

ANNUAL REPORT

2023

**ASSET MANAGEMENT
PROPERTY & FLEET**



BOARD OF DIRECTORS



Mr. Devanesh Sharma
Chairperson



Mr. Nitish (Bob) Niranjana
Managing Director | CEO



**Ms. Chemonica
Prianna Niranjana**
Director



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 the 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 GROWTH

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



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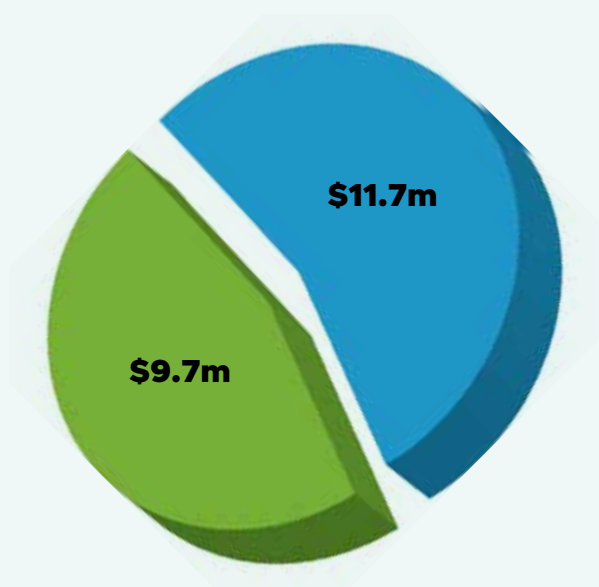


2023 FINANCIAL HIGHLIGHTS

ASSET UNDER MANAGEMENT

* **FLEET ASSET** GROSS VALUE
\$11.7m

* **PROPERTY ASSET**
\$9.7m



MESSAGE

FROM THE CHAIRPERSON & MANAGING DIRECTOR/CEO



Mr. Devanesh Sharma
Chairperson



Mr. Nitish (Bob) Niranjan
Managing Director | CEO

Dear Shareholders

It is our privilege to present to you the performance of the Company for the financial year 2023, by way of this annual report.

The year just completed was a transformative year for VB Holdings Limited, marked by progress on investments as an asset management company, with a strong focus on operational efficiency, and an exciting new venture. Having successfully navigated the challenges of the past and positioned ourselves for sustainable growth in the years to come.

2023 saw a slow 1st half and an active late 2nd half. The future looks brighter and certain. Business continued to turn around for the better and new commercial contracts were entered into for both our property leasing and fleet leasing businesses.

In recent years the company has had a strong

cash position, where it accumulated cash reserves due to subdued business conditions during the Covid years and the lack of suitable investment opportunities that are aligned with our strategic goals.

However, in 2023 a rare opportunity arose that just fell into VB Holdings Ltd's long-term strategic goal of entering the Insurance sector. Discussed at the Board level over the past years has been the natural expansion of our fleet management business into auto-related insurance.

The company is pleased with the opportunity to participate in the Institutional offer for equity in the upcoming listing of Sun Insurance Company Limited (SICL) on the South Pacific Stock Exchange (SPX). The final negotiations meant that VBH was able to take a significant stake before the IPO and be given a seat on the Board of SUN Insurance. While discussions took several months to conclude the deal was

concluded finally in the last week of December 2023.

The investment of \$5,000,000 which is the largest investment undertaken by VB Holdings in its entire history, was strategically important. VB Holdings Ltd now owns an equity stake of 5.10% and is therefore classified as a substantial investor by the SPX listing rules. We believe this investment in the insurance sector will be beneficial to our company as a long-term investment and now our 3rd segment along with Property and Fleet.

Meanwhile, in 2023 we saw the last fleet disposals and write-downs from the Covid period and that meant that revenue showed only a slight decrease of 3.59%. The benefits from the new contracts entered into will be realized in the 2024 period and beyond.

In the same way, a new tenant contract with the Government sector for our commercial office premises concluded in the 2nd half of the year, will show a positive impact in 2024, as vacancy rates reduce.

Also affecting 2023 was the new tax regime handed down by the new government, which meant an increase from 20% to 25%, thus reducing our Profit After-Tax (PAT). This was followed from the previous year when all listed companies on the SPX, with no consultation and notice by the previous government, were directed to double their tax payable, with an increase in the tax rates from 10% to 20%, which has affected our cash surplus for investment purposes.

The Company's total assets have also increased by \$0.78million with total assets of \$21.9million recorded in 2023.

One thing that we are essentially proud of is our ability to fund growth without impeding

the strength of the balance sheet. In the last few years, our property portfolio has increased with the purchase of the Bidesi Building on Waimanu Rd, Suva. This has also enhanced property revenue.

In 2023 the company paid out a record dividend of \$0.18 cents per share, due to the strengthening of the cash flow. Our investment in the Insurance sector has also been from our own funds without a need to take a commercial loan. We remain focused on our core businesses and we are confident in the ability to drive long-term growth and value creation for our shareholders.

A detailed analysis of the company's activities and performance can be found in the section of the Directors' Report.

This year VB Holdings Ltd has completed its 77 years and it is once again on the growth path with the benefits of the post-covid strategy to be realised in the years ahead.

On behalf of the Board, we would like to thank our talented team for their hard work and dedication, and our shareholders for their continued support. We look forward to building on our achievements and delivering sustainable growth in the years to come.

19 April 2024

SUPPORTING OUR COMMUNITIES



VBH was established in 1945 and has been setting aside a portion of its profits to provide educational scholarships. Since its foundation in the mid-90's, the company 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 and tablets to schools instead, since the Government provides school fees and other educational assistance.

The company has been providing this Educational Program to schools under the Sanjeev Niranjana Scholarship Program and works closely with the Ministry of Education.

In the Year 2023, the Company provided computer tablets to Naiyala High School students, which is located in Tailevu Province.

