PATEL

RB PATEL GROUP LIMITED ANNUAL REPORT 2017

RB PATEL GROUP LTD
ANNUAL REPORT 2017

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DIRECTORY

Directors

Iowane Naiveli - Chairman
Surendra K Patel
Nouzab Fareed
Kaliopate Tavola
Malakai Naiyaga
Litiana Loabuka

Company Secretaries

Jayesh Patel
Deepak Rathod

Auditors

BDO
Chartered Accountants
Suva

Solicitors

Sherani & Company
Barristers and Solicitors
Suva

Bankers

Australia & New Zealand Banking Group Limited
Westpac Banking Corporation

Registered Office

RB Patel CentrePoint Building
Ratu Dovi Road
Laucala Beach Estate,
Nasinu.

CHAIRMAN'S REPORT

I am indeed very pleased to present your company's 2017 Annual Report. The operating results for the year ended 30 June 2017 reflect the state of the Fijian economy and the management of the company's affairs over the year. You will agree with me that the results are pleasing against the backdrop of the results achieved last year.

Financial Performance

Your company's total revenue including other income this year increased by 4.4% taking the total revenue to $122 million from $117 million last year.

Operating profit for the year after tax was $8.5 million compared to $7.3 million last year – an increase of just over 15.4% over the previous year! This reflects earnings per share of 28 cents, an increase of 12% over last year.

Gross profit on sales increased slightly to 19.8% from 19.2% last year. RB Patel continues to place great emphasis on increasing the level of profitability within the competitive supermarket industry. This is a reflection of the importance management places on the policy of pricing of products and control of operating costs.

	2015	2016	2017
Revenue including other income	**$107,449,038**	**$117,672,362**	**$122,914,461**
Growth	*3.6%*	*9.5%*	*4.4%*
Profit for the year (before tax)	**$6,582,045**	**$8,209,633**	**$9,439,187**
Growth	*11.2%*	*24.7%*	*15.0%*
Profit for the year (after tax)	**$5,919,319**	**$7,351,154**	**$8,481,833**
Growth	*(0.1%)*	*24.2%*	*15.4%*
Dividends per share	**14 cents**	**15 cents**	**16 cents**
Earnings per share	**20 cents**	**25 cents**	**28 cents**

Your Board proposed a final interim dividend of 11 cents per share bringing the total dividend declared and paid or proposed for the year to 16 cents per share; an increase of almost 7% over last year. Your company's share price at the end of the year was $3.29; an increase of 6% over the price last year at $3.10. You have therefore seen a total market return of just over 11% for the financial year.

Economic Outlook

The Fijian economy this year is on track for a growth of 3.8% after the estimated growth of 2% last year. Higher visitor arrivals from New Zealand and US underpinned the growth so far for this year with electricity production (8.7%) and general consumption (7.0%) rising on an annual basis so far this year. The cane season has expectations for higher cane and sugar production this year after recovery from last year's Tropical Cyclone Winston.

Private consumption and investment activities continue to hold up aggregate demand and has been supported by higher incomes, improvements in labour market conditions and inward remittances.

Investment remains firm given the strong growth in new bank lending to real estate and building & construction sectors and is consistent with general construction activity as well as cement sales.

Inflation has remained under check with recent increases mainly caused by shortages as a result of the natural disasters. Annual inflation is expected to be around 3% by year end.

With the forecast for growth of the Fijian economy at 3.0% and 2.9% for the years 2018 and 2019 respectively the company is optimistic for the future and these forecasts provide greater confidence in the Fijian economy. Government's 2018 budget announcements are confidently expansionary and the industry should benefit from the impetus this will provide in the economy.

CHAIRMAN'S REPORT [CONT'D]

Industry Update

The industry has remained static in terms of number of stores with most supermarkets seeing reasonable growth due to the general improvement in the economy.

Certain announcements in the 2018 budget will have far reaching impact on the industry and how it manages its affairs. There is also some indication of a review in the items under price control.

New monitoring and audit measures for VAT and other taxes should provide a more level playing field for your company.

Expansion and Growth

During the year construction work on the three level car park and retail space building at our JetPoint Complex in Martintar Nadi continued and is expected to be completed in December 2017 with the eight residential apartment's development in Suva expected to be completed in early 2018.

Your Board is considering concepts for further developments on our current properties at HarbourPoint in Lami, JetPoint Complex in Nadi and Tamavua in Suva.

Customers and Service

Your company continues to build on the "We make it easy!" branding together with our core commitment to deliver "value for money" in all our stores. Our commitment to providing the most affordable and attractive range of products continues to drive our purchasing plans.

Future Outlook

Directors and management continue to look for growth opportunities as they have done during the year. There is continued confidence in government's policies and the evident increase in investments in Fiji. We are certain that this will continue to provide the impetus for future growth.

Your company will continue its expansion plans as opportunities for further investments are identified.

Staff and Management

I take this opportunity to thank the staff and management for their sterling efforts during the year.
These exceptional results would not have been possible without their joint efforts.

I would also like to thank my fellow directors for all their effort, dedication and counsel over the year.

....

Chairman

CORPORATE GOVERNANCE

The RB Patel Group Limited (RBG) Board acknowledges the requirement to report on the company's Corporate Governance Code under the principles and guidelines provided by the Capital Markets Unit of the Reserve Bank of Fiji.

In line with the 10 core principles and the best practice recommendations RB Patel Group Limited has developed policies to improve the standard of Corporate Governance in the company. These policies are reviewed periodically to incorporate new developments in good corporate governance principles.

Principle	RBG comments
Establish clear responsibilities for board oversight	The RBG Memorandum & Articles of Association set out the powers and duties of directors in terms of managing the company effectively and efficiently. The company continuously reviews its policy guidelines to strengthen the oversight role.
Constitute an effective Board	Directors are selected for their experience and competencies and are inducted and evaluated on the basis of their suitability for the Board. The board comprises of six directors of which two are independent directors as defined by the SPSE listing rules.
Appointment of a Chief Executive Officer	RBG has a Management Agreement with FHL Retailing Limited (the holding company) under which operations of the company are managed. Executive appointments are made under this framework by the Board.
Board and Company Secretary	The Company Secretaries maintain a close link with the Board and executive officers and the company to ensure all duties and responsibilities are effectively discharged.
Timely and balanced reporting	Board meetings are held quarterly to update directors on the company's performance and to review and provide approvals and confirmations of major aspects of the operations of the company.
Promote ethical and responsible decision-making	RBG guides its directors and other officers through its policies and code of conduct in making ethical and responsible decisions.
Register of interests	Directors and officers of the company are obliged to disclose any conflicts of interest that may arise in the course of the business. The interests of directors, if any, are noted during meetings of the company's Board.
Respect the rights of shareholders	Shareholders are encouraged to participate at the Annual General Meeting of the company. The company's Annual Report is forwarded to shareholders so as to allow adequate time to review the performance of the company and seek clarification on any aspects of the company's performance for the year and forecasts for the future.
Accountability and audit	RBG is audited annually by independent auditors who provide their report to the shareholders. Regular internal audits are also conducted and reported in line with established company procedures.
Recognise and manage risk	RBG has established risk management procedures and practices to identify and manage operational and industry risks together with appropriate controls and procedures to manage these risks.

CORPORATE GOVERNANCE [CONT'D]

During the year the Board of Directors appointed an Audit & Risk and a Human Relations Sub-committee. The Sub-committees, chaired by non-executive directors, met during the year and consist of the following members:

Audit & Risk Sub-committee	Human Relations Sub-committee
Malakai Naiyaga (Chairperson)	Litiana Loabuka
Nouzab Fareed	Kaliopate Tavola
Saleshni Prasad	Catherine Grey
	Abilash Ram

Both Sub-committees have approved their Charters based on those adopted by the FHL Group Companies and have formulated a program for work that will be undertaken during the next financial year.

DIRECTORS' REPORT

In accordance with a resolution of the board of directors, the directors herewith submit the statement of financial position of RB Patel Group Limited (the company) as at 30 June 2017, the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and report as follows:

Directors

The names of the directors in office at the date of this report are:

Iowane Naiveli - Chairman	Surendra Kumar Patel
Nouzab Fareed	Kaliopate Tavola
Malakai Naiyaga	Litiana Loabuka

Principal Activities

The principal activities of the company during the year were that of retailing and wholesaling of general merchandise, owners and administrators of properties and equity investments. The company operates supermarket stores in Nausori, Nakasi, Nasinu, Suva, Sigatoka, Nadi, Lautoka, Labasa and Lami.

There were no significant changes in the nature of these activities during the financial year.

Results

The results for the year are as follows:

		2017	2016
Profit from operations	$	9,154,687	8,209,633
Change in fair value of investment properties (note 14)		284,500	-
Profit before income tax		9,439,187	8,209,633
Income tax expense		(957,354)	(858,479)
Profit for the year	$	8,481,833	7,351,154

Dividends

During the year, the company declared and paid an interim dividend of $1,500,000 (2016: $1,200,000). Furthermore, during June 2017, the directors proposed the payment of a final interim dividend of $3,300,000 (2016: Proposed dividends of $3,300,000) from the profits for the year ended 30 June 2017.

Total dividends declared and paid or proposed for the year ended 30 June 2017 amounted to $4,800,000 (2016: $4,500,000).

