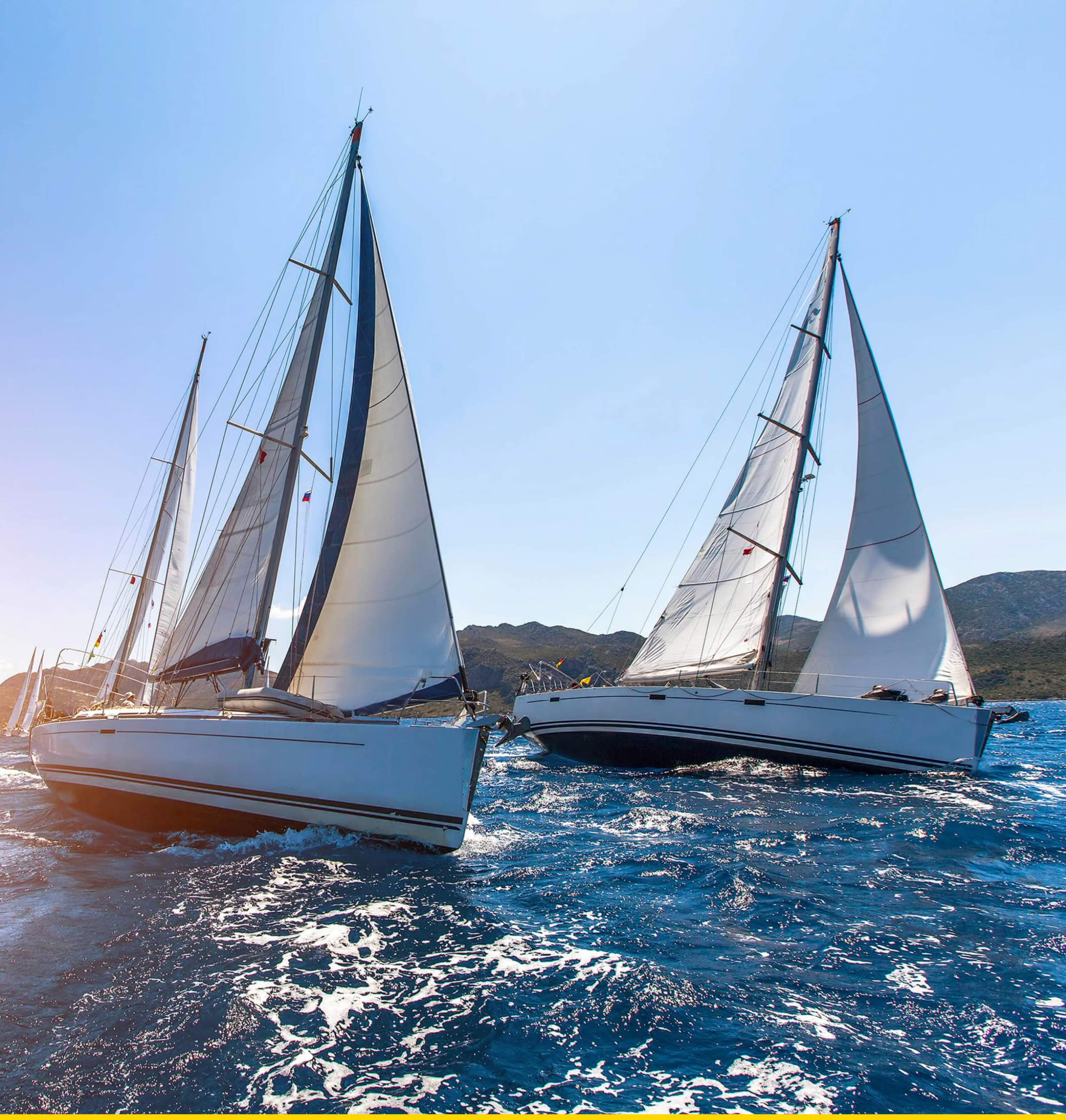

Shreedhar Motors Pte Limited and its subsidiary

Consolidated Financial Statements

For the Year Ended 31 December 2022

Contents

In accordance with a resolution of the Board, the Directors present their report on consolidated entity consisting of Shreedhar Motors Pte Limited ("the Company") and the entity controlled (collectively "the Group") at the end of, or during the year ended 31 December 2022. Financial comparisons used in this report are of results for the year ended 31 December 2022 compared with the year ended 31 December 2021.

The historical financial information included in this Directors Report has been extracted from the Audited Financial Statements accompanying this Directors Report.

Information in this Directors Report is provided to enable shareholders to make an informed assessment of the operations, financial position, performance and other aspects of the Company and the Group, and whether the Company and the Group is a going concern.

Principal activity

Our principal activities during the financial year were the sale and service of motor vehicles, and associated spare parts and the construction of bus bodies. There has been no significant change in the nature of these activities during the financial year. The subsidiary company owns properties that earn rental income during the year.

Review and results of operations

The operating result of the Group for the year was a profit of $5,043,216 (2021: $2,210,486) after providing income tax expense of $1,264,931 (2021: income tax expenses $545,438). The operating result of the Company for the year was a profit of $4,998,066 (2021: $2,188,543) after providing income tax expense of $1,251,879 (2021: income tax expenses $539,691).

- **Our values**
  At Shreedhar Motors Pte Limited, we have four key values that are the core of our business:
  - To enhance and promote Ford and Subaru brands in Fiji;
  - Customer focused;
  - Team work; and
  - Integrity.

- **Our strategy**
  Our strategy is focused on driving shareholder value. It has four pillars:
  - Deliver brilliant customer experiences, support and satisfaction;
  - To provide training and skills to employees to achieve best results;
  - To provide the best working environment and culture that promotes team work; and
  - To increase sales in order to increase shareholders value.

- **Our priorities this year**
  In 2022, we have been working to deliver against three key priorities identified within our strategy:
  - To increase quality of service;
  - To increase productivity and efficiency in order to improve customer service; and
  - To increase sales in order to increase shareholders value.

- **Key Statistics (Group)**
  - 96 staff
  - $5.00 dividend per share for the 2021 financial year.
  - $31,680,084 total income (2021: $19,669,840)
  - $18,301,883 net assets (2021: $15,209,837)

Dividends

On 8th April 2022, the Directors resolved to pay a final dividend of $1,951,170 at $5 per share (2021: $1,560,936).
Dividends declared during the year were:

Dividend	Date resolved	Date Paid	Dividend per share ($)	Total dividends ($)
Tiwari Family Trust	08/04/2022	08/04/2022	5.00	650,390
Vijay P Maharaj Family Trust	08/04/2022	08/04/2022	5.00	650,130
Vijay Prakash Maharaj	08/04/2022	08/04/2022	5.00	260
Atam Gyan Prakash Maharaj	08/04/2022	08/04/2022	5.00	650,390

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the year ended 31 December 2022.

