adopt a Board charter detailing functions and responsibilities of the Board.	
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.	TTSSL's Articles of Association specifies the number of directors may not be less than three (3) and not more than seven (7). The Board currently comprises five directors, including two independent directors and two resident directors since August 2021. We have gender diversity on our Board, with a long-term standing female Board director. As a business, we are aware of the importance of diversity and inclusivity. The presence of independent non-executive directors on the Board promotes objectivity, challenge and debate. TTSSL's Board comprises qualified individuals with a wide range of experience and knowledge in the commercial sector. TTSSL continuously promotes knowledge sharing and learning and development for the board. An induction process is in place for newly appointed directors. TTSSL does not currently have a board sub-committee for audit and risk and we submit that there is more than adequate board oversight on governance matters pertaining to these matters such that there is no present need for the same. TTSSL has a strong board with very effective and diligent independent directors. As the history of TTSSL's Financial Advisory Committee demonstrates, the TTSSL board is very aware of the importance of it fulfilling its governance role and shall continue to maintain a vigilant watch on the need for an audit and risk committee, and will consider its necessity regularly.
	Gender Diversity: Do you have a policy for promoting gender diversity at Board level and have you achieved your policy goals?	
	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.	
	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.	
	Directors Training: Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively.	
	Board Sub-committees: Board must have sub-committees which must at a minimum include - • Audit Committee; • Risk Management Committee; and • Nomination Committee/Recruitment 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.	The Board appoints the Chief Executive Officer, TTSSL in accordance with the Articles of Association and the directors are expected to exercise due diligence in making this appointment.
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.	The Board appoints the Company Secretary, in accordance with the Articles of Association and TTSSL's Recruitment Policy. The Company Secretary is the administrative link between Board and Management and is responsible for ensuring adherence to compliance issues. The Company Secretary coordinates effective and timely distribution of the Board meeting agenda and papers and ensures proper and detailed minutes are recorded.
5. Timely and balanced disclosure	Annual Reports: Timely and accurate disclosures are made in Annual reports as per Rule 51 of Listing Rules. Payment to Directors and Senior management: Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management. 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.	TTSSL complies with its disclosure obligations under the SPX Listing Rules and the Companies Act 2015 and provides its shareholders with information through regular market announcements. TTSSL Annual Reports are subject to an independent audit and are in accordance with the Companies Act 2015, and are presented to the shareholders at the Annual General Meeting. The director's remuneration is declared and approved at the Annual General Meeting of the shareholders.
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.	TTSSL has a Code of Ethics in place, to guide the directors, CEO and employees in making ethical and responsible decisions. Directors and employees are encouraged to uphold high ethical standards, honesty, fairness and equity in all aspects of their employment and association with the company.
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.	TTSSL directors are required to declare any conflicts of interest. All Board members declare their interests at the Board meetings and such interests are recorded in the Board minutes
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. 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. Grievance Redressal Mechanism: To establish a Grievance Redressal Mechanism for Shareholders to address shareholders complaints and grievances.	An Annual General Meeting is held every year in accordance with TTSSL's Articles of Association and shareholders are encouraged to participate. The Annual Report is published each year and circulated to the shareholders prior to the Annual General Meeting. The shareholders are encouraged to raise their concerns and complaints to the Company Secretary through the company email address, telephone, and through the company website. www.ascomotorsfiji.com TTSSL employs an effective Corporate Social Responsibility policy and conducts regular activities through both TTSSL and its charitable trust, the Asco Foundation. TTSSL is in the process of developing a shareholder grievance policy and adopt a consultative approach for any disputes, grievances or such matters.

Principle	Requirement	Compliance Status
8. Respect the rights of shareholders (cont)	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.	No shareholder complaints were received in the Financial Year.
	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.	The TSSL Board has taken steps to ensure corporate sustainability and working to adopt the Climate Changes Act.
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.	TTSSL is audited externally each year and receives an independent audit report, which forms part of the Annual Report.
	External Audit: To appoint an external auditor who reports directly to the Board Audit Committee.	The company has an Internal Audit team that performs the functions of internal audit in the TTSSL group. Additionally, controls are periodically reviewed by the Internal Audit teams in the immediate parent company and the ultimate parent company. A risk based audit plan, which provides assurance over key business processes and commercial and financial risks facing the company, is managed by the immediate parent body, Toyota Tsusho South Pacific Holdings Pty Ltd. External auditors are appointed during the Annual General Meeting.
	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.	
	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.	A comprehensive management accounting system is in place providing management with financial and operational performance measurement indicators. Detailed management accounts and various analysis are prepared monthly to cover each major area of the business.
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.	The TTSSL Board takes steps to ensure that key business and operational risks are identified and appropriate controls and procedures are put in place to manage these risks through having a clearly defined organisational structure with approved financial delegation authority limits, procedures relating to capital expenditure, policies to manage financial and market risks and appropriate due diligence procedures. TTSSL also employs an effective whistle-blower program, which is independently managed by the immediate parent body audit function.
	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.	

Directors' Report
31 March 2022

The directors present their report for the year ended 31 March 2022, together with the financial statements of the parent entity and its subsidiaries for the year ended 31 March 2022.

In accordance with a resolution of the Board of Directors, the directors herewith submit the statements of financial position of Toyota Tsusho (South Sea) Limited (the "Company and its subsidiaries") as at 31 March 2022 and the related statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date and report as follows.

Investment in subsidiaries represents the Company's 100% investment in Toyota Tsusho American Samoa Inc, Toyota Tsusho (Samoa) Limited, and Toyota Tsusho (Tonga) Limited.

Directors
The following persons were directors of Toyota Tsusho (South Sea) Limited during the financial year and up to the date of this report:
Masahiro Kuwahara (resigned 31 March 2022)
Teresa Julia Apted
Digby Bossley
Craig Joseph Sims
Hendra Joewono
Akira Shida (appointed 1 April 2022)

Reserves
Net assets comprises equity, retained earnings and reserves for the Group consist of foreign currency translation reserve, which amounted to $2,441,000 as at 31 March 2022 (2021: $1,892,000).

Principal activities
During the year, principal continuing activities of the consolidated entity consisted of the importation and sale of motor vehicles, marine products, power generating equipment, spare parts, car hire and repairing of motor vehicles and equipment.

Dividends
During the financial year the Board declared and paid a final dividend relating to the 2020/2021 financial year of 20 cents per share, amounting to $2,806,440. No dividends relating to the 2021/2022 financial year was declared (2021: Total dividends of 20 cents per share amounting to $2,806,440).

Results
The consolidated net profit after income tax expense for the group for the year was $13,808,000 (2021: $5,586,000). The Company recorded a net profit after income tax expense of $11,491,000 (2021: $5,856,000).

The extent to which each subsidiary in the Group contributed to the net consolidated profit covered by this report is disclosed in Note 26.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group in the period covered by this report.

Bad debts and allowance for expected credit losses
Prior to the completion of the financial statements of the Holding Company and its subsidiary companies, the directors took reasonable steps to ascertain what action had been taken in relation to writing off bad debts and making adequate allowance for expected credit losses.

All known bad debts have been written off and adequate allowance has been recorded for expected credit losses.

As at the date of the report, the directors are not aware of any circumstances, which would render the amount written off for bad debts, or the allowance for expected credit losses in the group, inadequate to any substantial extent.

Current assets
Prior to the completion of the financial statements of the Holding Company and its subsidiary companies, the directors took reasonable steps to ascertain whether any current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the company and its subsidiaries. Where necessary, these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the group financial statements, misleading or misstated.

Directors' Report (cont)
31 March 2022

Going concern

The directors believe that the Company and its subsidiaries will be able to continue to operate for at least 12 months from the date of this report.

Matters subsequent to balance date

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors and management, to affect significantly the operations of the group or of the company, the results of those operations or the state of affairs of the group or of the company in subsequent financial years.

Basis of accounting

As at the date of this report, the directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the group financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the company or its subsidiaries misleading or inappropriate.

Unusual transactions

COVID-19 global pandemic can be classed as an abnormal event having potentially significant impacts on the group operations and profitability in the coming financial year. The impact is being studied and monitored closely by the board and market updates will be provided in the event of any substantial changes in the group financial position.

Directors' benefit

Since the end of the financial year, no benefits (other than those included in the aggregate amount of emoluments received or due and receivable by the directors shown in the group financial statements or their fixed salary as a full time employee of the company) have accrued to any directors by reason of a contract made by the company, or a related corporation with that director or with any firm of which he/she is a member or a company in which he/she has a substantial financial interest.

Signed at Suva the 29 day of June 2022 in accordance with a resolution of the directors.

Akira Shida
Chairman

Craig Joseph Sims
Director

KPMG

Independent Auditors' Report

To the members of Toyota Tsusho (South Sea) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Toyota Tsusho (South Sea) Limited ("the Company") and the consolidated financial statements of Toyota Tsusho (South Sea) Limited and its subsidiaries ("the Group"), which comprise the statements of financial position as at 31 March 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out in notes 1 to 31.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the Companies Act 2015 and the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Revenue recognition (Consolidated: $153,069,000, Parent: $104,857,000)	
Refer to Note 6 of the financial statements	
The key audit matter	How our audit addressed the matter
Revenue recognition has been assessed as a key audit matter due to the different recognition policies. As such, the various revenue streams increase the audit effort with respect to the risk of revenue being recognised prematurely (in the incorrect accounting period). The is due to either the revenue to be earned under the service maintenance contract may be received in advance of providing services or goods may not be delivered.	Our audit procedures included: • Testing of controls over sales authorisation, approval of reconciliation, accuracy of inputs, acknowledgement of sale by customer and authorisation of price variation and credit notes. • Comparing a sample of sales transactions recorded in the general ledger to underlying documentation such as issued invoices and delivery documents. • For a sample of sales transactions on vehicle and spare part revenue streams, immediately prior to year-end and immediately after, we checked for the recording of revenue in the relevant year. We checked the underlying documentation of dispatch to the revenue recognition policies and criteria in the accounting standards. • Examining manual journals posted to revenue accounts throughout the year and checking for approval and underlying documentation of the manual journals raised.

