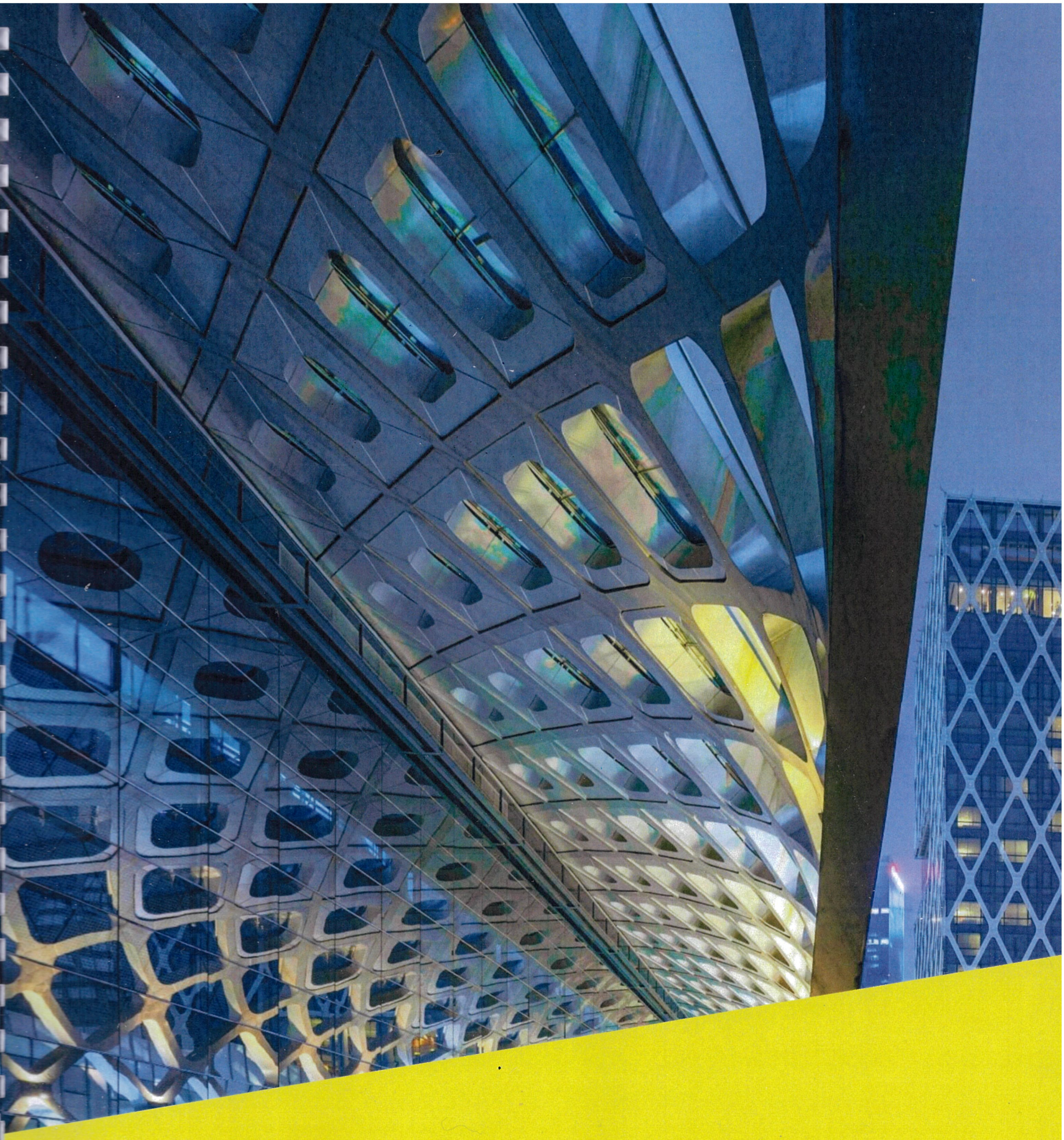

# Shreedhar Motors Pte Limited and its subsidiary

## Consolidated Financial Statements

31 December 2024

*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 2024. Financial comparisons used in this report are of results for the year ended 31 December 2024 compared with the year ended 31 December 2023.

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 to provide aftersales service to customers. 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 $6,850,985 (2023: $5,291,858) after providing income tax expense of $2,281,190 (2023: income tax expenses $2,167,990). The operating result of the Company for the year was a profit of $6,642,035 (2023: $5,144,910) after providing income tax expense of $2,217,083 (2023: income tax expenses $2,107,625).

