PATEL

RB Patel Group Limited

ANNUAL REPORT 2015

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RB PATEL GROUP LTD
ANNUAL REPORT 2015

DIRECTORY

Directors

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

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

As Chairman of your Board it gives me great pleasure to present the company's Annual Report for 2015 to you the shareholders. The last financial year has been both encouraging and satisfying and it is my pleasant task to report to you the results for the year ended 30 June 2014.

Financial Performance

The company's total revenue including other income this year increased to almost $107 million. This is an increase of just over 3.6% and reflects the improving consumption spending in the local economy.

Operating profit for the year before tax was $6.6 million compared to $5.9 million last year – an increase of 11.2% over the previous year. Profit after tax however remained almost the same. This anomaly in the pre and post-tax profit is a result of the change in the corporate tax rate from 18.5% to 10% for listed companies from this financial year and the adjustment made last year to reflect the change in deferred tax liabilities of the company.

Gross profit on sales increased slightly to 18.7% from 18.3% last year. This is a reflection of the continued emphasis by management on the importance of maintaining margins in the very competitive environment within the industry. The company continues to manage its costs exceptionally well with the overall costs increasing by just over 3.9%.

	12 months ended 30 June 2013	12 months ended 30 June 2014	12 months ended 30 June 2015
Revenue including other income	**$102,228,943**	**$103,706,632**	**$107,449,038**
Growth	***7.0%***	***1.4%***	***3.6%***
Profit for the year (before tax)	**$6,364,222**	**$5,919,126**	**$6,582,045**
Growth	*12.2%*	*(7.0%)*	*11.2%*
Profit for the year (after tax)	**$5,338,685**	**$5,927,552**	**$5,919,319**
Growth	***4.5%***	***11.0%***	***(0.1%)***
Dividends per share	**14 cents**	**14 cents**	**14 cents**
Earnings per share	**18 cents**	**20 cents**	**20 cents**

The Board proposed a final interim dividend of 10 cents per share bringing the total dividend declared and paid for the year to 14 cents per share. This is the eighth consecutive year that the company has paid dividends at 14 cents per share. The company's recent share price of just over $3.00 continues to reflect shareholder confidence: share price in June 2014 was $2.70 which is an increase of just over 11% during the year.

Economic Outlook

The Fijian economy is expected to grow by 4.3% in 2015. Strong sectoral outcomes and robust demand conditions are consistent with the growth projections for 2015. Consumer confidence and activity remain high as evidenced in the increased net VAT collections and new consumption lending data in the first half of 2015. Buoyant investment activity so far this year provides further impetus to Fiji's current growth outlook.

Industry Update

Most supermarket chains and individual stores continued their emphasis on pricing with the resulting pressures on product margins.

The Fiji Commerce Commission's price determination on price controlled products continues to present challenges for the industry. Pricing controls on a number of high volume items continues to causes market distortions in an industry that is already the most competitive in Fiji.

CHAIRMAN'S REPORT [CONT'D]

Expansion and Growth

The construction works for the Cinema multiplex at our JetPoint complex were completed in June 2015 although the Cinemas have been operating since December 2014. The Cinemas have had a significant impact on the traffic at the complex and this is reflected in the increased activity at our JetPoint supermarket.

We again partnered with Sunergise Fiji Ltd and installed a 131KW solar power system at our CentrePoint supermarket. This solar system became operational in August and is expected to contribute an additional 160 MWH to our green energy program. Similar systems were installed at our JetPoint (2013) and WestPoint (2014) supermarkets and supply a significant amount of the daytime energy of these supermarkets. These systems have produced 382 MWH of energy since inception and avoided the use of 112 tonnes of diesel and carbon emissions of 264 tonnes. To put this into lay terms this is equivalent to the planting of 6,760 trees! We at RB Patel are proud to be leading the way towards reducing our carbon footprint.

The Board is considering further developments of our current properties at JetPoint, HarbourPoint and the residential property in Suva, and will be finalising plans for these soon. We continue to search for new sites for stores keeping in mind that these should add value for our shareholders.

Customers and Service

We continue to work on our claim of "We make it easy!" for our customers through our employees together with our core commitment to deliver "value for money" in all our stores. Our commitment to providing the most affordable and attractive products continues to drive our purchasing plans.

Future Outlook

Directors and management have continued to look for growth opportunities. With the general elections behind us and an elected government in place a renewed confidence is evident and businesses have responded accordingly. The company will continue its expansion plans as opportunities are identified.

Staff and Management

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

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

.....
Chairman

RB JetPoint Supermarket, Nadi

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 priniciples.

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 has adequate independent directors.
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 of 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.
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.

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 2015, 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
Nouzab Fareed
Malakai Naiyaga
Surendra Kumar Patel
Kaliopate Tavola

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, Lami, Sigatoka, Nadi, Lautoka, and Labasa.

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

Results

The results of the company are summarized below:

	2015	2014
	$	$
Profit before income tax	6,582,045	5,919,126
Income tax expense before adjustment for change in future income tax rate	(662,726)	(1,106,597)
Adjustment to deferred tax balances due to change in future income tax rate	-	1,115,023
Income tax benefit / (expense)	(662,726)	8,426
Profit after income tax	5,919,319	5,927,552

Dividends

During the year, the company declared and paid an interim dividend of $1,200,000 (2014: $1,200,000). Furthermore, during June 2015, the directors proposed the payment of a final interim dividend of $3,000,000 (2014: Proposed dividends of $3,000,000) from the profits for the year ended 30 June 2015.

Total dividends declared and paid or proposed for the year ended 30 June 2015 amounted to $4,200,000 (2014: $4,200,000).

Reserves

It is proposed that no amounts be transferred to reserves within the meaning of the Seventh Schedule of the Companies Act, 1983.

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 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.

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, which would render the amount written off for bad debts, or the allowance for doubtful debts in the company, inadequate to any substantial extent.

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 is a member, or with a company in which he has a substantial financial interest.

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

Dated this 29th day of July 2015.