Independent Auditors' Report

To the members of Toyota Tsusho (South Sea) Limited

Report on the Audit of the Financial Statements - continued

Other Information

Management is responsible for the other information. The other information comprises the information included in the Corporate Directory, Chairman's Report, Corporate Governance Statement, Directors' Report and listing requirements of the South Pacific Stock Exchange of the Company for the year ended 31 March 2022, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KPMG

Independent Auditors' Report

To the members of Toyota Tsusho (South Sea) Limited

Report on the Audit of the Financial Statements - Continued

Auditors' Responsibilities for the Audit of the Financial Statements - Continued

- Conclude on the appropriateness of 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 and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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 those charged with governance 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 those charged with governance 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion:

i.) proper books of account have been kept by the Company, sufficient to enable financial statements to be prepared, so far as it appears from our examination of those books; and

ii.) to the best of our knowledge and according to the information and explanations given to us the financial statements give the information required by the Companies Act 2015, in the manner so required.

The engagement partner on the audit resulting in this independent auditors' report is Michael Yee Joy.

KPMG

KPMG

Michael Yee Joy
Partner
Suva, Fiji
30 June 2022

Independence Declaration

For the year ended 31 March 2022

Auditors Independence Declaration under Section 395 of the Companies Act 2015

To the Directors of Toyota Tsusho (South Sea) Limited

As required under Section 395 of the Companies Act 2015, we declare that to the best of our knowledge and belief, in relation to the audit for the year ended 31 March 2022 and up to the date of this report there have been:

i). no contraventions of the Auditor independence requirements as set out in the Companies Act 2015 in relation to the audit; and

ii). no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Michael Yee Joy
Partner
Suva, Fiji
30 June 2022

Statements of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March 2022

		Consolidated		Parent	
		2022	2021	2022	2021
	Note	$'000	$'000	$'000	$'000
Revenue	6	**153,069**	136,365	**104,858**	100,112
Cost of sales		**(112,773)**	(106,926)	**(74,428)**	(77,630)
Gross profit		**40,296**	29,439	**30,430**	22,482
Other income	6	**913**	625	**768**	1,407
Selling and distribution expenses		**(478)**	(440)	**(351)**	(318)
Administrative and other expenses		**(24,944)**	(23,200)	**(18,768)**	(17,535)
Impairment (loss)/ gain on trade and other receivables	7	**(177)**	73	**54**	30
Operating profit		**15,610**	6,497	**12,133**	6,066
Finance Income	20	**1,625**	1,302	**1,173**	908
Finance cost	20	**(554)**	(740)	**(330)**	(398)
Profit before tax	5(a)	**16,681**	7,059	**12,976**	6,576
Income tax expense	10	**(2,873)**	(1,473)	**(1,485)**	(720)
Profit		**13,808**	5,586	**11,491**	5,856
Other comprehensive income					
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences	25(a)	**549**	(1,138)	**-**	-
Other comprehensive income for the year, net of tax		**549**	(1,138)	**-**	-
Total comprehensive income attributable to members of TTSSL		**14,357**	4,448	**11,491**	5,856
Earnings per share:					
Basic earnings per share	24(a)	**0.98**	0.40		
Diluted earnings per share	24(b)	**0.98**	0.40		

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

Statements of Financial Position

As at 31 March 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000	Parent 2022 $'000	Parent 2021 $'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	11(a)	**48,009**	34,059	**33,180**	22,848
Debt Securities	11(b)	**-**	10,000	**-**	10,000
Trade and other receivables	12(a)	**12,110**	13,595	**8,550**	10,896
Inventories	13	**19,678**	18,409	**12,393**	12,509
Current tax receivable		**353**	68	**353**	546
Other assets	14(a)	**256**	367	**84**	315
TOTAL CURRENT ASSETS		**80,406**	76,498	**54,560**	57,114
NON-CURRENT ASSETS					
Trade and other receivables	12(b)	**263**	179	**239**	159
Investment in subsidiaries	26	**-**	-	**895**	895
Property, plant and equipment	15	**57,241**	43,696	**49,724**	36,752
Right-of-use assets	8	**6,100**	7,510	**4,314**	5,211
Deferred tax assets	19	**1,543**	1,346	**609**	732
Other assets	14(b)	**296**	320	**296**	320
TOTAL NON-CURRENT ASSETS		**65,443**	53,051	**56,077**	44,069
TOTAL ASSETS		**145,849**	129,549	**110,637**	101,183
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	16	**16,363**	11,094	**7,251**	5,155
Lease liabilities	8	**914**	1,382	**827**	1,299
Current tax payable		**1,199**	-	**-**	-
Provisions	17	**108**	391	**94**	80
Other liabilities	18(a)	**146**	731	**146**	731
TOTAL CURRENT LIABILITIES		**18,730**	13,598	**8,318**	7,265
NON-CURRENT LIABILITIES					
Lease liabilities	8	**5,715**	6,788	**3,798**	4,419
Provisions	17	**242**	148	**193**	94
Deferred tax liability	19	**1,332**	920	**989**	935
Other liabilities	18(b)	**1,111**	927	**1,111**	927
TOTAL NON-CURRENT LIABILITIES		**8,400**	8,783	**6,091**	6,375
TOTAL LIABILITIES		**27,130**	22,381	**14,409**	13,640
NET ASSETS		**118,719**	107,168	**96,228**	87,543
Contributed equity	22	**14,483**	14,483	**14,483**	14,483
Reserves	25(a)	**2,441**	1,892	**-**	-
Retained earnings	25(b)	**101,795**	90,793	**81,745**	**73,060**
		118,719	107,168	**96,228**	**87,543**

Akira Shida
Chairman

Craig Joseph Sims
Director

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

Statements of Cash Flows

For the Year Ended 31 March 2022

		Consolidated		Parent	
		2022	2021	2022	2021
	Note	$'000	$'000	$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers		**156,060**	134,898	**107,820**	96,716
Payments to suppliers and employees		**(120,904)**	(103,936)	**(77,757)**	(72,735)
Cash generated from operations		**35,156**	30,962	**30,063**	23,981
Interest paid		**(69)**	(476)	**(16)**	(294)
Income taxes paid		**(1,304)**	(1,285)	**(915)**	(1,071)
Net cash flow from operating activities		**33,783**	29,201	**29,132**	22,616
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of plant and equipment		**7,961**	6,315	**7,868**	5,766
Interest received		**863**	540	**720**	455
Dividends received	6	**-**	-	**-**	703
Debt securities matured / (invested)		**10,000**	(3,000)	**10,000**	(3,000)
Purchase of property, plant and equipment		**(33,711)**	(2,759)	**(32,547)**	(2,276)
Net cash (used in)/ from investing activities		**(14,887)**	1,096	**(13,959)**	1,648
CASH FLOWS FROM FINANCING ACTIVITIES:					
Dividends paid	23	**(2,806)**	(2,806)	**(2,806)**	(2,806)
Payment of lease liabilities		**(1,701)**	(1,321)	**(1,535)**	(1,092)
Net cash (used in) financing activities		**(4,507)**	(4,127)	**(4,341)**	(3,898)
Net increase in cash held		**14,389**	26,170	**10,832**	20,366
Cash and cash equivalents at beginning of year		**34,059**	8,196	**22,848**	2,482
Effect of exchange rate changes on cash held		**61**	(307)	**-**	-
Cash and cash equivalents at end of financial year	11	**48,509**	34,059	**33,680**	22,848

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

Statements of Changes in Equity

For the Year Ended 31 March 2022

		Consolidated		Parent	
		2022	2021	2022	2021
	Note	$'000	$'000	$'000	$'000
Total equity at beginning of financial year		**107,168**	105,526	**87,543**	84,493
Profit		**13,808**	5,586	**11,491**	5,856
Currency translation differences	25(a)	**549**	(1,138)	**-**	-
Total comprehensive income		**14,357**	4,448	**11,491**	5,856
Dividends paid or provided for	23	**(2,806)**	(2,806)	**(2,806)**	(2,806)
Total equity at end of the financial year		**118,719**	107,168	**96,228**	87,543

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

Note 1: General information

Toyota Tsusho (South Sea) Limited ("the Company")/("parent entity") and its subsidiaries [together ("the Group")/("consolidated entity")] deal in the retailing and aftermarket operations of Toyota, Yamaha, Massey Ferguson, Bridgestone and Kobe franchises. The Company is a limited liability company incorporated and domiciled in Fiji. The address of the registered office is Lot 1, Ratu Mara Road, Nabua, Suva, Fiji. The Company is listed on the South Pacific Stock Exchange.

These consolidated financial statements were authorised for issue by the Board of directors on 29 June 2022.

Note 2: Summary of significant accounting policies

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

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2015.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial assets and liabilities.

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

Standards, amendments and interpretations issued and adopted in this financial statements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on 1 April 2021. The following interpretation was applicable to the Group and Company:

- Amendments to IFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021.

Effective 1 April 2021, IFRS 16 was further extended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- The reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- There are no substantive changes to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession. The Group and Company has elected to utilise the practical expedient for all rent concessions that meet the criteria.

Standards, amendments, and interpretations issued but not yet effective

There are a number of standards and amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 April 2022:

- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract;
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use;
- Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 Annual Improvements to IFRS Standards 2018-2020;
- Amendments to IFRS 3 References to Conceptual Framework

The following amendments are effective for the period beginning 1 January 2023:

- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies;
- Amendments to IAS 8 Definition of Accounting Estimates;
- Amendments to IAS 12 Deferred Tax Related to Assets and Liabilities arising from a Single Transaction;
- Amendments to IAS 1 classification of liabilities as current or non-current

Note 2: Summary of significant accounting policies (continued)

(b) Consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Investments in subsidiaries are accounted for at cost less impairment in the parent entity's financial statements. The Company applies IAS 27 paragraph 10(a) whereby the investment continues to be recorded at cost. Accordingly, the requirements of IFRS 9 do not apply.