Reserves

The directors recommend that no transfer be made to or from reserves except for movements required under International Financial Reporting Standards.

Basis of Accounting - Going Concern

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

DIRECTORS' REPORT [CONT'D]

Bad and Doubtful Debts

Prior to the completion of the company's financial statements, the directors took reasonable steps to ascertain that action has been taken in relation to writing off of bad debts and the making of allowance for doubtful debts. In the opinion of directors, adequate allowance 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 allowance for doubtful debts in the company, inadequate to any substantial extent.

Current and Non-Current Assets

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

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

Unusual Transactions

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

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year which would require adjustments to, or disclosure in the financial statements.

Other Circumstances

As at the date of this report:

(i) no charge on the assets of the company has been given since the end of the financial year to secure the liabilities of any other person;

(ii) no contingent liabilities have arisen since the end of the financial year for which the company could become liable; and

(iii) no contingent liabilities or other liabilities of the company has become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the company to meet its obligations as and when they fall due.

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

DIRECTORS' REPORT [CONT'D]

Directors' Benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed in the financial statements as emoluments) by reason of a contract made by the company or by a related corporation with the director or with a firm of which he / she is a member, or with a company in which he / she has a substantial financial interest.

For and on behalf of the board and in accordance with a resolution of the directors.

Dated this 28th day of July 2017.

....
Director

....
Director

DIRECTORS' DECLARATION

The declaration by directors is required by the Companies Act, 2015.

The directors of the company have made a resolution that declares:

a) In the opinion of the directors, the financial statements of the company for the financial year ended 30 June 2017:

   i. comply with the International Financial Reporting Standards and give a true and fair view of the financial position of the company as at 30 June 2017 and of the performance and cash flows of the company for the year ended 30 June 2017; and

   ii. have been prepared in accordance with the Companies Act, 2015.

b) The directors have received independence declaration by auditors as required by Section 395 of the Companies Act, 2015; and

c) At the date of this declaration, in the opinion of the directors, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

For and on behalf of the board and in accordance with a resolution of the board of directors.

Dated this 28th day of July 2017.

....

Director **Director**

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Offices in Suva and Lautoka

BDO
Chartered Accountants
Level 10, FNPF Place
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RB PATEL GROUP LIMITED

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF RB PATEL GROUP LIMITED

As auditor for the audit of RB Patel Group Limited for the financial year ended 30 June 2017, 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.

Pradeep Patel
Partner
Suva, Fiji
28 July 2017

BDO
CHARTERED ACCOUNTANTS

BDO

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Offices in Suva and Lautoka

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Chartered Accountants
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343 Victoria Parade
GPO Box 855
Suva, Fiji

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of RB Patel Group Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of RB Patel Group Limited (the company), which comprise the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 30 June 2017, 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 (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.

Key audit matter	How our audit addressed the matter
Change in Accounting Policy relating to Investment Properties and Assessment of Fair Value of Investment Properties	
Refer to Note 14 and 25 to the Financial Statements.	
Change in accounting policy relating to investment properties from cost model to fair value model and assessment of fair value of investment properties was considered as a key audit matter due to:	Our audit procedures included:
• the significance of the investment properties to the financial statements of the company;	• assessing the scope, expertise and independence of the external valuer used by the company;
• the nature of the properties which requires judgement by us to assess the appropriateness of the valuation methodology and inputs. The company has appointed external valuer to assist in this process;	• evaluating the company's process for reviewing and adopting the valuation;

Independent Auditor's Report (Cont'd)

To the Shareholders of RB Patel Group Limited (Cont'd)

Key Audit Matters (Cont'd)

Key audit matter	How our audit addressed the matter
• the low volume of comparable market transactions for properties available to corroborate valuation inputs and assumptions such as rents, yields, capitalization rates and discount rates; and • requirements under IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors on voluntary changes in accounting policies and related adjustments and disclosures.	• evaluating the appropriateness of the valuation methodology selected by valuer to determine the fair value of the properties to accepted market practices and our industry experience; • independently assessing the key inputs adopted by the valuer to available market transactions for similar properties and other comparable property classes; and • verifying the accuracy of adjustments and disclosures made in the financial statements in relation to the retrospective application of change in accounting policy as required under IAS 8.

Other Information

The management and directors are responsible for the other information. The other information that we received comprises chairman's report, corporate governance statement, graphical analysis of financial data and listing requirements of South Pacific Stock Exchange included in the Annual Report of the company for the year ended 30 June 2017 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 we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Directors for the Financial Statements

The management and directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the Companies Act 2015, and for such internal control as the management and directors 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 management and directors 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 management and directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The management and directors are responsible for overseeing the company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT [CONT'D]

To the Shareholders of RB Patel Group Limited (Cont'd)

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. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the management's and directors' 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 material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

INDEPENDENT AUDITOR'S REPORT [CONT'D]

To the Shareholders of RB Patel Group Limited (Cont'd)

Report on Other Legal and Regulatory Requirements

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

a) We have been given all information, explanations and assistance necessary for the conduct of the audit; and

b) The company has kept financial records sufficient to enable the financial statements to be prepared and audited.

BDO
CHARTERED ACCOUNTANTS

Pradeep Patel
Partner
Suva, Fiji
28 July 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note		2017	2016
Revenue		$	119,761,900	114,815,886
Cost of sales			(96,056,854)	(92,717,947)
Gross profit			**23,705,046**	**22,097,939**
Other income	6		3,093,419	2,856,476
			26,798,465	24,954,415
Operating expenses			(16,403,926)	(15,586,372)
Selling and marketing expenses			(415,712)	(353,616)
Finance (cost) / income - net	7		(824,140)	(804,794)
Profit from operations			9,154,687	8,209,633
Change in fair value of investment properties	14		284,500	-
Profit before income tax	8		**9,439,187**	**8,209,633**
Income tax expense	9(a)		(957,354)	(858,479)
Profit for the year			**8,481,833**	**7,351,154**
Other comprehensive income			-	-
Total comprehensive income for the year		$	**8,481,833**	**7,351,154**
Dividends per share (including proposed dividends)	20		**16 cents**	**15 cents**
Basic & diluted earnings per share	21		**28 cents**	**25 cents**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note		2017	2016 (Restated)
CURRENT ASSETS				
Cash on hand and at bank		$	173,474	162,184
Trade and other receivables	10		4,555,118	4,094,668
Inventories	11		14,511,814	14,842,643
Held-to-maturity investments	12(a)		209,423	200,000
Total current assets			**19,449,829**	**19,299,495**
NON-CURRENT ASSETS				
Available-for-sale financial assets	12(b)		505,000	505,000
Property, plant and equipment	13		23,477,156	27,089,915
Investment properties	14		25,934,485	18,614,558
Deferred tax assets	9(c)		8,293	10,300
Advances	10		585,000	585,000
Total non-current assets			**50,509,934**	**46,804,773**
TOTAL ASSETS			**69,959,763**	**66,104,268**
CURRENT LIABILITIES				
Trade and other payables	15		9,243,058	9,784,423
Interest bearing borrowings	16		12,403,650	11,607,700
Current tax liability	9(b)		29,933	181,449
Provisions	17		33,246	33,246
Total current liabilities			**21,709,887**	**21,606,818**
NON-CURRENT LIABILITIES				
Interest bearing borrowings	16		7,106,415	7,361,000
Deposits	18		275,092	169,410
Deferred tax liabilities	9(d)		2,492,558	2,273,062
Total non-current liabilities			**9,874,065**	**9,803,472**
TOTAL LIABILITIES			**31,583,952**	**31,410,290**
NET ASSETS			**38,375,811**	**34,693,978**
SHAREHOLDERS' EQUITY				
Share capital	19		15,000,000	15,000,000
Investment revaluation reserve			51,230	51,230
Retained earnings			20,024,581	16,342,748
Proposed dividends	20		3,300,000	3,300,000
TOTAL SHAREHOLDERS' EQUITY		$	**38,375,811**	**34,693,978**

The above statement of financial position should be read in conjunction with the accompanying notes.

For and on behalf of the board and in accordance with a resolution of the board of directors.