We thank our shareholders and customers for their continued support and confidence in VB Holdings Ltd which 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

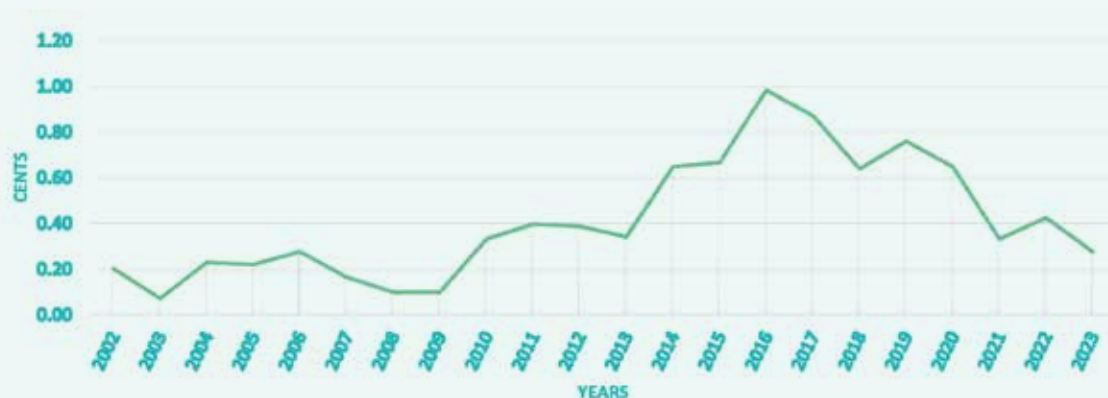
FINANCIAL OVERVIEW TABLE

Years	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Turnover	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	2,814,181
Net Profit After Tax	74,250	235,531	332,243	418,223	252,162	150,234	151,078	594,538	697,854	696,067
Dividend	100,000	101,000	158,100	198,900	183,600	213,738	161,313	213,738	213,736	213,738
Dividend Per Share (DPS)	0.10	0.10	0.10	0.13	0.12	0.13	0.13	0.12	0.12	0.12
Net Tangible Assets Per Share	1.27	1.40	1.72	1.91	1.88	1.93	1.91	2.20	2.47	2.74
EPS - \$	0.07	0.23	0.22	0.27	0.16	0.10	0.10	0.33	0.39	0.39
Total Assets	3,282,997	3,109,146	4,520,454	6,573,726	6,813,922	6,261,812	7,735,280	9,765,927	8,488,899	10,468,618
Share Holders Fund	1,267,335	1,427,455	2,626,709	2,922,532	2,883,094	3,034,228	3,068,605	3,920,513	4,404,631	4,886,952
Share Price	1.31	2.00	2.11	2.60	2.90	3.00	2.98	2.99	2.98	3.00
No of Shares	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	1,781,134
Return to Shareholders	6.02%	60.31%	10.50%	29.38%	16.15%	7.93%	3.67%	4.36%	3.68%	4.70%
Return of Equity	5.86%	16.50%	12.65%	14.31%	8.74%	4.95%	4.94%	15.16%	15.84%	14.24%
Fleet Management	315,756	690,758	1,090,656	1,478,876	1,828,103	1,448,368	1,571,018	2,144,682	2,155,771	2,600,994
Property Management	124,384	195,410	192,842	205,897	217,077	193,747	171,256	231,212	220,592	191,610
Market Capitalisation	1,310,000.00	2,040,000.00	3,228,300.00	3,978,000.00	4,437,000.00	4,704,624.00	4,777,002.58	5,325,590.68	5,307,779.32	5,343,402.00

SHARE PRICE TREND



EARNINGS PRICE TREND



VB HOLDINGS LIMITED

FINANCIAL OVERVIEW TABLE

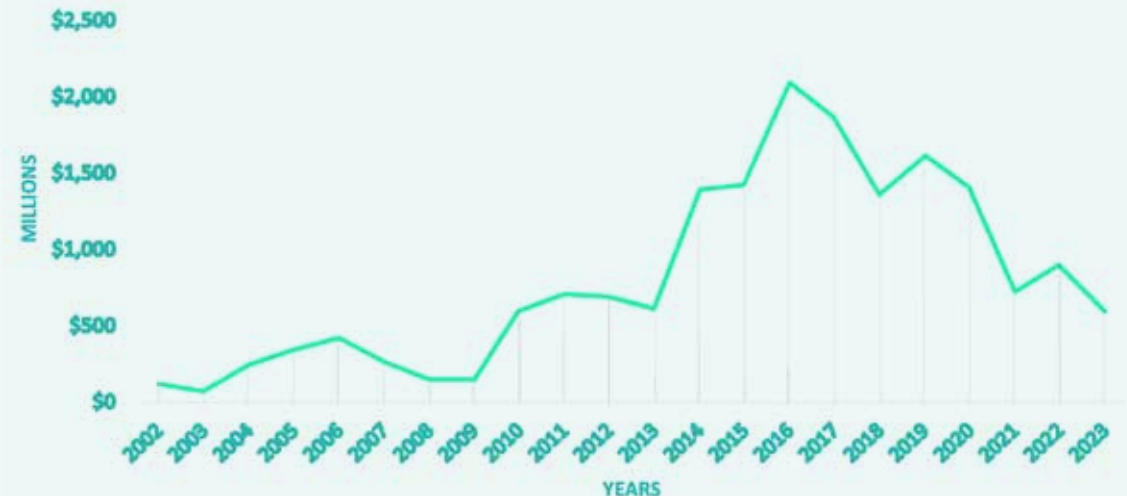
2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
3,612,272	5,346,499	7,208,289	7,617,177	6,784,140	5,577,963	4,325,649	3,662,675	2,924,248	3,167,129	3,053,582
609,476	1,389,149	1,414,838	2,094,403	1,850,765	1,356,667	1,618,444	1,399,889	714,699	901,748	599,935
249,359	274,297	299,237	299,236	299,236	320,611	299,236	299,236	299,236	341,984	341,984
0.14	0.14	0.14	0.14	0.14	0.15	0.14	0.14	0.14	0.16	0.16
2.95	4.92	5.38	6.22	7.02	7.43	8.05	8.56	8.83	9.04	9.14
0.34	0.65	0.66	0.98	0.87	0.63	0.76	0.65	0.33	0.42	0.28
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	21,954,035
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	19,537,820
3.08	3.18	3.60	3.98	4.50	7.75	7.00	6.00	7.50	7.50	6.00
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	2,137,403
7.33%	7.79%	17.61%	14.44%	16.58%	75.56%	-7.87%	-12.29%	27.33%	2.13%	-17.67%
11.62%	13.20%	12.31%	15.76%	12.41%	8.54%	9.41%	7.65%	3.79%	4.67%	3.07%
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	2,645,425
192,833	293,421	327,982	307,629	329,130	348,286	335,069	290,633	288,294	417,805	408,167
5,485,892.72	6,796,941.54	7,694,650.80	8,506,863.94	9,618,313.50	16,564,873.25	14,961,821.00	12,824,418.00	16,030,522.50	16,030,522.50	12,824,418.00