(c) Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Costs are allocated according to the applicable revenue line in which they are incurred.

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. Costs are allocated based on the physical locality of the business within an economy and a specific regulatory jurisdiction.

(d) Foreign currency transactions and balances

i. *Functional and presentation currency*
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Fijian dollars, which is the Company's functional and presentation currency.

ii. *Foreign controlled entities*
As the foreign controlled entities are self-sustaining, their assets and liabilities are translated into Fijian currency at rates of exchange current at balance date, while their revenues and expenses are translated at the average of rates ruling during the year. Exchange differences arising on translation are taken to the foreign currency translation reserve on consolidation.

iii. *Transaction and balances*
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(e) Property, plant and equipment

In accordance with IAS 16, the group records all property, plant and equipment at cost less subsequent depreciation and impairment losses. Freehold land is not depreciated. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits with the item will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance expenditures are charged to profit or loss during the financial year in which they are incurred.

Gains or losses on the disposal of property, plant and equipment are recognised in profit or loss.

Depreciation is provided on property, plant and equipment on a straight-line basis so as to write off the cost of assets over their expected economic life.

The depreciation rates currently adopted by the Group are:

Fixed asset class	Depreciation rate
Leasehold land	Over the period of the lease
Leasehold buildings	5.00% or over the period of the lease, whichever is shorter
Freehold buildings	2.50% - 5.00%
Plant and equipment	15.00% - 33.00%
Motor Vehicles	20.00%
Computer hardware and software	20.00% - 33.33%
Showroom and fascia	2.50% - 15.00%

Note 2: Summary of significant accounting policies (continued)

(f) Leases

At inception of a contract, the Company and the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company and the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company and the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company and the Group has the right to direct the use of the asset. The Company and the Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company and the Group has the right to direct the use of the asset if either:
  - the Company and the Group has the right to operate the asset; or
  - the Company and the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company and the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company and the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

i. As a lessee

The Company and the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end 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 remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company and the Group's incremental borrowing rate. Generally, the Company and the Group uses its incremental borrowing rate as the discount rate.
The Group and the Company determines its incremental borrowing rate by obtaining interest rates from external financing sources (Banks) which reflect the terms of the lease, type of the asset leased, value of the lease and the credit profile of the Company and the Group.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- the exercise price under a purchase option that the Company and the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Company and the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company and the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company and the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Company and the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company and the Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of space that have a lease term of 12 months or less and leases of low-value assets. The Company and the Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Note 2: Summary of significant accounting policies (continued)

(g) Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

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.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is 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.

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 OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Note 2: Summary of significant accounting policies (continued)

(g) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

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

Financial assets at amortised cost

These assets 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.

Debt investments at FVOCI

These assets 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 OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets 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 OCI and are never reclassified to profit or loss.

Financial Liabilities: Classification and subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost and are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in profit or loss.

iii. Derecognition

Financial assets

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.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Modifications of financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

v. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Note 2: Summary of significant accounting policies (continued)

(h) Inventories

Inventories on hand and work in progress are stated at the lower of cost and net realisable value. Costs are assigned to individual items of stock on the basis of the landed direct cost, insurance, freight and an allocation of overhead expenditure, the latter being allocated on the basis of labour incurred. Adequate provision is made for slow moving and obsolete inventories.

(i) Share capital

Ordinary shares are classified as equity.

(j) Current and deferred income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.
Current tax assets and liabilities are offset only if certain criteria are met.
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- Temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(k) Employee emoluments and benefits

i. Wages and salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

ii. Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Note 2: Summary of significant accounting policies (continued)

(l) Provisions

Provisions for legal claims and service warranties are recognised when the consolidated entity 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 has been 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 the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(m) Dividends

Provisions are made when dividends are declared by the Board of directors.

The parent entity is subject to the provisions of Fiji Income Tax Act and the Income Tax (Dividend) Regulations of 2001.

Dividend income is recognised when the right to receive payment is established.

(n) Earnings per share

Basic earnings per share is determined by dividing the net profit after income tax attributable to shareholders of the group by the weighted average number of ordinary shares outstanding during the financial 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.

(o) Revenue

i. Revenue Streams

The Group and the Company generates revenue primarily from the sale of motor vehicles, marine products, power generating equipment, spare parts and provision of car rental and repairing of vehicles services to its customers, in-house lease income from motor vehicles (see Note 2(s)) and sale with buy-back conditions (see Note 2(r)).

ii. Disaggregation of revenue from contracts with customers

Disaggregation of revenue from contracts with customers is by primary geographical market and major products and service lines and is disclosed with the Group's reportable segments (see Note 5).

iii. Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group and the Company recognises revenue when it transfers control over a good or service to a customer. The Group and the Company excludes from the measurement of its transaction prices for all revenue streams any tax assessed by a governmental authority that is both imposed on and concurrent with a specific revenue-producing transaction and collected from a customer. As a result, revenue is recorded net of such taxes collected. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Note 2: Summary of significant accounting policies (continued)

(o) Revenue

iv. Performance obligations and revenue recognition policies

Type of product/ service	**Nature and timing of satisfaction of performance obligations, including significant payment terms**	**Revenue recognition under IFRS 15**
Servicing and panel	The Group and the Company has determined that for servicing and panel, the customer controls all of the work in progress as the servicing is being performed. This is because under those contracts, servicing is performed to a customer's specification and if a contract is terminated by the customer, then the Group and the Company is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Invoices are issued according to contractual terms and are usually payable within 30 days. Uninvoiced amounts are presented as contract assets.	Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on surveys of work performed. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Group and the Company sells the services in separate transactions.
Fuel	Customers obtain control of products when the goods are delivered.	Revenue is recognised when the fuel has been delivered.
New vehicles, used vehicles, parts, tyres and batteries, and marine products	Customers obtain control of products when the goods are delivered to and have been accepted at the Group's and the Company's premises. Invoices are generated at that point in time. Invoices are usually payable within 30 days. Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered.	Revenue is recognised when the goods are delivered and have been accepted by customers at the Group's and the Company's premises. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables and the right to recover returned goods is included in inventory. The Group and the Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

Note 2: Summary of significant accounting policies (continued)

(o) Revenue (continued)

iv. Performance obligations and revenue recognition policies (continued)

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Car rental	The Group and the Company derive revenue by providing vehicle rentals and other related products and mobility services to commercial and leisure customers. Other related products and mobility services include excess fees under which a customer is relieved by capping the financial responsibility arising from vehicle damage incurred during the rental; products and services for driving convenience such as fuel fill-up options, chauffeur drive services, roadside safety net and child safety seat rentals.	Revenue is recognised when obligations under the terms of a contract with the customer are satisfied; generally, this occurs evenly over the contract (over time); when control of the promised products or services is transferred to the customer. Revenue is measured as the amount of consideration the Group and the Company expects to be entitled to receive in exchange for transferring products or services. Vehicle rental and rental-related revenues are recognized evenly over the period of rental, because these are ancillary revenues to car rental.

v. Contract Liabilities

The Group and the Company records deferred revenues when cash payments are received in advance of satisfying its performance obligations.

(p) Comparative figures

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

(q) Rounding

Amounts have been rounded to the nearest thousand dollars except where otherwise noted.

(r) Assets and liabilities relating to sale and buy-back conditions

i. Sale and buy-back assets - cost base of vehicles relative to guaranteed buy-back conditions

Costs relating to buy-back contracts expiring in the next financial year are disclosed as current assets and the remainder are disclosed as non-current assets (Note 14 and 21).

ii. Sale and buy-back liabilities

(a) Guaranteed buy-back amounts

Amounts relating to buy-back contracts expiring in the next financial year are disclosed as current liabilities and the remainder are disclosed as non-current liabilities (Note 18 and 21).

(b) Lease instalments received in advance (deferred revenue on sales with buy-back conditions)

Amounts to be recognised as revenue in the next financial year are disclosed as current liabilities and the remainder are disclosed as non-current liabilities (Note 18).

(c) Service contracts

Certain vehicle sales with buy-back conditions also have a parallel service contract. Under a service contract, the company guarantees to carry out specified levels of servicing for the vehicle, over the contract period at an agreed contract value. This value is held as a non-current liability (Note 18), and is recognised in profit or loss as each service is performed on the vehicle.

Note 2: Summary of significant accounting policies (continued)

(r) Assets and liabilities relating to sale and buy-back conditions (continued)

iii. Property, plant and equipment

Cost of vehicles subject to sales with buy-back conditions, net of the cost base relative to the guaranteed buy-back price, are held as property, plant and equipment. Each vehicle is depreciated over the period of the contract.

iv. Sales with buy-back conditions

Certain sale contracts include conditions that require the company to either buy-back the vehicle sold at a specific price or guarantee a future trade-in-value. For such contracts, the company does not record the revenues related to these contracts at the time of delivery, but rather defers and recognises this revenue over the term of the contract.

Such sale contracts also require that vehicles be fully serviced and maintained by the company. Revenues related to performance of servicing and maintenance recognised when it transfers control over the service to a customer.

(s) Internally financed operating leases

The company has leased vehicles on operating lease to the Government of Fiji. Costs of vehicles subject to operating lease are held as property, plant and equipment. Each vehicle is depreciated at 20% per annum or over the period of the contract whichever is shorter.

Revenue is recognised monthly based on the agreed contractual rates.

(t) Impairment

i. Financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost. The Group and the Company also recognises loss allowances for ECLs on lease receivables which are disclosed as part of trade receivables.