....
Director Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Share Capital	Investment Revaluation Reserve	Retained Earnings	Proposed Dividends	Total
	$	$	$	$	$
Balance as at 1 July 2015	**15,000,000**	**51,230**	**8,845,729**	**3,000,000**	**26,896,959**
Profit for the year	-	-	7,351,154	-	7,351,154
Dividends paid (note 20)	-	-	(1,200,000)	(3,000,000)	(4,200,000)
Proposed dividends (note 20)	-	-	(3,300,000)	3,300,000	-
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 June 2016 (As previously reported)	**15,000,000**	**51,230**	**11,696,883**	**3,300,000**	**30,048,113**
Adjustment relating to change in accounting policy (note 14)	-	-	4,645,865	-	4,645,865
Balance at 30 June 2016 (Restated)	**15,000,000**	**51,230**	**16,342,748**	**3,300,000**	**34,693,978**
Profit for the year	-	-	8,481,833	-	8,481,833
Dividends paid (note 20)	-	-	(1,500,000)	(3,300,000)	(4,800,000)
Proposed dividends (note 20)	-	-	(3,300,000)	3,300,000	-
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 June 2017	**15,000,000**	**51,230**	**20,024,581**	**3,300,000**	**38,375,811**

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note		2017	2016
Cash flows from operating activities				
Receipts from customers		$	123,011,837	117,341,113
Payments to suppliers and employees			(111,227,143)	(109,394,619)
Cash generated from operations			11,784,694	7,946,494
Interest and other costs of finance (paid) / received, net			(824,060)	(821,017)
Income tax paid			(887,367)	(480,068)
Net cash provided by operating activities			10,073,267	6,645,409
Cash flows from investing activities				
Payment for property, plant and equipment and investment properties			(5,244,893)	(1,499,278)
Proceeds from sale of property, plant and equipment			83,945	39,653
Dividends received			17,250	14,250
Payment to acquire available-for-sale financial asset			-	(270,000)
Payment for held-to-maturity investment			(9,423)	(100,000)
Advances to related party			(2,400,000)	(300,000)
Repayment of advances from related parties			1,749,779	300,000
Net cash used in investing activities			(5,803,342)	(1,815,375)
Cash flows from financing activities				
Funds received held on behalf of related party			-	750,000
Advances to service provider			-	(250,000)
Proceeds from borrowings			1,058,236	857,785
Repayment of borrowings			(1,419,821)	(1,932,000)
Dividends paid			(4,800,000)	(4,200,000)
Net cash used in financing activities			(5,161,585)	(4,774,215)
Net increase / (decrease) in cash and cash equivalents			(891,660)	55,819
Cash and cash equivalents at the beginning of the financial year			(5,639,516)	(5,695,335)
Cash and cash equivalents at the end of the financial year	24(a)	$	**(6,531,176)**	**(5,639,516)**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1. GENERAL INFORMATION

a) Corporate Information

RB Patel Group Limited (the company) is a limited liability company incorporated and domiciled in Fiji. The company is listed on the South Pacific Stock Exchange. The address of its registered office and principal place of business is located at RB Patel CentrePoint Building, Ratu Dovi Road, Laucala Beach Estate, Nasinu.

b) Principal Activities

The principal activities of the company during the year were that of retailing and wholesaling of general merchandise, owners and administrators of properties and equity investments. The company operates supermarket stores in Nausori, Nakasi, Nasinu, Suva, Sigatoka, Nadi, Lautoka, Labasa and Lami.

There were no significant changes in the nature of these activities during the financial year.

NOTE 2. BASIS OF PREPARATION

a) Basis of Preparation

The financial statements of RB Patel Group Limited have been prepared on the basis of historical cost convention, except for the revaluation of financial instruments, investment properties at fair value, and revaluation of certain non-current assets which were taken as "deemed cost" on transition to IFRS during the year ended 31 March 2007. Cost is based on the fair values of the consideration given in exchange for goods and services.

In the application of IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the future periods are disclosed, where applicable, in the relevant notes to the financial statements.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are critical to the financial statements are disclosed in note 5.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

b) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as required by the Fiji Institute of Accountants and with the requirements of the Companies Act, 2015.

c) Comparatives

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts. Also, prior year balances have been restated in relation to change in accounting policy. Refer note 14.

NOTE 2. BASIS OF PREPARATION (CONT'D)

d) Changes in Accounting Policies

Investment Properties - Change in Accounting Policy from Cost Model to Fair Value Model

During prior years and until 30 June 2016, subsequent to initial recognition, investment properties were measured at its cost less any accumulated depreciation and accumulated impairment losses.

Effective from 1 July 2016, investment properties are stated in the statement of financial position at fair value at the date of revaluation, less any subsequent impairment losses. Note 3(b) provides accounting policy on investment properties, Note 14 provides detailed information about the key assumptions used in the determination of the fair value of investment properties and note 25 provides detailed information about the impact on assets, liabilities and equity as at 30 June 2016 on the application of change in accounting policy for investment properties from cost model to fair value model.

New Standards, Interpretations and Amendments Effective from 1 July 2016

A number of amendments are effective for the first time for annual periods beginning on (or after) 1 January 2016. None of the amendments have a material effect on the company's annual financial statements.

Amendments which are relevant to the company are summarised below:

Amendments to IAS 1 - Disclosure Initiative

The amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Although the amendments do not require specific changes, they clarify a number of presentation issues and highlight that preparers are permitted to tailor the format and presentation of financial statements to their circumstances and the needs of users.

Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. These amendments are not expected to have any impact to the company given that the company has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 27 - Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. These amendments will not have any impact on the company's financial statements.

Annual improvements have been made to the following standards:

- IFRS 7 – Financial Instruments – Disclosures
- IAS 19 – Employee Benefits

NOTE 2. BASIS OF PREPARATION (CONT'D)

d) Changes in Accounting Policies (Cont'd)

New standards, amendments, annual improvements and interpretation that have been issued but are not mandatorily effective as at 30 June 2017

Certain new standards, amendments, annual improvements and interpretation which are not yet mandatorily effective and have not been adopted early in these financial statements, will or may have an effect on the company's future financial statements. The company intends to adopt these standards, amendments, annual improvements and interpretation if applicable, when they become effective.

New standards which are applicable to the company are:

IFRS 9 - Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 16 - Leases

IFRS 16 Leases, which supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17. Under IFRS 16, leases are recorded on the balance sheet by recognising a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of the lease liability plus certain other amounts) either being disclosed separately in the statements of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities.

IFRS 16 applies to annual periods commencing on or after 1 January 2019. Earlier adoption is permitted, but only IFRS 15 Revenue from Contracts with Customers is also adopted. The company is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date.

NOTE 2. BASIS OF PREPARATION (CONT'D)

d) Changes in Accounting Policies (Cont'd)

New standards, interpretations and amendments that have been issued but are not mandatorily effective as at 30 June 2017 (Cont'd)

Amendments which are applicable to the entity are:

IAS 7: Amendment – Disclosure Initiative

These amendments are effective from 1 April 2017 and aim to improve information about an entity's debt, including movements in that debt. Disclosures are required to enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

IAS 40: Amendment – Transfers of Investment Property

This amendment is effective from 1 January 2018 and clarifies that transfer of a property to, or from investment property is made when, and only when, there is a change in use.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, Plant and Equipment

Property, plant and equipment are measured at cost and deemed cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including buildings and leasehold land but excluding freehold land. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

Freehold land is not depreciated. Other property, plant and equipment is depreciated on a straight-line basis over its estimated useful life using the following rates:

Leasehold lands	Terms of leases
Buildings	1.25% - 2.50%
Furniture, fittings and office equipment	12% - 40%
Motor vehicles	18%

Buildings on leasehold land are depreciated using the straight-line method over their estimated useful lives or the remaining period of the lease whichever is shorter.

Profits and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

Capital work in progress principally relates to costs incurred in respect of property construction. Capital work in progress is not depreciated.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Investment Properties

Investment properties principally comprising freehold land, leasehold land and building are held to earn rentals and/or for capital appreciation, are measured initially at its cost including transaction costs. During prior years and until 30 June 2016, subsequent to initial recognition, investment properties were measured at its cost less any accumulated depreciation and accumulated impairment losses.

Effective from 1 July 2016, investment properties are stated in the statement of financial position at fair values, less any subsequent impairment losses. Gains and losses arising from changes in the fair value of investment properties are included in the statement of profit or loss in the period in which they arise. Valuations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Investment properties are derecognised when either it has been disposed or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are taken into consideration in determining the results for the period.

(c) Impairment of Non - Financial Assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on actual cost on first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

Provisions for inventory obsolescence are raised based on a review of inventories. Inventories considered obsolete or un-saleable are written off in the period in which they are identified.

(e) Financial Assets

The company classifies its financial assets in the following categories: held-to-maturity investments, available-for-sale assets and loans and receivables. The classification depends on the nature and purpose for which the financial assets were acquired and is determined at the time of initial recognition.

Held-to-maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the company has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

Investments are initially recognised at fair value plus transaction costs. Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale financial assets are recognised in equity. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of profit or loss as 'gains and losses from investment securities'.

Dividends on available-for-sale financial assets are recognised in the statement of profit or loss as part of other income when the company's right to receive payments is established.

The company assesses at each balance date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of profit or loss is removed from equity and recognised in the statement of profit or loss.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Assets (Cont'd)

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are classified as non-current assets. The company's receivables comprise 'trade and other receivables' disclosed in the statement of financial position (note 10). Bad debts are written off during the period in which they are identified.

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

(f) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for doubtful debts. An allowance for doubtful debts of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Allowance is raised on a specific debtor level. Significant financial difficulties of the debtors and default or delinquency in payments are considered indicators that a specific debtor balance is impaired. Impairment assessed at a collective level is based on past experience and data in relation to actual write-offs.

Subsequent recoveries of amounts previously written off are credited in the statement of profit or loss.

(g) Allowance for Doubtful Debts

The company establishes an allowance for any doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off during the period when they are identified.

(h) Cash and Cash Equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash on hand and cash in banks, net of outstanding bank overdrafts. Bank overdrafts are shown within interest bearing borrowings in current liabilities in the statement of financial position.

(i) Borrowings

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

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

(j) Trade and Other Payables

Trade and other payables are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(l) Employee Benefits

Wages and salaries

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are accrued up to the reporting date.