Year	2021	2022	2023
Highest Market Price During Financial Year	7.50	7.50	7.50
Lowest Market Price During Financial Year	6.00	7.50	6.00
Market Price at the end of the Financial Year	7.50	7.50	6.00

DIVIDENDS



NET PROFIT AFTER TAX



VB HOLDINGS LIMITED - FINANCIAL TRENDS

FINANCIAL RESULTS

The company recorded a total revenue of \$ 3.0 million for the 2023 financial year. The operating profit was recorded at \$ 0.91 million (2022: \$1.1 million) which is a 21.93% decrease compared to the previous year.

Expenditure increased from \$1.9 million to \$2.1 million in 2023. Profit after Tax stood at \$0.59 million compared to \$ 0.90 million in 2022. The Net assets of the company increased by \$ 0.22 million and was recorded at a value of \$ 19.54 million at the end of 2023.



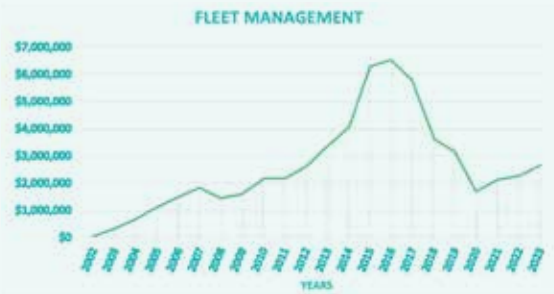
RETURN TO SHAREHOLDERS

Shareholders' equity has decreased from 4.67% to 3.07%. At the Balance Sheet date, it stood at \$19.54 million. The Board had declared and paid a final dividend of 2 cents per share for the year 2022, as well as declared and paid 2 dividends during the year 2023 at \$0.08c each, thus the total dividend payout of 18 cents per share. As of 31 December 2023, the share price of VBH stood at \$6.00 with a total market capitalization of \$12.82 million.



FLEET MANAGEMENT

Fleet Management continues to be the essential segment of the business. This year Fleet Management has generated 80% of the total revenue. The total revenue for the fleet division for the year 2023 was \$2.1 million compared to \$ 2.2 million in 2022. This slight decrease in lease revenue is due to incoming and expiring corporate customers for operating lease contracts.



PROPERTY MANAGEMENT

The Property Management Division has been consistent and stable. The division which was the Company's core business when it started however now contributes 20% of the total revenue. A new major commercial tenant has signed a contract for 5 years for office space and the benefit of this will be realised from 2024 onwards.



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.
		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 6 members of which 33% are Executive Directors and the remaining 67% 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. There are two female directors on the board now, 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.

VB HOLDINGS LIMITED

CORPORATE GOVERNANCE (Continued)

#	Principle	Requirement	Compliance																												
		All Directors participate in discussing strategy, performance and financial risk management of the company. The Board met 5 times during the financial year ended 31st December 2023.	Complied: Attendance as follows <table> <tr> <th>Directors</th><th>Meeting Invited</th><th>Meeting Attended</th><th>Apologies received</th></tr> <tr> <td>Devanesh Sharma</td><td>5</td><td>3</td><td>2</td></tr> <tr> <td>Nitish Niranjana</td><td>5</td><td>5</td><td>0</td></tr> <tr> <td>Ravleen Singh Niranjana</td><td>5</td><td>0</td><td>5</td></tr> <tr> <td>Jinita Prasad</td><td>5</td><td>5</td><td>0</td></tr> <tr> <td>Chandragopa Prasad Niranjana</td><td>3</td><td>2</td><td>1</td></tr> <tr> <td>Ratnesh Singh</td><td>5</td><td>5</td><td>0</td></tr> </table>	Directors	Meeting Invited	Meeting Attended	Apologies received	Devanesh Sharma	5	3	2	Nitish Niranjana	5	5	0	Ravleen Singh Niranjana	5	0	5	Jinita Prasad	5	5	0	Chandragopa Prasad Niranjana	3	2	1	Ratnesh Singh	5	5	0
Directors	Meeting Invited	Meeting Attended	Apologies received																												
Devanesh Sharma	5	3	2																												
Nitish Niranjana	5	5	0																												
Ravleen Singh Niranjana	5	0	5																												
Jinita Prasad	5	5	0																												
Chandragopa Prasad Niranjana	3	2	1																												
Ratnesh Singh	5	5	0																												
	Appointment of Chief Executive Officer / Managing Director	Board sub-committees: Board must have sub-committees which must at a minimum include <ul style="list-style-type: none"> • Audit Committee; • Risk Management Committee; and • Nomination Committee/Recruitment 	Complied 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 Niranjana and the Remuneration Committee and the Nomination Committee, headed by Mr. Devanesh Sharma (Non-Executive Independent Director).																												
3	Appointment of a Board and Company Secretary	CEO: To appoint a suitably qualified and competent Chief Executive Officer/ Managing Director.	Complied Mr. Nitish Niranjana has been appointed as the CEO of the Company and act as a Managing Director of the Company.																												
4	Timely and balanced disclosure	Company secretary: Board to appoint a suitably qualified and competent, Company Secretary, who is accountable to the Board, through Chair, for all compliance and governance issues.	Complied Mr. Nitish Niranjana holds the Company Secretary position of the Company.																												
5	Timely and balanced disclosure	Annual Reports: Timely and accurate disclosures are made in Annual Reports as per Rule 51 of Listing Rules.	Complied 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.																												
		Payment to Directors and Senior management: Sufficient information to be provided to shareholders on remuneration paid to Directors and Senior management.	Complied Annual Report and the Audited Financial Statements disclose all payments and remuneration paid to directors.																												

VB HOLDINGS LIMITED

CORPORATE GOVERNANCE (Continued)

#	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.	The Company currently does not have a website, however, intends to set one up in the next 12 months. In the mean while the company has a facebook page which is available for communication to it's stakeholders.
		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.

