

2022

ANNUAL REPORT



ASSET MANAGEMENT
PROPERTY & FLEET

Board of Directors



Mr. Devanesh Sharma
Chairperson



Mr. Nitish (Bob) Niranjana
Managing Director | CEO



Ms. Jinita Prasad
Director



Mr. Narayan Singh Niranjana
Director



Mr. Ratnesh Singh
Director

Who we are

MISSION

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

CORPORATE GOAL

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

OUR THREE-PRONGED STRATEGY CONTINUOUS BUSINESS IMPROVEMENT

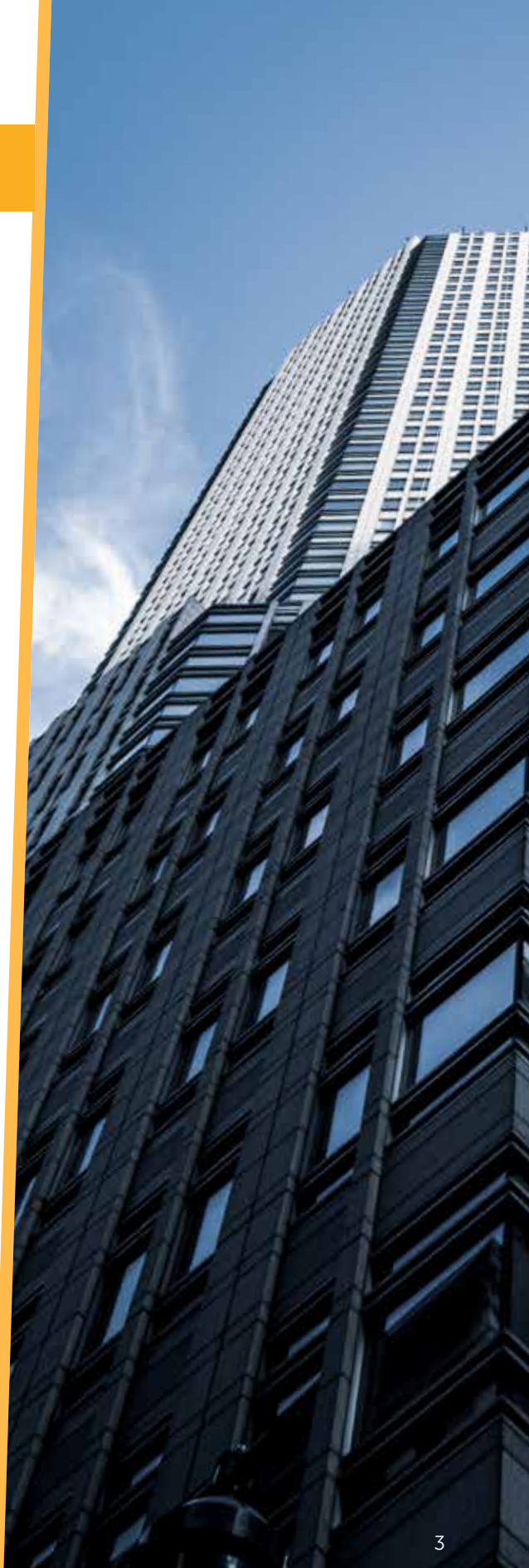
- Restoring operational excellence and profit growth in fleet management
- Growth initiatives in property management
- Strengthening shareholders' equity & stakeholders' interests

BUSINESS CULTURE

- Promote accountability
- Continual growth of shareholders' value

SUSTAINABLE

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



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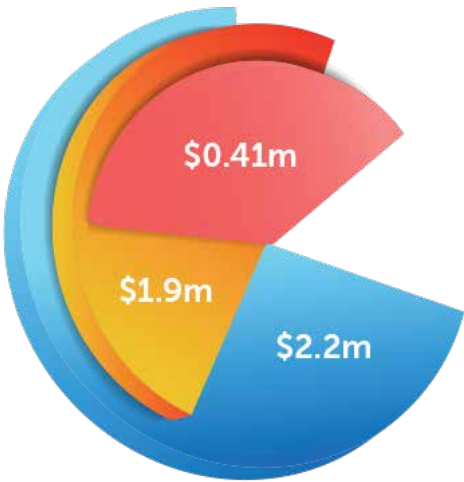
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2022

FINANCIAL HIGHLIGHTS



- **FLEET REVENUE**
\$2.2m
- **PROPERTY REVENUE**
\$0.41m
- **EXPENDITURE**
\$1.9m

MESSAGE

FROM THE CHAIRPERSON & MANAGING DIRECTOR/CEO



Mr. Devanesh Sharma
Chairperson

Dear Shareholders

It is our pleasure to give you a brief report on the happenings of the past year.

Firstly, we thank our shareholders for their steadfast support during the difficult years, as we turned the corner and embraced 2022.

In our report at the last AGM, we had just witnessed the airports coming to life and sentiment turning positive, with much hope and anticipation ahead for the coming year. Fortunately, 2022 turned out to be a very positive year by any measure, with the economy and tourism taking off and finally our businesses and lives returning to some normalcy and growth again.

During the year we quickly learnt the meaning and benefit of border opening and the tourism industry. It saved the economy with the massive GDP growth that Fiji experienced. Employment and investment quickly turned the tap on and shortage of staff and goods created some disruptions, but also led to improved pricing and yield for many industries in the economy.

We were even able to meet in-person for the entire year, rather than on online via Teams and Zoom.

The big change in 2022, has to be in the running of our nation, after a period of 16 years, at the end of the year. So far, we have seen a positive sentiment in the market and community in general. Predictably, the Christmas/New Year holiday period was a massive gain for Fiji's tourism with high numbers of visitor arrivals and turnover being experienced. For some it was an all-time

record, at least as demonstrated by Airline/Hotel/Tours and other services' pricing and yield for most of 2022.

Secondly, we would like to thank our hard working Board and Committees for their work to ensure all aspects of the business are guided well and that all our obligations are being met.


The past two years have been fairly challenging from the pandemic and its impact in various parts of the world, the global supply-chain disruptions and the Russia-Ukraine war, all have triggered unprecedented volatility and uncertainties.

The strong revival in consumer demand post-pandemic alongside the supply chain constraints, has triggered a greater challenge of hyperinflation with sharp price increases in all major commodities including food items. The banks in many countries have raised the interest rates. Fiji managed to control inflation to a large part.

This year in 2022 our journey of small steps to bigger strides has not been without its share of challenges, but this journey has been made possible because of a strong foundation of property and fleet assets, along with the commitment and performance of the Team at VBH.

Financial year 2022 performance for VB Holdings Ltd looks with certainty, given the low base of COVID-impacted FY 2021. However, the revenue in FY 2022 increased by 8.3% when compared revenue in FY 2021. The coming years hold much better prospects for Fleet




Mr. Nitish (Bob) Niranja
Managing Director | CEO

and Property management business as a whole.

Reflecting back through the events of FY 2022, thirdly, we take this moment to express gratitude to our management team who have done a commendable job to ensure that the Company delivers on the commitment made to our customers.

Overall, we are happy that we have been able to deliver what our customers required this year in spite of all the external challenges.

In the backdrop of strong recovery across all key segments, the Company has recorded a slight jump across performance parameters. Our stand-alone revenue increased to \$3.1 million from \$2.9 million in FY 2021, even after write-downs. Assets under Fleet Management reduced however revenue grew by 6.7%, while Property Management assets remained unchanged, however revenue grew by 45%. Meanwhile, total assets grew by 2.95% during 2022.

Beyond an improvement in capacity utilisation, EBITDA grew by 47.88% to \$1.1 million and PAT by 26.17% to \$0.90 million in FY 2022. This year the tax rate applicable for listed companies has changed from 10% to 20%. With no borrowings and a comfortable cash position of \$3.3 million as on December 31, 2022, we have headroom to keep our engines running at full steam. This is an under-appreciated strength, especially in the present times when global uncertainty is high.

We are essentially pleased with, is our ability to fund growth without impeding the strength of the balance sheet. In recent years, we had an opportunity to undertake property investment which has increased our portfolio, thus this also enhanced our property revenue. Due to the strengthening of the cash flow the board of the directors declared and paid a final dividend for year 2021 at the rate of \$0.07cents per share, and the Company also declared and paid two Interim dividends for FY 2022, at the rate of \$0.07cents per share/per dividend payment, totalling \$0.14cents per share for the year. Hence, VBH Cash & Equivalents foundation remains strong.

Our corporate social responsibility enhancement towards the Fiji community, contribution to societies were never neglected amidst of the challenging environment. Schools continued to receive Tablet computers to assist with education.

This year VB Holdings Ltd has completed its 76 years. It has been an exciting journey which has seen our company grow from \$2.5million in 2002 to \$21.1 million of Total assets by financial year 2022. Market capitalisation has also grown from \$0.80 million in 2002 to \$16.03 million at the end of 2022.

We are confident of a stronger and sustainable performance over the medium to long term. We thank all stakeholders for believing in us through the journey. We seek your continued support as we look to value creation for all in the future.

Supporting our Communities



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

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

The program over the years grew

to provide school fees for approximately 70 students a year. However, VB Holdings Ltd under its Corporate Social Responsibility Program, now donates computers, tablets to schools instead, since the Government provides school fees and other educational assistance.