Events Subsequent to Balance Date

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

Significant Events During the Year

On 3rd November 2022 a fire occurred at Lami Panelshop and Spareparts building resulting in the destruction of building owned by the subsidiary company Tiwari Holdings Pte limited and the company's spareparts stock and fixed asset.

The Company recevied full settlement of $1,090,042 during the period for the Parts stock lost in Fire. The Group's Insurance Broker and insurer's loss assessors are currently determining the insurance settlement for Fixed assets and Building destroyed in Fire.

The Company's Lami Spareparts business has been relocated to Vatuwaqa Warehouse in Subaru Building and Panelshop has been located to Walubay behind Total Service station which the company is currently renting from Niranjan's Autoport Limited.

Details of Directors and executives

Details of Directors shareholdings in the Company as at 31 December 2022 are shown in the table below:

Director	No of shares held
Satya Prakash Maharaj (Chairman)	Nil
Vijay Prakash Maharaj	52
Atam Gyan Prakash Maharaj	130,078
Neeraj Abhinesh Maharaj	Nil
Harsh Anant Maharaj	Nil

Harsh Anant Maharaj was appointed as a Director of the company on 1st April 2022 and he resigned on 14th November 2022.

Board meeting attendance

Details of the number of meetings held by the Board during the financial year ended 31 December 2022, and attendance by Board members, are set out below:

Director	Board meeting
Satya Prakash Maharaj (Chairman)	3/3
Vijay Prakash Maharaj	3/3
Atam Gyan Prakash Maharaj	3/3
Neeraj Abhinesh Maharaj	3/3
Harsh Anant Maharaj	1/2

Going concern

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

Auditor independence

The Directors have obtained an independence declaration from the Company's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the *Auditor's Independence Declaration to the Directors of Shreedhar Motors Pte Limited and its subsidiary* on page 6.

This report is made on the 28th day of March 2023 in accordance with a resolution of the Directors.

....
Satya Prakash Maharaj
Chairman

This Directors declaration is required by the Companies Act 2015.

The Directors of Shreedhar Motors Pte Limited ("the Company") and its subsidiary (collectively "the Group") have made a resolution that declared:

(a) In the Directors opinion, the financial statements and notes of the Group and the Company for the financial year ended 31 December 2022:

  (i) give a true and fair view of the financial position of the Group and the Company as at 31 December 2022 and of the performance of the Group and the Company for the year ended 31 December 2022; and

  (ii) have been made out in accordance with the Companies Act 2015.

(b) they have received declarations as required by section 395 of the Companies Act 2015.

(c) at the date of this declaration, in the Directors opinion, there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they become due and payable.

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

....
Satya Prakash Maharaj

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1 Butt Street Suva Fiji
PO Box 1359 Suva Fiji

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF SHREEDHAR MOTORS PTE LIMITED AND ITS SUBSIDIARY COMPANY

As lead auditor for the audit of Shreedhar Motors Pte Limited and its subsidiary company for the financial year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Companies Act 2015 in relation to the audit; and

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

This declaration is in respect of Shreedhar Motors Pte Limited and the entity it controlled during the financial year.

Ernst & Young
Chartered Accountants

Sikeli Tuinamuana
Partner
Suva, Fiji

28 March 2023

Building a better
working world

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INDEPENDENT AUDITOR'S REPORT

To the members of Shreedhar Motors Pte Limited and its subsidiary company

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Shreedhar Motors Pte Limited (the Company) and its subsidiary company (the Group), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

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

Basis for Opinion

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

Other Information

The Directors and management are responsible for the other information. The other information comprises the Directors' report but does not include the financial statements and the auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and the Directors for the Financial Statements

The Directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the Directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

INDEPENDENT AUDITOR'S REPORT *continued*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Conclude on the appropriateness of the Directors' and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

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

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

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

INDEPENDENT AUDITOR'S REPORT *continued*

Report on Other Legal and Regulatory Requirements

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

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

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

Ernst & Young
Chartered Accountants

Sikeli Tuinamuana
Partner
Suva, Fiji

28 March 2023

SHREEDHAR MOTORS PTE LIMITED and its subsidiary
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Notes	**2022**	**2021**	**2022**	**2021**
		$	**$**	**$**	**$**
Operating revenue	2 (a)	30,738,159	18,856,688	30,738,159	18,856,688
Cost of sales	3 (a)	(22,598,884)	(14,765,649)	(22,598,884)	(14,765,649)
Gross profit		8,139,275	4,091,039	8,139,275	4,091,039
Other income	2 (b)	941,925	813,152	929,925	801,152
		9,081,200	4,904,191	9,069,200	4,892,191
Administration and operating expenses	3 (b)	2,629,723	2,096,597	2,665,223	2,109,107
Operating profit from operations		**6,451,477**	**2,807,594**	**6,403,977**	**2,783,084**
Finance expenses	3 (c)	143,330	51,670	154,032	54,850
Profit before tax		**6,308,147**	**2,755,924**	**6,249,945**	**2,728,234**
Income tax expense	4	1,264,931	545,438	1,251,879	539,691
Profit after tax for the year		**5,043,216**	**2,210,486**	**4,998,066**	**2,188,543**
Other comprehensive income					
Total comprehensive income for the year, net of tax		**5,043,216**	**2,210,486**	**4,998,066**	**2,188,543**
Profit from continuing operations attributable to:					
Equity holders of Shreedhar Motors Pte Limited		5,042,812	2,210,309		
Non-controlling interests		404	177		
Total profit from continuing operations for the year		**5,043,216**	**2,210,486**		
Total comprehensive income attributable to:					
Equity holders of Shreedhar Motors Pte Limited		5,042,812	2,210,309		
Non-controlling interests		404	177		
Total comprehensive income for the year		**5,043,216**	**2,210,486**		

The accompanying notes form an integral part of this Consolidated Statement of Profit or Loss and Other Comprehensive Income.

SHREEDHAR MOTORS PTE LIMITED and its subsidiary
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Group 2022	Group 2021	Company 2022	Company 2021
		$	$	$	$
Share capital					
At 1 January		780,468	780,468	780,468	780,468
At 31 December	14	780,468	780,468	780,468	780,468
Retained earnings					
At 1 January		14,427,836	13,778,463	14,321,784	13,694,177
Profit of the year		5,042,812	2,210,309	4,998,066	2,188,543
Dividends		(1,951,170)	(1,560,936)	(1,951,170)	(1,560,936)
		17,519,478	14,427,836	17,368,680	14,321,784
Non-controlling interests					
At 1 January		1,533	1,356	-	-
Profit of the year		404	177	-	-
At 31 December		1,937	1,533	-	-
		18,301,883	**15,209,837**	**18,149,148**	**15,102,252**

The accompanying notes form an integral part of this Consolidated Statement of Changes in Equity.