- **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 2024, 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)**
  - 94 staff
  - $52,758,856 total income (2023: $37,610,419)
  - $16,591,419 net assets (2023: $18,715,816)

**Dividends**

On 18 April 2024, the Directors resolved to pay a final dividend of $5,073,042 at $13 per share (2023: $4,877,925).
Dividends declared during the year were:

| Dividend | Date resolved | Date Paid | Dividend per share ($) | Total ($) |
|---|---|---|---|---|
| Tiwari Family Trust | 18/04/2024 | 18/04/2024 | 13 | 1,691,014 |
| Vijay P Maharaj Family Trust | 18/04/2024 | 18/04/2024 | 13 | 1,690,338 |
| Vijay Prakash Maharaj | 18/04/2024 | 18/04/2024 | 13 | 676 |
| Atam Gyan Prakash Maharaj | 18/04/2024 | 18/04/2024 | 13 | 1,691,014 |

On 13 December 2024, the Directors declared interim dividend of $3,902,340 at $10 per share from the profit of the year ending 31 December 2024.
Dividends declared during the year were:

| Dividend | Date resolved | Date Paid | Dividend per share ($) | Total ($) |
|---|---|---|---|---|
| Tiwari Family Trust | 13/12/2024 | 13/12/2024 | 10 | 1,300,780 |
| Vijay P Maharaj Family Trust | 13/12/2024 | 13/12/2024 | 10 | 1,300,260 |
| Vijay Prakash Maharaj | 13/12/2024 | 13/12/2024 | 10 | 520 |
| Atam Gyan Prakash Maharaj | 13/12/2024 | 13/12/2024 | 10 | 1,300,780 |

**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 2024.

**Events Subsequent to Balance Date**

On 19 July 2024 the company entered into a sale and purchase agreement to acquire commercial land (state lease No 27637) at Wailevu, Labasa for a sum of $650,000 VEP for the purpose of future expansion of Labasa Branch. The settlement was made on 6 January 2025.

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**

The construction on the restoration of fire damaged Coachworks building in Lami commenced on 28 July 2024 by contractor Fortech Construction Pte Limited. The building was insured on replacement basis. An agreement was signed between Sun Insurance Company Limited and Fortech Construction Company Pte Limited for the restoration of the building at a cost of $2,150,261.50 VEP. The construction work is expected to be completed by end of March 2025.

**Details of Directors and executives**

Details of Directors shareholdings in the Company as at 31 December 2024 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 |

**Board meeting attendance**

Details of the number of meetings held by the Board during the financial year ended 31 December 2024, and attendance by Board members, are set out below:

| Director | Board meeting |
|---|---|
| Satya Prakash Maharaj (Chairman) | 5/5 |
| Vijay Prakash Maharaj | 5/5 |
| Atam Gyan Prakash Maharaj | 4/5 |
| Neeraj Abhinesh Maharaj | 5/5 |

**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 25 day of March, 2025 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 2024:

  (i) give a true and fair view of the financial position of the Group and the Company as at 31 December 2024 and of the performance of the Group and the Company for the year ended 31 December 2024; 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**
**Chairman**

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

As the lead auditor for the audit of Shreedhar Motors Pte Limited and its subsidiary company for the financial year ended 31 December 2024, 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

**Ernst & Young**
**Chartered Accountants**

**Minay Prasad**
**Partner**

**25 March 2025**

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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 2024, 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 material 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 2024 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.

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## 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.

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## 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

**Ernst & Young**
**Chartered Accountants**

**Minay Prasad**
**Partner**

**25 March 2025**

**SHREEDHAR MOTORS PTE LIMITED and its subsidiary**
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

| | | Group | | Company | |
|---|---|---|---|---|---|
| | **Notes** | **2024** | **2023** | **2024** | **2023** |
| | | **$** | **$** | **$** | **$** |
| Operating revenue | 2 (a) | 51,533,137 | 36,427,531 | 51,533,137 | 36,427,531 |
| Cost of sales | 3 (a) | (39,997,183) | (27,025,123) | (39,997,183) | (27,025,123) |
| **Gross profit** | | 11,535,954 | 9,402,408 | 11,535,954 | 9,402,408 |
| Other income | 2 (b) | 1,225,719 | 1,182,888 | 1,149,772 | 1,170,370 |
| | | 12,761,673 | 10,585,296 | 12,685,726 | 10,572,778 |
| Administration and operating expenses | 3 (b) | 3,181,961 | 2,873,740 | 3,338,908 | 3,035,594 |
| **Operating profit from operations** | | **9,579,712** | **7,711,556** | **9,346,818** | **7,537,184** |
| Finance expenses | 3 (c) | 447,537 | 251,708 | 487,700 | 284,649 |
| **Profit before tax** | | **9,132,175** | **7,459,848** | **8,859,118** | **7,252,535** |
| Income tax expense | 4 | 2,281,190 | 2,167,990 | 2,217,083 | 2,107,625 |
| **Profit after tax for the year** | | **6,850,985** | **5,291,858** | **6,642,035** | **5,144,910** |
| **Total comprehensive income for the year, net of tax** | | **6,850,985** | **5,291,858** | **6,642,035** | **5,144,910** |
| Equity holders of Shreedhar Motors Pte Limited | | 6,844,134 | 5,291,434 | | |
| Non-controlling interests | | 6,851 | 424 | | |
| **Total profit from continuing operations for the year** | | **6,850,985** | **5,291,858** | | |
| **Total comprehensive income attributable to:** | | | | | |
| Equity holders of Shreedhar Motors Pte Limited | | 6,844,134 | 5,291,434 | | |
| Non-controlling interests | | 6,851 | 424 | | |
| **Total comprehensive income for the year** | | **6,850,985** | **5,291,858** | | |