Annual leave and sick leave

The liability for annual leave is recognized in the provision for employee benefits. Liabilities for annual leave are expected to be settled within 12 months of the reporting date and are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates prevailing at that time.

Defined contribution plans

Contributions to Fiji National Provident Fund are expensed when incurred.

(m) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

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

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) **Income Tax (Cont'd)**

Deferred Tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset and liability giving rise to them are realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Tax for the year

Current and deferred tax is recognised as an expense or income in the statement of profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

Capital Gains Tax

Capital Gains Tax (CGT) is applicable on capital gains realised on disposal of certain 'non-depreciable capital assets' as set out in the Income Tax Act. Accordingly, where these capital assets are stated at fair value, a corresponding deferred tax liability is recognised on surplus / gain on valuation of non-depreciable capital assets at the rate of 10%.

(o) **Value Added Tax**

Revenues, expenses, liabilities and assets are recognised net of the amount of Value Added Tax (VAT), except:

i) where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii) for receivables and payables which are recognised inclusive of VAT.

The amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

The VAT component of cash flows arising from operating and investing activities which is recoverable from or payable to, the taxation authority is classified as operating cash flows.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Foreign Currency

Functional and Presentation Currency

The company operates in Fiji and hence the financial statements are presented in Fiji dollars, which is the company's functional and presentation currency.

Transactions and Balances

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in the statement of profit or loss in the period in which they arise.

(q) Leased Assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as Lessor

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Company as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(r) Revenue Recognition

Sale of Goods

Revenue from the sale of goods is recognised when the company has transferred to the buyer the significant risks and rewards of ownership of the goods.

Sales revenue represent revenue earned from the sale of merchandise and is stated net of returns, trade allowances and Value Added Tax.

Rental Income

Rental income is recognised on a normal accrual basis.

Rental income represents income earned from renting out of building space and is stated net of Value Added Tax.

Dividend Income

Dividend income from investments is recognised when the shareholder's right to receive payment is established.

Interest Income

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use of sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

(t) Earnings Per Share

Basic earnings per share

Basic earnings per share (EPS) is determined by dividing profit after income tax attributable to members of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted EPS is the same as the basic EPS as there are no ordinary shares which are considered dilutive.

(u) Dividend Distribution

Dividend declared but not distributed is recognised as a liability in the company's financial statements in the period in which the dividend is declared by the company's directors.

(v) Segment Reporting

Operating Segment

An operating segment is a component of the company which may earn revenue and incur expenses and the operating results are regularly reviewed by the directors of the company to make decisions about resources to be allocated to the segments and assess its performance.

The company has identified supermarket segment and rental segment as two major reportable operating segments.

The accounting policies adopted for segment reporting are the same accounting policies adopted for preparing and presenting financial statements of the company.

Geographic Segment

A geographical segment constitutes the provision of products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

The company predominantly operates in Fiji and business from outside Fiji is not material. Accordingly, the company is in one geographical area for reporting purposes.

The segment reporting has been disclosed under note 27.

NOTE 4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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

Risk management is carried out by executive management. Executive management identifies, evaluates and monitors financial risks in close co-operation with the operating units. The board provides policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

(a) Market risk

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

Unfavourable changes to duty and tax regulations may expose the company to a decline in revenues. To minimise this risk, the company implements appropriate strategies to ensure that products and prices remain attractive. The company operates in Fiji and changes to Governments and the policies they implement affect the economic situation and ultimately the revenue of the company. To address this, the company reviews its pricing and product range regularly and responds appropriately to these changes.

(i) *Foreign exchange risk*

The company undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuation. Exchange rate exposures are managed within approved policy parameters. Major foreign exchange transactions relates to importation of goods of which settlement is based on spot rates. Foreign currency risk arises from recognised assets and liabilities that are denominated in a currency that is not the company's functional currency (refer note 3(p)). As a measure, the company negotiates competitive rates with its bankers to minimise losses and maximise gains when foreign exchange receipts and payments become due.

The carrying amount of the company's significant foreign currency denominated monetary liabilities (aggregating over $100,000) at the end of reporting period are as follows:

	Liabilities	
	2017	**2016**
	F$	**F$**
US Dollars	669,933	585,858
NZ Dollars	255,903	206,545
AUD Dollars	-	236,311

Changes in the exchange rate by 10% (increase and decrease) are not expected to have a significant impact on the net profit and equity balances currently reflected in the company's financial statements.

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(ii) *Interest rate risk*

The company has significant interest-bearing borrowings. Borrowing from banks are at variable interest rates. This exposes the company to interest rate risk. These risks are managed closely by the directors and the management within the approved policy parameters. For additional borrowings, the company negotiates an appropriate interest rate with banks and other lenders with the board approval and borrows from banks and other financial institutions which offers the overall favourable terms, including the interest rate. Changes in the interest rate by 1% (increase and decrease) are not expected to have a significant impact on the net profit and equity balances currently reflected in the company's financial statements.

The carrying amounts of the company's financial instruments that are exposed to interest rate risk as at 30 June 2017 and 2016 are summarized below:

Financial Instruments	Less than 1 year $	1 year and over $	Total $
At 30 June 2017			
Financial liabilities:			
Bank overdraft	6,704,650	-	6,704,650
Bank loans	1,909,000	7,106,415	9,015,415
Advances	3,790,000	-	3,790,000
Total financial liabilities	**12,403,650**	**7,106,415**	**19,510,065**
At 30 June 2016			
Financial liabilities:			
Bank overdraft	5,801,700	-	5,801,700
Bank loans	2,016,000	7,361,000	9,377,000
Advances	3,790,000	-	3,790,000
Total financial liabilities	**11,607,700**	**7,361,000**	**18,968,700**

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The company's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management on a regular basis.

Trade accounts receivable consist of a large number of customers, spread across geographical areas. Ongoing credit evaluations are performed on the financial condition of accounts receivables.

The company does not have any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the company's maximum exposure to credit risk.

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (Cont'd)

(a) **Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations for its financial liabilities. Prudent and careful management of the company's liquidity position is essential in order to ensure that adequate funds are available to meet the company's ongoing financial obligations.

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

Financial Liabilities	Less than 1 year ($)	Between 1 and 2 years ($)	Between 3 and 5 years ($)	Over 5 Years ($)	Total ($)
At 30 June 2017					
Bank loans	1,909,000	1,464,000	3,886,415	1,756,000	9,015,415
Advances	3,790,000	-	-	-	3,790,000
Bank overdraft	6,704,650	-	-	-	6,704,650
Trade and other payables	9,243,058	-	-	-	9,243,058
At 30 June 2016					
Bank loans	2,016,000	1,669,000	2,952,000	2,740,000	9,377,000
Advances	3,790,000	-	-	-	3,790,000
Bank overdraft	5,801,700	-	-	-	5,801,700
Trade and other payables	9,784,423	-	-	-	9,784,423

(d) **Other Risks**

(i) *Operational risk*

Operational risk is the risk of loss arising from systems failure, human error, and fraud to external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The company cannot expect to eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the company is able to manage risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment procedures.

(ii) *Regulatory risk*

The company's profitability can be impacted by regulatory agencies established which govern the business sector in Fiji. Specifically retail and wholesale prices of various products are regulated by the Fiji Commerce Commission.

The salaries and wages payable to workers are subject to relevant wages regulations and employment legislation.

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.2 Capital risk management

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

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and/or sell assets to reduce debt.

The company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 30 June 2017 and 2016 were as follows:

		2017	**2016 (Restated)**
Total borrowings (note 16)	$	19,510,065	18,968,700
Less: Cash on hand and at bank		(173,474)	(162,184)
Net debt		19,336,591	18,806,516
Total equity		38,375,811	34,693,978
Total capital (Equity + Net debt)	$	57,712,402	53,500,494
Gearing ratio % (Net debt / Total capital)		34%	35%

4.3 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The carrying values of financial liabilities are estimated to approximate their fair values.

NOTE 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In application of the company's accounting policies, which are described in note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

NOTE 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

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

Critical Judgments in Applying the Entity's Accounting Policies

(a) *Fair Value Measurement of Investment Properties*

The company measures investment properties at fair value with changes in fair value being recognised in profit or loss.

The company uses valuation techniques that include valuation assessment and estimates based on observable and unobservable market data and observable internal financial data to estimate the fair value of investment properties. Note 14 provides detailed information about the key assumptions used in the determination of the fair value of investment properties.

The directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of investment properties.

(b) *Provision for stock obsolescence*

Provision for stock obsolescence is assessed and raised on a specific basis based on a review of inventories. Inventory balances are reviewed continuously and inventories considered obsolete or non-saleable are written off in the period in which they are identified. The management's decision in maintaining provision for stock obsolescence requires judgment and estimates of future realisable values in relation to slow moving and old inventories.

(c) *Deferred tax liabilities*

Deferred tax liability is recognized on taxable temporary differences over accounting and tax carrying amounts in respect of company properties and is measured at the tax rates that are expected to apply in the period in which the liability is expected to be settled. The management's decision in recording its deferred tax liability yrequires significant judgment and estimates of future tax rates and future tax payables. Accordingly, subsequent events may result in outcomes that may be different from the judgments and estimates applied.