This year the Company has provided tablets to Waidina Secondary School students in the area of Waimaro Naitasiri which is located in Tailevu Province.

Although it has been public company for nearly 76 years, the com-

pany listed on the SPX in 2001. The company has been providing this Educational Program to schools under the Sanjeev Niranjan Scholarship Program and works closely with the Ministry of Education.

We thank our shareholders and customers for their continued support and confidence in VB Holdings Ltd that allows us to provide this dividend to the community.



Social

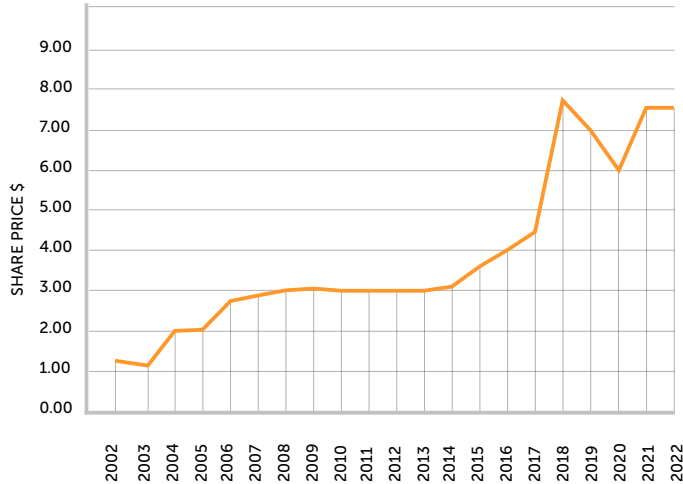
Our positive and scale means we have a key role to play in creating a brighter future for our people, our customers and communities.



VB HOLDINGS LIMITED

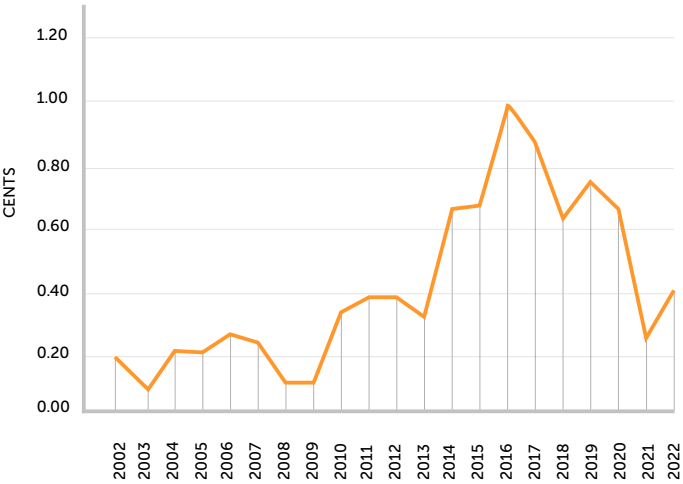
FINANCIAL OVERVIEW TABLE

Years	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Turnover	400,000	605,856	915,218	1,300,084	1,684,575	2,045,180	1,634,233	1,742,274	2,376,094	2,411,017
Net Profit After Tax	117,887	74,250	235,531	332,243	418,223	252,162	150,234	151,078	594,538	697,854
Dividend	80,000	100,000	101,000	158,100	198,900	183,600	213,736	161,313	213,736	213,736
Dividend Per Share (DPS)	0.10	0.10	0.10	0.10	0.13	0.12	0.13	0.13	0.12	0.12
Net Tangible Assets Per	1.36	1.27	1.40	1.72	1.91	1.88	1.93	1.91	2.20	2.47
EPS - \$	0.20	0.07	0.23	0.22	0.27	0.16	0.10	0.10	0.33	0.39
Total Assets	2,529,587	3,282,997	3,109,146	4,520,454	6,573,726	6,813,922	6,261,812	7,735,280	9,765,927	8,486,899
Share Holders Fund	813,085	1,267,335	1,427,466	2,626,709	2,922,532	2,883,994	3,034,228	3,058,806	3,920,513	4,404,631
Share Price	1.33	1.31	2.00	2.11	2.60	2.90	3.00	2.98	2.99	2.98
No of Shares	600,000	1,000,000	1,020,000	1,530,000	1,530,000	1,530,000	1,568,208	1,603,021	1,781,134	1,781,134
Return to Shareholders	12.00%	6.02%	60.31%	10.50%	29.38%	16.15%	7.93%	3.67%	4.36%	3.68%
Return of Equity	14.50%	5.86%	16.50%	12.65%	14.31%	8.74%	4.95%	4.94%	15.16%	15.84%
Fleet Management	37,971	315,756	660,758	1,090,656	1,478,878	1,828,103	1,446,388	1,571,018	2,144,882	2,155,771
Property Management	147,220	124,384	195,410	192,842	205,697	217,077	193,747	171,256	231,212	220,592
Market Capitalisation	798,000	1,310,000	2,040,000	3,228,300	3,978,000	4,437,000	4,704,624	4,777,003	5,325,591	5,307,779



SHARE PRICE TREND

— SHARE PRICE



EARNINGS PRICE TREND

— YEARS

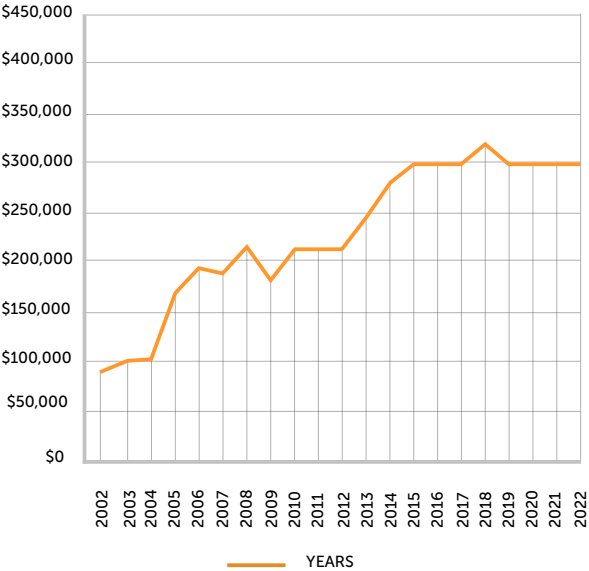
VB HOLDINGS LIMITED

FINANCIAL OVERVIEW TABLE

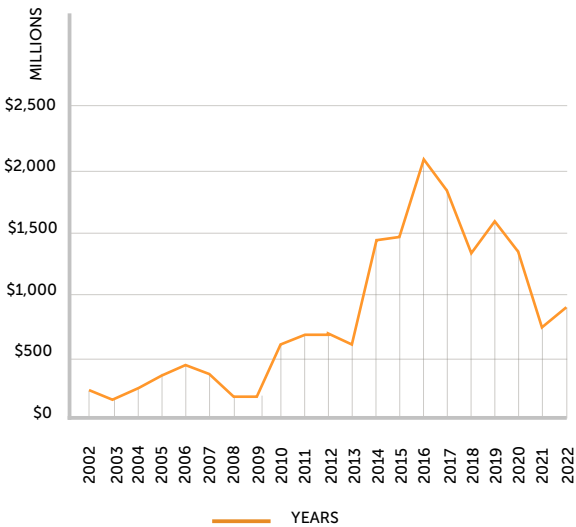
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2,814,181	3,612,272	5,346,499	7,208,289	7,617,177	6,764,140	5,577,963	4,325,649	3,662,675	2,924,248	3,167,129
696,067	609,476	1,389,149	1,414,838	2,094,403	1,860,765	1,356,667	1,618,444	1,399,889	714,699	901,748
213,736	249,359	274,297	299,237	299,236	299,236	320,611	299,236	299,236	299,236	299,236
0.12	0.14	0.14	0.14	0.14	0.14	0.15	0.14	0.14	0.14	0.14
2.74	2.95	4.92	5.38	6.22	7.02	7.43	8.05	8.56	8.83	9.04
0.39	0.34	0.65	0.66	0.98	0.87	0.63	0.76	0.65	0.33	0.42
10,468,616	9,951,026	22,903,960	20,890,643	18,913,864	18,625,352	17,242,063	19,077,376	20,160,024	20,558,532	21,165,042
4,886,962	5,247,079	10,526,047	11,492,030	13,287,197	14,998,344	15,884,782	17,203,990	18,304,643	18,869,724	19,322,617
3.00	3.08	3.18	3.60	3.98	4.50	7.75	7.00	6.00	7.50	7.50
1,781,134	1,781,134	2,137,403	2,137,403	2,137,403	2,137,403	2,137,403	2,137,403	2,137,403	2,137,403	2,137,403
4.70%	7.33%	7.79%	17.61%	14.44%	16.58%	75.56%	-7.87%	-12.29%	27.33%	1.87%
14.24%	11.62%	13.20%	12.31%	15.76%	12.41%	8.54%	9.41%	7.65%	3.79%	4.67%
2,600,994	3,334,971	4,069,079	6,288,774	6,506,441	5,807,655	3,591,576	3,130,457	1,656,262	2,122,609	2,265,186
191,610	192,833	293,421	327,982	307,629	329,130	348,286	335,069	290,633	288,294	417,805
5,343,402	5,485,893	6,796,942	7,694,651	8,506,864	9,618,314	16,564,873	14,961,821	12,824,418	16,030,523	16,030,523