VB HOLDINGS LIMITED

CORPORATE GOVERNANCE

#	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 77 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. Jinitha 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 6B 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
2016	Tailevu North, College	Tailevu	11 Computer Sets
	Muaniveni College	Nausori	11 Computer Sets
	Rewa Secondary School	Nausori	11 Computer Sets
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
	Nagaqa SDA Primary School	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
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
2023	Naiyala High School	Tailevu	30 Tablet Devices

VB HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023, 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 Ravindra Singh

Chemonica Prianna Niranjana - appointed on 9th May 2023

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 \$599,935 (2022: \$901,748) after providing income tax expense of \$319,738 (2022: \$276,308).

Dividends

During the financial year, the Company declared and paid final dividend for the 2022 financial year of \$42,748 at the rate of 2 cents per share per dividend payment, and the Company declared and paid 1st and 2nd interim dividend for the current financial year of \$341,984 at the rate of 8 cents per share per dividend payment (2022: 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 1st and 2nd interim dividend for the 2022 financial year of \$299,237 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.

VB HOLDINGS LIMITED

DIRECTORS' REPORT *(Continued)*

FOR THE YEAR ENDED 31 DECEMBER 2023

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. 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 noncurrent 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

In June 2023, the Government of Fiji announced its 2023-2024 National Budget which include a revision to the income tax rate. The income tax rate was raised from 10% to 25% and impacts deferred tax balances recorded in the current year at the revised rate which has been substantively enacted at 31 December 2023. This also impacts the financial results, tax payable and deferred tax balances in the current and subsequent financial years.

The Company purchased shares in Sun Insurance Company Limited (SICL) on 22 December 2023 at a consideration of \$5,000,000 with 5.10% holding. SICL is a private Fiji company that is planning an Initial Public Offering on the South Pacific Stock Exchange in 2024.

Apart from the above, there were no other significant matter or circumstances that had arisen during the financial year which significantly affected or may significantly affect the operations of the Company, the results or cash flows of those operations, or the state of affairs of the Company in future financial years.

VB HOLDINGS LIMITED

DIRECTORS' REPORT *(Continued)*

FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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 9.

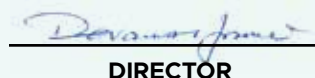
Directors' benefits

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 fulltime 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 20th day of March 2024.



DIRECTOR

DIRECTOR

VB HOLDINGS LIMITED

DIRECTORS' REPORT *(Continued)*

FOR THE YEAR ENDED 31 DECEMBER 2023

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


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

1. In the opinion of the Directors, the financial statements of the Company for the financial year ended 31 December 2023:
 - (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 2023 and of the performance and cash flows of the Company for the financial year ended 31 December 2023; and
 - (II) have been prepared in accordance with the Companies Act, 2015.
2. The Directors have received an independence declaration from the Company's auditor as required by Section 395 of the Companies Act, 2015; and
3. 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 20th day of March 2024



DIRECTOR

DIRECTOR

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

As lead auditor for the audit of VB Holdings Limited ("the Company") for the financial year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

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

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



Ernst & Young
Chartered Accountants



Steven Pickering
Partner
Suva, Fiji

20 March 2024

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 2023, 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 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.

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 7 to the financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Understood and evaluated the Company's controls over leases and the process of determining the classification of leases. ▶ Assessed the accounting applied to both operating and finance leases for appropriateness by reference to IFRS 16. ▶ For a sample of lease arrangements, assessed 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 7 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 2023 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.

Independent Audit Report *continued*

Auditor's Responsibilities for the Audit of the Financial Statements

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.

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.

Independent Audit Report *continued*

Report on Other Legal and Regulatory Requirements

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

We are also required to provide those charged with governance 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 those charged with governance, 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.

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

20 March 2024

VB HOLDINGS LIMITED

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 \$	2022 \$
Revenue from Contracts with Customers	2 (a)	2,181,315	2,265,186
Other revenue	2 (b)	872,277	901,943
Total Revenue		3,053,592	3,167,129
Administrative expenses	3 (b)	(150,986)	(134,962)
Depreciation and amortisation expense	8	(1,487,550)	(1,418,235)
Impairment loss on trade receivables	20 (b)	(17,637)	-
Operating expenses	3 (a)	(477,746)	(435,876)
Total administrative and operating expenses		(2,133,919)	(1,989,073)
Profit from operations		919,673	1,178,056
Change in fair value of investment properties	9	-	-
Profit before income tax		919,673	1,178,056
Income tax expense	4	(319,738)	(276,308)
Profit for the year		599,935	901,748
Other comprehensive income		-	-
Total comprehensive income for the year		599,935	901,748
Earnings per share			
Basic earnings per share	12	0.28	0.42

The 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 2023

	Notes	Share capital \$ (Note 13)	Retained earnings \$	Total \$
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
		3,688,527	16,082,945	19,771,472
Dividends declared	11	-	(448,855)	(448,855)
As at 31 December 2022		3,688,527	15,634,090	19,322,617
As at 1 January 2023		3,688,527	15,634,090	19,322,617
Profit for the year and other comprehensive income		-	599,935	599,935
		3,688,527	16,234,025	19,922,552
Dividends declared	11	-	(384,732)	(384,732)
As at 31 December 2023		3,688,527	15,849,293	19,537,820

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

VB HOLDINGS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023	2022
		\$	\$
Current assets			
Cash and cash equivalents	14	320,615	3,372,520
Financial assets- debt instruments	5 (a)	508,046	508,046
Trade and other receivables	7 (a)	807,150	2,836,371
Current tax asset		-	68,408
Total current assets		1,635,811	6,785,345
Non-current assets			
Financial assets - equity instruments	5 (b)	5,000,000	-
Trade and other receivables	7 (b)	559,428	675,298
Plant and equipment	8	4,924,451	3,890,444
Investment properties	9	9,735,001	9,735,001
Deferred tax asset	4	99,344	78,954
Total non-current assets		20,318,224	14,379,697
Total assets		21,954,035	21,165,042
Current liabilities			
Trade and other payables	10	1,094,795	764,041
Current tax liability		85,712	-
Dividends payable	11	82,987	76,003
Total current liabilities		1,263,494	840,044
Non-current liabilities			
Deferred tax liability	4	1,152,721	1,002,381
Total non-current liabilities		1,152,721	1,002,381
Total liabilities		2,416,215	1,842,425
Net assets		19,537,820	19,322,617
Shareholders' equity			
Share capital	13	3,688,527	3,688,527
Retained earnings		15,849,293	15,634,090
Total shareholders' equity		19,537,820	19,322,617