(d) *Depreciation of property, plant and equipment*

In relation to property, plant and equipment, the directors and the management apply judgment to determine the depreciation period based on the expected useful lives of the respective assets. Where estimated useful lives or recoverable values have diminished due to technological change or market conditions, depreciation is accelerated. The director's and management's assessment of useful lives or recoverable amount involves making a judgement, at the particular point in time, about inherent uncertain future outcomes of events or conditions. Accordingly, subsequent events may result in outcomes that are significantly different from assessment.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 6. OTHER INCOME

		2017	2016
Rental revenue	$	2,929,001	2,796,342
Gain on disposal of plant and equipment		79,740	-
Dividends – non related entity		17,250	14,250
Commission		5,090	7,949
Reversal of allowance for doubtful debts		20,070	1,309
Miscellaneous income		42,268	36,626
Total other income		3,093,419	2,856,476

NOTE 7. FINANCE COST / (INCOME) - NET

Finance income:		
- Interest income on advances	(79,212)	(42,773)
Finance cost:		
Bank and loan administration charges	205,855	205,855
Interest expense on borrowings from ANZ Banking Group Limited and Westpac Banking Corporation	568,597	516,807
Interest expense on borrowings from Fijian Holdings Unit Trust	106,400	107,275
Interest expense on borrowings from Fiji Television Limited	22,500	17,630
Finance cost / (income) - net	824,140	804,794

Borrowing costs amounting to $18,481 (2016: $Nil) was capitalised to investment properties (note 14).

NOTE 8. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging the following expenses:

Auditor's remuneration for:			
- Audit fees		47,000	45,000
- Other services		7,400	4,710
Directors fees		28,000	24,000
Management fees		4,359,448	3,988,458
Depreciation of property, plant and equipment		1,032,095	1,002,546
Depreciation of investment properties		-	147,911
Operating lease rental expenses		1,025,213	867,419
Loss on disposal of property, plant and equipment		-	196,558
Personnel costs:			
- Salaries, wages, and training levy		5,888,614	5,408,263
- FNPF contribution	$	566,112	511,375

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9. INCOME TAX

		2017	2016
(a) Income Tax Expense			
The prima facie tax payable on profit is reconciled to the income tax expense as follows:			
Profit before income tax	$	9,439,187	8,209,633
Prima facie tax thereon at 10%		943,919	820,963
Tax effect of permanent differences:			
Non-deductible expenses		51,625	63,458
Non-taxable income		(1,725)	(1,425)
Income tax deductions and concessions		(41,631)	(23,810)
(Over) / under provision for income tax expense in prior year		43	(707)
Deferred capital gain tax liability on fair value gain on equity investments		5,123	-
Income tax expense attributable to profit		957,354	858,479
Income tax expense comprises movements in:			
Current tax liabilities		735,851	696,779
Deferred tax liabilities		219,496	163,054
Deferred tax assets		2,007	(1,354)
		957,354	858,479
(b) Current Tax Liability / (Asset)			
Balance at the beginning of the year		181,449	(35,262)
Income tax paid		(887,367)	(480,068)
Over provision of income tax in the prior year		43	(707)
Income tax liability for the current year		735,808	697,486
Balance at the end of the year		29,933	181,449
(c) Deferred Tax Assets			
Deferred tax assets comprise the estimated future benefit at future income tax rate of 10% of the following items:			
Provision for employee entitlements		3,325	3,325
Allowance for doubtful debts		4,968	6,975
		8,293	10,300
(d) Deferred Tax Liabilities			
Deferred tax liabilities comprise the estimated expense at future income tax rate and capital gains tax rate of 10% of the following items:			
Difference in net carrying value of property, plant and equipment and investment properties for accounting and income tax purpose		2,466,493	1,720,977
Capital gains tax (at the rate of 10%) on the fair value gain on equity investments		5,123	-
Cyclone reserve deposit		20,942	20,000
Balance as previously reported		2,492,558	1,740,977
Adjustment relating to change in accounting policy - capital gains tax (at the rate of 10%) on the fair value gain		-	532,085
Balance (restated)	$	2,492,558	2,273,062

NOTE 10. TRADE AND OTHER RECEIVABLES

		2017	2016
Current			
Trade receivables	$	1,313,924	1,535,130
Allowance for doubtful debts		(49,679)	(69,749)
		1,264,245	1,465,381
Other receivables (a)		2,034,585	1,370,748
Deposits		590,039	590,039
Prepayments		666,249	668,500
Total current trade and other receivables		4,555,118	4,094,668
Non - Current			
Advances to Sunergise (Fiji) Limited (b)		585,000	585,000

Trade receivables principally comprise amounts outstanding for sale of merchandise goods. Trade receivables are non-interest bearing and are generally settled on 7 – 60 days term

(a) Other receivables includes $1,910,521 (2016: $1,260,300) receivable from fellow subsidiary, Life Cinema Limited.

(b) Advance provided to Sunergise (Fiji) Limited is for funding of the installation of solar panel system at Lautoka, CentrePoint and HarbourPoint supermarkets and RB Patel JetPoint complex. The advance has been provided to obtain competitive electricity rates. The advance is subject to fixed interest rate for the first 5 years and thereafter, is subject to variable interest rate for the next 5 years. The advance is unsecured and the principal amount is repayable at the end of the term of 10 years.

Trade receivables that are less than 3 months past due are not considered impaired. These relate to a number of customers for whom there is no recent history of default. The ageing analysis of trade receivables is as follows:

Ageing of past due but not impaired trade accounts receivable:

		2017	2016
30 – 60 days		402,542	596,231
60 – 90 days		88,556	39,871
Over 90 days		44,696	14,043
Total past due unimpaired trade receivables		535,794	650,145

As of 30 June 2017 trade receivables of $49,679 (2016: $69,749) were considered impaired. The individually impaired receivables generally relate to receivables over 90 days. The movement in allowance for doubtful debts is as follows:

Movement in the allowance for doubtful debts:

		2017	2016
Balance at the beginning of the year		69,749	71,058
Reversal of allowance for doubtful debts		(20,070)	(1,309)
Balance as at 30 June	$	49,679	69,749

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 11. INVENTORIES

		2017	2016
Finished goods	$	13,270,964	13,879,766
Goods in transit		1,240,850	962,877
Total inventories		14,511,814	14,842,643

Finished goods are generally stated at cost. The value of inventories carried at net realisable values as at the year end is insignificant. Inventories considered to be un-saleable or obsolete are written off in the period in which they are identified as un-saleable or obsolete.

NOTE 12. FINANCIAL ASSETS

(a) **Held-to-Maturity Investments**

Current

		2017	2016
Cyclone reserve deposit		209,423	200,000

Available-for-Sale Financial Assets

Non-Current

		2017	2016
Equity investments in Motibhai & company Limited		55,000	55,000
Equity investments in Life Cinema Limited		450,000	450,000
		505,000	505,000

Reconciliation for available-for-sale investments

		2017	2016
Opening balance		505,000	235,000
Additions		-	270,000
Total available-for-sale investments	$	505,000	505,000

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land at deemed cost	Leasehold land at deemed cost	Buildings at deemed cost	Office equipment at cost	Motor vehicles at cost	Capital Work in progress	Total
	$	$	$	$	$	$	$
Gross carrying amount							
Balance at 1 July 2015	**6,224,159**	**2,056,199**	**20,873,714**	**6,619,486**	**1,328,158**	**-**	**37,101,716**
Additions	-	-	-	310,707	136,305	5,652	452,664
Disposals	(8,750)	-	(272,924)	-	(65,085)	-	(346,759)
Balance at 30 June 2016	**6,215,409**	**2,056,199**	**20,600,790**	**6,930,193**	**1,399,378**	**5,652**	**37,207,621**
Additions	-	-	-	569,565	608,318	-	1,177,883
Disposals	-	-	-	-	(132,499)	-	(132,499)
Transfer to investment properties (note 14)	(1,201,240)	(183,402)	(2,564,867)	-	-	-	(3,949,509)
Balance at 30 June 2017	**5,014,169**	**1,872,797**	**18,035,923**	**7,499,758**	**1,875,197**	**5,652**	**34,303,496**
Accumulated depreciation							
Balance at 1 July 2015	**-**	**515,024**	**2,967,468**	**4,812,185**	**932,092**	**-**	**9,226,769**
Depreciation expense	-	35,701	302,431	531,876	132,538	-	1,002,546
Disposals	-	-	(58,339)	-	(53,270)	-	(111,609)
Balance at 30 June 2016	**-**	**550,725**	**3,211,560**	**5,344,061**	**1,011,360**	**-**	**10,117,706**
Depreciation expense	-	32,963	261,577	543,505	194,050	-	1,032,095
Disposals	-	-	-	-	(128,295)	-	(128,295)
Transfer to investment properties (note 14)	-	(34,217)	(160,949)	-	-	-	(195,166)
Balance at 30 June 2017	**-**	**549,471**	**3,312,188**	**5,887,566**	**1,077,115**	**-**	**10,826,340**
Net book value							
As at 30 June 2016	**6,215,409**	**1,505,474**	**17,389,230**	**1,586,132**	**388,018**	**5,652**	**27,089,915**
As at 30 June 2017	**5,014,169**	**1,323,326**	**14,723,735**	**1,612,192**	**798,082**	**5,652**	**23,477,156**

Prior to April 2006, land and buildings were revalued by the directors based on independent valuation. Upon adoption of IFRS (effectively from April 2006), the company had elected the option provided under IFRS 1 to apply the cost model (deemed cost) for land and buildings previously re-valued, and accordingly, the cost value of land and buildings include revaluation increments amounting to $2,637,335 (2016: $2,780,237). In accordance with the security arrangements for borrowings from the bank, these properties have been pledged as security (refer note 16).