*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 2024**

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | $ | $ | $ | $ |
| **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 | | 17,932,987 | 17,519,478 | 17,635,665 | 17,368,680 |
| Profit of the year | | 6,844,134 | 5,291,434 | 6,642,035 | 5,144,910 |
| Dividends | | (8,975,382) | (4,877,925) | (8,975,382) | (4,877,925) |
| | | 15,801,739 | 17,932,987 | 15,302,318 | 17,635,665 |
| **Non-controlling interests** | | | | | |
| At 1 January | | 2,361 | 1,937 | - | - |
| Profit of the year | | 6,851 | 424 | - | - |
| At 31 December | | 9,212 | 2,361 | - | - |
| | | **16,591,419** | **18,715,816** | **16,082,786** | **18,416,133** |

*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 2024**

| | Notes | Group | | Company | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | $ | $ | $ | $ |
| **Current assets** | | | | | |
| Cash and cash equivalents | 15 (b) | 708,887 | 923,345 | 661,435 | 799,196 |
| Trade and other receivables | 5 | 2,851,986 | 2,142,555 | 2,477,505 | 1,768,254 |
| Investments | 6 | - | 2,514,087 | - | 2,514,087 |
| Inventories | 7 | 16,153,967 | 10,081,947 | 16,153,967 | 10,081,947 |
| **Total current assets** | | 19,714,840 | 15,661,934 | 19,292,907 | 15,163,484 |
| **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 | 7,948,778 | 8,069,153 | 7,948,778 | 8,069,153 |
| Investment property | 11 | 2,049,236 | 1,667,465 | 1,248,345 | 1,285,212 |
| Deferred tax assets | 4 | 48,903 | 31,634 | 48,903 | 31,634 |
| Right-of-use asset | 21 | 2,669,849 | 570,539 | 3,308,349 | 1,290,688 |
| Loan to Related Party | 18 (e) | - | - | 150,000 | - |
| **Total non-current assets** | | 12,728,664 | 10,350,689 | 13,241,273 | 11,213,585 |
| **Total assets** | | **32,443,504** | **26,012,623** | **32,534,180** | **26,377,069** |
| **Current liabilities** | | | | | |
| Trade and other payables | 12 | 11,374,277 | 4,727,121 | 11,372,325 | 4,723,481 |
| Employee benefit liability | 13 | 55,037 | 42,287 | 55,037 | 42,287 |
| Income tax payable | | 280,357 | 465,536 | 269,002 | 459,024 |
| Lease liability | 21 | 252,400 | 336,010 | 506,400 | 546,010 |
| **Total current liabilities** | | 11,962,071 | 5,570,954 | 12,202,764 | 5,770,802 |
| **Non-current liabilities** | | | | | |
| Deferred income tax liability | 4 | 1,425,980 | 1,451,678 | 1,375,542 | 1,395,804 |
| Lease liability | 21 | 2,464,034 | 274,175 | 2,873,088 | 794,330 |
| **Total non-current liabilities** | | 3,890,014 | 1,725,853 | 4,248,630 | 2,190,134 |
| **Total liabilities** | | **15,852,085** | **7,296,807** | **16,451,394** | **7,960,936** |
| **Net assets** | | **16,591,419** | **18,715,816** | **16,082,786** | **18,416,133** |
| **Shareholders' equity** | | | | | |
| Share capital | 14 | 780,468 | 780,468 | 780,468 | 780,468 |
| Retained earnings | | 15,801,739 | 17,932,987 | 15,302,318 | 17,635,665 |
| **Equity attributable to members of Shreedhar Motors Pte** | | **16,582,207** | **18,713,455** | **16,082,786** | **18,416,133** |
| Non-controlling interests | | 9,212 | 2,361 | - | - |
| **Total Equity** | | **16,591,419** | **18,715,816** | **16,082,786** | **18,416,133** |

*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 2024**

| | Notes | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|---|
| **Operating Activities** | | | | | |
| Receipts from customers | | 52,071,981 | 37,549,842 | 52,020,323 | 37,863,531 |
| Payments to suppliers and employees | | (45,994,174) | (29,305,732) | (45,974,511) | (29,254,968) |
| Interest paid | | (422,297) | (225,837) | (422,168) | (225,715) |
| Interest received | | 5,284 | 46,079 | 5,989 | 46,079 |
| Income tax paid | | (2,509,336) | (1,714,202) | (2,444,636) | (1,670,205) |
| **Net cash flows provided by Operating Activities** | 15 (a) | 3,151,458 | 6,350,150 | 3,184,997 | 6,758,722 |
| **Investing Activities** | | | | | |
| Acquisition of property, plant and equipment and investment property | | (841,930) | (1,619,725) | (394,772) | (1,619,725) |
| Proceeds from sale of property, plant and equipment | | 95,218 | 327,054 | 95,218 | 327,054 |
| (Withdrawal) / Investments in term deposits | | 2,514,087 | (1,199,823) | 2,514,087 | (1,199,823) |
| **Net cash flows used in Investing Activities** | | 1,767,375 | (2,492,494) | 2,214,533 | (2,492,494) |
| **Financing Activities** | | | | | |
| Advance made to related party | | - | 356,761 | (150,000) | 46,835 |
| Payment of lease rentals | | (60,249) | (81,946) | (314,249) | (291,946) |
| Dividends paid | | (5,073,042) | (4,877,925) | (5,073,042) | (4,877,925) |
| **Net cash used in Financing Activities** | | (5,133,291) | (4,603,110) | (5,537,291) | (5,123,036) |
| **Net decrease in cash and cash equivalents** | | (214,458) | (745,454) | (137,761) | (856,808) |
| **Cash at Bank at the beginning of the year** | | 923,345 | 1,668,799 | 799,196 | 1,656,004 |
| **Cash at Bank at the end of the year** | 15 (b) | **708,887** | **923,345** | **661,435** | **799,196** |