SHREEDHAR MOTORS PTE LIMITED and its subsidiary
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	Group 2022	Group 2021	Company 2022	Company 2021
		$	$	$	$
Current assets					
Cash and cash equivalents	15 (b)	1,668,799	544,453	1,656,004	540,130
Trade and other receivables	5	2,827,077	1,903,182	2,517,148	1,659,072
Investments	6	1,314,264	-	1,314,264	-
Inventories	7	10,655,825	8,827,281	10,655,825	8,827,281
Income tax receivable		3,232	451,654	-	448,787
Total current assets		16,469,197	11,726,570	16,143,241	11,475,270
Non-current assets					
Equity instruments	8	11,898	11,898	11,898	11,898
Investment in subsidiary company	9	-	-	525,000	525,000
Property, plant and equipment	10	8,183,335	7,949,080	8,183,335	7,949,080
Investment property	11	622,742	631,435	213,675	195,402
Deferred tax assets	4	13,350	14,960	13,350	14,960
Right-of-use asset	21	636,358	474,478	1,548,547	507,212
Total non-current assets		9,467,683	9,081,851	10,495,805	9,203,552
Total assets		**25,936,880**	**20,808,421**	**26,639,046**	**20,678,822**
Current liabilities					
Trade and other payables	12	5,480,263	3,905,208	5,477,322	3,902,337
Employee benefit liability	13	40,100	34,568	40,100	34,568
Income tax payable		210,812	-	210,812	-
Lease liability	21	83,446	25,400	293,446	73,400
Total current liabilities		5,814,621	3,965,176	6,021,680	4,010,305
Non-current liabilities					
Deferred income tax liability	4	1,237,562	1,163,075	1,188,312	1,109,242
Lease liability	21	582,814	470,333	1,279,906	457,023
Total non-current liabilities		1,820,376	1,633,408	2,468,218	1,566,265
Total liabilities		**7,634,997**	**5,598,584**	**8,489,898**	**5,576,570**
Net assets		**18,301,883**	**15,209,837**	**18,149,148**	**15,102,252**
Shareholders' equity					
Share capital	14	780,468	780,468	780,468	780,468
Retained earnings		17,519,478	14,427,836	17,368,680	14,321,784
Equity attributable to members of Shreedhar Motors Pte Limited		**18,299,946**	**15,208,304**	**18,149,148**	**15,102,252**
Non-controlling interests		1,937	1,533	-	-
Total Equity		**18,301,883**	**15,209,837**	**18,149,148**	**15,102,252**

The accompanying notes form an integral part of this Consolidated Statement of Financial Position.

SHREEDHAR MOTORS PTE LIMITED and its subsidiary
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Group 2022 $	Group 2021 $	Company 2022 $	Company 2021 $
Operating Activities					
Receipts from customers		29,496,847	19,473,986	29,483,815	19,461,007
Insurance claim settlement on parts		1,090,042	-	1,090,042	-
Payments to suppliers and employees		(23,415,572)	(15,482,636)	(23,397,362)	(15,482,563)
Interest paid		(120,218)	(31,626)	(120,218)	(31,626)
Interest received		16,228	17,380	16,228	17,380
Income tax paid		(779,600)	(380,905)	(761,600)	(360,000)
Income tax refund		250,000	-	250,000	-
Net cash flows provided by Operating Activities	15 (a)	6,537,727	3,596,199	6,560,905	3,604,198
Investing Activities					
Acquisition of property, plant and equipment and investment property		(838,032)	(211,791)	(838,032)	(211,791)
Proceeds from sale of property, plant and equipment		295,211	159,633	295,211	159,633
Investment in term deposits		(1,314,264)	-	(1,314,264)	-
Net cash flows used in Investing Activities		(1,857,085)	(52,158)	(1,857,085)	(52,158)
Financing Activities					
(Advance to)/ from related party		(12,850)	(19,234)	54,000	25,000
Repayment of advance by Directors		-	1,000	-	1,000
Payment of lease rentals		(31,487)	(25,400)	(129,987)	(73,400)
Dividends paid		(3,511,959)	(3,317,197)	(3,511,959)	(3,317,197)
Net cash used in Financing Activities		(3,556,296)	(3,360,831)	(3,587,946)	(3,364,597)
Net Increase in cash and cash equivalents		1,124,346	183,210	1,115,874	187,443
Cash at Bank at the beginning of the year		544,453	361,243	540,130	352,687
Cash at Bank at the end of the year	15 (b)	**1,668,799**	**544,453**	**1,656,004**	**540,130**

The accompanying notes form an integral part of this Statement of Cash Flows.

1. Corporate information

The consolidated financial statements of Shreedhar Motors Pte Limited ("the Company") and its subsidiary (collectively "the Group") for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors on ________________________ 2023. Shreedhar Motors Pte Limited and its subsidiary are limited liability companies incorporated and domiciled in the Republic of Fiji.

The principal activities of the Group are described in Note 24. Information on related party and the Group is provided in Note 18.

1.1 Basis of preparation

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

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with the current financial year amounts and other disclosures.

The accounting policies have been consistently applied, and except where there is a change in accounting policy, are consistent with those of the previous year. The consolidated financial statements are presented in Fijian dollars.

Company financial statements

The financial statements prepared are separate (non-consolidated) financial statement of Shreedhar Motors Pte Limited. As permitted by IAS 27 Consolidated and Separate Financial Statements, the financial statements have not been consolidated to account for the Company's investments in either its associates, joint ventures or subsidiaries. The Company has elected to account for the investment in subsidiaries at cost. The Company applies the same accounting for each category of investments. Dividends from subsidiaries are recognised in the profit or loss in the separate financial statements prepared when its right to receive the dividend is established.

The details of the Company's subsidiaries have been highlighted in Note 8.

1.2 Basis of consolidation

The consolidated financial statements of the Group comprise those of the parent entity, Shreedhar Motors Pte Limited, and its subsidiary, Tiwari Holdings Pte Limited (formerly trading as Prakash Motors Pte Limited). The Group controls an entity when it has power over the entity, is exposed to, and has the rights to, variable returns from its involvement with that entity and it has the ability to affect those returns.

In preparing the consolidated financial statements, the effects of all intra-group transactions between entity in the Group have been eliminated. The financial statements of subsidiaries have been prepared for the same reporting period as that of the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

1.3 Standards issued but not yet effective

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

New standards and amendments	Effective date
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	1 January 2023
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Lease liability in a sale and lease back – Amendments to IFRS 16	1 January 2024

1.4 Significant accounting estimates and assumptions

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

Estimations and assumptions

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

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying amount of an asset exceeds its recoverable amount which is higher of fair value less costs of disposals and its value in use. The determination of fair value less cost to sale and value in use balances require significant judgements. The Subsidiary company, Tiwari Holdings Pte Limited sustained a substantial damage to its Lami property in fire in November 2022. The building is insured with Sun Insurance Company Ltd on replacement basis. No impairment has been assessed in the Group Finanacial Statements as the writtern down value of the buidling is Zero.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likelihood and level of future taxable profits together with future tax planning strategies. Further details are contained in Note 4.