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 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from operating activities		3,191,936	4,823,212
Payments for operating activities		(711,904)	(640,499)
Interest received		42,799	59,134
Income tax paid		(35,668)	(61,080)
Net cash flows from operating activities		2,487,163	4,180,767
Cash flows from investing activities			
Acquisition of plant and equipment	8	(2,714,140)	(1,852,482)
Purchase of financial asset in equity instrument	5 (b)	(5,000,000)	-
Repayments from Niranjans Autosport Pte Limited	19(b)	1,525,000	-
Purchase of term deposit		-	(345,000)
From sale of motor vehicles	19(c)	1,027,820	1,004,265
Net cash used in investing activities		(5,161,320)	(1,193,217)
Cash flows from financing activities			
Dividends paid	11	(377,748)	(445,542)
Net cash used in financing activities		(377,748)	(445,542)
Net (decrease)/ increase in cash and cash equivalents		(3,051,905)	2,542,008
Cash and cash equivalents at 1 January		3,372,520	830,512
Cash and cash equivalents at 31 December	14	320,615	3,372,520

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 2023

1. CORPORATE INFORMATION

The financial statements of VB Holdings Limited ("the Company") for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of Directors on 20 March 2024. 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 25.

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 for investment properties and equity financial assets that have been measured at fair value.

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 20
- Capital risk management Note 21

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 recognized 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 15.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at reporting 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 capitalization 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), 6 and 9.

1.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Estimates and assumptions (continued)

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Further details on taxes are disclosed in Note 4

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset.

The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash flows and the growth rate used for extrapolation purpose. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognized by the Company. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 20 (a) & (b).

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 analyzed.

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 20(b).

Fair value measurement of financial instruments

When the fair values of financial assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 5 for further disclosures.

VB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

1.3 SUMMARY OF 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 recognizes revenue when it transfers control over a service to a customer.

Revenue type	Nature, timing of satisfaction of performance obligations and significant payment terms
Rental Income - Property	This relates to rental income from leasing of properties. Customers are required to pay two months deposit in advance before they start occupying rental property. The rent levels are based on the rental space that the customer wants to occupy and by negotiations with tenants. Arrangements are covered by contracts. Revenue is recognized 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.
Rental Income - Operating Lease	This relates to rental income from operating lease of motor vehicles. Customers are required to pay two months deposit in advance before they take possession of vehicles under lease. The price of rental is based on interest rate agreed with customer, which ranges from 7%-10%, and each arrangement is covered by a contract. Revenue is recognized 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.
Interest Income	This relates to interest income on finance leases. Customers are required to pay two months interest income deposit in advance before they take possession of vehicles under lease. The price is based on interest rate agreed with customer. Interest is recognized 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.
Maintenance Income	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 and 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 \$22,650 (2022:\$16,355) and will be recognized over the remaining term of the respective lease contracts.
Insurance Income	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. Revenue is recognized 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.

(d) Expense recognition

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

VB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

1.3 SUMMARY OF ACCOUNTING POLICIES (Continued)

(e) Cash and cash equivalents

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

(f) Plant and equipment

Owned assets (including operating lease assets)

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

Subsequent expenditure

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value. Since the purchase of shares has been done close to year end, the consideration has been treated as a proxy for the fair value.

1.3 SUMMARY OF ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

(ii) Recognition and measurement

Regular purchases and sales of financial assets are recognized 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 amortized 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 amortized cost using the effective interest method. The amortized cost is reduced by any impairment losses. Interest income, gains/(losses) arising from derecognition, foreign exchange gains/(losses) and impairment losses are recognized 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 amortized 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 amortized cost, except for:

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

(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 recognized 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 recognized in profit and loss.

(i) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit and loss except to the extent that is related to items recognized directly in equity, in which case the item is recognized 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 recognized 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 recognized 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 reversed, based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized 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.

1.3 SUMMARY OF ACCOUNTING POLICIES (*Continued*)**(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 amortized 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) on the next page). 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 (2022: \$Nil)

(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 recognized as described in Note 1.3 (c). Maintenance expense are recognized 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 Committee.

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 recognized 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.

VB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

1.3 SUMMARY OF ACCOUNTING POLICIES (Continued)

(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 recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit and loss.

(n) Provisions

Provisions are recognized 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 recognized 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 recognized 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.

(s) Fair value measurement

The Company measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

1.3 SUMMARY OF ACCOUNTING POLICIES (Continued)

(s) Fair value measurement (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is observable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is determined annually by the risk committee and the Company's Audit Committee.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair-value related disclosures, for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

-	Disclosures for valuation methods, significant estimates and assumptions	Note 1.2
-	Quantitative disclosures of fair value measurement hierarchy	Note 6
-	Investment in non-listed equity shares	Note 5(b)
-	Investment properties	Note 9
-	Financial instruments (including those carried at amortized cost)	Note 5
-	Contingent consideration	Note 17

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 2024 (unless otherwise stated). These amendments did not have any material impact on the company.

- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12
- International Tax Reform - Pillar Two Model Rules- Amendments to IAS 12

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
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	1 January 2024
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 January 2024
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024

VB HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
2. Revenue	\$	\$
(a) <u>Revenue from Contracts with Customers</u>		
Rental income - operating lease	1,533,380	1,557,444
Maintenance income - operating lease	310,812	263,799
Interest income - finance lease	249,915	339,039
Maintenance income - finance lease	4,454	6,682
Insurance income	82,754	98,222
	<u>2,181,315</u>	<u>2,265,186</u>
All revenue types in the table above are recognized over time.		
(b) <u>Other revenue</u>		
Rental income - property	408,167	417,805
Gain on disposal of motor vehicles	421,311	149,209
Interest Income	42,799	59,134
Income - impairment loss recovered	-	275,795
	<u>872,277</u>	<u>901,943</u>
3. Expenses		
(a) <u>Operating expenses</u>		
Management fees	216,000	180,000
Maintenance expense - operating lease	104,505	84,683
Other operating expenses	157,241	171,193
	<u>477,746</u>	<u>435,876</u>
(b) <u>Administrative expenses</u>		
Auditors remuneration - audit services	16,800	12,000
- other services (tax compliance)	2,500	2,000
Bank charges	1,106	2,148
Corporate donation	13,923	8,830
Directors' fees	56,466	50,000
Managing director's remuneration	50,000	50,000
Other administrative expenses	6,603	6,603
Share registry maintenance fees	3,588	3,381
	<u>150,986</u>	<u>134,962</u>