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

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

Loss allowances for trade receivables (including lease receivables) are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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 a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per rating agency Moody's or BBB- or higher per rating agency Standards & 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.

Note 2: Summary of significant accounting policies (continued)

(t) Impairment (continued)

i. Financial assets (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: 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);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows; and
- ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

– significant financial difficulty of the borrower or issuer;

– a breach of contract such as a default or being more than 90 days past due;

– the restructuring of a receivable by the Group on terms that the Group would not consider otherwise;

– it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Non-financial assets

At each reporting date, the Group and Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Note 3: Financial risk management

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

Risk management is carried out by finance executives and management of controlled entities of the Group. Management and finance executives identify and evaluate financial risks in close cooperation with the group's operating units. The Board provides direction for overall risk management covering specific areas, such as mitigating foreign exchange risk, interest rate risk and credit risks, and investment of excess liquidity.

(a) Market risk

i. Foreign exchange risk

Foreign exchange risk arises from recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency (refer Note 2(d)).

The Group operates in American Samoa (US Dollar), Samoa (Western Tala), Tonga (Pa'anga) and Fiji (Fijian Dollar) and procures assets and supplies from principal suppliers based predominantly in Australia (Australian Dollar), Thailand (US Dollar), Japan (Japanese Yen), Singapore (US Dollar), Indonesia (US Dollar) and New Zealand (New Zealand Dollar). As a measure, prompt settlement of liabilities (and assets if necessary) is exercised by management to minimise the exposure to foreign exchange losses. As an additional measure, the Group negotiates competitive rates with its bankers to minimise losses and maximise gains when receipts and payments become due.

Management has set up a policy requiring Group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward exchange contracts (FECs). However, the FECs are not available in respect of certain South Pacific currencies. Hedge accounting has not been applied.

The contract value of FECs, in Fijian dollars, outstanding as at the reporting date was as follows:

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Forward exchange contracts	**1,539**	745	**447**	690

Given the short period from inception of the contracts to balance date, the fair value of these contracts is not considered material to the financial statements.

The Group and Company's exposure to foreign currency risk at the reporting date was as follows:

	Consolidated		
	USD	**AUD**	**JPY**
2022	**$'000**	**$'000**	**$'000**
Trade payables	**289**	**387**	**12,058**
2021			
Trade payables	646	539	6,687

	Parent		
	USD	**AUD**	**JPY**
2022	**$'000**	**$'000**	**$'000**
Trade payables	**7**	**262**	**-**
2021			
Trade payables	6	429	-

Note 3: Financial risk management (continued)
(a) Market risk (continued)

i. Foreign exchange risk (continued)

The following significant rates have been applied:

	Average rate		Year-end spot rate	
	2022	**2021**	**2022**	**2021**
USD	**0.4687**	0.4648	**0.4696**	0.4738
AUD	**0.6351**	0.6413	**0.6240**	0.6234
JPY	**52.221**	48.410	**56.610**	51.010

ii. Sensitivity analysis

To determine the sensitivity to foreign exchange risk, the Company calculates an implied volatility in exchange rates by calculating the maximum variation of month end spot rates from the average exchange rate for the year.

Group Sensitivity

At 31 March 2022, had the Fijian dollar strengthened/weakened by the implied volatility of 10% (2021: 10%) against the US dollar, AU dollar and Japanese Yen with all other variables held constant, the Group's post-tax profits would have been as follow:

	2022 Profit or loss		2021 Profit or loss	
Effect in thousands of FJD	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD	**(62)**	**62**	(136)	136
AUD	**(62)**	**62**	(87)	87
JPY	**(21)**	**21**	(13)	13

The Group's sensitivity to foreign exchange risk from other currencies was not material at balance date.

Parent Entity Sensitivity

At 31 March 2022, had the Fijian dollar strengthened/weakened by the implied volatility of 10% (2020: 10%) against the US dollar, AU dollar and Japanese Yen with all other variables held constant, the Company's post-tax profits would have been as follow:

	2022 Profit or loss		2021 Profit or loss	
Effect in thousands of FJD	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD	**(4)**	**4**	(1)	1
AUD	**(42)**	**42**	(69)	69

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Note 3: Financial risk management (continued)
(b) Credit risk (continued)

The Group has a credit policy in place under which each new customer is analysed individually for credit worthiness before the Group's standard payment and delivery terms and conditions are offered. The Group reviews customer's credit history through trade references with the customer's existing trade partners. Sales limits are established for each customer and reviewed on an individual case basis. Any sales exceeding those limits require approval from the Management Committee.

The majority of the Group's customers have been transacting with the Group for several years and no impairment loss has been recognised against these customers. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are wholesale, retail or end-user customer, their geographic location, industry and existence of previous financial difficulties.

At 31 March 2022 and 2021, the ageing of trade and term receivables, gross of impairment provisions, was as follows:

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Up to 3 months	**8,474**	9,136	**6,067**	7,870
3 to 6 months	**397**	99	**71**	78
Over 6 months	**717**	69	**61**	70
	9,588	9,304	**6,199**	8,018

Expected credit loss assessment for individual customers

The following table provides information about the exposure to credit risk and ECLs for trade and lease receivables from individual customers.

	Consolidated			Parent		
31 March 2022	**Weighted-Average loss rate**	**Gross Carrying amount**	**Loss allowance**	**Weighted-Average loss rate**	**Gross Carrying amount**	**Loss allowance**
Current	0%	5,707	-	0%	3,792	-
30 days past due	1%	2,281	23	1%	2,227	22
60 days past due	2%	113	3	2%	3	-
90 days past due	5%	183	9	5%	4	-
91-180 days past due	25%	18	5	25%	-	-
180-270 days past due	50%	15	7	50%	-	-
271- 365 days past due	75%	16	12	75%	-	-
More than 365 days past due	100%	66	66	100%	63	63
		8,399	**125**		**6,089**	**85**

	Consolidated			Parent		
31 March 2021	**Weighted-Average loss rate**	**Gross Carrying amount**	**Loss allowance**	**Weighted-Average loss rate**	**Gross Carrying amount**	**Loss allowance**
Current	0%	5,127	-	0%	4,127	-
30 days past due	1%	2,573	26	1%	2,428	24
60 days past due	2%	1,381	28	2%	1,295	26
90 days past due	5%	7	-	5%	2	-
91-180 days past due	25%	7	2	25%	-	-
180-270 days past due	50%	-	-	50%	-	-
271- 365 days past due	75%	6	5	75%	-	-
More than 365 days past due	100%	71	71	100%	63	63
		9,172	**132**		**7,915**	**113**

The Group and Parent loss allowance does not include the provision for impairment for Other receivables and specific provisioning.

Note 3: Financial risk management (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business of the Company, management aims at maintaining flexibility in funding by keeping committed credit lines available. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

Consolidated	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Greater than 5 years $'000	Contractual Outflows[1] $'000	Carrying Amount[2] $'000
Year ended 31 March 2022						
Trade and other payables	**16,363**	**-**	**-**	**-**	**16,363**	**16,363**
Sale and buy-back liabilities	**107**	**110**	**242**	**-**	**459**	**459**
Sale and buy-back income in advance	**23**	**79**	**521**	**-**	**623**	**623**
	16,493	**189**	**763**	**-**	**17,445**	**17,445**

Consolidated	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Greater than 5 years $'000	Contractual Outflows[1] $'000	Carrying Amount[2] $'000
Year ended 31 March 2021						
Trade and other payables	11,094	-	-	-	11,094	11,094
Sale and buy-back liabilities	350	100	254	-	704	704
Sale and buy-back income in advance	250	22	412	-	684	684
	11,694	122	666	-	12,482	12,482

Parent	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Greater than 5 years $'000	Contractual Outflows[1] $'000	Carrying Amount[2] $'000
Year ended 31 March 2022						
Trade and other payables	**7,251**	**-**	**-**	**-**	**7,251**	**7,251**
Sale and buy-back liabilities	**107**	**110**	**242**	**-**	**459**	**459**
Sale and buy-back income in advance	**23**	**79**	**521**	**-**	**623**	**623**
	7,381	**189**	**763**	**-**	**8,333**	**8,333**

Parent	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Greater than 5 years $'000	Contractual Outflows[1] $'000	Carrying Amount[2] $'000
Year ended 31 March 2021						
Trade and other payables	5,155	-	-	-	5,155	5,155
Sale and buy-back liabilities	350	100	254	-	704	704
Sale and buy-back income in advance	250	23	411	-	684	684
	5,755	123	665	-	6,543	6,543

[1] Contractual outflows are inclusive of interest and fees.

[2] Carrying amount is net of interest and fees.

(d) Capital risk management

The Group's objectives when obtaining and managing capital are to safeguard the group's ability to continue as a going concern and provide shareholders with a consistent level of returns.

Note 4: Critical accounting estimates and judgments
Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Provisions, doubtful debts and obsolescence

Provisions are measured at the value management best estimates an expenditure to be incurred at, to settle a present obligation at balance date. Market situations are often used to estimate provisions. Changes in market situations will create a difference between provisions recorded and actual amounts on settlement.

ii. Depreciation

On acquiring an asset, management determines the most reasonable length of time it expects the Group to maintain that asset with reference to characteristics of similar assets or classes of assets held by the Group presently or in the past. Where there is no reference available to assets or classes of assets held at present or in the past, reference is made to industry benchmarks.

Each year, management assesses the carrying value of assets to determine whether they are impaired. Appropriate revisions to the policies are made, if necessary, or where any significant impairment losses are accounted for in the financial statements as a corrective measure, appropriate disclosure would normally follow.

iii. Impairment of non-financial assets

See Note 2 (t) ii.

(b) Critical judgments in applying the entity's accounting policies

The assessment of the transfer of risk and rewards of ownership to the purchaser requires significant judgment. The Group has determined that sale of vehicles that are subject to guaranteed buy-back provisions represent in substance a financing transaction and are accounted for as operating leases.