.....
Director

.....
Director

Inside RB JetPoint Supermarket

RB JetPoint Stage 2 - Office and Retail Shops

STATEMENT BY DIRECTORS

In accordance with a resolution of the board of directors of RB Patel Group Limited, we state that in the opinion of the directors:

(i) the accompanying statement of profit or loss and other comprehensive income of the company is drawn up so as to give a true and fair view of the results of the company for the year ended 30 June 2015;

(ii) the accompanying statement of changes in equity of the company is drawn up so as to give a true and fair view of the changes in equity of the company for the year ended 30 June 2015;

(iii) the accompanying statement of financial position of the company is drawn up so as to give a true and fair view of the state of affairs of the company as at 30 June 2015;

(iv) the accompanying statement of cash flows of the company is drawn up so as to give a true and fair view of the cash flows of the company for the year ended 30 June 2015;

(v) the financial statements have been prepared in accordance with International Financial Reporting Standards;

(vi) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due; and

(vii) all related party transactions have been adequately recorded in the books of the company.

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

Dated this 29th day of July 2015.

.....
Director

.....
Director

Life Cinema lobby, JetPoint Nadi

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Email: info@bdo.com.fj
Offices in Suva and Lautoka

BDO
Chartered Accountants
Level 10, FNPF Place
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GPO Box 855
Suva, Fiji

INDEPENDENT AUDITOR'S REPORT

To the Members of RB Patel Group Limited

We have audited the accompanying financial statements of RB Patel Group Limited (the company), which comprise the statement of financial position as at 30 June 2015, 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 a summary of significant accounting policies and other explanatory information as set out on pages 10 to 39.

Director's and Management's Responsibility for the Financial Statements

Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, 1983, and for such internal control as the directors and management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the company as at 30 June 2015, and its financial performance, cash flows and changes in equity for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In our opinion:

a) proper books of account have been kept by the company, so far as it appears from our examination of those books;

b) the financial statements are in agreement with the books of account; and

c) to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1983 in the manner so required.

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

SUVA, FIJI
29 JULY 2015

BDO
CHARTERED ACCOUNTANTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note		2015	2014
Revenue		$	104,944,604	101,491,391
Cost of sales			(85,368,219)	(82,877,992)
Gross profit			**19,576,385**	**18,613,399**
Other income	6		2,504,434	2,215,241
			22,080,819	20,828,640
Operating expenses			(14,254,252)	(13,755,277)
Selling and marketing expenses			(309,848)	(311,491)
Finance costs	7		(934,674)	(842,746)
Profit before income tax	8		**6,582,045**	**5,919,126**
Income tax expense before adjustment for change in future income tax rate			(662,726)	(1,106,597)
Adjustment to deferred tax balances due to change in future income tax rate			-	1,115,023
Income tax (expense) / benefit	9(a)		(662,726)	8,426
Profit for the year			**5,919,319**	**5,927,552**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Gain on remeasurement of available-for-sale investments at fair value			-	15,000
Total comprehensive income for the year		$	**5,919,319**	**5,942,552**
Dividends per share (including proposed dividends)	20		**14 cents**	**14 cents**
Basic & diluted earnings per share	21		**20 cents**	**20 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 2015

	Note		2015	2014
CURRENT ASSETS				
Cash on hand and at bank		$	283,421	211,762
Trade and other receivables	10		2,314,492	2,899,848
Inventories	11		12,538,555	13,347,786
Held-to-maturity investments	12(a)		100,000	-
Current tax asset	9(b)		35,262	-
Total current assets			**15,271,730**	**16,459,396**
NON-CURRENT ASSETS				
Available-for–sale financial assets	12(b)		235,000	55,000
Property, plant and equipment	13		27,874,947	30,214,377
Investment property	14		11,633,520	6,508,637
Deferred tax assets	9(c)		8,946	4,107
Advances	10		335,000	85,000
Total non-current assets			**40,087,413**	**36,867,121**
TOTAL ASSETS			**55,359,143**	**53,326,517**
CURRENT LIABILITIES				
Trade and other payables	15		7,241,298	6,365,652
Interest bearing borrowings	16		11,034,756	12,665,304
Current tax liability	9(b)		-	100,216
Provisions	17		18,396	23,660
Total current liabilities			**18,294,450**	**19,154,832**
NON-CURRENT LIABILITIES				
Interest bearing borrowings	16		8,435,215	7,448,647
Deposits	18		154,596	140,400
Deferred tax liabilities	9(d)		1,577,923	1,404,998
Total non-current liabilities			**10,167,734**	**8,994,045**
TOTAL LIABILITIES			**28,462,184**	**28,148,877**
NET ASSETS			**26,896,959**	**25,177,640**
SHAREHOLDERS' EQUITY				
Share capital	19		15,000,000	15,000,000
Investment revaluation reserve			51,230	51,230
Retained earnings			8,845,729	7,126,410
Proposed dividends	20		3,000,000	3,000,000
TOTAL SHAREHOLDERS' EQUITY		$	**26,896,959**	**25,177,640**

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 2015

	Share Capital	Investment Revaluation Reserve	Retained Earnings	Proposed Dividends	Total
	$	$	$	$	$
Balance as at 1 July 2013	15,000,000	36,230	5,398,858	3,000,000	23,435,088
Profit for the year	-	-	5,927,552	-	5,927,552
Dividends paid (note 20)	-	-	(1,200,000)	(3,000,000)	(4,200,000)
Proposed dividends (note 20)	-	-	(3,000,000)	3,000,000	-
Other comprehensive income for the year:					
Gain on remeasurement of available-for-sale investments at fair value	-	15,000	-	-	15,000
Balance at 30 June 2014	**15,000,000**	**51,230**	**7,126,410**	**3,000,000**	**25,177,640**
Profit for the year	-	-	5,919,319	-	5,919,319
Dividends paid (note 20)	-	-	(1,200,000)	(3,000,000)	(4,200,000)
Proposed dividends (note 20)	-	-	(3,000,000)	3,000,000	-
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 June 2015	**15,000,000**	**51,230**	**8,845,729**	**3,000,000**	**26,896,959**