Year	2020	2021	2022
Highest Market Price During Financial Year	7.00	7.50	7.50
Lowest Market Price During Financial Year	6.00	6.00	7.50
Market Price at the end of the Financial Year	6.00	7.50	7.50

DIVIDENDS



NET PROFIT AFTER TAX



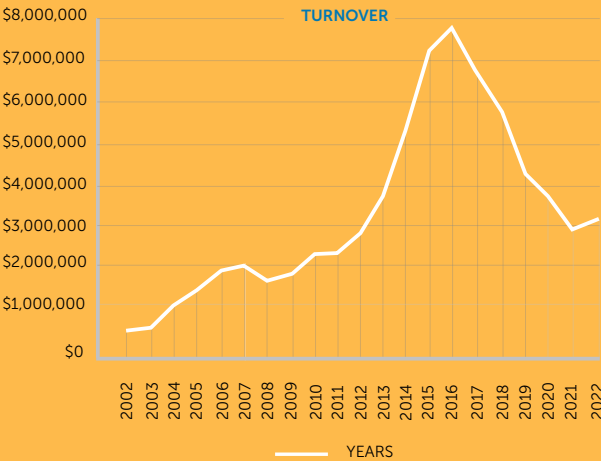
VB HOLDINGS LIMITED

FINANCIAL TRENDS

FINANCIAL RESULTS

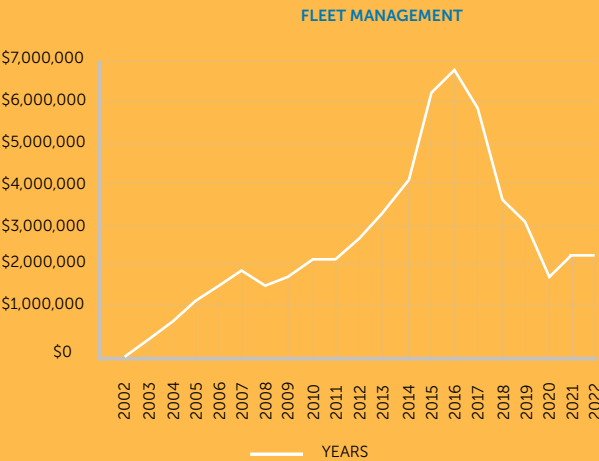
The company recorded total revenue of \$3.1million for the 2022 financial year. The operating profit was recorded at \$1.1million (2021: \$0.60mn) which is a 97% increase compared to the previous year.

Expenditure decreased from \$2.3 million to \$1.9 million in 2022 mainly this improved due to our impairment recovery. Profit after Tax stood at \$0.90 million compared to \$0.70million in 2021. The Company's total assets have increased by \$0.60million with total assets of \$21.1million recorded in 2022. The Net assets of the company increased by \$0.50million and was recorded at a value of \$19.3million at the end of 2022.



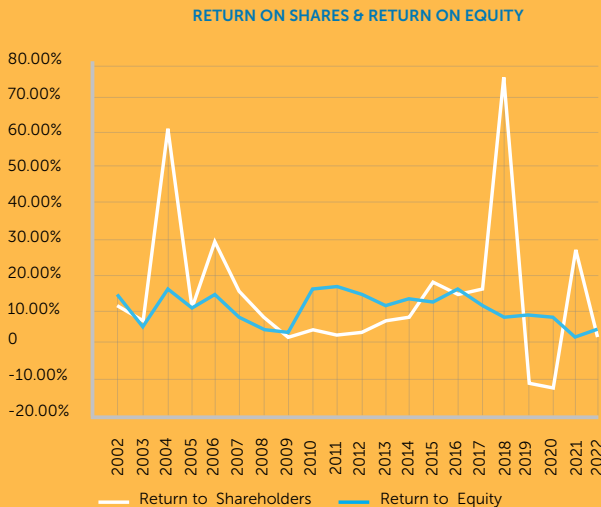
FLEET MANAGEMENT

Fleet Management remains the largest segment of the business. This year Fleet Management has generated 85% of the total revenue. The total revenue for the fleet division for the year 2022 was \$2.2 million compared to \$2.1million in 2021. This slight increase in lease revenue due to incoming and expiring corporate customers of operating lease agreements.



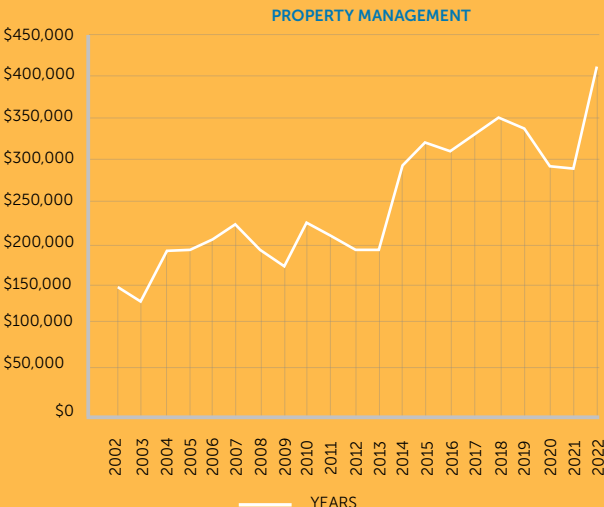
RETURN TO SHAREHOLDERS

Shareholders equity has increased. At the Balance Sheet date, it stood at \$19.32 million. The Board has declared and paid final dividend of 7 cents per share for year 2021 and thus declared and paid interim and final dividend for year 2022 the total dividend payout of 14 cents per share. As at 31 December 2022 the share price of VBH stands at \$7.50 with a total market capitalization of \$16.03 million in same as to \$16.03 million (2021).



PROPERTY MANAGEMENT

The property Management Division has been consistent and stable. The division which was the Company's core business over the past 76 years has contributed to 15% of the total revenue.



VB HOLDINGS LIMITED

CORPORATE GOVERNANCE

#	Principle	Requirement	Compliance
1	Establish clear responsibilities for Board oversight	Separation of duties: Clear separation of duties between Board and Senior Management	Complied Board of Directors' duty is to set strategies, communicate them to the management and review its validity time to time. Senior Management implements the strategies and reports the performances to the Board on a regular basis, to change the direction of the Company.
		Board Charter: Adopt a Board charter detailing functions and responsibilities of the Board. VB Holdings has a board charter in place.	Complied Duties & responsibilities and the strategic direction of the business is discussed at Board meetings and communicated to the Management.
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.	Complied The Board consist of 5 members of which 40% are Executive Directors and the remaining 60% are Non- Executive Directors. In addition, all Non-Executive directors are Independent Directors from the Business. All directors are well qualified and well-experienced in their respective careers.
		Gender Diversity: Do you have a policy for promoting genderdiversity at Board level and have you achieved your policy goals? Yes, VB Holdings has a gender diversity policy. Currently we are in a process of achieving the goal.	Complied The Board always promotes gender diversity. Our female independent director was appointed as a result, diversifying the gender mix of the Board.
		Nomination Committee: Selection, approval, renewal and succession of Directors to be conducted by Nomination Committee in accordance with Articles of Association of the Company and Fit and Proper Policy of Reserve Bank.	Complied Nomination committee is headed by a Non-Executive independent director to ensure transparency of the Board appointments and removals.
		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.	Complied All members of the Board are well qualified and experienced in their respective areas. The board evaluation process is done by the Chairperson on a yearly basis.
		Directors Training: Directors' training and induction procedure to be in place to allow new directors to participate fully and effectively	Complied All Board members have attended numerous trainings in their field of expertise both locally and overseas organised by various organisations including the Reserve Bank of Fiji, Australian Institute of Company Directors, SPX.