Application of IFRS 16 - Leases

The application of IFRS 16 requires the Group to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, management must consider all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options). Assessing whether a contract includes a lease also requires judgement. Estimates are required to determine the appropriate discount rate used to measure liabilities.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the repayments by customers, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECL's is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future. The information about the ECL's on the Group's trade receivables is disclosed in Note 5.

Performance obligations

The performance obligation from provision of services, is satisfied upon provision of these services and payment is generally due within 30 to 90 days from delivery. Revenue comprising sales of vehicles is recognised when the vehicle has been registered under the customer's name pursuant to a contract. In the event of sale of spare parts, performance obligation is satisfied when the buyer obtains control of the asset. Revenue from services is generally recognised when services are rendered.

Methods, inputs and assumptions used in allocating transaction price to performance obligation is determined after considering factors identified in Note 1.5 (m).

1.5 Statement of significant accounting policies

A summary of significant accounting policies adopted by the Group is set out in this note. The policies adopted are in accordance with IFRS, and unless stated otherwise are consistent with those applied in the prior year.

(a) Functional and presentation currency

The consolidated financial statements are presented in Fiji dollars ("FJD"), which is the Group's functional currency. Except as indicated, financial information presented in FJD has been rounded to the nearest dollar.

(b) Foreign currencies

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

(c) Cash and cash equivalents

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

(d) Trade and other receivables

Trade and other receivables are initially recognised at fair value plus any direct attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. The recoverability of receivables is assessed monthly and all known bad debts are written off. It is intended that the allowance for impairment will continue to be reviewed monthly and maintained at a level appropriate to the environment and circumstance of the time. Losses are recognised in the statement of comprehensive income and reflected in an allowance account.

(e) Inventories

Inventories mainly consist of motor vehicles and spare-parts for re-sale and are measured at the lower of cost and net realisable value. Costs are assigned to individual items of stock on the basis of the landed direct cost, insurance, freight, and an allocation of overhead expenditure, the latter being allocated on the basis of labour incurred. Adequate provision has been made for slow moving and obsolete inventories.

(f) Property, plant and equipment

Owned assets

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

Subsequent expenditure

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

1.5 Statement of significant accounting policies *continued*

(f) Property, plant and equipment *continued*

Depreciation

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

Leasehold land	Over the lease period
Buildings	1.25% - 2.5%
Motor vehicles	20%
Plant and machinery	10%
Furniture and fittings	10%
Office and other equipment	10%
Solar panels and inverters	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised within the statement of comprehensive income.

(g) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, an appropriate valuation model is used.

For assets, excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or the cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(h) Investment properties

Investment properties, principally comprising freehold land, leasehold land and buildings, are held for long-term rental yields. Investment property is stated at cost less depreciation and impairment losses. Investment properties are depreciated on a straight-line basis over their estimated useful lives using the following rates:

Leasehold land	Over the lease period
Buildings	1.25% - 2.5%

When an item of property, plant and equipment becomes an investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item, the gain is transferred to retained earnings. Any loss is recognised in the statement of comprehensive income immediately.

1.5 Statement of significant accounting policies *continued*

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Trade and other payables are stated at cost.

(j) Employee entitlements

Liabilities for wages and salaries, including non-monetary benefits, annual leave and sick leave expected to be settled within twelve months of the reporting date represent present obligations in respect of employees' services up to the reporting date. These are calculated at undiscounted amounts based on remuneration rates that the Group expects to pay as at reporting date including related on-costs, such as payroll tax. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(k) Borrowing costs

Borrowings are stated at the gross value of the outstanding balance. Interest is taken to the statement of comprehensive income when payable.

Borrowing costs that are directly attributable to the acquisition or construction of the capital assets are capitalised. Other borrowing costs are recognised as an expense in the year in which they are incurred.

(l) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another Company.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in Note 1.5 (m) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

1.5 Statement of significant accounting policies *continued*

(l) Financial instruments - initial recognition and subsequent measurement *continued*

i) Financial assets *continued*

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets include cash and cash equivalents, trade and other receivables and term deposits.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group presently does not hold any debt instruments at fair value through OCL.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category. These include shares held detailed in Note 8.

1.5 Statement of significant accounting policies *continued*

(l) Financial instruments - initial recognition and subsequent measurement *continued*

i) Financial assets *continued*

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. The Group presently does not hold financial assets at fair value through profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; and
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

1.5 Statement of significant accounting policies *continued*

(l) Financial instruments - initial recognition and subsequent measurement *continued*

i) Financial assets *continued*

Impairment of financial assets continued

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 costs in the statement of profit or loss.

1.5 Statement of significant accounting policies *continued*

(l) Financial instruments - initial recognition and subsequent measurement *continued*

ii) Financial liabilities *continued*

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(m) Revenue from contracts with customers

The Group is in the business of sale and service of motor vehicles and associated spare parts and the construction of bus bodies. Revenue comprising sales of vehicles is recognised when the vehicle has been registered under the customer's name pursuant to a contract. In the event of sale of spare parts, performance obligation is satisfied when the buyer obtains control of the asset. Revenue from services is generally recognised when services are rendered. Revenue is recognised when all performance obligations have been completed at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale and service of motor vehicles and associated spare parts and the construction of bus bodies, the Group considers the effects of variable consideration, the existence of significant financing components, non cash consideration and consideration payable to the customer (if any).

The Group considers the effects of all of the following in determining the transaction price:

- Variable consideration
- Constraining estimates of variable consideration
- The existence of a significant financing component in the contract
- Non-cash consideration
- Consideration payable to a customer

Sale of equipment

Revenue from sale of equipment is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment. The normal credit term is 30 to 90 days upon delivery.

(n) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

1.5 Statement of significant accounting policies *continued*

(n) Taxes *continued*

Current income tax continued

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

1.5 Statement of significant accounting policies *continued*

(o) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; and
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; and
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(p) Leases

Policy applicable from 1 January 2019

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and buildings 1 to 99 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 1.5 (g) Impairment of non-financial assets.

1.5 Statement of significant accounting policies *continued*

(p) Leases *continued*

Policy applicable from 1 January 2019 *continued*

Group as a lessee continued

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in leases (see Note 21).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

(q) Provisions

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

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

(r) Dividend distribution

Dividends paid during the year are subject to the provisions of the Fiji Income Tax Act 2015.

Dividends are recorded in the Group's financial statements in the period in which they are declared by the Directors.