*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 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 25 March, 2025. 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.

The financial statements of Shreedhar Motors Pte Limited in prior years presented financial position, financial results, changes in equity and cash flow information of the Company only. The changes in the new Companies Act 2015 requires the Company to now present consolidated financial statements of the Company and its subsidiary, Tiwari Holdings Pte Limited. Tiwari Holdings Pte Limited owns properties given on rent to Shreedhar Motors Pte Limited.

### 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 |
|---|---|
| Lack of exchangeability – Amendments to IAS 21 | 1 January 2025 |
| Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 | 1 January 2026 |
| Annual Improvements to IFRS Accounting Standards - Volume 11 | 1 January 2026 |
| Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7 | 1 January 2026 |
| IFRS 18 – Presentation and Disclosure in Financial Statements | 1 January 2027 |

### 1.4 Changes in accounting policies and disclosures

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. These amendments did not have any material impact on the Company.

| Changes in accounting policies | Impact on the Company |
|---|---|
| Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1 | No material impact |
| Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 | No material impact |
| Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 | No material impact |

### 1.5 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 company sustained damage to its coachworks building in a fire in July 2023. The building is insured with Sun Insurance Company Ltd on a replacement basis. No impairment has been assessed in the Company financial statements as the written down value of the building is Zero.

Sun Insurance Company Limited engaged Fortech Construction Pte Limited to reconstruct the building at a cost of $2,150,261.50 VEP and the restoration work commenced in July 2024 and expected to be completed by March 2025.

*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).

## 1.6 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.

**1.6 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.

## 1.6 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*

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.

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.

**1.6 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.

## 1.6 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*

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

- 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).

## 1.6 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 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.

*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.

**1.6 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 to provide aftersales service to customers. 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 to provide aftersales service to customers, 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.

**1.6 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.

**1.6 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 |
| - | Motor vehicles | 3 to 15 years |
| - | Other equipment | 3 to 5 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.

**1.6 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 in substance 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.

**(u) Earnings per share**

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

**(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** | **2024** | **2023** | **2024** | **2023** |
| | | **$** | **$** | **$** | **$** |
| (a) | Operating revenue | | | | |
| | New/used vehicles | 41,322,357 | 27,394,644 | 41,322,357 | 27,394,644 |
| | Spare parts and tires | 7,165,541 | 6,335,119 | 7,165,541 | 6,335,119 |
| | Coachworks | - | 135,115 | - | 135,115 |
| | Motor Garage | 3,045,239 | 2,562,653 | 3,045,239 | 2,562,653 |
| | | 51,533,137 | 36,427,531 | 51,533,137 | 36,427,531 |
| (b) | Other income | | | | |
| | Exchange gain | 694,310 | 424,615 | 694,310 | 424,615 |
| | Gain on disposal of plant and equipment | 32,059 | 121,344 | 32,059 | 121,344 |
| | Interest | 5,284 | 46,079 | 5,989 | 46,079 |
| | Operating lease rentals/solar energy claim | 10,105 | 20,211 | 10,105 | 20,211 |
| | Manufacturer's contribution towards promotion and marketing | 43,525 | 55,107 | 43,525 | 55,107 |
| | Rent | 401,474 | 273,218 | 328,200 | 260,700 |
| | Sundry income | 38,962 | 41,514 | 35,584 | 41,514 |
| | Liquidated damages | - | 200,800 | - | 200,800 |
| | | 1,225,719 | 1,182,888 | 1,149,772 | 1,170,370 |
| **3.** | **EXPENSES** | | | | |
| (a) | Cost of sales | | | | |
| | Cost of sales - new vehicles/used vehicles | 32,795,892 | 20,728,398 | 32,795,892 | 20,728,398 |
| | Cost of sales - Spare parts | 5,522,486 | 4,819,660 | 5,522,486 | 4,819,660 |
| | Cost of sales - Coachworks | - | 105,960 | - | 105,960 |
| | Cost of sales - Motor garage | 1,678,805 | 1,371,105 | 1,678,805 | 1,371,105 |
| | | 39,997,183 | 27,025,123 | 39,997,183 | 27,025,123 |
| (b) | Administration and operating expenses | | | | |
| | Auditors remuneration - audit services | 10,500 | 10,500 | 10,500 | 10,500 |
| | Auditors remuneration - other services | 2,100 | 2,100 | 2,100 | 2,100 |
| | Depreciation and amortisation | 517,375 | 483,474 | 488,855 | 456,660 |
| | Right-of-use asset depreciation | 42,824 | 65,819 | 271,080 | 257,859 |
| | Directors fees | 366,300 | 355,650 | 366,300 | 355,650 |
| | Salaries and administration | 588,682 | 552,871 | 588,682 | 552,871 |
| | Other expenses | 1,654,180 | 1,403,326 | 1,611,391 | 1,399,954 |
| | | 3,181,961 | 2,873,740 | 3,338,908 | 3,035,594 |
| (c) | Finance expenses | | | | |
| | Interest and bank charges | 422,297 | 225,837 | 422,168 | 225,715 |
| | Interest expense on lease liability | 25,240 | 25,871 | 65,532 | 58,934 |
| | | 447,537 | 251,708 | 487,700 | 284,649 |