#	Principle	Requirement	Compliance																								
		All Directors participate in discussing strategy, performance and financial risk management of the company. The Board met 4 times during the financial year ended 31st December 2022.	<p>Complied: Attendance as follows</p> <table> <tr> <th>Directors</th><th>Meetings Entitled</th><th>Meetings Attended</th><th>Apologies Received</th></tr> <tr> <td>Devanesh Sharma</td><td>4</td><td>3</td><td>1</td></tr> <tr> <td>Nitish Niranjn</td><td>4</td><td>4</td><td>0</td></tr> <tr> <td>Narayan Singh Niranjn</td><td>4</td><td>0</td><td>4</td></tr> <tr> <td>Jinita Prasad</td><td>4</td><td>4</td><td>0</td></tr> <tr> <td>Ratnesh Singh</td><td>4</td><td>4</td><td>0</td></tr> </table>	Directors	Meetings Entitled	Meetings Attended	Apologies Received	Devanesh Sharma	4	3	1	Nitish Niranjn	4	4	0	Narayan Singh Niranjn	4	0	4	Jinita Prasad	4	4	0	Ratnesh Singh	4	4	0
Directors	Meetings Entitled	Meetings Attended	Apologies Received																								
Devanesh Sharma	4	3	1																								
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Narayan Singh Niranjn	4	0	4																								
Jinita Prasad	4	4	0																								
Ratnesh Singh	4	4	0																								
	Appointment of Chief Executive Officer / Managing Director	<p>Board sub-committees:</p> <p>Board must have sub-committees which must at a minimum include</p> <ul style="list-style-type: none"> • Audit Committee; • Risk Management Committee; and • Nomination Committee/Recruitment 	<p>Complied</p> <p>There are three (3) sub-committees namely, the Audit Committee, headed by Ms. Jinita Prasad (Non-Executive Independent Director), Risk Management committee headed by Mr. Nitish Niranjn and the Remuneration Committee and the Nomination Committee, headed by Mr. Devanesh Sharma (Non-Executive Independent Director).</p>																								
3	Appointment of a Board and Company Secretary	<p>CEO:</p> <p>To appoint a suitably qualified and competent Chief Executive Officer/ Managing Director.</p>	<p>Complied</p> <p>Mr. Nitish Niranjn has been appointed as the CEO of the Company and act as a Managing Director of the Company.</p>																								
4	Timely and balanced disclosure	<p>Company secretary:</p> <p>Board to appoint a suitably qualified and competent. Company Secretary, who is accountable to the Board, through Chair, for all compliance and governance issues.</p>	<p>Complied</p> <p>Mr. Nitish Niranjn holds the Company Secretary position of the Company.</p>																								
5	Timely and balanced disclosure	<p>Annual Reports:</p> <p>Timely and accurate disclosures are made in Annual Reports as per Rule 51 of Listing Rules.</p>	<p>Complied</p> <p>All disclosures and announcements are done in a timely basis as per the deadlines stipulated by SPX. The Board meets every quarter to discuss business related matters and communicate them to Senior Management. Financial statements are audited by independent auditors (Ernst & Young) and published with the Annual Report and other required information. Other quarterly information and publications are also available on the SPX Website in a timely manner.</p>																								
		<p>Payment to Directors and Senior management:</p> <p>Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.</p>	<p>Complied</p> <p>Annual Report and the Audited Financial Statements disclose all payments and remuneration paid to directors.</p>																								

#	Principle	Requirement	Compliance
		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.	Complied All disclosures and announcements are published on or before the stipulated time lines and with complete information without omission.
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 training on the same.	Complied The Board always encourages unbiased environment for better and transparent decision making. All decisions are made after careful consideration of all the issue.
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	Complied All related party transactions have been disclosed in the Audited Financial Statements. All dealings between VBH and any related entities are the subject of Commercial Contracts.
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.	Complied All the shareholders are informed via market announcement. The AGM informs shareholders about the performance of the business and declare changes or developments in relations to VBH dividends
		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.	Currently there is no website for VBH, but work is in progress and we will come up with something in the next 12 months
		Grievance Redressal Mechanism: To establish a Grievance Redressal Mechanism for Shareholders to address shareholders' complaints and grievances.	Complied: The Grievance Redressal Policy regulates the process for addressing Shareholder grievances.
		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.	Complied: The Company Secretary and the Compliance Officer are charged with the responsibility to address shareholder complaints. However, there were no complaints received from the shareholder's in the current financial year.

#	Principle	Requirement	Compliance
		Corporate sustainability: To adopt a business approach that creates long-term shareholder value by embracing opportunities, managing risks, maximizing profits and minimizing negative social, economic, and environmental impacts.	Complied VBH has sustained in the market for 76 years and has provided long term return to its shareholders.
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.	Complied The Internal audit department audits the Company's procedures, policies and transactions on a monthly basis and provides a report to CEO for decisions.
		External Audit To appoint an external auditor who reports directly to the Board Audit Committee.	Complied Appointment of external auditors is done at the AGM
		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.	Complied The Board rotates the external auditors every three to six years through a tender process and the senior partner is rotated every 3 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.	Complied Audit Committee is chaired by a Non-Executive Independent director, Ms. Jinita Prasad.
10	Timely and balanced disclosure	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.	Complied Risk Management Policy regulates the procedures of identifying, forecasting and reducing/eliminating risks for the business.
		Whistle Blower Policy: As part of risk management strategy, establish a Whistle Blower Policy by creating a mechanism of reporting concerns of unethical behavior, actual or suspected fraud or violation of the listed entity's code of conduct or ethics policy, SPX Rules or Companies Act. [Refer Rule 68 of the Listing Rules].	Complied Whistle Blower Policy is in place to ensure that all transactions are transparent and comply with our ethical and disclosure obligations.

VB HOLDINGS LIMITED

CORPORATE SOCIAL RESPONSIBILITY

Year	School Name	Location	Allocation
2017	Saint Teresa of Lisieux College	Sigatoka	10 Computer Sets
	Lomawai Secondary School	Sigatoka	10 Computer Sets
	Nakauvadra High School	Rakiraki	10 Computer Sets
	Navosa Central College	Sigatoka	10 Computer Sets
	Nukuloa College	Ba	10 Computer Sets
2018	Ra High School	Rakiraki	10 Computer Sets
	Wainimakutu Secondary School	Namosi	10 Computer Sets
	Mulomulo Muslim Primary School	Nadi	10 Computer Sets
	Naqaqa SDA PrimarySchool	Rakiraki	10 Computer Sets
	Madhuvani Primary School	Rakiraki	10 Computer Sets
	Naria Primary School	Rakiraki	10 Computer Sets
2019	Koroqaqa Primary School	Nausori	6 Computer Sets
	Naitasiri Secondary School	Nausori	6 Computer Sets
	Dravo District School	Nausori	6 Computer Sets
	Ba Methodist Secondary School	Ba	6 Computer Sets
	Balata College	Ba	6 Computer Sets
	Khalsa College	Ba	6 Computer Sets
	Saivou District School	Ra	6 Computer Sets
2020	Navatu Secondary School	Cakaudrove	5 Computer Sets
	Uluivalili College	Cakaudrove	5 Computer Sets
	Vunidawa Sanatan	Nausori	5 Computer Sets
	Tai District School	Nausori	3 Computer Sets
	William Cross College	Suva	5 Computer Sets
	Ba Sanatan College	Ba	5 Computer Sets
	Ba Special School	Ba	3 Computer Sets
	Sigatoka Special School	Sigatoka	3 Computer Sets
	Sigatoka Methodist College	Sigatoka	5 Computer Sets
Year	Name	Location	Allocation of Prizes / Medals & Food Distribution
2021	University of the South Pacific	Suva	Medal / Event Prizes
	Rotary Club of Suva East	Suva	1st Trance Food Distribution
	Rotary Club of Suva East	Suva	2nd Trance Food Distribution
2022	Waidina Secondary School	Nausori	30 Tablet Devices

VB HOLDINGS LIMITED DIRECTOR'S REPORT

For the Year Ended 31 December 2022

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of VB Holdings Limited ("the Company") as at 31 December 2022, the related statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date and report as follows:

Directors

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

Devanesh Sharma - Chairman
Nitish Singh Niranjana - Managing Director / CEO
Narayan Singh Niranjana
Jinita Prasad
Ratnesh Singh

Principal activities

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

Results

The net profit after income tax for the Company amounted to \$901,748 (2021: \$714,699) after providing income tax expense of \$276,308 (2021: \$81,922).

Dividends

During the financial year, the Company declared and paid final dividend for the 2021 financial year of \$149,618 at the rate of 7 cents per share per dividend payment, and the Company declared and paid an interim and final dividend for the current financial year of \$299,237 at the rate of 7 cents per share per dividend payment. (2021: the Company declared and paid an interim dividend totalling \$149,618 at the rate of 7 cents per share per dividend payment).

Reserves

The Directors recommended that no transfer be made to reserves, within the meaning of the Fiji Companies Act.

Going concern

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

Bad and doubtful debts

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

VB HOLDINGS LIMITED

DIRECTORS' REPORT *(Continued)*

For the Year Ended 31 December 2022

Bad and doubtful debts (Continued)

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

Non-current assets

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

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

Unusual transactions

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

Significant events during the year

No transaction or event of a material and unusual nature likely, in the opinion of the Directors, has arisen, to effect significantly the operations of the Company, the result of those operations or the state of affairs of the Company in future financial years.

Subsequent events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Other circumstances

As at the date of this report:

- (i) no charge on the assets of the Company has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities have arisen since the end of the financial year for which the Company could become liable; and
- (iii) no contingent liabilities or other liabilities of the Company have become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

VB HOLDINGS LIMITED

DIRECTOR'S REPORT

For the Year Ended 31 December 2022

Other circumstances (Continued)

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

Auditor independence

The Directors have obtained an independent declaration from the Company's auditor, Ernst & Young. A copy of the auditors independence declaration is set out in the *Auditor's Declaration to the Directors of VB Holdings Limited* on page 22.


Directors' benefits

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

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

Dated this 28th day of March 2023.



Director

Director

VB HOLDINGS LIMITED

DIRECTORS' DECLARATION

For the Year Ended 31 December 2022

This Directors' declaration is required by the Companies Act, 2015.


The Directors of the Company have made a resolution that declares:

- a) In the opinion of the Directors, the financial statements of the Company for the financial year ended 31 December 2022:
 - i) comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the Company as at 31 December 2022 and of the performance and cash flows of the Company for the financial year ended 31 December 2022; and
 - ii) have been prepared in accordance with the Companies Act, 2015.
- b) The Directors have received an independence declaration from the Company's auditor as required by Section 395 of the Companies Act, 2015; and
- c) At the date of this declaration, in the opinion of the Directors, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dated this 28th day of March 2023.