VB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	\$	\$
4. INCOME TAX		
A reconciliation between tax expense and the product of accounting profit multiplied by the tax rate for the years ended 31 December 2023 and 31 December 2022 is as follows:		
Accounting profit before income tax	919,673	1,178,056
At statutory income tax rate of 25% (2022- 10%)	229,918	117,806
Tax effect of non-deductible income - current year	3,480	883
Restatement of deferred tax - change in tax rate	86,340	157,619
Income tax attributable to operating profit	319,738	276,308
The major components of income tax expense are:		
Current tax	189,787	35,668
Temporary differences	43,611	83,021
Restatement of deferred tax - change in tax rate	86,340	157,619
	319,738	276,308
<u>Deferred income tax assets/(liabilities)</u>		
Net deferred income tax at 31 December relates to the following:		
Estimated credit loss	99,344	78,954
Cyclone reserve account	(127,011)	(101,609)
Investment property to fair value	(565,599)	(565,599)
Accelerated depreciation for tax purposes	(460,111)	(335,173)
	(1,053,377)	(923,427)
Represented on the statement of financial position:		
Deferred tax asset	99,344	78,954
Deferred tax liability	(1,152,721)	(1,002,381)
Net deferred tax liability	(1,053,377)	(923,427)
5. FINANCIAL ASSETS		
(a) Debt instruments		
<u>Term deposits</u>		
Merchant Finance - cyclone reserve account	163,046	163,046
Westpac Banking Corporation	345,000	345,000
	508,046	508,046
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 0.05% .		
(b) Equity instruments		
<u>Equity investment</u>		
Sun Insurance	5,000,000	-
	5,000,000	-

The Company purchase 5.10% of the issued shares in Sun Insurance Company Limited (SICL) on 22 December 2023 for a consideration of \$5 million. The directors have designated the investment to be a financial asset at Fair Value through Profit or Loss (FVPL). SICL is a private Fiji company that is planning an Initial Public Offering on the South Pacific Stock Exchange in 2024.

5. FINANCIAL ASSETS (Continued)

(b) Equity instruments (Continued)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value. Since the purchase of shares has been done close to year end, the consideration has been treated as a proxy for the fair value. The FV measurement of the investment shown above has been categorized as level 3 fair value based on the unobservable inputs.

6. Fair value measurement

Fair value measurement hierarchy for assets as at 31 December 2023:

			Fair value measurement using		
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment properties (Note 9)		\$	\$	\$	\$
Rental Property	30 November 2023	9,735,001	-	-	9,735,001
Non-listed equity investment (Note 5)					
Insurance Sector	22 December 2023	5,000,000	-	-	5,000,000

Fair value measurement hierarchy for assets as at 31 December 2022:

			Fair value measurement using		
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment properties (Note 9)		\$	\$	\$	\$
Rental Property	31 December 2022	9,735,001	-	-	9,735,001

7. TRADE AND OTHER RECEIVABLES

	2023	2022
(a) <u>Current</u>	\$	\$
Lease receivables	1,180,789	1,805,057
Less: Unearned interest on finance lease receivables	(145,902)	(247,363)
Less: Unearned insurance on finance lease receivables	(20,518)	(27,307)
Less: Unearned maintenance charges on finance lease receivables	(8,200)	(3,813)
Net lease receivables	1,006,169	1,526,574
Deposit	3,034	3,034
Interest receivable	5,638	17,695
Prepayments and other receivables	125,990	89,806
Receivable from Niranjans Autosport Pte Limited	-	1,525,000
Less: Allowance for impairment losses [Note 20 (b)]	(333,681)	(325,738)
Trade and other receivables- current	807,150	2,836,371
(b) <u>Non-current</u>		
Lease receivables	805,869	1,053,949
Less: Unearned interest on finance lease receivables	(140,788)	(258,606)
Less: Unearned insurance on finance lease receivables	(27,507)	(38,471)
Less: Unearned maintenance charges on finance lease receivables	(14,450)	(12,542)
Net lease receivables	623,124	744,330
Less: Allowance for impairment losses [Note 20 (b)]	(63,696)	(69,032)
Trade and other receivables- non current	559,428	675,298
Total trade and other receivables	1,366,578	3,511,669

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

8. PLANT AND EQUIPMENT	2023	2022
<i>Furniture, fittings and office equipment</i>	\$	\$
Cost:		
As at 1 January	73,522	73,522
As at 31 December	73,522	73,522
Accumulated depreciation:		
As at 1 January	66,589	65,377
Depreciation charge for the year	1,191	1,212
As at 31 December	67,780	66,589
Net book value - furniture and fittings	5,742	6,933
<i>Motor Vehicles</i>		
Cost:		
As at 1 January	10,756,779	11,108,180
Additions	3,128,065	1,852,482
Disposal	(2,118,319)	(2,203,883)
As at 31 December	11,766,525	10,756,779
Accumulated depreciation:		
As at 1 January	6,873,268	6,805,072
Depreciation charge for the year	1,486,359	1,417,023
Disposal	(1,511,811)	(1,348,827)
As at 31 December	6,847,816	6,873,268
Net book value - motor vehicles	4,918,709	3,883,511
Net book value as at 31 December	4,924,451	3,890,444
9. INVESTMENT PROPERTIES	\$	\$
Opening balance at 1 January	9,735,001	9,735,001
Fair value adjustment	-	-
At 31 December	9,735,001	9,735,001
Rental income derived from investment properties	408,167	417,805
Direct operating expenses (included repairs and maintenance)	-	(20,963)
Net profit arising from investment properties	408,167	396,842
<p>In November 2023, an independent valuation was carried out by registered valuer Pacific Valuations Pte Limited for the investment properties of the Company. Revaluations are performed by external independent valuers to assess the fair values of the property. The Directors' work closely with the external valuers to establish the appropriate valuation techniques and inputs to the valuation model. The valuation methodology adopted by the valuer is the Market Approach. The Independent valuer is of the view that the fair value of existing property has not changed due to lack of active market comparable data availability. 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 2023.</p> <p>The valuations are based on Level 3 inputs. The valuer based the assessment on comparable sales information obtained from market sources around land sale rates per square meter and building sale rates per square meter in the same comparable locations. Land rates of \$1,037-\$2,780 per square meter and building rates of \$744-\$2,985 per square meter have been used.</p>		
10. TRADE AND OTHER PAYABLES	\$	\$
Rental deposits	66,336	66,316
Lease deposits	593,374	665,227
Other payables and accruals	435,085	32,498
	1,094,795	764,041