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 2015

	Note		2015	2014
Cash flows from operating activities				
Receipts from customers		$	107,218,600	103,919,221
Payments to suppliers and employees			(96,686,728)	(97,650,528)
Cash generated from operations			10,531,872	6,268,693
Interest and other costs of finance paid			(976,726)	(862,660)
Income tax paid			(630,118)	(644,879)
Net cash provided by operating activities			8,925,028	4,761,154
Cash flows from investing activities				
Payment for property, plant and equipment and investment property			(3,537,060)	(2,920,891)
Proceeds from sale of plant and equipment			44,511	43,139
Dividends received			13,500	15,000
Payment to acquire available-for-sale financial asset			(180,000)	-
Payment for held to maturity investment			(100,000)	-
Net cash used in investing activities			(3,759,049)	(2,862,752)
Cash flows from financing activities				
Advances received from related parties			2,000,000	5,040,000
Repayment of advances received from related parties			(2,000,000)	(2,000,000)
Advances to service provider			(250,000)	(85,000)
Proceeds from borrowings			2,750,568	1,391,647
Repayment of borrowings			(1,512,000)	(1,512,000)
Dividends paid			(4,200,340)	(4,200,928)
Net cash used in financing activities			(3,211,772)	(1,366,281)
Net increase in cash and cash equivalents			**1,954,207**	**532,121**
Cash and cash equivalents at the beginning of the financial year			(7,649,542)	(8,181,663)
Cash and cash equivalents at the end of the financial year	24(a)	$	**(5,695,335)**	**(7,649,542)**

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 2015

NOTE 1. GENERAL INFORMATION

a) Corporate Information

RB Patel Group Limited (the company) is a limited liability company incorporated and domiciled in Fiji. 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. The company is listed on the South Pacific Stock Exchange.

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, Lami, Sigatoka, Nadi, Lautoka, and Labasa.

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 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 judgements, 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 judgements. 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. Judgements 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 judgement 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 the Companies Act, 1983 and International Financial Reporting Standards ('IFRS') as required by the Fiji Institute of Accountants.

c) Comparatives

Where necessary, amounts relating to prior periods have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 2. BASIS OF PREPARATION (CONT'D)

d) Changes in Accounting Policies

New Standards, Interpretations and Amendments Effective from 1 July 2014

One new interpretation and a number of amendments are effective for the first time for annual periods beginning on (or after) 1 January 2014. Neither the interpretation, nor the amendments have a material effect on the company's annual financial statements.

Interpretation and amendments which are relevant to the company are presented below.

IAS 36 – Recoverable Amount Disclosures – Amendments to IAS 36

The amendments align the disclosures required for the recoverable amount of an asset (or CGU) when this has been determined on the basis of fair value less costs of disposal with those required where the recoverable amount has been determined on the basis of value in use. Certain disclosures are now only required when an impairment loss has been recorded or reversed in respect of an asset or CGU. Other disclosures requirements have been clarified and expanded, for assets or CGUs where the recoverable amount has been determined on the basis of fair value less costs of disposal.

IAS 32 – Offsetting Financial Assets and Liabilities – Amendments to IAS 32

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'. The amendments require retrospective application.

New standards, interpretations and amendments that have been issued but are not mandatorily effective as at 30 June 2015

The following new standards, interpretations and amendments, 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, interpretations and amendments, if applicable, when they become effective.

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 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and 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. The adoption of IFRS 9 will have an effect on the classification and measurement of the company's financial assets, but no impact on the classification and measurement of the company's financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

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 2015 (Cont'd)

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

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. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

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

(b) Investment Property

Investment property principally comprising freehold land and building is held to earn rentals and/or for capital appreciation, is measured initially at its cost including transaction costs. Subsequent to initial recognition, investment property is measured at its cost less any accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other investment property is on a straight line basis over its estimated useful life using the following rate:

Building	1.50% - 2.50%

Investment property is derecognised when either it has been disposed or when the investment property is 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 is 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

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

(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 group 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 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.

Loans and Receivables

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 and other receivables are recorded at amortised cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

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

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

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

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

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

(n) Income Tax (Cont'd)

Current and Deferred Tax for the period

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

The Capital Gains Tax (CGT) is applicable at 10% on capital gains realised on the sale or disposal of 'capital assets' as set out in the Capital Gains Tax Decree. Accordingly, the company provides for deferred tax liability that may arise if capital assets were to be ultimately sold or traded. The potential CGT is disclosed under deferred tax liabilities in the statement of financial position.

(o) Value Added Tax

Revenues, expenses 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

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

(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

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

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

(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 considers itself to be operating in one operating segment as it operates predominantly in the retailing and wholesaling industry and revenue from other sources are not material for the purposes of segment reporting.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(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	
	2015	2014
	F$	F$
US Dollars	516,654	261,091
NZ Dollars	209,540	104,731

Foreign currency sensitivity analysis

The company is mainly exposed to the currencies of USD and NZD.

The following table details the company's sensitivity to a 10% increase and decrease in the Fiji dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only significant outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. If the FJD strengthen/weaken by 10% against the USD and NZD with all other variables held constant, pre-tax profit impact is as follows:

	Profit or (loss) 2015		Profit or (loss) 2014	
	Strengthen	Weaken	Strengthen	Weaken
	F$	F$	F$	F$
US Dollars	46,969	(57,406)	23,736	(29,010)
NZ Dollars	19,049	(23,282)	9,521	(11,637)

(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.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (Cont'd)

(a) Market risk (Cont'd)

(ii) Interest rate risk (Cont'd)

The carrying amounts of the company's financial instruments that are exposed to interest rate risk as at 30 June 2015 is summarized below:

Financial Instruments	Less than 1 year $	1 year and over $	Total $
Financial liabilities:			
Bank overdraft	5,978,756	-	5,978,756
Bank loans	2,016,000	8,435,215	10,451,215
Advance from Fijian Holdings Unit Trust	3,040,000	-	3,040,000
Total financial liabilities	**11,034,756**	**8,435,215**	**19,469,971**

(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.

(c) 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.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (Cont'd)

(c) Liquidity risk (Cont'd)

Financial Liabilities	Less than 1 year ($)	Between 1 and 2 years ($)	Between 3 and 5 years ($)	Over 5 Years ($)	Total ($)
At 30 June 2015					
Bank loans	2,016,000	2,016,000	3,637,000	2,782,215	10,451,215
Advance from Fijian Holdings Unit Trust	3,040,000	-	-	-	3,040,000
Bank overdraft	5,978,756	-	-	-	5,978,756
Trade and other payables	7,241,298	-	-	-	7,241,298
At 30 June 2014					
Bank loans	1,764,000	2,016,000	3,792,647	1,640,000	9,212,647
Advance from Fijian Holdings Unit Trust	3,040,000	-	-	-	3,040,000
Bank overdraft	7,861,304	-	-	-	7,861,304
Trade and other payables	6,365,652	-	-	-	6,365,652

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.2 Capital risk management (Cont'd)

The gearing ratios at 30 June 2015 and 2014 were as follows:

	2015 $	2014 $
Total borrowings (note 16)	19,469,971	20,113,951
Less: Cash on hand and at bank	(283,421)	(211,762)
Net debt	19,186,550	19,902,189
Total equity	26,896,959	25,177,640
Total capital (Equity + Net debt)	46,083,509	45,079,829
Gearing ratio % (Net debt / Total capital)	41.6%	44.2%

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.