| 4. INCOME TAX | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|

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 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Accounting profit before income tax | 9,132,175 | 7,459,848 | 8,859,118 | 7,252,535 |
| Prima facie tax thereon at 25% (2023 @ 25%) | 2,283,044 | 1,864,962 | 2,214,780 | 1,813,134 |
| Non-deductible expenses | 1,125 | 750 | 1,125 | 750 |
| Tax effect due to change in tax rate from 20% to 25% (Depreciation) | - | 310,632 | - | 298,319 |
| Tax effect due to change in tax rate from 20% to 25% (FITB) | - | (3,338) | - | (3,338) |
| Tax effect due to change in tax rate from 20% to 25% (FITI) | 3,892 | (1,240) | 3,892 | (1,240) |
| Over provision from prior period - 2022 | (6,871) | (3,776) | (2,714) | - |
| | 2,281,190 | 2,167,990 | 2,217,083 | 2,107,625 |

Income tax expense comprises movements in:

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Current tax | 2,353,022 | 1,972,190 | 2,284,238 | 1,918,446 |
| Temporary differences | (68,333) | (104,562) | (68,333) | (104,562) |
| Tax effect due to change in tax rate from 20% to 25% | - | 304,940 | - | 298,319 |
| Tax effect due to change in tax rate from 20% to 25% (FITB) | - | (3,338) | - | (3,338) |
| Tax effect due to change in tax rate from 20% to 25% (FITI & ROU) | 3,892 | (1,240) | 3,892 | (1,240) |
| Over provision from prior period | (7,391) | - | (2,714) | - |
| | 2,281,190 | 2,167,990 | 2,217,083 | 2,107,625 |

Deferred tax at 31 December relates to the following:

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| *Deferred tax assets/(liabilities)* | | | | |
| Employee entitlements | 13,759 | 10,572 | 13,759 | 10,572 |
| Estimated credit loss | 23,216 | 23,216 | 23,216 | 23,216 |
| Unrealised exchange gain | - | (3,849) | - | (3,849) |
| Unrealised exchange loss | 11,928 | 1,695 | 11,928 | 1,695 |
| Accelerated depreciation for tax purposes | (1,443,765) | (1,464,091) | (1,393,327) | (1,408,217) |
| Right-of-use asset net value | (827,087) | (322,672) | (827,087) | (322,672) |
| Lease liability | 844,872 | 335,085 | 844,872 | 335,085 |
| | (1,377,077) | (1,420,044) | (1,326,639) | (1,364,170) |

Represented on the statement of financial position:

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Deferred tax assets | 48,903 | 31,634 | 48,903 | 31,634 |
| Deferred tax liabilities | (1,425,980) | (1,451,678) | (1,375,542) | (1,395,804) |
| | (1,377,077) | (1,420,044) | (1,326,639) | (1,364,170) |

## 5. TRADE AND OTHER RECEIVABLES

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Trade receivables | 2,363,796 | 1,740,119 | 2,363,796 | 1,740,119 |
| Less: expected credit loss | (92,865) | (92,865) | (92,865) | (92,865) |
| | **2,270,931** | **1,647,254** | **2,270,931** | **1,647,254** |
| Other receivables and prepayments | 188,358 | 119,251 | 203,664 | 118,951 |
| Owing by related companies (Note 18 (C)) | 392,693 | 376,050 | 2,910 | 2,049 |
| Total trade and other receivables | 2,851,986 | 2,142,555 | 2,477,505 | 1,768,254 |

Trade receivables are non-interest bearing and are generally on 30-90 day terms. At 31 December 2024, trade receivables for the Company at nominal value of $92,865 (2023: $92,865) were impaired and fully provided for. Movement in the provision for impairment of receivables were as follows:

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---|---|---|---|---|
| At 1 January | 92,865 | 35,865 | 92,865 | 35,865 |
| Charge for the year | - | 57,000 | - | 57,000 |
| At 31 December | 92,865 | 92,865 | 92,865 | 92,865 |

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

| Year | Gross debtors | Current | Past due but not impaired | | |
|---|---|---|---|---|---|
| | | | 30-60 days | 60-90 days | >90 days |
| | $ | $ | $ | $ | $ |
| 2024 | 2,363,796 | 1,315,867 | 445,772 | 86,429 | 515,728 |
| 2023 | 1,740,119 | 1,063,516 | 149,652 | 179,054 | 347,897 |