(s) Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segment. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

(t) Comparative figures

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

		Group		Company	
2.	**REVENUE**	**2022**	**2021**	**2022**	**2021**
(a)	Operating revenue	**$**	**$**	**$**	**$**
	New/used vehicles	21,621,401	12,143,313	21,621,401	12,143,313
	Spare parts and tyres	5,925,461	5,030,073	5,925,461	5,030,073
	Insurance claim settlement on parts	1,090,042	-	1,090,042	-
	Coachworks	46,474	115,054	46,474	115,054
	Motor Garage	2,054,781	1,568,248	2,054,781	1,568,248
		30,738,159	18,856,688	30,738,159	18,856,688
(b)	Other income	**$**	**$**	**$**	**$**
	Exchange gain	333,907	158,370	333,907	158,370
	Gain on disposal of plant and equipment	175,590	59,675	175,590	59,675
	Interest	16,228	17,380	16,228	17,380
	Operating lease rentals/solar energy claim	93,465	215,765	93,465	215,765
	Manufacturer’s contribution towards promotion and marketing	42,705	83,415	42,705	83,415
	Rent	272,800	269,689	260,800	257,689
	Sundry income	1,270	7,167	1,270	7,167
	Grant claim	-	1,691	-	1,691
	Decrease in expected credit loss	5,960	-	5,960	-
		941,925	813,152	929,925	801,152

3.	**EXPENSES**	**$**	**$**	**$**	**$**
(a)	Cost of sales				
	Cost of sales - new vehicles/used vehicles	16,425,172	9,994,865	16,425,172	9,994,865
	Cost of sales - Spare parts	4,950,090	3,843,627	4,950,090	3,843,627
	Cost of sales - Coachworks	123,858	108,256	123,858	108,256
	Cost of sales - Motor garage	1,099,764	818,901	1,099,764	818,901
		22,598,884	14,765,649	22,598,884	14,765,649
(b)	Administration and operating expenses	**$**	**$**	**$**	**$**
	Auditors remuneration - audit services	9,750	9,750	9,750	9,750
	Auditors remuneration - other services	500	500	500	500
	Depreciation and amortisation	492,849	518,286	465,883	487,122
	Right-of-use asset depreciation	17,022	12,238	97,767	56,008
	Directors fees	345,750	254,250	345,750	254,250
	Salaries and administration	455,515	369,318	455,515	369,318
	Increase in expected credit loss	-	8,993	-	8,993
	Other expenses	1,308,337	923,262	1,290,058	923,166
		2,629,723	2,096,597	2,665,223	2,109,107
(c)	Finance expenses	**$**	**$**	**$**	**$**
	Interest	120,218	31,626	120,218	31,626
	Interest expense on lease liability	23,112	20,044	33,814	23,224
		143,330	51,670	154,032	54,850

4. INCOME TAX

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**

A reconciliation between tax expense and the product of accounting profit multiplied by the tax rate for the year ended 31 December is as follows:

	Group 2022	Group 2021	Company 2022	Company 2021
Accounting profit before income tax	6,308,147	2,755,924	6,249,945	2,728,234
Prima facie tax thereon at 20%	1,261,629	551,185	1,249,989	545,647
Non-deductible expenses	1,412	(5,396)	-	(5,605)
Over provision from prior period	-	(351)	-	(351)
Under provision from prior period	1,890	-	1,890	-
	1,264,931	545,438	1,251,879	539,691

Income tax expense comprises movements in:

	Group 2022	Group 2021	Company 2022	Company 2021
Current tax	1,186,944	473,749	1,169,309	462,578
Temporary differences	76,097	72,040	80,680	77,464
Over provision from prior period	-	(351)	-	(351)
Under provision from prior period	1,890	-	1,890	-
	1,264,931	545,438	1,251,879	539,691

Deferred tax at 31 December relates to the following:

Deferred tax assets/(liabilities)	Group 2022	Group 2021	Company 2022	Company 2021
Employee entitlements	8,020	6,913	8,020	6,913
Estimated credit loss	7,172	8,365	7,172	8,365
Unrealised exchange gain	(1,842)	(318)	(1,842)	(318)
Accelerated depreciation for tax purposes	(1,242,524)	(1,167,718)	(1,193,274)	(1,113,885)
Right-of-use asset net value	(309,709)	(101,442)	(309,709)	(101,442)
Lease liability	314,671	106,085	314,671	106,085
	(1,224,212)	(1,148,115)	(1,174,962)	(1,094,282)

Represented on the statement of financial position:

	Group 2022	Group 2021	Company 2022	Company 2021
Deferred tax assets	13,350	14,960	13,350	14,960
Deferred tax liabilities	(1,237,562)	(1,163,075)	(1,188,312)	(1,109,242)
	(1,224,212)	(1,148,115)	(1,174,962)	(1,094,282)

	Group		Company	
5. TRADE AND OTHER RECEIVABLES	**2022**	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Trade receivables	2,152,633	1,180,914	2,152,631	1,179,879
Less: expected credit loss	(35,865)	(41,825)	(35,865)	(41,825)
	2,116,768	1,139,089	2,116,766	1,138,054
Other receivables and prepayments	330,958	312,082	330,957	312,082
Owing by related companies	379,351	452,011	69,425	208,936
Total trade and other receivables	2,827,077	1,903,182	2,517,148	1,659,072

Trade receivables are non-interest bearing and are generally on 30-90 day terms. At 31 December 2022, trade receivables for the Company at nominal value of $35,865 (2021: $41,825) were impaired and fully provided for. Movement in the provision for impairment of receivables were as follows:

	$	$	$	$
At 1 January	41,825	32,832	41,825	32,832
Charge/ (reversal) for the year	(5,960)	8,993	(5,960)	8,993
At 31 December	35,865	41,825	35,865	41,825

At 31 December, the ageing analysis of Groups trade receivables is as follows:

			Past due but not impaired		
Year	**Gross debtors**	**Current**	**30-60 days**	**60-90 days**	**>90 days**
	$	$	$	$	$
2022	2,152,633	1,345,076	483,155	185,085	139,317
2021	1,180,914	768,385	220,557	47,463	144,509

6. INVESTMENTS

Current - Term Deposit			$	$	$	$
Date	**Institution**	**Rate**				
28/09/2022	Kontiki Finance	2.25%	1,314,264	-	1,314,264	-
			1,314,264	-	1,314,264	-

7. INVENTORIES	$	$	$	$
Inventories in transit	4,169,123	623,364	4,169,123	623,364
Motor vehicles	3,360,987	4,845,955	3,360,987	4,845,955
Spare parts	3,007,830	3,269,542	3,007,830	3,269,542
Coachworks	67,059	33,819	67,059	33,819
Motor garage	50,826	54,601	50,826	54,601
	10,655,825	8,827,281	10,655,825	8,827,281

8. EQUITY INSTRUMENTS	$	$	$	$
(i) Financial Securities				
Yatu Lau Company Limited	11,898	11,898	11,898	11,898
	11,898	11,898	11,898	11,898
(ii) Reconciliation of financial assets:				
Opening balance	11,898	11,898	11,898	11,898
	11,898	11,898	11,898	11,898

9. INVESTMENT IN SUBSIDIARY COMPANY	$	$	$	$
Shares in subsidiary company at cost:				
Tiwari Holdings Pte Limited	-	-	525,000	525,000

Shreedhar Motors owns 99.99% of the shares in Subsidiary Company, Tiwari Holding Pte Limited.

10. PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Freehold land				
Cost:				
At 1 January	857,050	857,050	857,050	857,050
At 31 December	857,050	857,050	857,050	857,050
Net book value	857,050	857,050	857,050	857,050
Leasehold land				
Cost:				
At 1 January	87,280	87,280	87,280	87,280
Additions	682,500	-	682,500	-
At 31 December	769,780	87,280	769,780	87,280
Depreciation and impairment:				
At 1 January	30,100	28,740	30,100	28,740
Depreciation charge for the year	4,933	1,360	4,933	1,360
At 31 December	35,033	30,100	35,033	30,100
Net book value	734,747	57,180	734,747	57,180
Buildings and improvements				
Cost:				
At 1 January	8,603,347	8,603,347	8,603,347	8,603,347
At 31 December	8,603,347	8,603,347	8,603,347	8,603,347
Depreciation and impairment:				
At 1 January	2,303,995	2,057,298	2,303,995	2,057,298
Depreciation charge for the year	246,698	246,697	246,698	246,697
At 31 December	2,550,693	2,303,995	2,550,693	2,303,995
Net book value	6,052,654	6,299,352	6,052,654	6,299,352
Plant and machinery				
Cost:				
At 1 January	589,628	522,236	589,628	522,236
Additions	15,316	67,392	15,316	67,392
At 31 December	604,944	589,628	604,944	589,628
Depreciation and impairment:				
At 1 January	455,182	433,520	455,182	433,520
Depreciation charge for the year	25,346	21,662	25,346	21,662
At 31 December	480,528	455,182	480,528	455,182
Net book value	124,416	134,446	124,416	134,446
Furniture and fittings				
Cost:				
At 1 January	323,560	323,560	323,560	323,560
Additions	24,524	-	24,524	-
At 31 December	348,084	323,560	348,084	323,560
Depreciation and impairment:				
At 1 January	265,584	249,148	265,584	249,148
Depreciation charge for the year	15,335	16,436	15,335	16,436
At 31 December	280,919	265,584	280,919	265,584
Net book value	67,165	57,976	67,165	57,976

	Group		Company	
10. PROPERTY, PLANT AND EQUIPMENT *continued*	**2022**	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Office equipment				
Cost:				
At 1 January	304,606	293,718	304,606	293,718
Additions	18,363	10,888	18,363	10,888
Disposals	(51,309)	-	(51,309)	-
At 31 December	271,660	304,606	271,660	304,606
Depreciation and impairment:				
At 1 January	273,076	265,214	273,076	265,214
Depreciation charge for the year	10,565	7,862	10,565	7,862
Disposals	(49,283)	-	(49,283)	-
At 31 December	234,358	273,076	234,358	273,076
Net book value	37,302	31,530	37,302	31,530
Motor vehicles				
Cost:				
At 1 January	683,438	693,105	683,438	693,105
Additions	70,072	133,511	70,072	133,511
Disposals	(79,102)	(143,178)	(79,102)	(143,178)
At 31 December	674,408	683,438	674,408	683,438
Depreciation and impairment:				
At 1 January	255,710	207,195	255,710	207,195
Depreciation charge for the year	135,082	138,403	135,082	138,403
Disposals	(26,385)	(89,888)	(26,385)	(89,888)
At 31 December	364,407	255,710	364,407	255,710
Net book value	310,001	427,728	310,001	427,728
Motor vehicles - Lease vehicle				
Cost:				
At 1 January	178,640	300,786	178,640	300,786
Disposals	(178,640)	(122,146)	(178,640)	(122,146)
At 31 December	-	178,640	-	178,640
Accumulated depreciation				
At 1 January	94,822	124,582	94,822	124,582
Depreciation charge for the year	18,940	45,718	18,940	45,718
Disposals	(113,762)	(75,478)	(113,762)	(75,478)
At 31 December	-	94,822	-	94,822
Net book value	-	83,818	-	83,818
NET WRITTEN DOWN VALUE	8,183,335	7,949,080	8,183,335	7,949,080

	Group		Company	
11. INVESTMENT PROPERTY	**2022**	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Cost				
At 1 January	1,948,562	1,948,562	642,492	642,492
Acquisitions	27,257	-	27,257	-
At 31 December	1,975,819	1,948,562	669,749	642,492
Accumulated depreciation				
At 1 January	1,317,127	1,276,979	447,090	438,106
Depreciation charge for the year	35,950	40,148	8,984	8,984
At 31 December	1,353,077	1,317,127	456,074	447,090
Net book value	622,742	631,435	213,675	195,402

12. TRADE AND OTHER PAYABLES	**$**	**$**	**$**	**$**
Ford credit/bills payable	4,280,838	843,156	4,280,838	843,161
Trade creditors and accruals	1,193,387	1,495,134	1,190,446	1,492,258
Payable to related companies	6,038	6,129	6,038	6,129
Payable to shareholders	-	1,560,789	-	1,560,789
Total trade and other payables	5,480,263	3,905,208	5,477,322	3,902,337

13. EMPLOYEE BENEFIT LIABILITY	**$**	**$**	**$**	**$**
Annual leave entitlements	40,100	34,568	40,100	34,568

14. SHARE CAPITAL	**$**	**$**	**$**	**$**
Issued and paid up capital				
390,234 ordinary shares	780,468	780,468	780,468	780,468

15. NOTES TO STATEMENT OF CASH FLOWS

	Group 2022 $	Group 2021 $	Company 2022 $	Company 2021 $
(a) Reconciliation of net cash provided by Operating Activities to operating profit after income tax:				
Operating profit after tax	**5,043,216**	**2,210,486**	**4,998,066**	**2,188,543**
Depreciation - properties	492,849	518,286	465,883	487,122
Depreciation - ROU	17,022	12,238	97,767	56,008
Interest expenses - lease	23,112	20,044	33,814	23,224
Movements in expected credit loss	(5,960)	8,993	(5,960)	8,993
Gain on sale of assets	(175,590)	(59,675)	(175,590)	(59,675)
	5,394,649	**2,710,372**	**5,413,980**	**2,704,215**
Net cash provided by operating activities before change in assets and liabilities:				
(Increase) in trade and other receivables	(971,719)	(92,646)	(972,752)	(93,626)
Decrease/(increase) in deferred tax assets	1,610	(2,818)	1,610	(2,818)
(Increase)/decrease in inventories	(1,828,545)	1,343,581	(1,828,544)	1,343,582
Decrease/(increase) in Other Assets	66,635	(190,671)	66,636	(190,671)
Increase/(decrease) in accounts payable and accruals	3,135,844	(327,488)	3,135,774	(327,512)
Increase/(decrease) in employee benefit liability	5,532	(10,303)	5,532	(10,303)
Increase in provision for income tax	659,234	91,314	659,599	101,049
Increase in deferred tax liabilities	74,487	74,858	79,070	80,282
Net cash provided by Operating Activities	**6,537,727**	**3,596,199**	**6,560,905**	**3,604,198**