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) 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.

(b) 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 requires 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.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

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

Critical Judgments in Applying the Entity's Accounting Policies (Cont'd)

(c) Impairment of accounts receivable

Impairment of accounts receivable balances is assessed at an individual level. All debtors in the 90+ days category are considered impaired and provided for on a specific basis after detailed review of individual account balances. Receivables considered uncollectable are written off in the year in which they are identified.

(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.

(e) Impairment of property, plant and equipment and investment property

The company assesses whether there are any indicators of impairment of all property, plant and equipment and investment property at each reporting date. Property, plant and equipment and investment property are tested for impairment and when there are indicators that the carrying amount may not be recoverable, a reasonable provision for impairment is created. The director's and management's assessment of 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.

For the year ended 30 June 2015, no provision for impairment has been made as the company reasonably believes that no indicators for impairment exist.

NOTE 6. OTHER INCOME

		2015	2014
Rental revenue	$	2,441,955	2,079,599
Gain on disposal of property, plant and equipment		3,790	41,017
Dividends – non related entity		13,500	15,000
Commission		11,195	7,153
Insurance claim		8,001	-
Reversal of allowance for doubtful debts		-	72,472
Reversal of provision for employee entitlements		5,264	-
Miscellaneous income		20,729	-
Total other income		2,504,434	2,215,241

NOTE 7. FINANCE COSTS

Bank and loan administration charges		192,684	183,653
Interest expense on borrowings from ANZ Banking Group Limited and Westpac Banking Corporation		593,480	535,928
Interest expense on borrowings from Fijian Holdings Unit Trust		148,510	101,542
Interest expense on borrowings from Fiji Television Limited		-	21,623
Total finance costs	$	934,674	842,746

Borrowing costs amounting to $42,052 (2014: $19,914 capitalized to capital work in progress (note 13)) has been capitalized to investment property (note 14).

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 8. PROFIT BEFORE INCOME TAX

		2015	2014
Profit before income tax has been arrived at after charging the following expenses:			
Auditor's remuneration for:			
- Audit fees	$	43,000	42,000
- Other services		5,325	5,155
Directors fees		27,000	30,000
Management fees		3,206,605	2,945,636
Depreciation of property, plant and equipment		963,383	1,022,788
Depreciation of investment property		116,446	72,394
Operating lease rental expenses		1,082,461	992,605
Personnel costs:			
- Salaries, wages, and training levy		4,978,836	4,875,891
- FNPF contribution		429,775	363,870

NOTE 9. INCOME TAX

(a) Income Tax Expense / (Benefit)

The prima facie tax payable on profit is reconciled to the income tax expense / (benefit) as follows:			
Profit before income tax		6,582,045	5,919,126
Prima facie tax thereon at 10% (2014: 18.5%)		658,205	1,095,038
Tax effect of permanent differences:			
Non-deductible expenses		46,212	59,742
Non-taxable income – dividend income		(1,350)	(2,775)
Income tax deductions and concessions		(25,318)	(43,925)
Over provision for income tax expense in prior year		(10,542)	(1,483)
Over provision of deferred tax liability in prior year		(4,481)	-
		662,726	1,106,597
Adjustment to deferred tax balances due to change in future income tax rate		-	(1,115,023)
Income tax expense / (benefit) attributable to profit		662,726	(8,426)
Income tax expense / (benefit) comprises movements in:			
Current tax liabilities		494,640	976,637
Deferred tax liabilities		172,925	(999,844)
Deferred tax assets		(4,839)	14,781
		662,726	(8,426)

(b) Current Tax Liability / (Asset)

Balance at the beginning of the year		100,216	(231,542)
Income tax paid		(630,118)	(644,879)
Over provision of income tax in the prior year		(10,542)	(1,483)
Income tax liability for the current year		505,182	978,120
Balance at the end of the year	$	(35,262)	100,216

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 9. INCOME TAX (CONT'D)		2015	2014
(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	$	1,840	2,366
Allowance for doubtful debts		7,106	1,741
		8,946	4,107
(d) Deferred Tax Liabilities			
Deferred tax liabilities comprise the estimated expense at future income tax rate of 10% of the following item:			
Difference in net carrying value of property, plant and equipment and investment property for accounting and income tax purpose		1,480,023	1,317,098
Capital gains tax (at the rate of 10%) on the revaluation gain on freehold land		87,900	87,900
Cyclone reserve deposit		10,000	-
		1,577,923	1,404,998

NOTE 10. TRADE AND OTHER RECEIVABLES			
Current			
Trade receivables		1,241,411	1,051,060
Allowance for doubtful debts		(71,058)	(17,405)
		1,170,353	1,033,655
Other receivables (a)		176,960	70,190
Deposits		460,606	478,805
Prepayments		506,573	1,317,198
Total current trade and other receivables		2,314,492	2,899,848
Non-Current			
Advance (b)		85,000	85,000
Advance (c)		250,000	-
Total non-current other receivables	$	335,000	85,000

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 $126,141 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 supermarket. The advance has been provided to obtain competitive electricity rates. The advance is subject to fixed interest rate and is unsecured. The principal amount of the loan is repayable at the end of the term of 10 years.