## 6. INVESTMENTS

*Current - Term Deposit*

| Date | Institution | Rate | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ |
| 10/09/2023 | HFC | 1.00% | - | 1,511,429 | - | 1,511,429 |
| 25/09/2023 | HFC | 1.00% | - | 1,002,658 | - | 1,002,658 |
| | | | - | 2,514,087 | - | 2,514,087 |

## 7. INVENTORIES

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---|---|---|---|---|
| Inventories in transit | 4,484,595 | 1,705,737 | 4,484,595 | 1,705,737 |
| Motor vehicles | 6,749,216 | 4,100,142 | 6,749,216 | 4,100,142 |
| Spare parts | 4,860,014 | 4,207,169 | 4,860,014 | 4,207,169 |
| Motor garage | 60,142 | 68,899 | 60,142 | 68,899 |
| | 16,153,967 | 10,081,947 | 16,153,967 | 10,081,947 |

## 8. EQUITY INSTRUMENTS

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---|---|---|---|---|
| (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 |

## 9. INVESTMENT IN SUBSIDIARY COMPANY

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|---|---|---|---|---|
| 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 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| *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 | 769,780 | 769,780 | 769,780 | 769,780 |
| At 31 December | 769,780 | 769,780 | 769,780 | 769,780 |
| **Depreciation and impairment:** | | | | |
| At 1 January | 43,546 | 35,033 | 43,546 | 35,033 |
| Depreciation charge for the year | 8,513 | 8,513 | 8,513 | 8,513 |
| At 31 December | 52,059 | 43,546 | 52,059 | 43,546 |
| **Net book value** | 717,721 | 726,234 | 717,721 | 726,234 |
| *Buildings and improvements* | | | | |
| **Cost:** | | | | |
| At 1 January | 8,603,347 | 8,603,347 | 8,603,347 | 8,603,347 |
| Additions | 13,043 | - | 13,043 | - |
| At 31 December | 8,616,390 | 8,603,347 | 8,616,390 | 8,603,347 |
| **Depreciation and impairment:** | | | | |
| At 1 January | 2,797,391 | 2,550,693 | 2,797,391 | 2,550,693 |
| Depreciation charge for the year | 243,697 | 246,698 | 243,697 | 246,698 |
| At 31 December | 3,041,088 | 2,797,391 | 3,041,088 | 2,797,391 |
| **Net book value** | 5,575,302 | 5,805,956 | 5,575,302 | 5,805,956 |
| *Plant and machinery* | | | | |
| **Cost:** | | | | |
| At 1 January | 672,781 | 604,944 | 672,781 | 604,944 |
| Additions | 156,710 | 67,837 | 156,710 | 67,837 |
| At 31 December | 829,491 | 672,781 | 829,491 | 672,781 |
| **Depreciation and impairment:** | | | | |
| At 1 January | 503,724 | 480,528 | 503,724 | 480,528 |
| Depreciation charge for the year | 34,141 | 23,196 | 34,141 | 23,196 |
| At 31 December | 537,865 | 503,724 | 537,865 | 503,724 |
| **Net book value** | 291,626 | 169,057 | 291,626 | 169,057 |
| *Furniture and fittings* | | | | |
| **Cost:** | | | | |
| At 1 January | 348,084 | 348,084 | 348,084 | 348,084 |
| At 31 December | 348,084 | 348,084 | 348,084 | 348,084 |
| **Depreciation and impairment:** | | | | |
| At 1 January | 293,768 | 280,919 | 293,768 | 280,919 |
| Depreciation charge for the year | 12,849 | 12,849 | 12,849 | 12,849 |
| At 31 December | 306,617 | 293,768 | 306,617 | 293,768 |
| **Net book value** | 41,467 | 54,316 | 41,467 | 54,316 |

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | $ | $ | $ | $ |
| **10. PROPERTY, PLANT AND EQUIPMENT** *continued* | | | | |
| *Office equipment* | | | | |
| **Cost:** | | | | |
| At 1 January | 293,432 | 271,660 | 293,432 | 271,660 |
| Additions | 77,886 | 21,772 | 77,886 | 21,772 |
| At 31 December | 371,318 | 293,432 | 371,318 | 293,432 |
| **Depreciation and impairment:** | | | | |
| At 1 January | 252,101 | 234,358 | 252,101 | 234,358 |
| Depreciation charge for the year | 24,151 | 17,743 | 24,151 | 17,743 |
| At 31 December | 276,252 | 252,101 | 276,252 | 252,101 |
| **Net book value** | 95,066 | 41,331 | 95,066 | 41,331 |
| *Motor vehicles* | | | | |
| **Cost:** | | | | |
| At 1 January | 710,189 | 674,408 | 710,189 | 674,408 |
| Additions | 147,133 | 409,947 | 147,133 | 409,947 |
| Disposals | (103,642) | (374,166) | (103,642) | (374,166) |
| At 31 December | 753,680 | 710,189 | 753,680 | 710,189 |
| **Depreciation and impairment:** | | | | |
| At 1 January | 323,853 | 364,407 | 323,853 | 364,407 |
| Depreciation charge for the year | 125,540 | 128,033 | 125,540 | 128,033 |
| Disposals | (66,259) | (168,587) | (66,259) | (168,587) |
| At 31 December | 383,134 | 323,853 | 383,134 | 323,853 |
| **Net book value** | 370,546 | 386,336 | 370,546 | 386,336 |
| *Motor vehicles - Lease vehicle* | | | | |
| **Cost:** | | | | |
| At 1 January | 32,110 | - | 32,110 | - |
| Additions | - | 32,110 | - | 32,110 |
| Disposals | (32,110) | - | (32,110) | - |
| At 31 December | - | 32,110 | - | 32,110 |
| **Accumulated depreciation** | | | | |
| At 1 January | 3,237 | - | 3,237 | - |
| Depreciation charge for the year | 3,097 | 3,237 | 3,097 | 3,237 |
| Disposals | (6,334) | - | (6,334) | - |
| At 31 December | - | 3,237 | - | 3,237 |
| **Net book value** | - | 28,873 | - | 28,873 |
| **NET WRITTEN DOWN VALUE** | **7,948,778** | **8,069,153** | **7,948,778** | **8,069,153** |