Director

Director

Auditor's Independence Declaration to the Directors of VB Holdings Limited

As lead auditors for the audit of VB Holdings Limited ("the Company") for the financial year ended 31 December 2022, I declare to the best of my knowledge and behalf, there have been:

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

This declaration is in respect of VB Holdings Limited and the entities it controlled during the financial year.



Ernst & Young
Chartered Accountants



Steven Pickering
Partner
Suva, Fiji

28 March 2023

Independent Audit Report

To the Shareholders of VB Holdings Limited

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of VB Holdings Limited ("the Company"), which comprise the statement of financial position of the Company as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 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 (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (*including International Independence Standards*) (IESBA Code) together with 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 judgement, 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.

We have fulfilled the responsibilities described in the *Auditor's responsibilities* for the audit of the financial statements section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Audit Report *continued*

Key Audit Matters *continued*

Classification of leases

Why significant	How our audit addressed the key audit matter
<p>The Company leases motor vehicles to customers under operating and finance lease arrangements.</p> <p>As required by IFRS 16 Leases, the classification of leases as either operating or financing is based on the extent to which the lease transfers the risk and rewards incidental to ownership of an underlying asset. The accounting treatment for operating leases as a lessor is different from the accounting treatment for finance leases, the latter being similar to a sale of the asset with deferred payment terms. Assets under operating leases and finance lease receivables are significant financial statement components.</p> <p>The lease classification has a significant impact on the accounting applied and involves significant judgement. As a result we consider this a key audit matter.</p> <p>Disclosures related to leases are included in Notes 1.3(j), 2(a) and 6 to the financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Understanding and evaluating of Company's controls over leases and the process of determining the classification of leases. ▶ Assessing the accounting applied to both operating and finance leases for appropriateness by reference to IFRS 16. ▶ For a sample of lease arrangements, assessing the lease classifications used by the company considering the contractual terms of the arrangement and the requirements of IFRS 16. ▶ Assessed the disclosures in relation to the classification of arrangements between operating and finance leases in notes 1.3(j), 2(a) and 6 to the financial statements.

Other Information

The Directors and management are responsible for other information. The other information comprises the information in the Company's Annual Report for the year ended 31 December 2022 but does not include the financial statements and the Auditor's Report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work 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 the management and those charged with governance for Financial Statements

The Directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as the Directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors and management are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless the Directors and management either intend to liquidate the Company to cease operations, or have no realistic alternative but to do so.

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

Independent Audit Report *continued*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatement 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 ISA, 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors and management.
- ▶ Conclude on the appropriateness of the Directors' and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Independent Audit Report *continued*

Report on Other Legal and Regulatory Requirements

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

- (i) we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- (ii) the Company has kept financial records sufficient to enable the financial statements to be prepared and audited.



Ernst & Young
Chartered Accountants



Steven Pickering
Partner
Suva, Fiji

28 March 2023

VB HOLDINGS LIMITED

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
Operating revenue	2 (a)	2,682,991	2,410,903
Other revenue	2 (b)	484,138	513,345
Total Revenue		3,167,129	2,924,248
Administrative expenses	3 (b)	(134,962)	(66,149)
Depreciation and amortisation expense	7	(1,418,235)	(1,427,504)
Impairment loss on trade receivables	19 (b)	-	(435,690)
Operating expenses	3 (a)	(435,876)	(398,284)
Total administrative and operating expenses		(1,989,073)	(2,327,627)
Profit from operations		1,178,056	596,621
Change in fair value of investment properties	8	-	200,000
Profit before income tax		1,178,056	796,621
Income tax expense	4	(276,308)	(81,922)
Profit for the year		901,748	714,699
Other comprehensive income		-	-
Total comprehensive income for the year		901,748	714,699
Earnings per share			
Basic earnings per share	11	0.42	0.33

This Statement of Profit and Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

VB HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital \$ (Note 12)	Retained earnings \$	Total \$
As at 1 January 2021		3,688,527	14,616,116	18,304,643
Profit for the year and other comprehensive income		-	714,699	714,699
		<u>3,688,527</u>	<u>15,330,815</u>	<u>19,019,342</u>
Dividends declared	10	-	(149,618)	(149,618)
As at 31 December 2021		<u>3,688,527</u>	<u>15,181,197</u>	<u>18,869,724</u>
As at 1 January 2022		3,688,527	15,181,197	18,869,724
Profit for the year and other comprehensive income		-	901,748	901,748
		<u>3,688,527</u>	<u>16,082,945</u>	<u>19,771,472</u>
Dividends declared	10	-	(448,855)	(448,855)
As at 31 December 2022		<u>3,688,527</u>	<u>15,634,090</u>	<u>19,322,617</u>

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

VB HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	13	3,372,520	830,512
Financial assets	5	508,046	163,046
Trade and other receivables	6 (a)	2,836,371	3,968,216
Current tax asset		68,408	42,996
Total current assets		6,785,345	5,004,770
Non-current assets			
Trade and other receivables	6 (b)	675,298	1,407,879
Plant and equipment	7	3,890,444	4,311,253
Investment properties	8	9,735,001	9,735,001
Deferred tax asset	4	78,954	99,629
Total non-current assets		14,379,697	15,553,762
Total assets		21,165,042	20,558,532
Current liabilities			
Trade and other payables	9	764,041	833,702
Dividends payable	10	76,003	72,690
Total current liabilities		840,044	906,392
Non-current liabilities			
Deferred tax liability	4	1,002,381	782,416
Total non-current liabilities		1,002,381	782,416
Total liabilities		1,842,425	1,688,808
Net assets		19,322,617	18,869,724
Shareholders' equity			
Share capital	12	3,688,527	3,688,527
Retained earnings		15,634,090	15,181,197
Total shareholders' equity		19,322,617	18,869,724

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements

VB HOLDINGS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from operating activities		4,823,212	2,177,013
Payments for operating activities		(640,499)	(628,669)
Interest received		59,134	81,058
Income tax paid		(61,080)	(175,671)
Net cash flows from operating activities		4,180,767	1,453,731
Cash flows from investing activities			
Acquisition of plant and equipment	7	(1,852,482)	(1,748,450)
Acquisition of investment property		-	(2,475,000)
Repayments from Niranjans Autoport Pte Limited (Payment)/proceeds from term deposit		-	1,475,000
		(345,000)	1,345,000
Proceeds from sale of motor vehicles		1,004,265	771,404
Net cash used in investing activities		(1,193,217)	(632,046)
Cash flows from financing activities			
Dividends paid	10	(445,542)	(144,771)
Net cash used in financing activities		(445,542)	(144,771)
Net increase in cash and cash equivalents		2,542,008	676,914
Cash and cash equivalents at 1 January		830,512	153,598
Cash and cash equivalents at 31 December	13	3,372,520	830,512

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. CORPORATE INFORMATION

The financial statements of VB Holdings Limited ("the Company") for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of Directors on 28th March 2023. VB Holdings Limited is a public company incorporated and domiciled in the Republic of Fiji.

The principal activity of the Company is described in Note 23.

1.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

1.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Other disclosures relating to the Company's exposure to risk and uncertainties includes:

- Financial risk management Note 19
- Capital risk management Note 20

Judgements

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

Classification of Leases

As detailed in Note 1.3 (j), the Company enters into leases in the ordinary course of business as lessor and lessee. The classification of leases between operating lease and finance lease is dependent upon the extent to which the lease transfers the risk and reward incidental to ownership of an underlying asset. Further information on leases where the Company is the lessor is disclosed in note 14.

Estimates and assumptions

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

Valuation of investment properties

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

The Company records all other property, plant and equipment at cost less depreciation with nil residual value. Depreciation is calculated on a straight-line basis and the estimation of assets useful life is based on experience of the entity with similar assets.

The key assumptions used to determine the fair value of the properties are provided in Notes 1.3(f), 7 and 8.

1.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Provision for expected credit losses of trade receivables and contract asset

The Company uses a provision matrix to calculate Estimated Credit Loss (ECL) for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company’s historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future. The information about the ECLs on the Company’s trade receivables is disclosed in Note 19(b).

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Functional and presentation currency

The financial statements are presented in Fijian dollars (“FJD”), which is the Company’s functional currency. Except as indicated, financial information presented in FJD has been rounded to the nearest dollar.

(b) Foreign currencies

Foreign currency transactions during the year are translated to Fijian dollars at rates ruling at the date of transaction. Assets and liabilities in foreign currencies at year end are translated to Fijian dollars at rates ruling at balance date. Gains and losses (realised and unrealised) are brought to account in profit and loss.