(c) Advance provided to Sunergise (Fiji) Limited is for funding of the installation of solar panel system at CentrePoint supermarket. 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.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 10. TRADE AND OTHER RECEIVABLES (CONT'D)

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:		2015	2014
7 – 60 days	$	364,020	239,656
61 – 90 days		39,401	37,460
Over 90 days		24,073	36,483
Total past due unimpaired trade receivables		427,494	313,599

As of 30 June 2015, trade receivables of $71,058 (2014: $17,405) 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:		
Balance at the beginning of the year	17,405	89,877
Additional allowance during the year	53,653	-
Reversal of allowance for doubtful debts	-	(72,472)
Balance as at 30 June	71,058	17,405

NOTE 11. INVENTORIES

Finished goods	11,499,718	12,192,660
Goods in transit	1,038,837	1,155,126
Total inventories	12,538,555	13,347,786

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

Cyclone reserve deposit	100,000	-

(b) Available-for-Sale Financial Assets

Non-Current

Equity investments in Motibhai & company Limited	55,000	55,000
Equity investments in Life Cinema Limited	180,000	-
	235,000	55,000

Reconciliation for available-for-sale investments

Opening balance		55,000	40,000
Additions		180,000	-
Gain on fair value remeasurement		-	15,000
Total available-for-sale investments	$	235,000	55,000

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

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 30 June 2013	**6,250,409**	**2,056,199**	**20,340,016**	**5,413,724**	**1,266,555**	**405,507**	**35,732,410**
Additions	-	-	349,239	516,310	99,566	1,975,690	2,940,805
Disposals	-	-	-	(99,484)	(79,387)	-	(178,871)
Transfers	-	-	76,136	43,566	-	(119,702)	-
Balance at 30 June 2014	**6,250,409**	**2,056,199**	**20,765,391**	**5,874,116**	**1,286,734**	**2,261,495**	**38,494,344**
Additions	-	-	108,323	745,370	72,477	-	926,170
Disposals	(26,250)	-	-	-	(31,053)	-	(57,303)
Transfer to investment property (note 14)	-	-	-	-	-	(2,261,495)	(2,261,495)
Balance at 30 June 2015	**6,224,159**	**2,056,199**	**20,873,714**	**6,619,486**	**1,328,158**	-	**37,101,716**
Accumulated depreciation							
Balance at 30 June 2013	**-**	**443,622**	**2,361,540**	**3,846,889**	**781,877**	-	**7,433,928**
Depreciation expense	-	35,701	299,574	563,317	124,196	-	1,022,788
Disposals	-	-	-	(97,365)	(79,384)	-	(176,749)
Balance at 30 June 2014	**-**	**479,323**	**2,661,114**	**4,312,841**	**826,689**	-	**8,279,967**
Depreciation expense	-	35,701	306,354	499,344	121,984	-	963,383
Disposals	-	-	-	-	(16,581)	-	(16,581)
Balance at 30 June 2015	**-**	**515,024**	**2,967,468**	**4,812,185**	**932,092**	-	**9,226,769**
Net book value							
As at 30 June 2015	**6,224,159**	**1,541,175**	**17,906,246**	**1,807,301**	**396,066**	-	**27,874,947**
As at 30 June 2014	**6,250,409**	**1,576,876**	**18,104,277**	**1,561,275**	**460,045**	**2,261,495**	**30,214,377**

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 $2,890,471 (2014: $2,890,471).

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 14. INVESTMENT PROPERTY

		2015	2014
Land and Building			
Freehold land – at cost	$	2,169,211	2,169,211
Building – at cost		7,511,079	4,738,148
Transfer from capital work in progress (note 13)		2,261,495	-
Less: accumulated depreciation		(515,168)	(398,722)
		11,426,617	6,508,637
Work in Progress		206,903	-
Total investment property, net		11,633,520	6,508,637

In July 2013, an independent valuation was carried out by Rolle Associates for the company's property at Martintar, Nadi. The property at Martintar, Nadi is apportioned between property, plant and equipment and investment property.

The property had been valued above its carrying value in books. The excess of market value over book value has not been brought to accounts.

In accordance with the security arrangements for borrowings from the bank, this investment property has been pledged as security (refer note 16).

During the year, borrowing costs amounting to $42,052 (2014: $19,914 capitalized to capital work in progress (note 13)) in relation to the construction of the Cinema Multiplex at JetPoint complex in Martintar, Nadi was capitalized to investment property.

NOTE 15. TRADE AND OTHER PAYABLES

Trade payables	5,516,697	5,229,186
Other payables (a)	1,574,986	1,060,938
VAT payable	138,685	64,258
Dividends payable	10,930	11,270
	7,241,298	6,365,652

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 $739,118 (2014: $553,328) payable to the holding company.

NOTE 16. INTEREST BEARING BORROWINGS

Secured		
Current		
Bank overdrafts	5,978,756	7,861,304
Bank Loan – ANZ Banking Group Limited (a)	1,032,000	1,032,000
Bank Loan – ANZ Banking Group Limited (b)	480,000	480,000
Bank Loan – ANZ Banking Group Limited (c)	504,000	252,000
Advance from Fijian Holdings Unit Trust (d)	3,040,000	3,040,000
Total current secured borrowings	11,034,756	12,665,304
Non-Current		
Bank Loan – ANZ Banking Group Limited (a)	1,717,000	2,749,000
Bank Loan – ANZ Banking Group Limited (b)	3,080,000	3,560,000
Bank Loan – ANZ Banking Group Limited (c)	3,638,215	1,139,647
Total non-current secured borrowings $	8,435,215	7,448,647

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 16. INTEREST BEARING BORROWINGS (CONT'D)

(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.

(c) In the prior year, the company obtained loan for the construction of Cinema Multiplex at JetPoint complex in Martintar, Nadi. The loan is subject to variable interest rate. Only monthly interest is payable for the development period. Thereafter, bank loan is payable at monthly repayments of $42,000 plus interest.

(d) Advance from Fijian Holdings Unit Trust, managed by fellow subsidiary company, Fijian Holdings Trust Management Limited, is subject to interest at the rate of 3.5% per annum, is unsecured and is repayable on demand.

Particulars relating to secured borrowings:

(a) The bank overdraft facility and bank loan (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.

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 $7 million each.

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 17. PROVISIONS

		2015	2014
Employee benefits	$	18,396	23,660

NOTE 18. DEPOSITS

Deposits from tenants		154,596	140,400

NOTE 19. SHARE CAPITAL

Authorised capital 100,000,000 ordinary shares of $0.50 each		50,000,000	50,000,000
Issued and paid up capital 30,000,000 ordinary shares of $0.50 each		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 - 4 cents per share (2014: 4 cents)		1,200,000	1,200,000
Final interim dividend – proposed - 10 cents per share (2014: declared - 10 cents)		3,000,000	3,000,000
	$	4,200,000	4,200,000
Dividends per share		14 cents	14 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		5,919,319	5,927,552
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		20 cents	20 cents

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 22. COMMITMENTS		2015	2014

(a) Capital Expenditure Commitments

Capital expenditure commitment as at 30 June 2015 is in respect to the construction of the Carpark Complex at Martintar, Nadi (2014: Construction of Cinema Multiplex at Martintar, Nadi).