Note 5: Segment information

General information

For the Group, the respective management executive committees and the Board act as the ‘key decision makers’. Operating segments have been determined based on reports reviewed by the Board.

The Board considers the business from both a geographic and product perspective.

The reportable operating segments derive their revenue primarily from the retail and aftermarket operations of Toyota, Yamaha, Massey Ferguson, Bridgestone and Kobe franchises.

Sales between segments are carried out under normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the statements of profit or loss and other comprehensive income.

(a) Operating segments

The Group has four reportable segments, which are the four legal entities in the Group: Fiji, Samoa, American Samoa and Tonga. In addition, revenues from external customers for each product or service line has been disclosed comprising: new vehicle, used vehicle, parts, tyres & batteries, service, panel, fuel, car rental, marine products, in-house operating lease vehicle revenue and sale and buy-back revenue. Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment. Segment assets include all assets used by that segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment, net of related segment liabilities consisting primarily of trade and other creditors, employee entitlements and provisions.

Note 5: Segment information (continued)

(a) Operating segments (continued)

2022	**Fiji**	**Samoa**	**American Samoa**	**Tonga**	**Inter-Entity Elimination**	**Group Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue from contracts with customers	**83,641**	**14,918**	**23,836**	**9,652**	**(269)**	**131,778**
Other income	**768**	**19**	**288**	**34**	**(196)**	**913**
Sale with buy-back	**367**	**-**	**-**	**-**	**-**	**367**
In-house operating lease	**20,849**	**-**	**-**	**75**	**-**	**20,924**
Total segment revenue & other income	**105,625**	**14,937**	**24,124**	**9,761**	**(465)**	**153,982**
Segment profit before tax	**12,976**	**1,254**	**1,821**	**674**	**(44)**	**16,681**
Income tax expense (Note 10)	**1,485**	**549**	**696**	**144**	**(1)**	**2,873**
Interest income (Note 20)	**433**	**7**	**109**	**3**	**7**	**559**
Interest expense (Note 20)	**(253)**	**(51)**	**(24)**	**(36)**	**(1)**	**(365)**
Foreign exchange gain (Note 20)	**663**	**94**	**-**	**120**	**-**	**877**
Depreciation expense (Note 8 and Note 15)	**(14,556)**	**(228)**	**(474)**	**(227)**	**-**	**(15,485)**
Segment assets	**110,637**	**12,980**	**17,323**	**5,042**	**(133)**	**145,849**
Acquisitions of property, plant and equipment (excluding in-house operating lease vehicles, sale with buy-back vehicles and hire cars)	**587**	**298**	**91**	**68**	**-**	**1,044**
Segment liabilities	**14,409**	**2,761**	**7,472**	**2,404**	**84**	**27,130**

2021	**Fiji**	**Samoa**	**American Samoa**	**Tonga**	**Inter-Entity Elimination**	**Group Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue from contracts with customers	77,570	11,453	17,432	6,795	378	113,628
Other income	1,407	81	54	132	(854)	820
Sale with buy-back	520	-	-	-	-	520
In-house operating lease	22,022	-	-	-	-	22,022
Total segment revenue & other income	101,519	11,534	17,486	6,927	(476)	136,990
Segment profit before tax	6,576	219	570	217	(523)	7,059
Income tax expense (Note 10)	720	303	389	58	3	1,473
Interest income (Note 20)	455	16	61	4	2	538
Interest expense (Note 20)	(294)	(140)	(26)	(36)	1	(495)
Foreign exchange gain/(loss) (Note 20)	348	139	4	33	(5)	519
Depreciation expense (Note 8 and Note 15)	(16,084)	(366)	(540)	(286)	-	(17,276)
Segment assets	101,190	12,509	11,939	3,920	(9)	129,549
Acquisitions of property, plant and equipment (excluding in-house operating lease vehicles, sale with buy-back vehicles and hire cars)	502	-	448	230	-	1,180
Segment liabilities	13,639	3,701	3,498	1,705	(162)	22,381

(1) The deferred tax liability is presented as a non-current liability on the face of the statement of financial position however, in the segment note the deferred tax asset and liability balances were separately presented in non-current assets and liabilities respectively.

Note 5: Segment information (continued)

(b) Information about products and services

The following discloses revenue from external customers by product or service:

	2022 $'000	2021 $'000
New Vehicles	**75,156**	55,513
Used Vehicles	**9,062**	8,738
Parts	**13,724**	13,211
Tyres & Batteries	**6,811**	7,679
Service	**7,139**	8,147
Panel	**2,292**	2,456
Fuel	**9,244**	9,127
Car Rental	**4,096**	3,655
Marine Products	**4,254**	5,254
Revenue from contracts with customers	**131,778**	113,780
Sale and Buy-Back	**367**	520
In-house Operating Lease	**20,924**	22,065
Other Income	**913**	625
	153,982	136,990

(c) Reportable segment assets and liabilities

The reports provided to the Management Group with respect to assets and liabilities are reviewed and measured in respect of geographical location and are consistent with the financial statements.

(d) Major customer

Revenues from one customer of the Group's Fiji operations represented approximately $20,904,000 (2021: $22,022,000) of the Group's total revenues.

Note 6: Revenue and other income

	Consolidated		Parent	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Revenue				
Product sales	**118,251**	99,524	**73,922**	66,987
Service income	**9,431**	10,604	**6,734**	7,888
Car rental income	**4,096**	3,652	**2,985**	2,695
Revenue from contracts with customers	**131,778**	113,780	**83,641**	77,570
Sale and buy-back income	**367**	520	**367**	520
In-house operating lease income	**20,924**	22,065	**20,849**	22,022
	153,069	136,365	**104,857**	100,112
Other income				
Property rental	**226**	100	**127**	-
Dividend income (Note 27(b))	**-**	-	**-**	703
Gain on sale of fixed assets	**340**	231	**314**	153
Administration and management fees from subsidiaries (Note 27(a))	**-**	-	**196**	181
Other income	**347**	294	**131**	370
	913	625	**768**	1,407
Total income	**153,982**	136,990	**105,625**	101,519

Note 7: Profit before tax

Profit before tax has been determined after:

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Charging as expense:				
Depreciation (Note 8 and Note 15)	**15,547**	17,276	**14,619**	16,084
Employee emoluments and benefits expenses (Note 9)	**9,724**	9,902	**7,965**	8,031
Auditors remuneration for audit services:				
Auditors of the company – KPMG	**198**	160	**94**	80
Other auditors	**108**	103	**100**	53
Amounts set aside/(withdrawn) in respect of provisions:				
Trade and term debts	**(177)**	73	**54**	30
Employee emoluments	**50**	87	**(29)**	55
Employee benefits (Long service leave)	**(94)**	(2)	**(99)**	(7)
Stock obsolescence (Note 13)	**(39)**	77	**(34)**	77
Sundry	**2**	(3)	**-**	(3)

Note 8: Leases

(a) As a lessee

The Group leases assets including land and buildings. Information about leases for which the Group is a lessee is presented below:

Right-of-use assets

	2022	
	Consolidated $'000	**Parent $'000**
	Land and buildings	
Balance at 1 April 2021	**7,510**	**5,211**
Additions	**205**	**205**
Re-measurements	**(330)**	**-**
Depreciation charge for the year	**(1,285)**	**(1,102)**
Balance at 31 March 2022	**6,100**	**4,314**

	2021	
	Consolidated $'000	**Parent $'000**
	Land and buildings	
Balance at 1 April 2020	5,832	5,832
Additions	3,462	943
Re-measurements	(359)	(359)
Depreciation charge for the year	(1,425)	(1,205)
Balance at 31 March 2021	7,510	5,211

Note 8: Leases (continued)

(a) As a lessee (continued)

Lease liabilities

Maturity analysis – contractual undiscounted cash flows

	Consolidated		Parent	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Less than one year	**1,266**	1,808	**1,014**	1,525
One to two years	**871**	1,328	**603**	1,003
Two to five years	**2,131**	2,528	**1,319**	1,523
More than five years	**6,242**	6,210	**4,382**	3,748
Total undiscounted lease liabilities at 31 March	**10,510**	11,874	**7,318**	7,799

Lease liabilities included in the statement of financial position

	Consolidated		Parent	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current	**914**	1,382	**827**	1,299
Non-current	**5,715**	6,788	**3,798**	4,419
	6,629	8,170	**4,625**	5,718

Amounts recognized in profit or loss

	Consolidated		Parent	
	2022	2021	2022	2021
s	$'000	$'000	$'000	$'000
Interest on lease liabilities (Note 20)	**348**	487	**237**	286
Variable lease payments not included in the measurement of lease liabilities	**-**	83	**-**	83
Expenses relating to short-term leases	**320**	110	**320**	110

Amounts recognized in the statement of cash flows

	Consolidated		Parent	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Total cash outflow for leases	**1,701**	1,321	**1,535**	1,092

i. Real estate leases

The Group and the Company leases land and buildings for its office space and retail stores. The leases of office space typically run for a period of five to ten years and leases of retail stores typically run for a period of three to five years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term. Some leases provide for additional rent payments that are based on fixed increased amounts.

ii. Extension options

Some leases of office buildings contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

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Note 9: Employee emoluments and benefits

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Staff	**7,611**	7,505	**6,902**	6,820
Key management personnel (Note 27(c))	**2,113**	2,397	**1,063**	1,211
Total employee emoluments and benefits	**9,724**	9,902	**7,965**	8,031
Superannuation (included in employee emoluments and benefits)	**561**	569	**377**	294

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
Number of employees	**421**	409	**324**	319

The employee emoluments and benefits are included as part of cost of sales and administrative and other expenses in the statements of profit or loss and other comprehensive income.