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **$** | **$** | **$** | **$** |
| **11. INVESTMENT PROPERTY** | | | | |
| **Cost** | | | | |
| At 1 January | 3,063,877 | 1,975,819 | 1,757,807 | 669,749 |
| Acquisitions | 56,669 | 1,088,058 | - | 1,088,058 |
| Work in progress - Lautoka Branch | 390,489 | - | - | - |
| At 31 December | 3,511,035 | 3,063,877 | 1,757,807 | 1,757,807 |
| **Accumulated depreciation** | | | | |
| At 1 January | 1,396,412 | 1,353,077 | 472,595 | 456,074 |
| Depreciation charge for the year | 65,387 | 43,335 | 36,867 | 16,521 |
| At 31 December | 1,461,799 | 1,396,412 | 509,462 | 472,595 |
| **Net book value** | 2,049,236 | 1,667,465 | 1,248,345 | 1,285,212 |
| **12. TRADE AND OTHER PAYABLES** | | | | |
| Ford credit/bills payable | 6,695,467 | 3,384,415 | 6,695,467 | 3,384,415 |
| Trade creditors and accruals | 768,364 | 1,342,645 | 766,412 | 1,339,005 |
| Payable to related companies (Note 18 (C)) | 8,106 | 61 | 8,106 | 61 |
| Payable to shareholders | 3,902,340 | - | 3,902,340 | - |
| Total trade and other payables | 11,374,277 | 4,727,121 | 11,372,325 | 4,723,481 |
| **13. EMPLOYEE BENEFIT LIABILITY** | | | | |
| Annual leave entitlements | 55,037 | 42,287 | 55,037 | 42,287 |
| **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

### (a) Reconciliation of net cash provided by Operating Activities to operating profit after income tax:

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Operating profit after tax | **6,850,985** | **5,291,858** | **6,642,035** | **5,144,910** |
| Depreciation - properties | 517,375 | 483,474 | 488,855 | 456,660 |
| Depreciation - ROU | 42,824 | 65,819 | 271,080 | 257,859 |
| Interest expenses - lease | 25,240 | 25,871 | 65,532 | 58,934 |
| Movements in expected credit loss | - | 57,000 | - | 57,000 |
| Gain on sale of assets | (32,059) | (121,344) | (32,059) | (121,344) |
| | **7,404,365** | **5,802,678** | **7,435,443** | **5,854,019** |
| *Net cash provided by operating activities before change in assets and liabilities:* | | | | |
| (Increase)/decrease in trade and other receivables | (640,324) | 36,464 | (624,538) | 410,463 |
| Decrease/(increase) in deferred tax assets | (17,269) | (18,284) | (17,269) | (18,284) |
| (Increase)/decrease in inventories | (6,072,021) | 573,877 | (6,072,020) | 573,878 |
| (increase)/decrease in Other Assets | (69,106) | 234,298 | (84,713) | 234,596 |
| Increase/(decrease) in accounts payable and accruals | 2,743,940 | (753,142) | 2,745,628 | (753,841) |
| Increase in employee benefit liability | 12,750 | 2,187 | 12,750 | 2,187 |
| (Decrease)/increase in provision for income tax | (185,179) | 257,956 | (190,022) | 248,212 |
| (Decrease)/increase in deferred tax liabilities | (25,698) | 214,116 | (20,262) | 207,492 |
| Net cash provided by Operating Activities | **3,151,458** | **6,350,150** | **3,184,997** | **6,758,722** |

### (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:

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Cash at bank | 707,367 | 921,825 | 659,915 | 797,676 |
| Cash on hand | 1,520 | 1,520 | 1,520 | 1,520 |
| | 708,887 | 923,345 | 661,435 | 799,196 |

## 16. COMMITMENTS

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Capital expenditure: Purchase of State Leasehold land - approved by the Board | 650,000 | - | 650,000 | - |

## 17. CONTINGENT LIABILITIES

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Letters of credit | - | 342,957 | - | 342,957 |
| Customs bond | 160,000 | 160,000 | 160,000 | 160,000 |
| | 160,000 | 502,957 | 160,000 | 502,957 |

## 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

**Key Management Personnel**

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any Director (whether executive or otherwise) of that entity.