NOTE 14. INVESTMENT PROPERTIES

	Freehold Land	Leasehold Land	Building	Work in Progress	Total
	($)	($)	($)	($)	($)
Gross carrying amount					
Balance at 1 July 2015 – at cost	2,169,211	-	9,772,574	206,903	12,148,688
Additions	-	1,339,000	-	611,999	1,950,999
Balance at 30 June 2016 - at cost (As previously reported)	2,169,211	1,339,000	9,772,574	818,902	14,099,687
Adjustment upon revaluation	-	-	(663,079)	-	(663,079)
Change in fair value	2,479,549	461,815	2,236,586	-	5,177,950
Balance at 30 June 2016 - at fair value (Restated)	4,648,760	1,800,815	11,346,081	818,902	18,614,558
Transfer from property, plant and equipment	1,201,240	149,185	2,403,919	-	3,754,344
Additions	-	5,500	-	3,275,583	3,281,083
Change in fair value	340,000	34,500	(90,000)	-	284,500
Balance at 30 June 2017	6,190,000	1,990,000	13,660,000	4,094,485	25,934,485
Accumulated depreciation					
Balance at 1 July 2015	-	-	515,168	-	515,168
Depreciation expense	-	-	147,911	-	147,911
Balance at 30 June 2016 (As previously reported)			663,079		663,079
Adjustment upon revaluation	-	-	(663,079)	-	(663,079)
Balance at 30 June 2016 (Restated)	-	-	-	-	-
Net book value					
As at 30 June 2016 (Restated)	4,648,760	1,800,815	11,346,081	818,902	18,614,558
As at 30 June 2017	6,190,000	1,990,000	13,660,000	4,094,485	25,934,485

During prior years and until 30 June 2016, subsequent to initial recognition, investment properties were measured at its cost less any accumulated depreciation and accumulated impairment losses. Effective from 1 July 2016, investment properties are stated in the statement of financial position at fair values, less any subsequent impairment losses.

An independent valuation was carried out by registered valuer, Rolle Associates, in June 2017 for investment properties of the company to assess the fair values of the properties. The directors work closely with the external valuers to establish the appropriate valuation techniques and inputs to the valuation model. The valuation methodologies adopted by the valuer were Summation Method and Sales Comparison Method.

The management and directors believe that it is impracticable to determine accurately and reliably each period specific effects of excess market value over book value of $5,177,950 as at 30 June 2016 and therefore, the cumulative financial effect has been incorporated to retained earnings as at 30 June 2016.

The excess market value over book value of $284,500 has been recorded as an increase in fair value to investment properties in the financial statements for the year ended 30 June 2017, based on management and directors assessment of fair values and taking into consideration the recent valuations by registered valuers. Furthermore, fair value gain on investment properties amounting to $284,500 has been recorded in statement of profit or loss and deferred tax liability of $28,450 has been recorded in statement of financial position for the year ended 30 June 2017.

NOTE 14. INVESTMENT PROPERTIES (CONT'D)

In accordance with the security arrangements for borrowings from the bank, these investment properties have been pledged as security (refer note 16).

Borrowing costs amounting to $18,481 (2016: $Nil) in relation to the construction of the Jetpoint Carpark Building in Martintar, Nadi was capitalized to investment properties.

NOTE 15. TRADE AND OTHER PAYABLES

		2017	2016
Trade payables	$	6,453,984	6,582,263
Other payables (a)		2,458,736	3,191,230
VAT payable		319,408	-
Dividends payable		10,930	10,930
		9,243,058	9,784,423

Trade payables principally comprise amounts outstanding for trade purchases and on-going costs. Trade payables are non-interest bearing and are normally settled on 30 – 60 days term.

(a) Other payables includes $1,421,743 (2016: $1,182,205) payable to the holding company.

NOTE 16. INTEREST BEARING BORROWINGS

		2017	2016
Current			
Bank overdrafts		6,704,650	5,801,700
Bank Loan - ANZ Banking Group Limited (a)		685,000	1,032,000
Bank Loan - ANZ Banking Group Limited (b)		480,000	480,000
Bank Loan - ANZ Banking Group Limited (c)		504,000	504,000
Bank Loan - ANZ Banking Group Limited (d)		240,000	-
Advance from Fijian Holdings Unit Trust (e)		3,040,000	3,040,000
Money held in trust on behalf of Fiji Television Limited (f)		750,000	750,000
Total current borrowings		12,403,650	11,607,700
Non-Current			
Bank Loan - ANZ Banking Group Limited (a)		-	685,000
Bank Loan - ANZ Banking Group Limited (b)		2,120,000	2,600,000
Bank Loan - ANZ Banking Group Limited (c)		3,572,000	4,076,000
Bank Loan - ANZ Banking Group Limited (d)		1,414,415	-
Total non-current secured borrowings	$	7,106,415	7,361,000

(a) The loan has been taken for construction of RB Patel JetPoint complex and purchase of land in Nadi. The loan is subject to variable interest rate. Bank loan is payable at monthly repayments of $86,000 plus interest.

(b) The loan has been taken for construction of RB Patel HarbourPoint complex in Lami. The loan is subject to variable interest rate. Bank loan is payable at monthly repayments of $40,000 plus interest.

NOTE 16. INTEREST BEARING BORROWINGS (CONT'D)

(c) The loan has been taken for construction of Cinema Multiplex at JetPoint complex in Martintar, Nadi. The loan is subject to variable interest rate. Bank loan is payable at monthly repayments of $42,000 plus interest.

(d) The loan has been taken for construction of Carpark and Retailing complex at JetPoint complex in Martintar, Nadi. The loan is subject to variable interest rate. Bank loan is payable at monthly repayments of $38,096 plus interest.

(e) Advance from Fijian Holdings Unit Trust, managed by fellow subsidiary company, Fijian Holdings Trust Management Limited, is subject to interest at a competitive rate, is unsecured and is repayable on demand.

(f) Relates to money held in trust on behalf of Fiji Television Limited. The fund is subject to interest at a competitive rate. The fund is to be released to Fiji Television Limited upon fulfilment of certain agreed terms between Fiji Television Limited and Digicel (Fiji) Limited.

Particulars relating to secured borrowings:

The bank overdraft facility and bank loans (together with letter of credit and guarantee facilities) from ANZ Banking Group Limited is secured by:

(i) First registered mortgage debenture given by the company over all its present and future assets and undertakings and its uncalled and unpaid capital, stamped to $20 million.

(ii) First registered mortgage over properties (CT No. 23400) situated at corner of Dovi Road and Ratu Mara Road, Laucala Beach Estate, Nasinu, (CT No. 7082) situated at Martintar, Nadi, (CT No. 34330) situated at Tavewa Avenue, Lautoka, (CL No. 53120) situated at Tavewa Avenue, Lautoka and (CT No. 39150) situated at Queens Road, Lami.

(iii) A Deed of Pari Passu between the ANZ Banking Group Limited, Westpac Banking Corporation and the company, regarding sharing of securities in the ratio 50/50 with maximum debt of $6 million each.

(iv) Deed of Variation of Pari Passu between the ANZ Banking Group Limited, Westpac Banking Corporation and the company, increasing maximum debt to $6 million each.

The bank overdraft facility (together with letter of credit and guarantee facilities) from Westpac Banking Corporation is secured by:

(i) Registered equitable mortgage debenture given by the company over all its assets and undertakings including its uncalled and called but unpaid capital.

(ii) A Deed of Pari Passu between Westpac Banking Corporation, ANZ Banking Group Limited and the company, regarding sharing of securities in the ratio 50/50 with maximum debt of $7 million each.

(iii) Registered first mortgage over properties (CL No. 718652) situated at the corner of Kings & Adi Davila Roads, Nakasi, Nausori and (NL No. 15761) situated at Labasa.

NOTE 17. PROVISIONS		2017	2016
Employee benefits	$	33,246	33,246

NOTE 18. DEPOSITS

Deposits from tenants	275,092	169,410

NOTE 19. SHARE CAPITAL

Issued and paid up capital 30,000,000 ordinary shares	15,000,000	15,000,000

Fully paid ordinary shares carry one vote per share and carry the right to dividends. There has been no movement in share capital during the year.

NOTE 20. DIVIDENDS PAID, DECLARED OR PROPOSED

Interim dividend paid - 5 cents per share (2016: 4 cents)	1,500,000	1,200,000
Final interim dividend – proposed - 11 cents per share (2016: declared - 11 cents)	3,300,000	3,300,000
	4,800,000	4,500,000
Dividends per share	16 cents	15 cents

NOTE 21. EARNINGS PER SHARE

Basic and Diluted Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Operating profit after tax attributable to members		8,481,833	7,351,154
Weighted average number of ordinary shares for the purposes of basic earnings per share		30,000,000	30,000,000
Basic and diluted earnings per share	$	28 cents	25 cents

NOTE 22. COMMITMENTS

		2017	2016

(a) Capital Expenditure Commitments

Capital expenditure commitment is in respect to the construction of the Carpark and Retailing Complex in Martintar, Nadi and construction of residential apartments in Clarke Street, Suva.