Note 10: Income Tax

(a) Income tax expense

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Current tax:				
Current tax	**2,572**	1,182	**1,330**	766
Total current tax expense	**2,572**	1,182	**1,330**	766
Deferred tax:				
Origination and reversal of temporary differences	**323**	24	**177**	(152)
Adjustment in respect of prior years	**(22)**	267	**(22)**	106
Total deferred tax expense	**301**	291	**155**	(46)
Income tax expense	**2,873**	1,473	**1,485**	720

Note 10: Income Tax (continued)

(b) The prima facie income tax payable on operating profit before income tax is reconciled to the income tax expense in the statements of profit or loss and other comprehensive income as follows:

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Profit before tax	**16,681**	7,059	**12,976**	6,576
Prima facie income tax expense calculated at 10% (2021: 10%) on operating profit	**1,668**	706	**1,298**	658
Add/ (Deduct) tax effect of amounts which are not deductible				
Fringe benefit tax	**-**	2	**-**	2
Donations	**18**	10	**18**	10
Stamp duty	**-**	1	**-**	1
Legal fees	**4**	4	**4**	4
Other	**453**	(62)	**187**	(62)
	2,143	661	**1,507**	613
Adjustment in respect of prior years	**(22)**	505	**(22)**	107
Difference in overseas tax rates	**752**	307	**-**	-
Income tax expense	**2,873**	1,473	**1,485**	720

Note 11: Cash and cash equivalents and Debt Securities
(a) Cash and cash equivalents

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Cash on hand	**7**	7	**4**	4
Cash at bank	**48,502**	34,052	**33,176**	22,844
Cash and cash equivalents as per statement of cash flows	**48,509**	34,059	**33,680**	22,848
Provision for cash impairment	**(500)**	-	**(500)**	-
Cash and cash equivalents	**48,009**	34,059	**33,180**	22,848

As at 31 March 2022, the Group has not utilised any of its bank overdraft facilities.

(b) Debt Securities

Debt Securities	**-**	10,000	**-**	10,000

Nil Term Deposit held by the Group as at 31 March 2022.

Note 12: Trade and other receivables
(a) Current assets

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	**8,399**	9,172	**6,089**	7,915
Provision for impairment - trade receivables	**(251)**	(269)	**(197)**	(250)
	8,148	8,903	**5,892**	7,665
Term receivables	**1,189**	1,208	**110**	128
Provision for impairment - term receivables	**(25)**	(72)	**-**	-
	1,164	1,136	**110**	128
Receivables from related parties (Note 27(e))	**3**	296	**92**	407
Other receivables	**1,317**	1,464	**1,051**	896
Prepayments	**1,478**	1,796	**1,405**	1,800
	12,110	13,595	**8,550**	10,896

Note 12: Trade and other receivables (continued)
(a) Current assets (continued)

Trade and other receivables are expected to be settled / realised within 3 months and at the latest, within 12 months. Balances outstanding / unrealised beyond 3 months, and assessed to be non-collectable, have all been provided for. The current carrying values of all trade and other receivables are considered to be a close approximation of their fair values. Movements in the provision for impairment of trade and term receivables are as follows:

Provision for impairment - Trade receivables

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
At 1 April	**269**	356	**250**	277
Provision for impairment	**448**	287	**340**	195
Receivables written off during the year as uncollectable	**(47)**	(27)	**(6)**	(27)
Unused amount released	**(422)**	(342)	**(387)**	(195)
Exchange differences	**3**	(5)	**-**	-
At 31 March	**251**	269	**197**	250

Provision for impairment - Term receivables

At 1 April	**72**	73	**-**	-
Provision for impairment	**81**	36	**-**	-
Receivables written off during the year as uncollectable	**(55)**	-	**-**	-
Unused amount released	**(69)**	(34)	**-**	-
Exchange differences	**(4)**	(3)	**-**	-
At 31 March	**25**	72	**-**	-

(b) Non-current assets

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Rental deposits	**263**	179	**239**	159
	263	179	**239**	159
Total trade and other receivables	**12,373**	13,774	**8,790**	11,055

Note 13: Inventories

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Finished goods	**11,605**	10,253	**7,383**	7,394
Provision for obsolescence	**(855)**	(894)	**(519)**	(553)
	10,750	9,359	**6,864**	6,841
Goods in transit	**8,887**	9,021	**5,488**	5,650
Work in progress	**41**	29	**41**	18
	19,678	18,409	**12,393**	12,509

The cost of inventories and the amount of write-downs recognised as an expense and included in ‘cost of sales’ for the group amounted to $89,081,489 (2021: $86,627,077) and $75,540 (2021: nil) respectively. The cost of inventories and the movement in provision recognised as an expense and included in ‘cost of sales’ for the parent entity amounted to $4,184 (2021: $66,000) and $1,350,030 (2021: reversal of $77,000) respectively. The expense portion in the provision for obsolescence is disclosed in Note 7.

Notes to the Financial Statements
For the Year Ended 31 March 2022

Note 14: Other non-financial assets

(a) Other current assets

	Consolidated 2022 $'000	Consolidated 2021 $'000	Parent 2022 $'000	Parent 2021 $'000
Sale and buy-back assets (Note 21)	**84**	270	**84**	270
Other current assets	**s**	97	**-**	45
	256	367	**84**	315

(b) Other non-current assets

	Consolidated 2022 $'000	Consolidated 2021 $'000	Parent 2022 $'000	Parent 2021 $'000
Sale and buy-back assets (Note 21)	**296**	320	**296**	320

Note 15: Property, plant and equipment

	Consolidated 2022 $'000	Consolidated 2021 $'000	Parent 2022 $'000	Parent 2021 $'000
Freehold land and buildings				
At cost	**19,685**	19,807	**12,296**	12,469
Accumulated depreciation	**(9,374)**	(8,988)	**(6,308)**	(6,036)
Leasehold land and buildings				
At cost	**8,284**	3,964	**5,813**	1,523
Accumulated depreciation	**(2,997)**	(2,817)	**(844)**	(708)
Plant and equipment				
At cost	**24,894**	22,916	**17,776**	16,143
Accumulated depreciation	**(16,450)**	(13,747)	**(11,090)**	(8,697)
Sale and buy-back and internally financed operating lease vehicles				
At cost	**57,691**	56,963	**57,488**	56,767
Accumulated depreciation	**(29,792)**	(35,113)	**(29,728)**	(35,090)
Capital work in progress				
At cost	**5,300**	711	**4,321**	381
At end of year	**57,241**	43,696	**49,724**	36,752

Consolidated

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Plant and equipment $'000	Sale and buy-back and internally financed operating lease vehicles $'000	Total $'000
Year ended 31 March 2022					
Carrying amount at 1 April 2021	**11,147**	**1,466**	**9,280**	**21,803**	**43,696**
Additions	**-**	**-**	**2,036**	**18,314**	**20,350**
Disposals	**-**	**-**	**(248)**	**(2,037)**	**(2,285)**
Depreciation	**(294)**	**(159)**	**(3,616)**	**(10,193)**	**(14,262)**
Other movements – transfers*	**(4,494)**	**4,312**	**52**	**(40)**	**(170)**
Capital work in progress additions/(capitalisation)	**7,754**	**1,084**	**1,007**	**-**	**9,845**
Effect of movements in exchange rates	**23**	**6**	**(14)**	**52**	**67**
Carrying amount at 31 March 2022	**14,136**	**6,709**	**8,497**	**27,899**	**57,241**

Note 15: Property, plant and equipment (continued)

Consolidated

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Plant and equipment $'000	Sale and buy-back and internally financed operating lease vehicles $'000	Total $'000
Year ended 31 March 2021					
Carrying amount at 1 April 2020	11,978	708	13,670	31,487	57,843
Additions	87	225	979	3,179	4,470
Disposals	-	-	(2,629)	(1,152)	(3,781)
Depreciation	(467)	(97)	(3,664)	(11,623)	(15,851)
Other movements – transfers*	149	638	1,271	-	2,058
Capital works in progress additions/(capitalisation)	190	105	(183)	-	112
Effect of movements in exchange rates	(790)	(113)	(164)	(88)	(1,155)
Carrying amount at 31 March 2021	11,147	1,466	9,280	21,803	43,696

Parent

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Plant and equipment $'000	Sale and buy-back and internally financed operating lease vehicles $'000	Total $'000
Year ended 31 March 2022					
Carrying amount at 1 April 2021	**6,453**	**1,111**	**7,511**	**21,677**	**36,752**
Additions	**-**	**-**	**1,463**	**18,314**	**19,777**
Disposals	**-**	**-**	**(181)**	**(2,037)**	**(2,218)**
Depreciation	**(208)**	**(139)**	**(2,977)**	**(10,193)**	**(13,517)**
Other movements – transfers*	**(4,494)**	**4,312**	**(85)**	**-**	**(267)**
Capital work in progress additions/(capitalisation)	**7,518**	**672**	**1,007**	**-**	**9,197**
Carrying amount at 31 March 2022	**9,269**	**5,956**	**6,738**	**27,761**	**49,724**

Parent

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Plant and equipment $'000	Sale and buy-back and internally financed operating lease vehicles $'000	Total $'000
Year ended 31 March 2021					
Carrying amount at 1 April 2020	6,825	476	10,874	31,398	49,573
Additions	-	-	637	2,982	3,619
Disposals	-	-	(2,168)	(1,152)	(3,320)
Depreciation	(383)	(84)	(2,860)	(11,551)	(14,879)
Other movements – transfers*	149	638	1,324	-	2,111
Capital work in progress additions/(capitalisation)	(138)	81	(296)	-	(353)
Carrying amount at 31 March 2021	6,453	1,111	7,511	21,677	36,752

* Transfers relate to sale and buy-back vehicles which are transferred from property, plant and equipment to used vehicles inventories upon expiry or early termination of sale and buy-back arrangements. This also includes transfer of former hire cars to used vehicle inventories.