- Approved by the board and committed	$	326,890	3,610,186

(b) Operating Lease Expenses

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

Non-cancellable operating lease payables

Not later than one year	641,574	929,694
Later than one but not later than two years	522,998	812,862
Later than two years but not later than five years	1,497,829	1,748,995
Later than five years	192,000	669,832
Total future operating lease expenses	2,854,401	4,161,383

(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 2014, the company renewed the management agreement for a further 15 years. The basis for computation of management fees has been disclosed under note 25 (e).

(d) Operating Lease Income

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

Non-cancellable operating lease receivables

Not later than one year	2,450,970	2,096,924
Later than one but not later than two years	1,180,570	934,786
Later than two years but not later than five years	1,652,999	1,263,682
Later than five years	3,029,247	310,870
Total future rental income	8,313,786	4,606,262

NOTE 23. CONTINGENCIES

Contingent Liabilities

Letters of credit		609,487	454,697
Indemnity guarantees		115,006	135,574
Total contingent liabilities	$	724,493	590,271

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

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:

		2015	2014
Cash on hand and at bank	$	283,421	211,762
Bank overdraft		(5,978,756)	(7,861,304)
Total cash and cash equivalents		(5,695,335)	(7,649,542)

(b) Financing Facilities

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

• Bank overdraft – utilised		5,978,756	7,861,304
• Bank overdraft – unutilised		5,323,244	3,440,696
	$	11,302,000	11,302,000

NOTE 25. 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
Padam Raj Lala (resigned 27 January 2015)

(c) Amounts due to and Receivable from Related Parties

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

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 25. RELATED PARTY DISCLOSURES (CONT'D)

(d) Transactions with Related Parties

Significant transactions (transaction value of over $25,000) with related parties during the year ended 30 June 2015 with approximate transaction values are summarized as follows:

Related Party	Relationship	Nature of transaction	2015 ($)	2014 ($)
FHL Retailing Limited	Holding company	Management fees	3,206,605	2,945,636
Fijian Holdings Unit Trust	Unit Fund managed by fellow subsidiary company, Fijian Holdings Trust Management Limited	Advances taken	2,000,000	3,040,000
Fijian Holdings Unit Trust	Unit Fund managed by fellow subsidiary company, Fijian Holdings Trust Management Limited	Advances repaid	2,000,000	-
Fijian Holdings Unit Trust	Unit Fund managed by fellow subsidiary company, Fijian Holdings Trust Management Limited	Interest expense	148,510	101,542
Fiji Television Limited	Fellow subsidiary	Advances taken	-	2,000,000
Fiji Television Limited	Fellow subsidiary	Advances repaid	-	2,000,000
Fiji Television Limited	Fellow subsidiary	Advertising & interest expense	71,999	84,425
Standard Concrete Industries Limited	Fellow subsidiary	Purchase of materials	69,136	134,194
Merchant Finance & Investment Company Limited	Fellow subsidiary	Term deposit	100,000	-
Marsh Limited	Shareholder Related Entity	Gross insurance premium paid	419,898	446,875
Life Cinema Limited	Fellow subsidiary	Rent income	161,000	-
Life Cinema Limited	Fellow subsidiary	Sales	97,582	-

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 $4,760,975.

(e) Management Fees

Management fees expense of $3,206,605 (2014: $2,945,636) 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 2014, the company renewed the management agreement for a further 15 years.

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 retained RB Patel family members for the provision of consultancy services in relation to daily operation of RB Patel Group Limited.

NOTES TO THE FINANCIAL STATEMENTS [CONT'D]
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 25. RELATED PARTY DISCLOSURES (CONT'D)

(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, three executives, (Chief Operating Officer, 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:

	2015 ($)	2014 ($)
Salaries, fees and superannuation	314,310	283,096
Others	15,809	13,922
Total	330,119	297,018

Furthermore, management fees was paid for the management services obtained during the year (refer note 25 (e)). FHL Retailing Limited has retained 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 (2014: $Nil).

(h) Directors Fees

Directors fees of $27,000 (2014: $30,000) was paid to the non-executive directors.

NOTE 26. 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 27. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 29 July 2015.

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

1. Shareholding:

a. As at 30 June 2015, no director has interest (direct and indirect) in the share capital of the company.

b. Distribution of shareholding:

Holding	No. of Holders	Total % Holding
0 - 500 shares	46	0.05%
501 to 5,000 shares	186	1.30%
5,001 to 10,000 shares	36	1.03%
10,001 to 20,000 shares	12	0.59%
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	**307**	**100%**

c. Top 20 shareholders

	Name	No. of shares
1.	FHL Retailing Limited	15,223,796
2.	iTaukei Trust Fund Board	4,000,000
3.	Fiji National Provident Fund	2,847,835
4.	BSP Life (Fiji) Limited	2,164,681
5.	Unit Trust of Fiji (Trustee Co) Limited	1,130,435
6.	FHL Media Limited	817,702
7.	FHL Trustees Ltd ATF Fijian Holdings Unit Trust	503,154
8.	Kalidas Kasabia Memorial Trust	500,000
9.	Kirit Patel	400,000
10.	Mahendra Patel	220,000
11.	Kanu Patel	200,000
12.	Kishori Patel	200,000
13.	Vinod Patel	200,000
14.	J.P Bayly Trust	110,665
15.	Moala Tikina Council	100,000
16.	Chiman Bhai	96,500
17.	FijiCare Insurance Limited	62,500
18.	Pushpa Wati Kapadia	51,357
19.	Punja & Sons Limited	50,000
20.	Vikram Patel	50,000