(b) **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and balances with banks net of bank overdraft. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts:

	$	$	$	$
Cash at bank	1,667,279	542,933	1,654,484	538,610
Cash on hand	1,520	1,520	1,520	1,520
	1,668,799	544,453	1,656,004	540,130

16. COMMITMENTS

	$	$	$	$
Capital expenditure: Renovation of Investment properties at Walubay				
- approved by the Board	1,114,269	612,000	1,114,269	612,000

17. CONTINGENT LIABILITIES

	$	$	$	$
Letters of credit	541,983	223,337	541,983	223,337
Customs bond	160,000	160,000	160,000	160,000
Lease buy back agreements	35,000	35,000	35,000	35,000
	736,983	418,337	736,983	418,337

18. RELATED PARTY TRANSACTIONS

(a) Directors

The names of persons who were Directors of Shreedhar Motors Pte Limited at any time during the financial year were as follows:

Satya Prakash Maharaj (Chairman)
Vijay Prakash Maharaj
Atam Gyan Prakash Maharaj
Neeraj Abhinesh Maharaj
Harsh Anant Maharaj (resigned on 14th November 2022)

(b) Related companies

The holding company has a related party relationship with its subsidiary company Tiwari Holdings Pte Limited. The Group has related party relationships by virtue of common ownership, with Pacific Transport Pte Limited, Taveuni Buses Pte Limited, Ocean Shores Estates Pte Limited and with its shareholders, directors and executive officers.

	Group		Company	
	2022	2021	2022	2021
(c) Amounts owing from related companies	$	$	$	$
Pacific Transport Pte Limited	17,285	107,800	17,285	107,800
Ocean Shores Estates Pte Limited	356,761	343,910	46,835	100,835
Taveuni Buses Pte Limited	5,305	301	5,305	301
	379,351	452,011	69,425	208,936
(c) Amounts owing to related companies				
Pacific Transport Pte Limited	6,038	6,129	6,038	6,129
	6,038	6,129	6,038	6,129

(d) Transactions with related parties

All transactions with related parties are made on commercial terms and conditions. The material transactions during the year were:

Related parties

Pacific Transport Pte Limited
Taveuni Buses Pte Limited

Income	$	$	$	$
Pacific Transport Pte Limited - sale of motor vehicle, spare parts, repair of buses	167,297	133,832	167,297	133,832
Taveuni Buses Pte Limited - sale of parts and repair of buses	11,839	5,383	11,839	5,383
Total income	179,136	139,215	179,136	139,215
Expenses				
Pacific Transport Pte Limited - acquired fuel, oil and other services from Pacific Transport Pte Limited	68,349	31,954	68,349	31,954
Total expenses	68,349	31,954	68,349	31,954

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk.

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

Risk management is carried out by executive management under policies approved by the Board of Directors. Management and finance executives identify, and evaluate financial risks in close co-operation with the company's operating units. The Board of Directors provide direction for overall risk management covering specific areas, such as mitigating credit risks, and investment of excess liquidity.

(a) Market risk

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

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures in respect to purchase of inventory, primarily with respect to Australian dollar, Japanese Yen, NZ dollar and US dollar. Foreign exchange risk arises from future commercial transactions and liabilities.

Management has set up policy to require the Group to manage their foreign exchange risk against their functional currency, in this case the Fiji dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the Fijian dollar. For significant settlements, the Group is required to seek quotations from recognised banks and use the most favourable exchange rate for the purpose of settlement.

As at year end, assets and liabilities denominated in foreign currencies are minimal and hence changes in the US, Australian, Japanese Yen and NZ dollars by 10% (increase or decrease) is expected to have minimal impact on the net profit and equity balances currently reflected in the Group's financial statements. Because of the minimal asset and liability balances in overseas currencies, there has been little sensitivity to movements in US, Australian, Japanese yen and NZ dollar in 2022 and 2021.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that services are provided to customers with an appropriate credit history. The Group has policies that limit the amount of credit exposure to any one customer or group of customers. Credit levels accorded to customers are regularly reviewed to reduce the exposure to risk of bad debts.

The Group establishes a provision for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

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

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

(c) Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash, marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Group

31 December 2022	**< 1 year** **$**	**1 to 2 years** **$**	**> 5 years** **$**	**Total** **$**
Trade and other payables	5,480,263	-	-	5,480,263
	5,480,263	-	-	5,480,263
31 December 2021				
Trade and other payables	3,905,208	-	-	3,905,208
	3,905,208	-	-	3,905,208

20. CAPITAL RISK MANAGEMENT

The Board of Director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's objectives when obtaining and managing capital are to safeguard the Group's ability to continue as a going concern and provide shareholders with consistent level of returns and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total interest bearing borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Group's statement of financial position plus net debt.

	Group		**Company**	
	2022 **$**	**2021** **$**	**2022** **$**	**2021** **$**
Trade and other payables	5,480,263	3,905,208	5,477,322	3,902,337
Less: cash and cash equivalents	(1,668,799)	(544,453)	(1,656,004)	(540,130)
Net debt	3,811,464	3,360,755	3,821,318	3,362,207
Equity	18,299,946	15,208,304	18,149,148	15,102,252
Capital and net debt	22,111,410	18,569,059	21,970,466	18,464,459
Gearing ratio	17%	18%	17%	18%

21. LEASES

GROUP AS A LESSEE

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Group	Company
	Land and buildings	Land and buildings
	$	$
As at 1 January 2022	474,478	507,212
Additions	178,902	1,139,102
Depreciation expense	(17,022)	(97,767)
As at 31 December 2022	636,358	1,548,547

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group	Company
As at 1 January 2022	495,733	530,423
Additions	178,902	1,139,102
Accretion of interest	23,112	33,814
Payments	(31,487)	(129,987)
As at 31 December 2022	666,260	1,573,352
Current	83,446	293,446
Non-current	582,814	1,279,906
	666,260	1,573,352

The following are the amounts recognised in profit or loss:

	Group	Company
Depreciation expense of right-of-use assets	(17,022)	97,767
Interest expense on lease liabilities	(23,112)	33,814
Variable lease payments	31,487	(129,987)
Total amount recognised in profit or loss	(8,647)	1,594

The Group had total cash outflows for leases of $31,487(2021: $25,400) in 2022. The Group had non-cash additions to right-of-use assets and lease liabilities of $178,902 in 2022. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 16.

22. SUBSEQUENT EVENTS

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

23. SIGNIFICANT EVENTS DURING THE YEAR

On 3rd November 2022 a fire occurred at Lami Panelshop and Spareparts building resulting in the destruction of building owned by the subsidiary company Tiwari Holdings Pte limited and the company's spareparts stock and fixed asset.