Note 16: Trade and other payables

	Consolidated		Parent	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Trade creditors	**3,194**	1,345	**750**	591
Employee entitlement provisions	**1,375**	1,325	**939**	968
Accrued expenses	**1,891**	1,220	**1,385**	923
Contract liabilities	**5,026**	2,877	**1,959**	1,199
Related parties	**4,013**	2,505	**1,200**	724
Other creditors	**864**	1,822	**1,018**	750
	16,363	11,094	**7,251**	5,155

The contract liabilities primarily relate to the advance consideration received from customers for goods and services not provided, for which revenue is recognised over time and point in time. The amount relating to services is $79,522 (2021: $374,230) for the Group and $69,884 (2021: $139,632) for the Parent and goods is $4,947,454 (2021: $2,503,184) for the Group and $1,889,159 (2021: $1,059,642) for the Parent. This will be recognised as revenue when the service is consumed and goods are in possession of the customers, which is expected to occur over the next year, hence no further information is provided about remaining performance obligations at 31 March 2022 or at 31 March 2021, as allowed by IFRS 15.

Note 17: Provisions

	Consolidated		Parent	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current				
Warranties	**44**	327	**30**	16
Employee benefits	**64**	64	**64**	64
	108	391	**94**	80
Non-current				
Employee benefits	**242**	148	**193**	94
	350	539	**287**	174

Consolidated

	Employee Benefits	Dividends	Warranties	Sundry	Total
	$'000	$'000	$'000	$'000	$'000
Year ended 31 March 2022					
At 1 April 2021	**212**	**-**	**327**	**-**	**539**
Charged/(credited) to profit or loss					
- Additional provisions	**3,471**	**-**	**(13)**	**-**	**3,458**
- Used during the year	**(3,377)**	**-**	**(270)**	**-**	**(3,647)**
At 31 March 2022	**306**	**-**	**44**	**-**	**350**

Consolidated

	Employee Benefits	Dividends	Warranties	Sundry	Total
	$'000	$'000	$'000	$'000	$'000
Year ended 31 March 2021					
At 1 April 2020	219	-	114	3	366
Charged/(credited) to profit or loss					
- Additional provisions	86	-	276	3	365
- Used during the year	(93)	-	(63)	(6)	(162)
At 31 March 2021	212	-	327	-	539

Note 17: Provisions (continued)

Parent

	Employee Benefits $'000	Dividends $'000	Warranties $'000	Sundry $'000	Total $'000
Year ended 31 March 2022					
At 1 April 2021	**158**	**-**	**16**	**-**	**174**
Charged/(credited) to profit or loss					
- Additional provisions	**3,056**	**-**	**(23)**	**-**	**3,033**
- Used during the year	**(2,957)**	**-**	**37**	**-**	**(2,920)**
At 31 March 2022	**257**	**-**	**30**	**-**	**287**

Parent

	Employee Benefits $'000	Dividends $'000	Warranties $'000	Sundry $'000	Total $'000
Year ended 31 March 2021					
At 1 April 2020	160	-	12	3	175
Charged/(credited) to profit or loss					
- Additional provisions	34	-	17	-	51
- Used during the year	(36)	-	(13)	(3)	(52)
At 31 March 2021	158	-	16	-	174

(a) **Dividends**
There were no unpaid dividend for the 2022 financial year (2021: Nil).

(b) **Sundry**
The amount represents provisions for dishonoured cheques. The provision charge is recognised in profit or loss within 'administrative and other expenses'.

(c) **Employee benefits**
Provision for employee benefits relate to long service leave. The group is obliged to reward employees for years of service after 15 and 20 years of continuous employment. This provision estimates the extent of the benefit outstanding to an employee as a proportion of their 15 or 20 years of service and takes into account the possibility of an employee being terminated, terminally ill, unfit for employment, voluntarily resigning or deceased. Employee benefits have been accounted for as per Note 2(k).

Note 18: Other Liabilities

(a) Other current liabilities

	Consolidated		Parent	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Sale and buy-back liabilities (Note 21)	**107**	350	**107**	350
Service contracts	**16**	131	**16**	131
Sale and buy-back income in advance	**23**	250	**23**	250
	146	731	**146**	731

(b) Other non-current liabilities

	Consolidated		Parent	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Sale and buy-back liabilities (Note 21)	**352**	354	**352**	354
Service contracts	**159**	139	**159**	139
Sale and buy-back income in advance	**600**	434	**600**	434
	1,111	927	**1,111**	927

Note 19: Deferred tax assets / (liabilities)

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax asset				
Lease liability	**803**	610	**433**	572
Trade and term debtors	**45**	52	**20**	25
Inventories	**103**	166	**52**	55
Employee benefits	**142**	188	**85**	75
Other	**450**	330	**19**	5
	1,543	1,346	**609**	732
Deferred tax liability				
Property, plant and equipment	**(518)**	(449)	**(493)**	(414)
Right-of-use asset	**(814)**	(471)	**(496)**	(521)
	(1,332)	(920)	**(989)**	(935)

The gross movement on the deferred income tax account is as follows:

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax – 1 April	**426**	(212)	**(203)**	(355)
Exchange differences	**108**	662	**-**	-
Profit or loss charge - current year (Note 10(a))	**(323)**	(24)	**(177)**	152
Deferred tax - 31 March	**211**	426	**(380)**	(203)

Note 20: Net finance income/(cost)

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Finance income				
Interest received	**278**	264	**273**	260
Interest income under the effective interest method from Debt securities – at amortised cost	**281**	274	**160**	195
Foreign exchange gains	**1,066**	764	**740**	453
	1,625	1,302	**1,173**	908
Finance Cost				
Interest expense	**(17)**	(8)	**(16)**	(7)
Interest expense – lease liabilities	**(348)**	(487)	**(237)**	(286)
Foreign exchange losses	**(189)**	(245)	**(77)**	(105)
Total Finance Cost	**(554)**	(740)	**(330)**	(398)
Net finance income	**1,071**	562	**843**	510

Note 21: Sale and buy-back

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Current assets (Note 14(a))	**84**	270	**84**	270
Non-current assets (Note 14(b))	**296**	320	**296**	320
Current liabilities (Note 18(a))	**(107)**	(350)	**(107)**	(350)
Non-current liabilities (Note 18(b))	**(352)**	(354)	**(352)**	(354)

The above receivables and payables are included in the statements of financial position in respect of sale and buy-back transactions of the Consolidated Entity and its subsidiaries as described in Note 2(r).

All sale and buy-back liabilities of the Group are with the two major banks with which the Group operates. The carrying amounts of all sale and buy-back liabilities reflected in the Group's financial statements at balance date are considered to be a close approximation of their fair values.

Note 22: Contributed equity

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Share Capital				
20,000,000 ordinary shares				
Issued and paid up capital				
Issued and paid up capital: 14,032,202 shares	**14,483**	14,483	**14,483**	14,483

Shares of the Company have no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote one vote per share at meetings of the Company and its controlled entities.

Note 23: Dividends per share

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Final dividend of 20 cents per share (2021: 20 cents per share)	**2,806**	2,806	**2,806**	2,806
Total dividends per share (Note 25(b))	**2,806**	2,806	**2,806**	2,806

The dividends are accounted for in accordance with the policy Note 2(m).

Note 24: Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and number of ordinary shares outstanding:

	Consolidated	
	2022	**2021**
	$'000	**$'000**
Profit for the year attributable to members of TTSSL	**13,808**	5,586
Number of ordinary shares	**14,032**	14,032
Basic earnings per share	**0.98**	0.40

(b) Diluted earnings shares

Diluted earnings per share are the same as basic earnings per share.

Note 25: Reserves and retained earnings

(a) Reserves

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Foreign currency translation reserve	**2,441**	1,892	**-**	-
	2,441	1,892	**-**	-

Movements:

Foreign currency translation reserve				
Opening balance	**1,892**	3,030	**-**	-
Currency translation differences arising during the year	**549**	(1,138)	**-**	-
Closing balance	**2,441**	1,892	**-**	-

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 2(d). The exchange differences are recognised in profit or loss when the net investment is disposed of.

(b) Retained earnings

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Retained profits at the beginning of the financial year	**90,793**	88,013	**73,060**	70,010
Net profit attributable to members of TTSSL	**13,808**	5,586	**11,491**	5,856
Dividends (Note 23)	**(2,806)**	(2,806)	**(2,806)**	(2,806)
Closing balance	**101,795**	90,793	**81,745**	73,060

Note 26: Investments in subsidiaries

Investments in subsidiaries (unlisted):

Name of company	TTSSL Investment Percentage		Contribution to group profit after tax		Book Value	
	2022	2021	2022	2021	2022	2021
	%	%	$'000	$'000	$'000	$'000
Toyota Tsusho American Samoa Inc	**100**	100	**1,125**	181	**594**	594
Toyota Tsusho (Tonga) Limited	**100**	100	**530**	156	**1**	1
Toyota Tsusho (Samoa) Limited	**100**	100	**705**	128	**300**	300
			2,360	465	**895**	895

Shares in subsidiaries are carried at cost. They are accounted for in line with policy Note 2(b).

Place of incorporation and place where business is carried out:

Toyota Tsusho American Samoa Inc	American Samoa
Toyota Tsusho (Tonga) Limited	Tonga
Toyota Tsusho (Samoa) Limited	Independent State of Samoa

Note 27: Related parties

Details of interest in subsidiary companies are set out in Note 26.

The immediate holding company of Toyota Tsusho (South Sea) Limited is Toyota Tsusho South Pacific Holdings Pty Ltd incorporated in New South Wales, Australia. Toyota Tsusho Corporation, incorporated in Japan, is the ultimate holding company of Toyota Tsusho (South Sea) Limited by virtue of 100% shareholding in Toyota Tsusho South Pacific Holdings Pty Ltd.