VB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
11. DIVIDENDS PAYABLE	\$	\$
As at 1 January	76,003	72,690
Dividends declared	384,732	448,855
Dividends paid	(377,748)	(445,542)
As at 31 December	<u>82,987</u>	<u>76,003</u>

The Company paid dividends of \$377,748 in 2023 (\$445,542 in 2022) and an accumulated amount of \$82,987 as at 31 December 2023 (\$76,003 as of 31 December 2022) were unclaimed.

12. EARNINGS PER SHARE	\$	\$
Net profit for the year	599,935	901,748
Number of equity shares outstanding	2,137,403	2,137,403
Basic and diluted earnings per share	<u>0.28</u>	<u>0.42</u>

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

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.

14. CASH AND CASH EQUIVALENTS	\$	\$
Cash and cash equivalents consist of balances as follows:		
Westpac Banking Corporation	320,478	3,372,383
Bank of Baroda	137	137
Total cash and cash equivalents	<u>320,615</u>	<u>3,372,520</u>

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 Commercial Property comprised in CT No. 2477.

15. FUTURE OPERATING LEASE RENTALS	\$	\$
The Company has provided properties and motor vehicles under operating leases to customers on normal commercial terms and conditions on monthly rentals.		
Operating lease rentals are expected as follows:		
Not later than 2023	-	1,506,879
Not later than 2024	1,738,138	802,490
Not later than 2025	1,198,802	380,614
Not later than 2026	736,325	127,723
Not later than 2027	165,083	-
	<u>3,838,348</u>	<u>2,817,706</u>

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 recognized by the Company during the year is disclosed in Note 9, 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 2023

16. FUTURE LEASE RECEIVABLES	2023	2022
Lease expenditure contracted for motor vehicle receivables are as follows:	\$	\$
Not later than 2023	-	1,197,202
Not later than 2024	741,500	656,499
Not later than 2025	293,851	250,180
Not later than 2026	194,347	124,365
Not later than 2027	93,441	41,162
Not later than 2028 and later years	89,987	-
	<u>1,413,126</u>	<u>2,269,408</u>
Less: Unearned interest on finance income and maintenance charges	(357,365)	(588,102)
Net lease receivables	<u>1,055,761</u>	<u>1,681,306</u>

17. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2023 (2022: \$Nil).

18. SEGMENT INFORMATION
(a) Secondary reporting - geographical segment

The Company operates in the geographical segment of Fiji.

(b) Primary reporting - business segments 2023	Fleet management	Insurance investment management	Property management	Total
		\$	\$	\$
Operating revenue	2,181,315	-	-	2,181,315
Other revenue	464,110	-	408,167	872,277
	<u>2,645,425</u>	<u>-</u>	<u>408,167</u>	<u>3,053,592</u>
Profit before income tax expense	511,506	-	408,167	919,673
Income tax expense	(319,738)	-	-	(319,738)
Net profit	<u>191,768</u>	<u>-</u>	<u>408,167</u>	<u>599,935</u>
Segment assets	7,219,034	5,000,000	9,735,001	21,954,035
Segment liabilities	2,416,215	-	-	2,416,215
Acquisition of plant and equipment	2,714,140	-	-	2,714,140
Depreciation expense	1,487,550	-	-	1,487,550
Net cash flows from operating activities	2,078,996	-	408,167	2,487,163
Net cash flows used in investing activities	(161,320)	(5,000,000)	-	(5,161,320)
Net cash flows used in financing activities	(321,086)	-	(56,662)	(377,748)

(b) Primary reporting - business segments 2022	Fleet management	Insurance investment management	Property management	Total
	\$	\$	\$	\$
Operating Revenue	2,265,186	-	-	2,265,186
Other revenue	484,138	-	417,805	901,943
	<u>2,749,324</u>	<u>-</u>	<u>417,805</u>	<u>3,167,129</u>
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>-</u>	<u>396,842</u>	<u>901,748</u>
Segment assets	11,430,041	-	9,735,001	21,165,042
Segment liabilities	1,842,425	-	-	1,842,425
Acquisition of plant and equipment	1,852,482	-	-	1,852,482
Depreciation expense	1,418,235	-	-	1,418,235
Net cash flows from operating activities	3,783,925	-	396,842	4,180,767
Net cash flows used in investing activities	(1,193,217)	-	-	(1,193,217)
Net cash flows used in financing activities	(378,711)	-	(66,831)	(445,542)

VB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

19. RELATED PARTY TRANSACTIONS

(a) Directors

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

Devanesh Sharma	Jinita Prasad
Nitish Singh Niranjana	Chemonica Prianna Niranjana - appointed on 9th May 2023
Narayan Singh Niranjana	Ratnesh Ravindra Singh

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 Ravindra Singh	Director

	2023	2022
	\$	\$
The values of transactions with related parties were as follows:		
Directors' fees	56,466	50,000
Managing Director's remuneration	50,000	50,000

(b) Amounts receivable from related companies

Net owing by related companies

Niranjana Hire Plant Limited	113,738	125,600
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Advance