		2017	2016
Approved by the board and committed	$	5,636,644	8,699,520

(b) Operating Lease Expenses

Operating lease expenses relate to rental payments for building spaces used at certain branches.

Non-cancellable operating lease payables

	2017	2016
Not later than one year	955,996	870,996
Later than one year but not later than five years	1,635,410	1,937,826
Total future operating lease expenses	2,591,406	2,808,822

(c) Management Fees

The management fees is payable to FHL Retailing Limited (holding company), pursuant to Management Agreement dated 10 June 1999 and was for an initial period of 15 years effective from 1 April 1999 with option to renew for another 15 years. Upon expiry of the initial term of the management agreement in April 2015, the company renewed the management agreement for a further 15 years. The basis for computation of management fees has been disclosed under note 26 (e).

(d) Operating Lease Income

Operating lease income relates to rental income from building spaces rented out.

Non-cancellable operating lease receivables

	2017	2016
Not later than one year	3,122,686	2,863,184
Later than one year but not later than five years	5,938,205	3,893,757
Later than five years	3,769,109	3,670,607
Total future rental income	12,830,000	10,427,548

NOTE 23. CONTINGENCIES

Contingent Liabilities

		2017	2016
Letters of credit		6,358	888,897
Indemnity guarantees		111,578	111,578
Total contingent liabilities	$	117,936	1,000,475

NOTE 24. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

		2017	2016
Cash on hand and at bank	$	173,474	162,184
Bank overdraft		(6,704,650)	(5,801,700)
Total cash and cash equivalents		(6,531,176)	(5,639,516)

(b) Financing Facilities

Fully committed bank overdraft financing facilities available to the company at year end were as follows:

		2017	2016
• Bank overdraft - utilised		6,704,650	5,801,700
• Bank overdraft - unutilised		5,097,350	6,000,300
	$	11,802,000	11,802,000

NOTE 25. EFFECT OF CHANGE IN ACCOUNTING POLICY

Effective from 1 July 2016, the company has changed the accounting policy for investment properties from cost model to fair value model. Note 3(b) provides accounting policy on investment properties and Note 14 provides detailed information about the key assumptions used in the determination of the fair value of investment properties. The impact on assets, liabilities and equity as at 30 June 2016 on the application of change in accounting policy for investment properties from cost model to fair value model is presented below:

Impact on assets, liabilities and equity as at 30 June 2016 on the application of change in accounting policy for investment properties from cost model to fair value model.	Balance as at 30 June 2016 as previously reported ($)	Effect of change in accounting policy ($)	Restated balance as at 30 June 2016 ($)
Investment properties (Note 14)	13,436,608	5,177,950	18,614,558
Deferred tax liabilities (Note 9(d))	1,740,977	532,085	2,273,062
Retained earnings	11,696,883	4,645,865	16,342,748

NOTE 26. RELATED PARTY DISCLOSURES

(a) Holding Company and Ultimate Holding Company

The holding company is FHL Retailing Limited, a company incorporated in Fiji.

The ultimate holding company is Fijian Holdings Limited, a company incorporated in Fiji and listed on the South Pacific Stock Exchange.

(b) Directors

The names of persons who were directors of the company at any time during the year are as follows:

Iowane Naiveli – Chairman
Nouzab Fareed
Malakai Naiyaga
Surendra K Patel
Kaliopate Tavola
Litiana Loabuka (appointed on 14 November 2016)

(c) Amounts due to and Receivable from Related Parties

Appropriate disclosure of these amounts is contained in the respective notes to the financial statements.

(d) Transactions with Related Parties

Significant transactions (transaction value of over $25,000) with related parties during the year ended 30 June 2017 and 2016 with approximate transaction values are summarized as follows:

Related Party	Relationship	Nature of transaction	2017 ($)	2016 ($)
FHL Retailing Limited	Holding company	Management fees	4,359,448	3,988,458
Fijian Holdings Unit Trust	Unit Fund managed by fellow subsidiary company, Fijian Holdings Trust Management Limited	Interest expense	106,400	107,275
Fiji Television Limited	Fellow subsidiary	Funds held in trust	-	750,000
Fiji Television Limited	Fellow subsidiary	Advertising expense	71,560	48,899
Basic Industries Limited	Fellow subsidiary	Purchase of materials	528,176	58,145
Merchant Finance Limited	Fellow subsidiary	Term deposit	-	100,000
Marsh Limited	Shareholder Related Entity	Gross insurance premium	387,178	384,768
Life Cinema Limited	Fellow subsidiary	Rent income	276,000	276,000
Life Cinema Limited	Fellow subsidiary	Sales	126,536	124,178
Life Cinema Limited	Fellow subsidiary	Advances given	2,400,000	300,000
Life Cinema Limited	Fellow subsidiary	Advances repaid	1,500,000	300,000

In addition, during the year, the company had paid and recharged expenses in relation to purchase of equipment, administration and operating expenses for Life Cinema Limited amounting to $3,791,197 (2016: $1,260,299).

(e) Management Fees

Management fees expense of $4,359,448 (2016: $3,988,458) was incurred for the year and was paid / payable to FHL Retailing Limited. The management fees is payable pursuant to Management Agreement dated 10 June 1999. Upon expiry of the initial term of the management agreement in April 2015, the company renewed the management agreement for a further 15 years.

NOTE 26 RELATED PARTY DISCLOSURES (CONT'D)

(e) Management Fees (Cont'd)

The Management Agreement provides for management fees based on turnover of the company and incentive fees based on the level of profit before income tax. FHL Retailing Limited has engaged Tui Management Consulting LP of New Zealand (a firm owned by the RB Patel family members) for the provision of consultancy services in relation to daily operation of RB Patel Group Limited.

(f) 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.

During the year, Chief Operating Officer, General Manager, Group Purchasing Officer and Financial Controller were identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the company.

The remuneration of the key management personnel during the year was as follows:

	2017 ($)	2016 ($)
Salaries and other benefits	475,396	403,307

Furthermore, management fees was paid for the management services obtained during the year (refer note 26 (e)). FHL Retailing Limited has engaged Tui Management Consulting LP of New Zealand (a firm owned by the RB Patel family members) for the provision of consultancy services in relation to daily operation of RB Patel Group Limited.

(g) Key Management Personnel Equity Holdings

Fully paid ordinary shares of RB Patel Group Limited

Direct interest in the share capital of the company by the key management personnel and executive directors is $Nil (2016: $Nil).

(h) Directors Fees

Directors fees of $28,000 (2016: $24,000) was paid to the non-executive directors.

NOTE 27. SEGMENT INFORMATION

	Supermarket $	Rental $	Total $
30 June 2017			
Sales and other revenue	119,926,318	2,929,001	122,855,319
Segment results	7,949,384	1,410,063	9,359,447
Gain / (loss) on disposal of assets	79,740	-	79,740
Profit before income tax			9,439,187
Income tax expense			(957,354)
Profit after income tax			8,481,833
Assets			
Segment non-current assets	23,447,156	25,934,485	49,381,641
Other non-current assets			1,128,293
Total non-current assets			50,509,934

NOTE 27. SEGMENT INFORMATION (CONT'D)

	Supermarket	Rental	Total
	$	$	$
30 June 2016			
Sales and other revenue	114,876,020	2,796,342	117,672,362
Segment results	7,082,691	1,323,500	8,406,191
Gain / (loss) on disposal of assets	18,841	(215,399)	(196,558)
Profit before income tax			8,209,633
Income tax expense			(858,479)
Profit after income tax			7,351,154
Assets			
Segment non-current assets (restated)	27,089,915	18,614,558	45,704,473
Other non-current assets			1,100,300
Total non-current assets (restated)			46,804,773

Segment Assets and Liabilities

Current assets and current and non-current liabilities cannot be reasonably allocated between operating segments. Accordingly, this information has not been provided under segment information. Non-current assets noted above under 'Rental' are those stated as Investment Properties in Note 14 and relate to buildings that are exclusively rented to third parties. Properties where supermarkets are operated together with part of the buildings rented to third parties have not been able to be reasonably allocated between operating segments. Accordingly, this information has not been provided under segment information.

NOTE 28. EVENTS SUBSEQUENT TO BALANCE DATE

No matter 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.

NOTE 29. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 28 July 2017.