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

2. Share Price details:

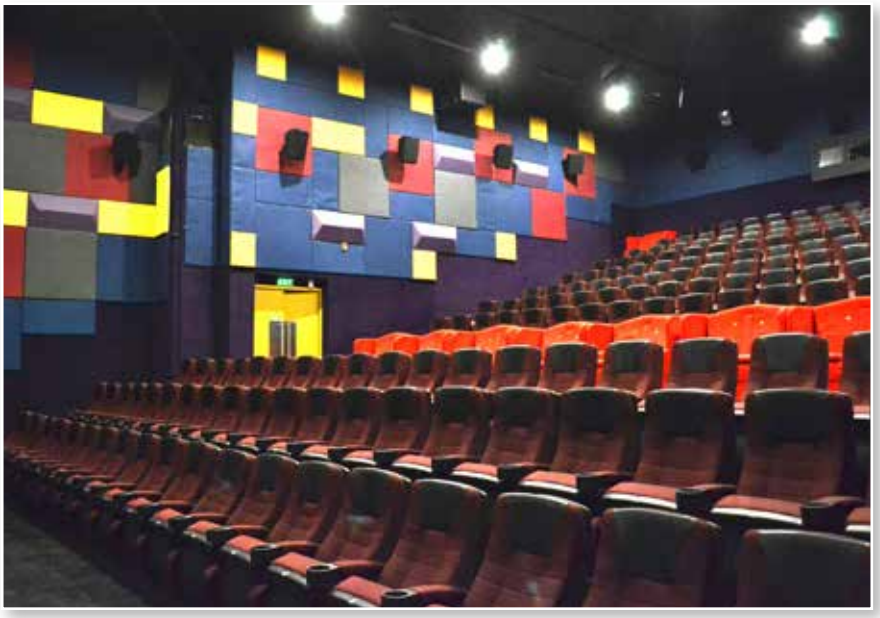
Highest share price during year was $2.99.
Lowest share price during year was $2.70.
Share price at year end was $2.99.

3. Attendance at Board Meetings:

Name	No of Meeting	No attended
Iowane Naiveli - Chairman	4	4
Surendra K Patel	4	4
Nouzab Fareed	4	4
Kaliopate Tavola	4	2
Malakai Naiyaga	4	4
Padam Raj Lala (resigned 27 January 2015)	2	-

4. Share Register

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



Life DMax Cinema, JetPoint Nadi

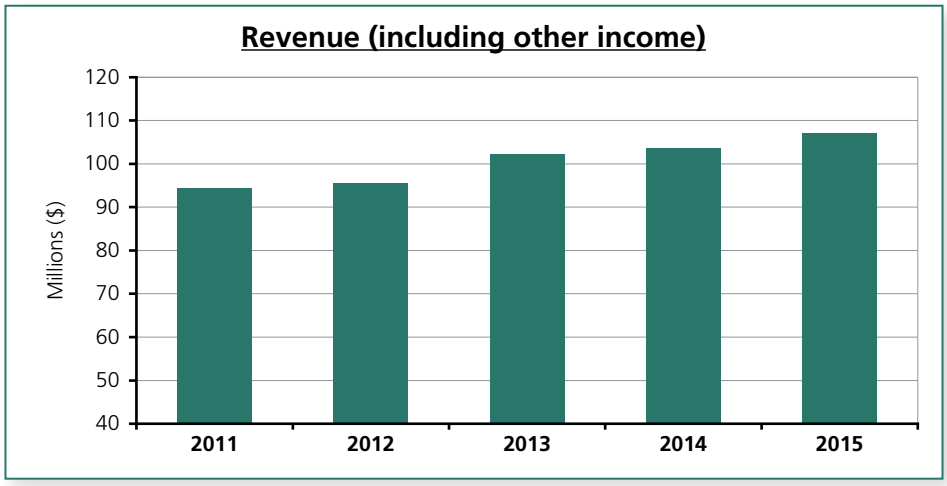
ADDITIONAL INFORMATION – SPSE LISTING RULES INFORMATION (NOT INCLUDED ELSEWHERE IN THE ANNUAL REPORT)

	2015 $	2014 $	2013 $	2012 $	2011 $
Revenue – Sales and Other Income	107,449,038	103,706,632	102,228,943	95,569,646	94,386,212
Profit before Depreciation and Tax	7,661,874	7,014,308	7,428,779	6,662,768	7,232,173
Depreciation	1,079,829	1,095,182	1,064,557	991,593	968,620
Income Tax Expense / (Benefit)	662,726	(8,426)	1,025,537	561,501	1,427,105
Profit after Tax	5,919,319	5,927,552	5,338,685	5,109,674	4,836,448
Earnings per Share	0.20	0.20	0.18	0.17	0.16
Dividends per Share (including proposed dividends for year ended 30 June 2015)	0.14	0.14	0.14	0.14	0.14
Total Liabilities	28,462,184	28,148,877	27,296,359	29,504,691	27,547,556
Total Assets	55,359,143	53,326,517	50,731,447	48,801,094	45,934,285
Net Asset backing per Share	0.90	0.84	0.78	0.64	0.61
Shareholders' Funds	26,896,959	25,177,640	23,435,088	19,296,403	18,386,729