The Company recevied full settlement of $1,090,042 during the period for the Parts stock lost in Fire. The Group's Insurance Broker and insurer's loss assessors are currently determining the insurance settlement for Fixed assets and Building destroyed in Fire.

The Company's Lami Spareparts business has been relocated to Vatuwaqa Warehouse in Subaru Building and Panelshop has been located to Walubay behind Total Service station which the company is currently renting from Niranjan's Autoport Limited.

24. PRINCIPAL ACTIVITIES

The principal activities of the holding company during the financial year were the sale and service of motor vehicles and associated spare parts and the construction of bus bodies. There has been no significant change in the nature of these activities during the financial year. The principal activity of the subsidiary company during the financial year was to collect rental income from its properties.

25. COMPANY DETAILS

Company Incorporation

The holding and the subsidiary companies are private company domiciled and incorporated in Fiji under the Companies Act, 2015.

Registered office and principal place of business

The registered office of the Company is located at:
Lot 3 Karsanji Street, Vatuwaqa
Suva, Fiji

Number of Employees

As at balance date, the holding company employed 96 permanent staff (2021: 91).

Disclaimer on Additional Financial Information

The following additional information, being the detailed consolidated income statement has been compiled by the management of the Group and does not form part of the statutory financial statements.

No audit or review has been performed by Ernst & Young and accordingly no assurance is expressed by Ernst & Young.

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

SHREEDHAR MOTORS PTE LIMITED and its subsidiary
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022	2021	2022	2021
Revenue	$	$	$	$
Sales	30,738,159	18,856,688	30,738,159	18,856,688
Less: Cost of sales	22,598,884	14,765,649	22,598,884	14,765,649
	8,139,275	4,091,039	8,139,275	4,091,039
Other income				
Advertising reimbursement and incentives	42,705	83,415	42,705	83,415
Decrease in expected credit loss	5,960	-	5,960	-
Exchange gain	333,907	158,370	333,907	158,370
Gain on disposal of property, plant and equipment	175,590	59,675	175,590	59,675
Grant claim	-	1,691	-	1,691
Interest	16,228	17,380	16,228	17,380
Lease rentals	88,608	211,440	88,608	211,440
Rent	272,800	269,689	260,800	257,689
Sundry income	1,270	7,167	1,270	7,167
Solar energy billed to EFL	4,857	4,325	4,857	4,325
	941,925	813,152	929,925	801,152
Total revenue	9,081,200	4,904,191	9,069,200	4,892,191
Expenses				
Auditors remuneration	10,250	10,250	10,250	10,250
Advertising and promotion	193,925	131,463	193,925	131,463
Bank charges	12,795	11,779	12,717	11,683
Commission	15,160	10,660	15,160	10,660
Claim settlement -	10,750	-	10,750	-
Depreciation	492,849	518,286	465,883	487,122
Director's fee	345,750	254,250	345,750	254,250
Donations	10,000	4,000	10,000	4,000
Provision for Doubtful Debt	-	8,993	-	8,993
Entertainment	24,410	2,501	24,410	2,501
Exchange loss	62,356	6,055	62,356	6,055
General expenses	149,277	102,871	149,277	102,871
Insurance	140,213	137,003	140,213	137,003
Interest	120,218	31,626	120,218	31,626
Interest expense - leases	23,112	20,044	33,814	23,224
Legal fees	3,527	-	3,527	-
Licenses	14,435	12,810	14,435	12,810
Light and power	100,714	84,835	100,714	84,835
Lease vehicle repair and maintenance	3,236	14,811	3,236	14,811
Motor vehicle running expenses	70,666	40,848	70,666	40,848
Repairs and maintenance				
- Furniture fittings and office equipment	62,149	33,986	62,149	33,986
- Vehicles	33,688	28,977	33,688	28,977
- Plant and buildings	136,479	80,733	118,278	80,733
Rent and rates	31,144	33,232	31,144	33,232
Right-of-use of asset depreciation	17,022	12,238	97,767	56,008
Stationery	30,211	18,591	30,211	18,591
Salaries and wages	455,515	369,318	455,515	369,318
Internet Expense - Vodafone	33,000	33,000	33,000	33,000
Internet Expense - Telecom	12,000	12,000	12,000	12,000
Telephone, cable and postage	30,757	35,404	30,757	35,404
Travelling expenses - Local	6,936	2,833	6,936	2,833
- Overseas	2,918	-	2,918	-
Tuition fee	-	945	-	945
FNPF contribution	96,278	62,269	96,278	62,269
Fringe benefit tax	4,202	4,104	4,202	4,104
FNU levy	17,111	17,552	17,111	17,552
Total expense	2,773,053	2,148,267	2,819,255	2,163,957
Operating profit before tax	**6,308,147**	**2,755,924**	**6,249,945**	**2,728,234**

This Detailed Income Statement is to be read in conjunction with the disclaimer set out on page 38.

SHREEDHAR MOTORS PTE LIMITED
TRADING ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

MOTOR VEHICLES	**31.12.22**	**31.12.21**
	$	**$**
Sales	21,621,401	12,143,313
Less: Cost of sales		
Stock at 1 January	4,845,955	6,146,580
After sales service cost	43,592	58,254
Purchases	14,656,335	8,453,163
Direct wages	240,277	182,823
	19,786,159	14,840,820
Less: Stock at 31 December	3,360,987	4,845,955
	16,425,172	9,994,865
GROSS PROFIT	**5,196,229**	**2,148,448**
SPARES		
Sales - Ford, Subaru & Others	5,925,461	5,030,073
Insurances Claim on Lami Stock	1,090,042	-
	7,015,503	5,030,073
Less: Cost of sales		
Stock at 1 January	3,269,542	3,160,706
Purchases - Ford, Subaru & Others	4,316,523	3,666,780
Direct wages	371,855	285,683
	7,957,920	7,113,169
Less: Stock at 31 December	3,007,830	3,269,542
	4,950,090	3,843,627
GROSS PROFIT	**2,065,413**	**1,186,446**
MOTOR GARAGE		
Sales	2,054,781	1,568,248
Less: Cost of sales		
Stock at 1 January	54,601	53,867
Purchases	623,149	466,461
Salaries & wages	472,840	353,174
	1,150,590	873,502
Less: Stock & WIP at 31 December	50,826	54,601
	1,099,764	818,901
GROSS PROFIT	**955,017**	**749,347**
COACHWORK		
Sales	46,474	115,054
Less: Cost of sales		
Stock & WIP at 1 January	33,819	35,762
Purchases	51,261	47,299
Electricity	2,373	1,838
Direct wages	103,464	57,176
	190,917	142,075
Less: Stock & WIP at 31 December	67,059	33,819
	123,858	108,256
GROSS (LOSS)/PROFIT	**(77,384)**	**6,798**