(c) Revenue recognition

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

Revenue type	Nature, timing of satisfaction of performance obligations and significant payment terms
Rental Income -Property	<p>This relates to rental income from leasing of properties. Customers are required to pay two months deposit in advance before they start occupying rental property. The rent levels are based on the rental space that the customer wants to occupy and by negotiations with tenants. Arrangements are covered by contracts.</p> <p>Revenue is recognised on a straight-line basis over the relevant lease term. A fixed amount of property rental is billed every month. The payment term is 30 days.</p>

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 DECEMBER 2022

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Revenue recognition *(Continued)*

Revenue type	Nature, timing of satisfaction of performance obligations and significant payment terms
Rental Income - Operating Lease	<p>This relates to rental income from operating lease of motor vehicles. Customers are required to pay two months deposit in advance before they take possession of vehicles under lease. The price of rental is based on interest rate agreed with customer, which ranges from 5%-9%, and each arrangement is covered by a contract.</p> <p>Revenue is recognised on a straight-line basis over the relevant lease term. A fixed amount of operating lease rental is billed every month based on the agreed price. The payment term is 30 days.</p>
Interest Income	<p>This relates to interest income on finance leases. Customers are required to pay two months interest income deposit in advance before they take possession of vehicles under lease. The price is based on interest rate agreed with customer.</p> <p>Interest is recognised on an accrual basis using the nominal interest basis and is included within the finance lease. A fixed amount of lease payments is billed every month based on the agreed price. The payment term is 30 days.</p>
Maintenance Income	<p>This relates to servicing and maintenance services provided for vehicles on operating and finance leases. Income is recognized over the term of the lease contract based on the percentage of completion method. The allocation of maintenance income over the term is based on the type of vehicle supported by market data of the expected service costs at 1590 intervals. The difference between the amounts received and amounts recognized as income is accounted for as deferred revenue disclosed with in trade and other receivables. Deferred maintenance income amounted to \$16,355(2021:\$5,536) and will be recognized over the remaining term of the respective lease contracts.</p>
Insurance Income	<p>This relates to insurance cover arranged and put in place on vehicles leased under operating and finance leases arrangements. The amounts charged depends on the insurance policy on the vehicle lease. The Company organizes the insurance policies for all leased vehicles and recharges the same to the customers.</p> <p>Revenue is recognised on a straight line basis over the relevant lease term. A fixed amount of insurance income is billed every month based on the agreed price. The payment term is 30 days.</p>

(d) Expense recognition

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

(e) Cash and cash equivalents.

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

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) Plant and equipment

Owned assets (including operating lease assets)

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

Subsequent expenditure

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

Depreciation

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

Furniture, fittings and office equipment	10%
Motor vehicles	20%

(g) Trade and other receivables

Trade receivables are carried at original invoice amount less allowances made for impairment. Other receivables are recognised and carried at cost less any impairment loss.

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

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

(h) Financial instruments

Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through profit and loss or through OCI); and
- those to be measured at amortised cost.

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 DECEMBER 2022

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(h) Financial instruments *(Continued)*

Financial assets *(Continued)*

*(i) Classification *(Continued)**

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

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

(ii) Recognition and measurement

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

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

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

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

(iii) Impairment of financial assets

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

Financial liabilities

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Company recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments.

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

Financial liabilities (Continued)

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On 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 and loss.

(i) Income tax

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Leases

A lease is classified as a finance lease if it transfers substantially all the risk and rewards incidental to ownership of the leased asset. Otherwise it is classified as an operating lease. Where the lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract otherwise it is classified as form of the contract.

(i) Finance leases - Company as lessee

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

The Company does not have finance lease liabilities during the year (2021: \$Nil)

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 DECEMBER 2022

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Leases *(Continued)*

(ii) Finance leases - Company as a lessor

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

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

(iii) Operating leases - Company as a lessor

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

(k) Trade and other payables

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

(l) Investment properties

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

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

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

Transfers are made to and from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change.

(m) Impairment of assets

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

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 DECEMBER 2022

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(n) Provisions

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

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

(o) Dividend distribution

Dividends paid during the year are subject to the provisions of the Fiji Income Tax Act. Dividends are recorded in the Company's financial statements in the period in which they are declared by the Directors.

(p) Earnings per share

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

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

(q) Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segment. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. The Company operates predominantly within one geographical segment, that is, Fiji. For reporting purposes, the Company considers itself to be operating in two business segments as follows:

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

(r) Comparatives

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

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 DECEMBER 2022

1.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments listed below, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). These amendments did not have an impact on the company.

- Reference to the Conceptual Framework-Amendments to IFRS3;
- Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16 Leases; and
- IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

1.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New pronouncement	Effective date
IFRS 17 Insurance contracts - to replace IFRS 4	1 January 2023
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 \$	2021 \$
2. Revenue		
(a) <u>Operating revenue</u>		
Rental income - operating lease	1,557,444	1,432,951
Maintenance income - operating lease	263,799	244,654
Interest income - finance lease	339,039	346,928
Maintenance income - finance lease	6,682	7,616
Insurance income	98,222	90,460
Rental income - property	417,805	288,294
	<u>2,682,991</u>	<u>2,410,903</u>
All revenue types in the table above are recognised over time.		
(b) <u>Other revenue</u>		
Gain on disposal of motor vehicles	149,209	414,301
Interest Income	59,134	99,044
Income - impairment loss recovered	275,795	-
	<u>484,138</u>	<u>513,345</u>
3. Expenses	\$	\$
(a) <u>Operating expenses</u>		
Management fees	180,000	180,000
Maintenance expense - operating lease	84,683	76,121
Other operating expenses	171,193	142,163
	<u>435,876</u>	<u>398,284</u>
(b) <u>Administrative expenses</u>		
Auditors remuneration - audit services	12,000	12,000
- other services (tax compliance)	2,000	2,000
Bank charges	2,148	1,942
Corporate donation	8,830	11,000
Directors' fees	50,000	25,000
Managing director's remuneration	50,000	5,000
Other administrative expenses	6,603	6,282
Share registry maintenance fees	3,381	2,925
	<u>134,962</u>	<u>66,149</u>

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

4. INCOME TAX	2022 \$	2021 \$
A reconciliation between tax expense and the product of accounting profit multiplied by the tax rate for the years ended 31 December 2022 and 31 December 2021 is as follows:		
Accounting profit before income tax	1,178,056	796,621
At statutory income tax rate of 10%	117,806	79,662
Tax effect of non-deductible income - current year	883	(1,528)
Under provision from prior year	-	1,607
Restatement of deferred tax - change in tax rate	157,619	2,181
Income tax attributable to operating profit	276,308	81,922
The major components of income tax expense are:		
Current tax	35,668	87,998
Under provision from prior year	-	1,607
Temporary differences	83,021	(7,683)
Restatement of deferred tax - change in tax rate	157,619	-
	276,308	81,922
<u>Deferred income tax assets/(liabilities)</u>		
Net deferred income tax at 31 December relates to the following:		
Estimated credit loss	78,954	99,629
Cyclone reserve account	(101,609)	(50,805)
Investment property to fair value	(565,599)	(565,599)
Accelerated depreciation for tax purposes	(335,173)	(166,012)
	(923,427)	(682,787)
Represented on the statement of financial position:		
Deferred tax asset	78,954	99,629
Deferred tax liability	(1,002,381)	(782,416)
Net deferred tax liability	(923,427)	(682,787)

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 \$	2021 \$
5. FINANCIAL ASSETS		
(a) <u>Debt instruments</u>		
<u>Term deposits</u>		
Merchant Finance - cyclone reserve account	163,046	163,046
Westpac Banking Corporation	345,000	-
	<u>508,046</u>	<u>163,046</u>
<p>The term of the investment for Merchant Finance is for 12 months at a fixed interest rate of 1.00% and for Westpac Banking Corporation term of investment is for 12 months at a fixed interest rate of 0.76%</p>		
6. TRADE AND OTHER RECEIVABLES	\$	\$
(a) <u>Current</u>		
Lease receivables	1,805,057	3,634,293
Less: Unearned interest on finance lease receivables	(247,363)	(340,873)
Less: Unearned insurance on finance lease receivables	(27,307)	(32,779)
Less: Unearned maintenance charges on finance lease receivables	(3,813)	(5,224)
Net lease receivables	1,526,574	3,255,417
Deposit	3,034	3,034
Interest receivable	17,695	17,987
Prepayments and other receivables	89,806	67,205
Receivable from Niranjans Autoport Pte Limited	1,525,000	1,525,000
Less: Allowance for impairment losses [Note 19 (b)]	(325,738)	(900,427)
Trade and other receivables- current	<u>2,836,371</u>	<u>3,968,216</u>
(b) <u>Non-current</u>		
Lease receivables	1,053,949	2,118,245
Less: Unearned interest on finance lease receivables	(258,606)	(545,821)
Less: Unearned insurance on finance lease receivables	(38,471)	(68,370)
Less: Unearned maintenance charges on finance lease receivables	(12,542)	(312)
Net lease receivables	744,330	1,503,742
Less: Allowance for impairment losses [Note 19 (b)]	(69,032)	(95,863)
Trade and other receivables- non current	<u>675,298</u>	<u>1,407,879</u>
Total trade and other receivables	<u>3,511,669</u>	<u>5,376,095</u>