Niranjana Autoport Limited - Current	-	1,525,000
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VB Holdings Limited had given an advance of \$3,000,000 to Niranjana Autoport Pte Limited at 3.5% per annum during 2020 for a term of twelve months. Niranjana Autoport Pte Limited has made repayment of \$1,525,000 during 2023. The term which has been expired 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	\$	\$
<u>Income:</u>			
Jans Rentals Cars Pte Ltd	Operating lease income	851,565	923,697
Niranjana Hire Plant Limited	Finance lease income	8,718	43,753
Niranjana Motor Corporation Pte Ltd	Rental income	66,055	66,055
Niranjana Motor Corporation Pte Ltd	Sale of motor vehicles	50,724	-
Niranjana Autoport Pte Ltd	Lease, Insurance and maintenance	14,675	5,041
Niranjana Autoport Pte Ltd	Sale of motor vehicles	977,096	762,535
Niranjana Autoport Pte Ltd	Interest income	42,799	52,936
<u>Expenses</u>			
Niranjana Autoport Pte Ltd	Management fees	216,000	180,000
Niranjana Autoport Pte Ltd	Maintenance expense	104,505	84,683
<u>Capital expenditure</u>			
Niranjana Autoport Pte Ltd	Motor vehicle purchases	2,714,140	1,852,482

VB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
19. RELATED PARTY TRANSACTIONS (Continued)	\$	\$
(c) Transactions with related parties (Continued)		
Related party	Transaction type	
<u>Finance lease</u>		
Niranjan Autoport Pte Ltd	Motor vehicle purchases	245,162
		105,935
<u>Deposits</u>		
Jans Rental Cars Pte Ltd	Lease deposit	7,018
		7,018

20. FINANCIAL RISK MANAGEMENT

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

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

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

(a) Market risk

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

(i) Interest rate risk

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

	2023	2022
<u>Fixed rate instruments</u>	\$	\$
Financial assets	508,046	508,046

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
2023	+100 bp	920
	-100 bp	(920)
2022	+100 bp	1,178
	-100 bp	(1,178)

(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.

20. FINANCIAL RISK MANAGEMENT (Continued)**(b) Credit risk (Continued)***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.

The following table provides analysis about the exposure to credit risk 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

The following table provides analysis about the exposure to credit risk and expected credit losses for trade receivables as at 31 December 2023:

	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	10.4%	396,424	41,040
Other trade receivables			
Current	11.5%	105,443	12,135
1 to 30 days past due	21.5%	67,157	14,417
31 to 60 days past due	18.0%	57,922	10,422
61 to 90 days past due	10.9%	43,402	4,718
More than 90 days past due	68.2%	266,986	182,114
		937,334	264,846
Accounts individually assessed		68,835	68,835
Total		1,006,169	333,681
Non-current portion of trade receivables	10.2%	623,124	63,696

VB HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

20. 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 2022	95,863	900,427	996,290
Impairment losses/(Reversal of impairment) recognized during the year	43,369	(319,164)	(275,795)
Write off against Impairment losses during the year	(70,200)	(255,525)	(325,725)
Balance at 31 December 2022	69,032	325,738	394,770
Write off against Impairment losses during the year	(15,030)	-	(15,030)
Impairment loss recognized during the year	9,694	7,943	17,637
Balance at 31 December 2023	63,696	333,681	397,377

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 \$
2023			
Trade and other payables [Note 10]	501,421	593,374	1,094,795
Dividend payable [Note 11]	82,987	-	82,987
Total	584,408	593,374	1,177,782
2022			
Trade and other payables [Note 10]	98,814	665,227	764,041
Dividend payable [Note 11]	76,003	-	76,003
Total	174,817	665,227	840,044

21. CAPITAL RISK MANAGEMENT

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

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell asset to reduce debt. The Company has a number of financial covenants to comply with as part of the terms of its borrowings. The financial covenants are managed as part of the companies capital management. The Company has 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 2023, there were no interest bearing borrowings (2022: Nil). Consequently, the Company's total assets is funded by equity.

22. CAPITAL COMMITMENTS

VB Holdings Limited has a capital commitment of nil (2022: Nil)

23. SIGNIFICANT EVENTS DURING THE YEAR

In June 2023, the Government of Fiji announced its 2023-2024 National Budget which include a revision to the income tax rate. The income tax rate was raised from 10% to 25% and impacts deferred tax balances recorded in the current year at the revised rate which has been substantively enacted at 31 December 2023. This also impacts the financial results, tax payable and deferred tax balances in the current and subsequent financial years.

The Company purchased shares in Sun Insurance Company Limited (SICL) on 22 December 2023 at a consideration of \$5,000,000 with 5.10% holding. SICL is a private Fiji company that is planning an Initial Public Offering on the South Pacific Stock Exchange in 2024.

Apart from the above, there were no other significant matter or circumstances that had arisen during the financial year which significantly affected or may significantly affect the operations of the Company, the results or cash flows of those operations, or the state of affairs of the Company in future financial years.

24. 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.

25. 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.

26. 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 (2022: Nil).

VB HOLDINGS LIMITED
DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023

Disclaimer on Additional Financial Information

The following additional information, being the Detailed Income Statement and South Pacific Exchange disclosure requirements have been compiled by the management of VB Holdings Limited and does not form part of the statutory financial statements.

To the extent permitted by law, Ernst & Young does not accept liability for any loss or damage which any person, other than VB Holdings Limited may suffer arising from any negligence on our part. No person should rely on the additional financial information without having an audit or review conducted.

VB HOLDINGS LIMITED

OTHER INFORMATION - SOUTH PACIFIC STOCK EXCHANGE DISCLOSURE REQUIREMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(a) *Statement of interest of each Director in the share capital of the Company as at 31 December 2023*

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
50	501 - 5,000 shares	3.93
8	5,001 - 10,000 shares	2.78
3	10,001 - 20,000 shares	2.44
1	20,001 - 30,000 shares	1.06
3	40,001 - 50,000 shares	5.78
2	50,001 - 100,000 shares	5.77
5	100,001 - 1,000,000 shares	78.03
Total 119		100.00

Share Register

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

Shop 1 and 11
Sabrina Building
Victoria Parade
Suva
Fiji.
+679 3304130

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

(d) Shareholders	No. of Shares
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
The South Pacific Investment Company Limited	42,000
Patelkhatri Investments (Fiji) Ltd	41,328
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
Roajibhai Holdings (Fiji) Limited	9,660
Kamla Singh	8,207
Hardayal Singh	8,197
Warwick Pleass	7,400
Tutanekai Investments Limited	6,700
Praful Patel Investments Pty Ltd < P & A Patel Superfund A/c >	6,693









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