ADDITIONAL INFORMATION – SPSE LISTING RULES INFORMATION (NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)

1. **Shareholding:**

a. As at 30 June 2017, directors held direct interest of 155 shares and indirect interest of 7,650 shares of the company.

b. Distribution of shareholding:

Holding	No. of Holders	Total % Holding
0 - 500 shares	47	0.06%
501 to 5,000 shares	177	1.25%
5,001 to 10,000 shares	34	0.99%
10,001 to 20,000 shares	14	0.67%
20,001 to 30,000 shares	7	0.60%
30,001 to 40,000 shares	-	-
40,001 to 50,000 shares	2	0.33%
50,001 to 100,000 shares	4	1.03%
100,001 to 1,000,000 shares	9	10.51%
Over 1,000,000 shares	5	84.56%
Total	**299**	**100%**

c. Top 20 shareholders

Name	No. of shares
FHL Retailing Limited	15,223,796
iTaukei Trust Fund Board	4,000,000
Fiji National Provident Fund	2,847,835
BSP Life (Fiji) Limited	2,164,681
Unit Trust of Fiji (Trustee Co) Limited	1,130,435
FHL Media Limited	817,702
FHL Trustees Ltd ATF Fijian Holdings Unit Trust	505,305
Kalidas Kasabia Memorial Trust	500,000
Kirit Patel	400,000
Mahendra Patel	220,000
Kishori Patel	200,000
Kanu Patel	200,000
Vinod Patel	200,000
J.P Bayly Trust	110,665
Moala Tikina Council	100,000
Chiman Bhai	96,500
FijiCare Insurance Limited	62,500
Pushpa Wati Kapadia	51,357
Punja & Sons Limited	50,000
Vikram Patel	50,000

ADDITIONAL INFORMATION – SPSE LISTING RULES INFORMATION (NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)

2. **Share Price details:**

Highest share price during year was $3.29.
Lowest share price during year was $3.10.
Share price at year end was $3.29.

3. **Attendance at Board Meetings:**

Name	No of Meeting	No attended
Surendra K Patel	4	4
Iowane Naiveli	4	2
Nouzab Fareed	4	4
Malakai Naiyaga	4	3
Kaliopate Tavola	4	3
Litiana Loabuka	2	2

4. **Share Register**

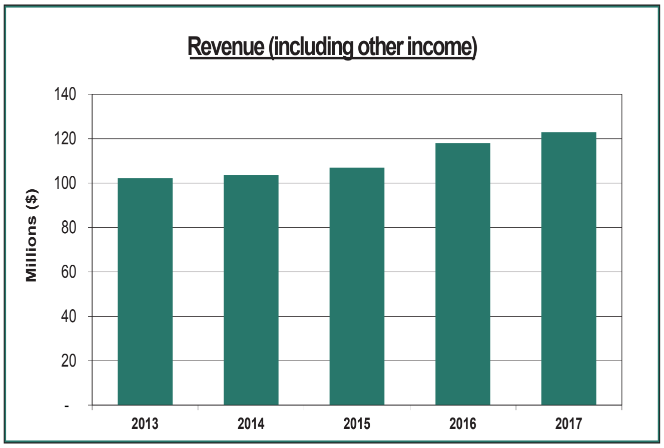
SPSE Central Share Registry
Level 2, Plaza 1
FNPF Boulevard
33 Ellery Street
Suva

ADDITIONAL INFORMATION – SPSE LISTING RULES INFORMATION (NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)

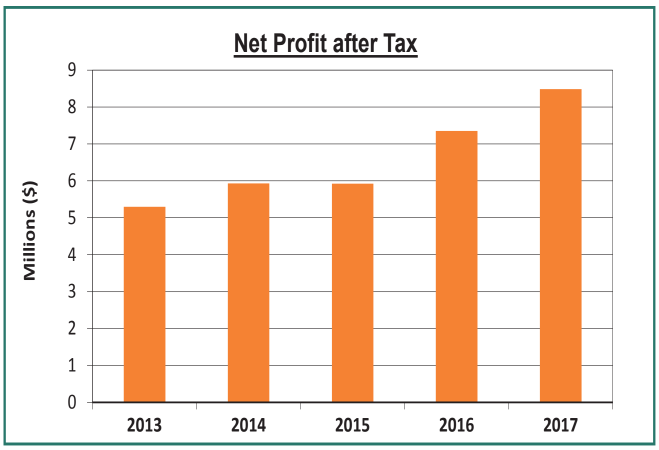
	2017	2016 (Restated)	2015	2014	2013
	$	$	$	$	$
Revenue - Sales and Other Income	122,855,319	117,672,362	107,449,038	103,706,632	102,228,943
Profit before Depreciation and Tax	10,471,282	9,360,090	7,661,874	7,014,308	7,428,779
Depreciation	1,032,095	1,150,457	1,079,829	1,095,182	1,064,557
Income Tax Expense / (Benefit)	957,354	858,479	662,726	(8,426)	1,025,537
Profit after Tax	8,481,833	7,351,154	5,919,319	5,927,552	5,338,685
Earnings per Share	0.28	0.25	0.20	0.20	0.18
Dividends per Share (including proposed dividends for year ended 30 June 2017)	0.16	0.15	0.14	0.14	0.14
Total Liabilities	31,583,952	31,410,290	28,462,184	28,148,877	27,296,359
Total Assets	69,959,763	66,104,268	55,359,143	53,326,517	50,731,447
Net Asset backing per Share	1.28	1.16	0.90	0.84	0.78
Shareholders' Funds	38,375,811	34,693,978	26,896,959	25,177,640	23,435,088

GRAPHICAL ANALYSIS OF FINANCIAL DATA

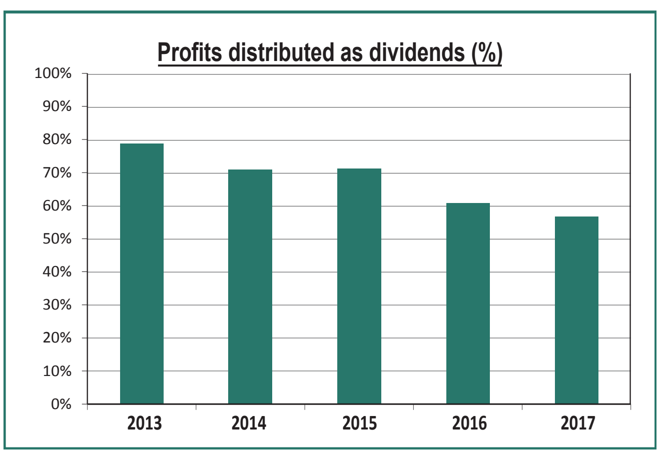
1. **Revenue** – comparison of revenue including other income.



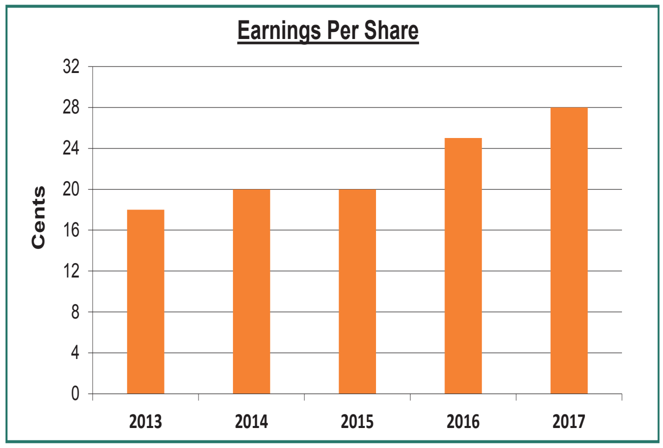
2. **Profit after Tax** – the trend in Profit after tax.



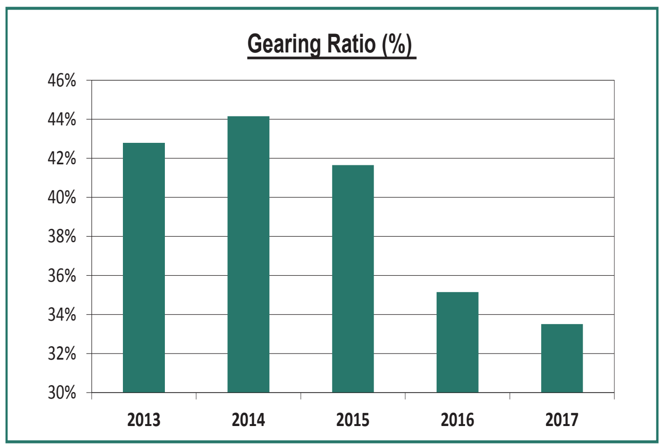
3. **Percentage of Profit Distributed** – the percentage of Profit after tax distributed to shareholders as dividends each year.



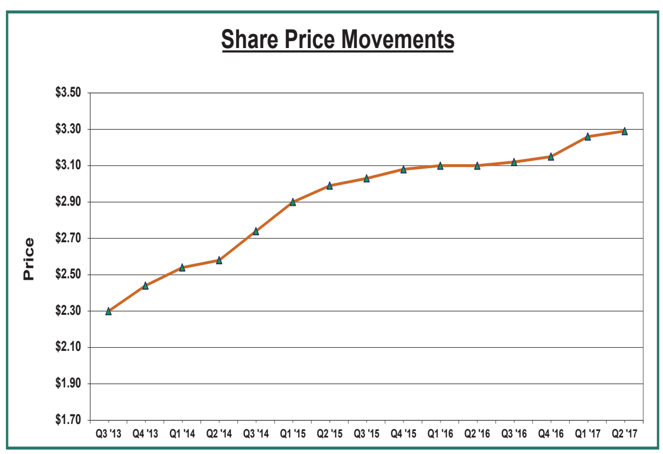
4. **Earnings per Share** – company's Profit after tax divided by the total shares of the company.



5. **Gearing Ratio** – is the company's total borrowings as a percentage of shareholders' equity. Indicates the company's ability to continue as a going concern and provide returns to shareholders while maintaining an optimal capital structure.



6. **Share price movements** – the trend for the company's quarterly share price on the South Pacific Stock Exchange from 2013 to 2017.



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