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 \$	2021 \$
7. PLANT AND EQUIPMENT		
<i>Furniture, fittings and office equipment</i>		
Cost:		
As at 1 January	73,522	73,522
As at 31 December	73,522	73,522
<i>Accumulated depreciation:</i>		
As at 1 January	65,377	54,855
Depreciation charge for the year	1,212	10,522
As at 31 December	66,589	65,377
Net book value - furniture and fittings	6,933	8,145
<i>Motor Vehicles</i>		
Cost:		
As at 1 January	11,108,180	10,965,097
Additions	1,852,482	1,748,450
Disposal	(2,203,883)	(1,605,367)
As at 31 December	10,756,779	11,108,180
<i>Accumulated depreciation:</i>		
As at 1 January	6,805,072	6,636,354
Depreciation charge for the year	1,417,023	1,416,981
Disposal	(1,348,827)	(1,248,263)
As at 31 December	6,873,268	6,805,072
Net book value - motor vehicles	3,883,511	4,303,108
Net book value as at 31 December	3,890,444	4,311,253
8. INVESTMENT PROPERTIES	\$	\$
Opening balance at 1 January	9,735,001	6,785,001
Additions	-	2,750,000
Fair value adjustment	-	200,000
At 31 December	9,735,001	9,735,001

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 \$	2021 \$
8. INVESTMENT PROPERTIES <i>(Continued)</i>		
Rental income derived from investment properties	417,805	288,294
Direct operating expenses (included repairs and maintenance)	(20,963)	(4,671)
Net profit arising from investment properties	<u>396,842</u>	<u>283,623</u>

Properties were valued as at 31 December, 2022 based on the reports by an independent valuer (Pacific Valuations Pte Limited) using the market approach, applying the comparable sales method resulting in \$Nil increase in the value attached to the Company's existing investment properties (2021: \$200,000). The Independent valuer were of the view that the fair value of existing property has not changed due to no comparable market data available. Due to the lack of active market information the experts are of the view that the existing properties fair values will not change. The Directors have adopted the valuation reports and are of the view that the carrying amounts recorded approximate the fair values of the properties as at 31 December 2022.

The valuations are based on Level 3 inputs. The valuer based its assessment on comparable sales information obtained from market sources around land sale rates per square metre and building sale rates per square metre in the same comparable locations. Land rates of \$1,037-\$2,780 per square metre and building rates of \$744-\$2,985 per square metre have been used.

	\$	\$
9. TRADE AND OTHER PAYABLES		
Rental deposits	66,316	67,915
Lease deposits	665,227	747,796
Other payables and accruals	32,498	17,991
	<u>764,041</u>	<u>833,702</u>

10. DIVIDENDS PAYABLE

As at 1 January	72,690	67,843
Dividends declared	448,855	149,618
Dividends paid	(445,542)	(144,771)
As at 31 December	<u>76,003</u>	<u>72,690</u>

The Company paid dividends of \$448,855 in 2022 (\$149,618, in 2021) and an accumulated amount of \$76,003 as at 31 December 2022 (\$72,690 as of 31 December 2021) were unclaimed.

	\$	\$
11. EARNINGS PER SHARE		
Net profit for the year	901,748	714,699
Number of equity shares outstanding	2,137,403	2,137,403
Basic and diluted earnings per share	<u>0.42</u>	<u>0.33</u>

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 \$	2021 \$
12. SHARE CAPITAL		
<u>Issued and paid up capital</u>		
2,137,403 ordinary shares	3,688,527	3,688,527

The share premium reserve amounting to \$1,534,176 and the forfeited shares amounting to \$16,948 were transferred under the share capital in 2017 as per the Companies Act 2015.

	\$	\$
13. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of balances as follows:		
Westpac Banking Corporation	3,372,383	830,375
Bank of Baroda	137	137
Total cash and cash equivalents	3,372,520	830,512

The Company has pre-approved overdraft facility with Westpac Banking Corporation of \$100,000 subject to an interest rate of 4.50% per annum which is secured by the following:

- i) Registered mortgage debenture by the Company over all its Assets and Undertakings including uncalled and called but unpaid capital.
- ii) Registered first all monies mortgage No. 44668 by the Company over Suva, Fiji - Corner of Stewart Street and Waimanu Road CT No. 2477.

	\$	\$
14. FUTURE OPERATING LEASE RENTALS		
The Company has provided properties and motor vehicles under operating leases to customers on normal commercial terms and conditions on monthly rentals.		
Operating lease rentals are expected as follows:		
Not later than 2022	-	2,437,150
Not later than 2023	1,506,879	1,445,299
Not later than 2024	802,490	646,994
Not later than 2025	380,614	147,964
Not later than 2026	127,723	87,478
	2,817,706	4,764,885

Operating leases - Company as lessor

The Company acts as lessor of properties and motor vehicles. These leases have an average life between 1 and 5 years with certain contracts having a renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into leases for properties. For motor vehicle under operating lease, variable lease payments are charged to customers when the respective millage limit has exceeded. Rental income recognised by the Company during the year is disclosed in Note 8, whereas rental income for the year from properties is disclosed in Note 2(a).

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

15. FUTURE LEASE RECEIVABLES

Lease expenditure contracted for motor vehicle receivables are as follows:

	2022 \$	2021 \$
Not later than 2022	-	1,730,637
Not later than 2023	1,197,202	1,147,161
Not later than 2024	656,499	607,050
Not later than 2025	250,180	217,680
Not later than 2026	124,365	146,351
Not later than 2027 and later years	41,162	-
	<u>2,269,408</u>	<u>3,848,879</u>
Less: Unearned interest on finance income and maintenance charges	(588,102)	(993,379)
Net lease receivables	<u>1,681,306</u>	<u>2,855,500</u>

16. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2022 (2021: \$Nil).

17. SEGMENT INFORMATION

(a) Secondary reporting – geographical segment

The Company operates in the geographical segment of Fiji.

(b) Primary reporting - business segments 2022

	Fleet management \$	Property management \$	Total \$
Operating revenue	2,265,186	417,805	2,682,991
Other revenue	484,138	-	484,138
	<u>2,749,324</u>	<u>417,805</u>	<u>3,167,129</u>
Segment result before income tax and finance costs	781,214	396,842	1,178,056
Profit before income tax expense	781,214	396,842	1,178,056
Income tax expense	(276,308)	-	(276,308)
Net profit	<u>504,906</u>	<u>396,842</u>	<u>901,748</u>
Segment assets	11,430,041	9,735,001	21,165,042
Segment liabilities	<u>1,842,425</u>	<u>-</u>	<u>1,842,425</u>
Acquisition of plant and equipment	1,852,482	-	1,852,482
Depreciation expense	<u>1,418,235</u>	<u>-</u>	<u>1,418,235</u>
Net cash flows from operating activities	3,783,925	396,842	4,180,767
Net cash flows from/(used in) investing activities	(1,193,217)	-	(1,193,217)
Net cash flows used in financing activities	<u>(378,711)</u>	<u>(66,831)</u>	<u>(445,542)</u>

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

17. SEGMENT INFORMATION (Continued)

(b) Primary reporting - business segments 2021

	Fleet management \$	Property management \$	Total \$
Operating Revenue	2,122,609	288,294	2,410,903
Other revenue	313,345	-	313,345
Change in fair value of investment property	-	200,000	200,000
	<u>2,435,954</u>	<u>488,294</u>	<u>2,924,248</u>
Segment result before income tax and finance costs	512,998	283,623	796,621
Profit before income tax expense	512,998	283,623	796,621
Income tax expense	(53,560)	(28,362)	(81,922)
Net profit	<u>459,438</u>	<u>255,261</u>	<u>714,699</u>
Segment assets	10,823,531	9,735,001	20,558,532
Segment liabilities	<u>1,688,808</u>	<u>-</u>	<u>1,688,808</u>
Acquisition of plant and equipment	1,748,450	2,750,000	4,498,450
Depreciation expense	<u>1,436,814</u>	<u>-</u>	<u>1,436,814</u>
Net cash flows from operating activities	1,198,470	255,261	1,453,731
Net cash flows used in investing activities	1,842,954	(2,475,000)	(632,046)
Net cash flows used in financing activities	<u>(123,055)</u>	<u>(21,716)</u>	<u>(144,771)</u>

18. RELATED PARTY TRANSACTIONS

(a) Directors

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

Devanesh Sharma	Jinita Prasad
Nitish Singh Niranjana	Ratnesh Singh
Narayan Singh Niranjana	

Key Management Personnel

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) of that entity. These personnel were not paid by the Company. However, management fees were paid to a related entity which pays remuneration for them.