During the year, the company and its subsidiaries entered into transactions with the immediate and ultimate holding companies.

(a) Sale of goods and services

	Consolidated		Parent	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Trade with subsidiaries	**-**	-	**635**	497
Management fees received from the subsidiaries	**-**	-	**196**	181
	-	-	**831**	678

(b) Dividends

	Consolidated		Parent	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Dividend received from Toyota Tsusho (Samoa) Limited	**-**	-	**-**	703
Dividend declared to Toyota Tsusho South Pacific Holdings Pty Ltd	**(2,236)**	(2,236)	**(2,236)**	(2,236)

Note 27: Related parties (continued)

(c) Key management personnel

Key management personnel include the management committee members and the Group's directors who have the authority and responsibility for planning, directing, and controlling the activities of the entity, either directly or indirectly.

In addition to the directors, during the year the following persons were identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling of activities:
Craig Sims (Chief Executive Officer) – parent entity and group. [Resigned – 17 August 2021]
Ronald Kumar (Financial Controller/Company Secretary) – parent entity. [Appointed Acting CEO – 18 August 2021]
Linda Schramm (National Sales Manager – Sales) – parent entity.
Sanjeet Kumar (National Fixed Operations Manager) – parent entity.
Indu Latika Ram (Group IT Manager – Support) – parent entity.
Gyanen Prasad (National Tyres & Battery Manager) – parent entity. [Resigned 10 February 2022]
Evelyn Farouk (Group Car Rental Manager - Avis) – parent entity and group.
Avnit Sundar (Human Resource Manager) – parent entity.
Vinal Nair (Acting Financial Controller) – parent entity. [Appointed 18 August 2021]
August Huch (Chief Executive Officer – Samoa) – group.
Sanesh Chand (Chief Executive Officer – American Samoa) – group.
Tonga Po'oi (Chief Executive Officer – Tonga) – group.

The aggregate compensation of key management personnel is set out below:

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Emoluments	**2,079**	2,214	**1,063**	1,132
Short-term employee benefits	**34**	183	**-**	79
Total emoluments and benefits	**2,113**	2,397	**1,063**	1,211

The aggregate compensation of directors is set out below:

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Directors fee	**10**	10	**10**	10
Other benefits	**11**	11	**11**	11
Total fee and benefits	**21**	21	**21**	21

(d) Purchases of goods and services

The group made the following purchase of goods and services from related parties:

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Purchase of goods (inclusive of any interest):				
Ultimate parent	**33,343**	21,637	**22,931**	13,679
Immediate parent	**10,152**	21,985	**5,428**	16,915
Total goods purchased from related parties	**43,495**	43,622	**28,359**	30,594
Services:				
Immediate parent – management fees	**1,670**	1,725	**1,670**	1,725

Note 27: Related parties (continued)

(e) Year-end balances arising from sale and purchase of goods and services

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Receivable from related parties				
- Subsidiaries	**-**	-	**90**	111
- Other related parties**	**3**	296	**2**	296
Total receivable from related parties	**3**	296	**92**	407

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Payable to related parties				
- Ultimate parent – TTC/TMS	**2,000**	36	**-**	-
- Immediate parent – TTSPH	**1,957**	1,272	**1,144**	700
- Other related parties**	**56**	-	**56**	-
Total payable to related parties (Note 16)	**4,013**	1,308	**1,200**	700

** Other related parties comprise of Toyota Tsusho (PNG) Ltd and Toyota Tsusho (Vanuatu) Limited.

Receivables from related parties arise mainly from cost recharges and are due one month after the date of the transaction. The receivables are unsecured and bear no interest.

Payables to the related parties arise mainly from purchase transactions and are due one month after the date of purchase. Interest is charged mainly on the purchase of vehicles.

Note 28: Contingent liabilities

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Details and estimates of maximum amounts of contingent liabilities are as follows:				
- Guarantees and endorsements	**920**	558	**520**	515

The contingent liability for the Company and Group as at 31 March 2022 is in respect of guarantees and endorsements by the Company and Group relating to customer bonds. The directors are of the opinion that no losses will be incurred in respect of these contingent liabilities.

The company and Group have no further contingent liabilities other than those disclosed above.

Note 29: Commitments for expenditure

Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated		Parent	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Property, plant and equipment	**12,897**	5,139	**12,270**	4,930

Note 30: Matters subsequent to the end of the financial year

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors and management, to affect significantly the operations of the group or of the company, the results of those operations or the state of affairs of the group or of the company in subsequent financial years.

Note 31: Principal activities

During the year, the principal continuing activities of the consolidated entity consisted of the importation and sale of motor vehicles, marine products, power generating equipment, spare parts, car hire and the repairing of vehicles and equipment.

Directors' Declaration

In the opinion of the directors of Toyota Tsusho (South Sea) Limited:

a) the accompanying statements of profit or loss and other comprehensive income of the Company and its subsidiaries are drawn up so as to give a true and fair view of the results of the Company and its subsidiaries for the year ended 31 March 2022;

b) the accompanying statements of changes in equity of the Company and its subsidiaries are drawn up so as to give a true and fair view of the changes in equity of the Company and its subsidiaries for the year ended 31 March 2022;

c) the accompanying statements of financial position of the Company and its subsidiaries are drawn up so as to give a true and fair view of the state of affairs of the Company and its subsidiaries as at 31 March 2022;

d) the accompanying statements of cash flows of the Company and its subsidiaries are drawn up so as to give a true and fair view of the cash flows of the Company and its subsidiaries for the year ended 31 March 2022;

e) the accompanying financial statements have been prepared in accordance with the Companies Act 2015;

f) at the date of these statements there are reasonable grounds to believe the Company and its subsidiaries will be able to pay its debts as and when they fall due; and

g) all related party transactions have been adequately recorded in the books of the Company and its subsidiaries and are reflected in the attached financial statements.

Signed in accordance with a resolution of the Directors.

Dated at Suva this 29 day of June 2022

Akira Shida
Chairman

Craig Joseph Sims
Director

Stock Exchange Information
31 March 2022

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

a) Statement of interest of each director in the share capital of the company or a related corporation as at 31 March 2022 in compliance with Listing Requirements.

Directors' and Senior Managements' interest in the company is nil as at 31 March 2022.

b) Distribution of Share Holding

No. of shareholders	Shareholding	% Holding
104	Less than 500 shares	0.15
40	501 to 5,000 shares	0.32
4	5,001 - 10,000 shares	0.19
2	10,001 to 20,000 shares	0.21
1	30,001 to 40,000 shares	0.26
1	50,001 to 100,000 shares	0.36
1	100,001 to 1,000,000 shares	4.16
2	Over 1,000,000 shares	94.35
155		100.00

c) Top twenty shareholders listing as at 31 March 2022

	No. of shares held	% Holding
TOYOTA TSUSHO SOUTH PACIFIC HOLDINGS PTY LTD	11,181,556	79.68
THE FIJI NATIONAL PROVIDENT FUND BOARD	2,058,162	14.67
QBE INSURANCE (FIJI) LIMITED	583,330	4.16
NIRANJANS AUTOPORT LIMITED	50,885	0.36
UNIT TRUST OF FIJI (TRUSTEE COMPANY) LTD	36,780	0.26
FHL TRUSTEES LIMITED ATF FIJIAN HOLDINGS UNIT TRUST	18,390	0.13
ISHWAR NAND & PRABHA WATI NAND	10,833	0.08
FIJICARE INSURANCE LIMITED	10,000	0.07
FLEISCHMANS LIMITED	6,898	0.05
J SANTA RAM (STORES) LIMITED	5,080	0.04
ISHWAR NAND	5,028	0.04
WINSTON CHAN	3,700	0.03
KIALIKI KEITH-REID	2,877	0.02
TUTANEKAI INVESTMENTS LIMITED	2,241	0.02
GRISH MAHARAJ	1,840	0.01
EDMUND ARTHUR DANYERS JOWETT	1,839	0.01
MOHAMMED HANIFF	1,839	0.01
PHILLIP MORETON NEWMAN	1,533	0.01
SURUJ NARAIN SHARMA	1,380	0.01
PHYLLIS MARY THOMAS	1,380	0.01
ACHUDAN RAMAN	1,380	0.01
MALINI RAGHWAN	1,240	0.01
ISOA SAQANAIVALU KALOUMAIRA	1,207	0.01
	13,989,398	99.70

d) Share Register

Central Share Registry Pte Limited
Shop 1 and 11, Sabrina Building
Victoria Parade
Suva
GPO Box 11689
Suva, Fiji
Ph: 330 4130

e) The Board of directors met four times during the financial year. All four meetings were ordinary meetings. The following table shows the attendance of the directors at the Board meetings.

Director	Number of meetings entitled to attend	Number of meetings attended	Apologies received
Masahiro Kuwahara	4	4	-
Teresa Julia Apted	4	4	-
Digby Bossley	4	4	-
Craig Joseph Sims	4	4	-
Hendra Joewono	4	4	-

f) Past Five Year Performance – Consolidated ($'000)

	2018	2019	2020	2021	2022
Net Profit	16,414	15,871	13,311	5,586	13,808
Assets	121,322	124,621	125,636	129,549	145,849
Liabilities	37,705	30,366	20,110	22,381	27,130
Equity	83,617	94,255	105,526	107,168	118,719
Financial Ratios					
Debt to equity	45%	32%	19%	21%	23%
Return on assets	14%	13%	11%	4%	9%
Return on equity	20%	17%	13%	5%	12%
Leverage	69%	76%	84%	83%	81%
Gearing	222%	310%	525%	479%	438%

g) The following table shows the highest and lowest share price during the course of the year.

	Share Price ($)
Highest	19.25
Lowest	15.50

As at 31 March 2022, the share price was $19.25 per issued share.

TOYOTA TSUSHO (SOUTH SEA) LTD

FINANCIAL STATEMENT 2022