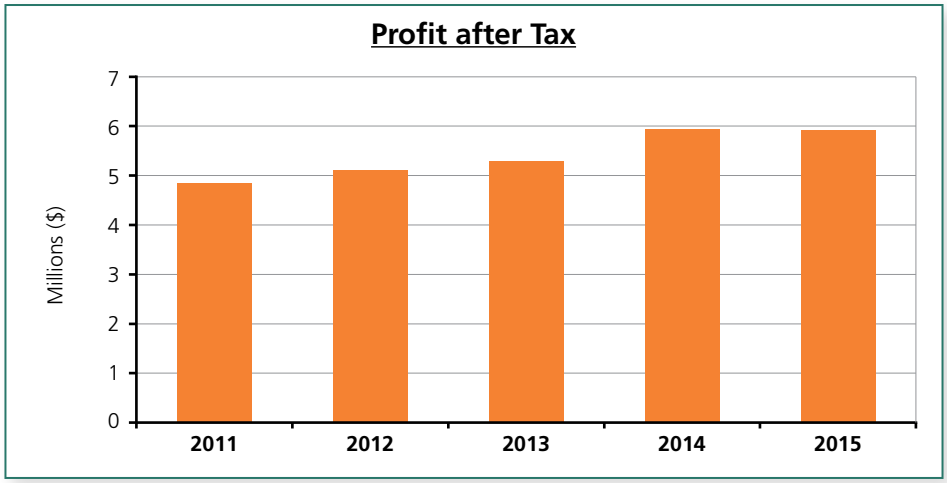
Life Cinema Premium Bar, JetPoint Nadi

GRAPHICAL ANALYSIS OF FINANCIAL DATA

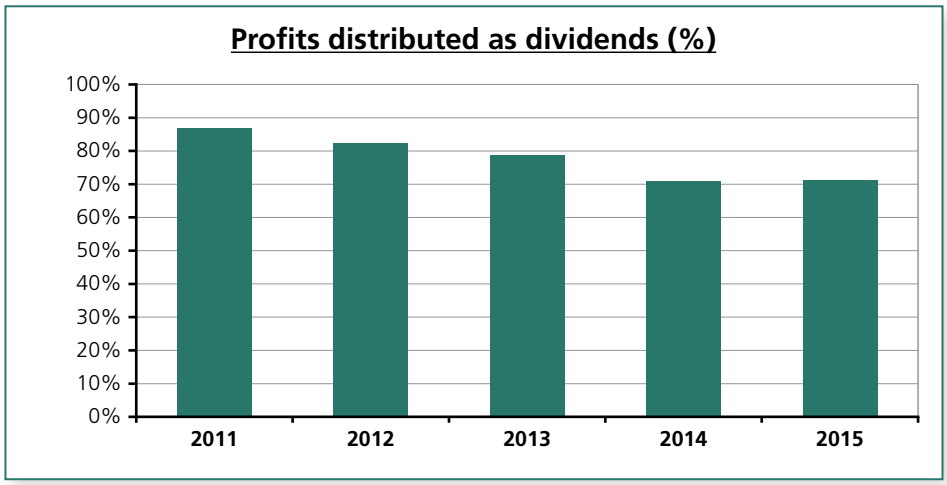
1. **Revenue** – comparison of revenue over the last five years.



2. **Profit after Tax** – the trend in Profit after Tax for the last five years.

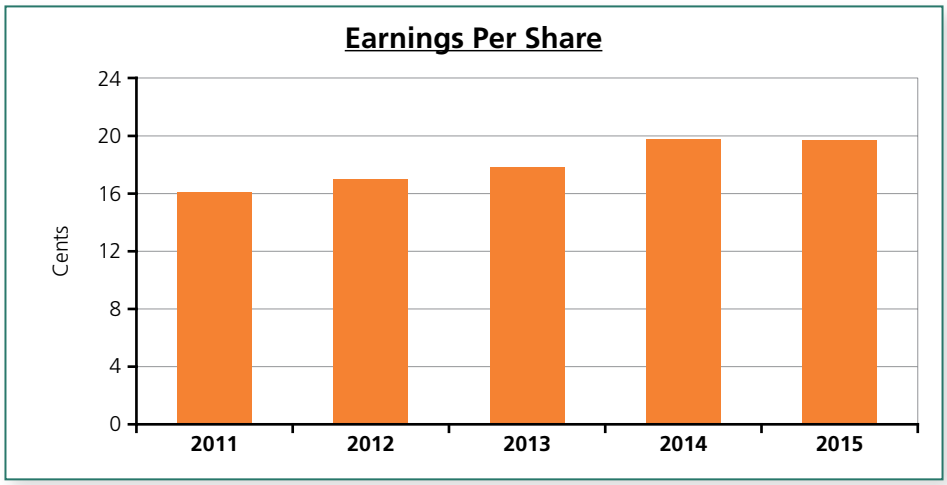


3. **Percentage of Profit Distributed** – the percentage of Profit after tax distributed to shareholders as dividends for the last five years.

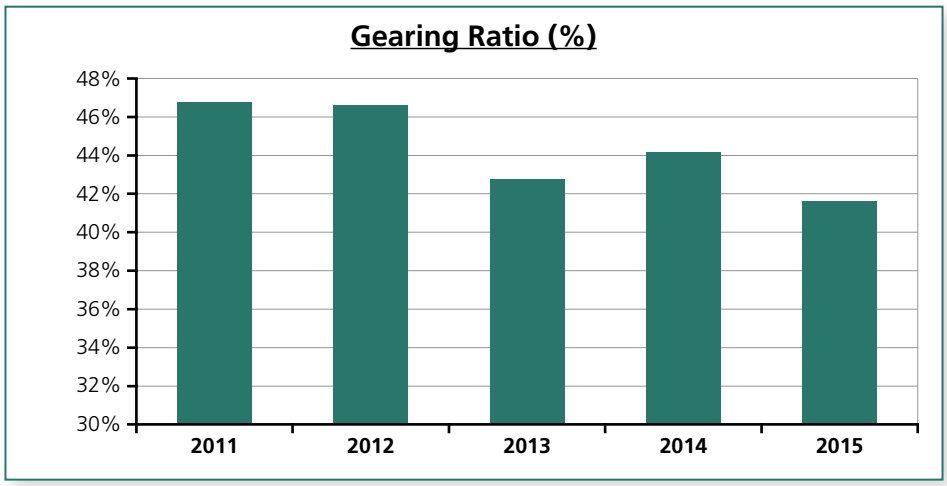


GRAPHICAL ANALYSIS OF FINANCIAL DATA (CONT'D)

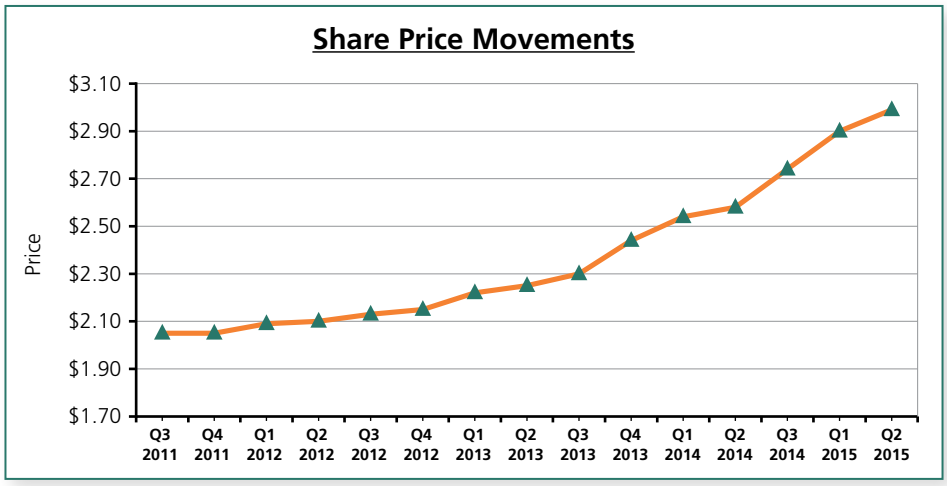
4. **Earnings per Share** – company's Profit after tax divided by the total shares of the company.



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 2011 to 2015.



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