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

Name	Current title
Devanesh Sharma	Chairman
Nitish Singh Niranjana	Chief Executive Officer / Company Secretary
Ratnesh Singh	Director

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021	
18. RELATED PARTY TRANSACTIONS (Continued)	\$	\$	
(a) Directors (Continued)			
The values of transactions with related parties were as follows:			
Directors' fees	50,000	25,000	
Managing Director's remuneration	<u>50,000</u>	<u>5,000</u>	
(b) Amounts receivable from related companies	\$	\$	
Net owing by related companies			
Jans Rental Cars Ltd	-	572,220	
Niranjans Hireplant Limited	<u>125,600</u>	<u>125,763</u>	
Advance			
Niranjans Autoport Limited - Current	<u>1,525,000</u>	<u>1,525,000</u>	
VB Holdings Limited had given an advance of \$3,000,000 to Niranjans Autoport Pte Limited at 3.5% per annum during 2020 for a term of twelve months. Niranjan Autoport Pte Limited has made repayment of \$1,475,000 during 2021. The term was rolled over for a further twelve months during the year.			
(c) Transactions with related parties			
All transactions disclosed in the financial statements with related parties during the year were:			
Related party	Transaction type	\$	\$
Income:			
Jans Rentals Cars Pte Ltd	Operating lease income	923,697	1,180,179
Niranjans Hireplant Limited	Finance lease income	43,753	67,600
Niranjans Motor Corporation Pte Ltd	Rental income	66,055	71,560
Niranjans Motor Corporation Pte Ltd	Sale of motor vehicles	-	142,603
Niranjans Autoport Pte Ltd	Lease and maintenance	5,041	9,276
Niranjans Autoport Pte Ltd	Sale of motor vehicles	762,535	637,186
Niranjan Autoport Pte Ltd	Interest income	<u>52,936</u>	<u>87,429</u>
Expenses			
Niranjans Autoport Pte Ltd	Management fees	180,000	180,000
Niranjans Autoport Pte Ltd	Maintenance expense	<u>84,683</u>	<u>76,121</u>
Capital expenditure			
Niranjans Autoport Pte Ltd	Motor vehicle purchases	1,852,482	1,607,763

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022 \$	2021 \$
18. RELATED PARTY TRANSACTIONS <i>(Continued)</i>			
(c) Transactions with related parties <i>(Continued)</i>			
Related party	Transaction type		
<u>Finance lease</u>			
Niranjans Autoport Pte Ltd	Motor vehicle purchases	<u>105,935</u>	<u>1,094,597</u>
<u>Advance</u>			
Niranjans Autoport Pte Ltd	Cash advance	<u>-</u>	<u>1,525,000</u>
<u>Deposits</u>			
Jans Rentals Cars Pte Ltd	Lease deposit	<u>7,018</u>	<u>7,018</u>

19. FINANCIAL RISK MANAGEMENT

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

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

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

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

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

	2022 \$	2021 \$
<u>Fixed rate instruments</u>		
Financial assets	<u>508,046</u>	<u>163,046</u>

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 DECEMBER 2022

19. FINANCIAL RISK MANAGEMENT *(Continued)*

(a) Market risk *(Continued)*

(i) Interest rate risk (Continued)

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

	Increase/ (decrease) in interest rate	Effect on profit before tax
2022	+100 bp	1,178
	-100 bp	(1,178)
2021	+100 bp	597
	-100 bp	(597)

(ii) Cash flow and fair value interest rate risk

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

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's operating and finance lease receivables, other receivables and cash and cash equivalents which are measured at amortised cost.

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

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

Operating leases

There are no restrictions placed upon the lessee by entering into leases for properties. For motor vehicle under operating lease, variable lease payments are charged to customers when the respective mileage limit has exceeded.

The Company applies the IFRS 9 simplified approach to measure expected credit losses for operating and finance lease receivables and other receivables.

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

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

19. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

The following table provides analysis about the exposure to credit risk expected credit losses for trade receivables as at 31 December 2021

	Expected weighted average loss rate	Gross carrying amount \$	Loss allowance \$
Current portion of trade receivables			
Accounts collectively assessed			
Current portion of long-term receivables not yet due	6.4%	1,351,761	88,125
Other trade receivables			
Current	6.4%	189,571	12,124
1 to 30 days past due	11.2%	213,647	23,828
31 to 60 days past due	18.2%	207,500	37,766
61 to 90 days past due	25.0%	169,218	42,305
More than 90 days past due	45.0%	777,348	349,807
		2,909,045	553,955
Accounts individually assessed		346,372	346,472
Total		3,255,417	900,427
Non-current portion of trade receivables			
	6.4%	1,503,741	95,863

The following table provides analysis about the exposure to credit risk and expected credit losses for trade receivables as at 31 December 2022:

	Expected weighted average loss rate	Gross carrying amount \$	Loss allowance \$
Current portion of trade receivables			
Accounts collectively assessed			
Current portion of long-term receivables not yet due	9.3%	934,872	86,899
Other trade receivables			
Current	9.8%	123,882	12,135
1 to 30 days past due	17.2%	83,605	14,417
31 to 60 days past due	26.1%	40,052	10,422
61 to 90 days past due	35.0%	13,480	4,718
More than 90 days past due	47.0%	251,955	118,419
		1,447,846	247,010
Accounts individually assessed		78,728	78,728
Total		1,526,574	325,738
Non-current portion of trade receivables			
	9.3%	744,330	69,032

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 DECEMBER 2022

19. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Credit risk *(Continued)*

Movement in allowance for impairment losses on trade receivables:

	\$ Non-current	\$ current	\$ Total
Balance at 1 January 2021	112,348	448,252	560,600
(Reversal of impairment)/Impairment losses recognised during the year	(16,485)	452,175	435,690
Balance at 31 December 2021	95,863	900,427	996,290
Write off against Impairment losses during the year	(70,200)	(255,525)	(325,725)
Impairment loss recognised/(reversal of impairment) during the year	43,369	(319,164)	(275,795)
Balance at 31 December 2022	69,032	325,738	394,770

While cash and cash equivalents, other receivables and term deposits are also subject to impairment requirements of IFRS 9, any impairment loss is deemed immaterial, due to their short term nature and history of no default.

The assessment of trade debtors' provisioning was done by the Company based on the IFRS 9 model and on historical assessment of the Company's debt collection. There is a contractual agreement made between the Company and the customer which is signed by both parties stating the terms of the contract. The Company has full rights over the assets (motor vehicle being financed) that are leased under both operating and finance lease arrangements, thus in case of default of payment by the customer or the customer failing to meet the terms of the contract, the Company has full right to repossess the vehicle from the customer or take legal action in circumstances whereby the customer fails to meet all terms stated in the contractual agreement. The management is confident on the recoverability of both the current and long term debtors irrespective of the external economic challenges and thus ample provisions have been made on this on the IFRS 9 model.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

	Less than 3 months \$	Between 3 months and 1 year \$	Total \$
2022			
Trade and other payables [Note 9]	98,814	665,227	764,041
Dividend payable [Note 10]	76,003	-	76,003
Total	174,817	665,227	840,044
2021			
Trade and other payables [Note 9]	85,906	747,796	833,702
Dividend payable [Note 10]	72,690	-	72,690
Total	158,596	747,796	906,392

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

FOR THE YEAR ENDED 31 DECEMBER 2022

20. CAPITAL RISK MANAGEMENT

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

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

The Company monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total interest bearing borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Company's statement of financial position plus net debt. As at 31 December 2022, there were no interest bearing borrowings (2021: Nil). Consequently, the Company's total assets is funded by equity.

21. CAPITAL COMMITMENTS

VB Holdings Limited has a capital commitment of nil (2021: nil)

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

22. SIGNIFICANT EVENTS DURING THE YEAR

No other transaction or event of a material and unusual nature likely, in the opinion of the Directors, has arisen, to effect significantly the operations of the Company, the result of those operations or the state of affairs of the Company in the future financial years.

23. PRINCIPAL ACTIVITIES

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

24. COMPANY DETAILS

Company incorporation

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

Registered office and principal place of business

The registered office of the Company is located at:

366 Grantham Road

Suva, Fiji.

Number of employees

There were no employees employed by the Company during the year (2021: Nil).

25. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

VB HOLDINGS LIMITED

OTHER INFORMATION - SOUTH PACIFIC STOCK EXCHANGE DISCLOSURE REQUIREMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

(a) *Statement of interest of each Director in the share capital of the Company as at 31 December 2022*

Directors	<u>Direct Interest</u> <u>(Number of Shares)</u>	<u>Indirect Interest</u> <u>(Number of Shares)</u>
Nitish Singh Niranjana	724,499	-
Narayan Singh Niranjana	229,420	-
Ratnesh Ravindra Singh	2,261	-

Distribution of share holding

(b) No. of Shareholders	Shareholding	Total Percentage Holding
47	0 - 500	0.21
52	501 - 5,000 shares	4.22
7	5,001 - 10,000 shares	2.26
3	10,001 - 20,000 shares	2.44
1	20,001 - 30,000 shares	1.06
3	40,001 - 50,000 shares	6.02
2	50,001 - 100,000 shares	5.77
5	100,001 - 1,000,000 shares	78.03
Total 120		100.00

Share Register

(c) **Central Share Registry Pte Limited**

Shop 1 and 11
Sabrina Building
Victoria Parade
Suva
Fiji.

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

(d) <u>Shareholders</u>	<u>No. of Shares</u>
Nitish Niranjana	724,499
N S Niranjana Holdings Ltd	356,285
FHL Trustees Limited ATF Fijian Holdings Unit Trust	253,658
Narayan Singh Niranjana	229,420
Sashi Kant Lakhan	103,888
Francesa Niranjana	72,398
Trustee of AP Sabha	50,900
Patelkhatri Investments (Fiji) Ltd	46,328
The South Pacific Investment Company Limited	42,000
Pacific Gas Company Limited	40,284
Sundar Masih Sukhu	22,664
Jimaima T Schultz	19,783
Abdul Sayed Jalal	19,349
Rama Kant Lakhan	12,989
Kamla Singh	8,207
Hardayal Singh	8,197
Warwick Pleass	7,400
Tutanekai Investments Limited	6,700
Satya Nand Nandan	6,375
Jai Narayan Jokhan	6,281







366 Grantham Rd, Suva, Fiji.
info@vbholdingsltd.com
G.P.Box 450 Suva
+679 3381555