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

| Name | Current title |
|---|---|
| Arvin Narayan | Chief Executive Officer |

### (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 | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **(c) Amounts owing from related companies** | $ | $ | $ | $ |
| Pacific Transport Pte Limited | 2,910 | 2,049 | 2,910 | 2,049 |
| Ocean Shores Estates Pte Limited | 383,988 | 374,001 | - | - |
| Estate of Shreedhar Maharaj | 1,337 | - | - | - |
| Tiwari Properties Pte Limited | 4,458 | - | - | - |
| | 392,693 | 376,050 | 2,910 | 2,049 |
| **(c) Amounts owing to related companies** | | | | |
| Pacific Transport Pte Limited | 8,106 | 15,770 | 8,106 | 15,770 |
| | 8,106 | 15,770 | 8,106 | 15,770 |

### (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

| | Group 2024 $ | Group 2023 $ | Company 2024 $ | Company 2023 $ |
|---|---|---|---|---|
| Income | | | | |
| Pacific Transport Pte Limited - sale of motor vehicle, spare parts, repair of buses | 35,902 | 83,285 | 35,902 | 83,285 |
| Taveuni Buses Pte Limited - sale of parts and repair of buses | 18,328 | 102,481 | 18,328 | 102,481 |
| Total income | 54,230 | 185,766 | 54,230 | 185,766 |
| Sales of motor vehicle | | | | |
| Subaru Crosstrek (MU 460) - 28 March 2024 | 50,435 | - | 50,435 | - |
| Subaru Crosstrek (OB 054) - 18 October 2024 | 49,130 | - | 49,130 | - |
| | 99,565 | - | 99,565 | - |
| Expenses | | | | |
| Pacific Transport Pte Limited - acquired fuel, oil and other services | 80,637 | 77,361 | 80,637 | 77,361 |

**18. RELATED PARTY TRANSACTIONS *continued***

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | $ | $ | $ | $ |
| **(e) Amounts owing to shareholders** | | | | |
| Dividend payable | 3,902,340 | - | 3,902,340 | - |
| | 3,902,340 | - | 3,902,340 | - |

**(f) Loan to subsidiary company**

During the year the Shreedhar Motors Pte Limited lended loan of $150,000 to Tiwari Holdings Pte Limited. The loan is repayable on demand, unsecured and interest is charged at 4% per annum.

**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 favorable 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 2024 and 2023.

**(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 2024* | < 1 year | 1 to 2 years | > 5 years | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Trade and other payables | 11,374,277 | - | - | 11,374,277 |
| ***31 December 2023*** | | | | |
| Trade and other payables | 4,727,121 | - | - | 4,727,121 |

## 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 | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | $ | $ | $ | $ |
| Trade and other payables | 11,374,277 | 4,727,121 | 11,372,325 | 4,723,481 |
| Less: cash and cash equivalents | (708,887) | (923,345) | (661,435) | (799,196) |
| Net debt | 10,665,390 | 3,803,776 | 10,710,890 | 3,924,285 |
| Equity | 16,582,207 | 18,713,455 | 16,082,786 | 18,416,133 |
| Capital and net debt | 27,247,597 | 22,517,231 | 26,793,676 | 22,340,418 |
| Gearing ratio | 39% | 17% | 40% | 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 2023** | 570,539 | 1,290,688 |
| Additions | 2,142,134 | 2,288,741 |
| Depreciation expense | (42,824) | (271,080) |
| **As at 31 December 2024** | 2,669,849 | 3,308,349 |

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

| | | |
|---|---|---|
| **As at 1 January 2023** | 610,185 | 1,340,340 |
| Additions | 2,141,258 | 2,287,865 |
| Accretion of interest | 25,240 | 65,532 |
| Payments | (60,249) | (314,249) |
| **As at 31 December 2024** | 2,716,434 | 3,379,488 |
| | | |
| Current | 252,400 | 506,400 |
| Non-current | 2,464,034 | 2,873,088 |
| | 2,716,434 | 3,379,488 |

The following are the amounts recognised in profit or loss:

| | | |
|---|---|---|
| Depreciation expense of right-of-use assets | 42,824 | 271,080 |
| Interest expense on lease liabilities | 25,240 | 65,532 |
| Variable lease payments | (60,249) | (314,249) |
| **Total amount recognised in profit or loss** | 7,815 | 22,363 |

The Group had total cash outflows for leases of $61,125 (2023: $81,946) in 2024. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 16.

## 22. SUBSEQUENT EVENTS

On 19 July 2024 the company entered into a sale and purchase agreement to acquire commercial land (state lease No 27637) at Wailevu, Labasa from Rajneil Avikesh Chandra and Jaishni Karishma Nathan for a sum of $650,000 VEP for the purpose of future expansion of Labasa Branch. The settlement was made on 6 January 2025.

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 28 July 2023 a fire occurred at coachworks building at Lami resulting in the destruction of building owned by the company and the company's material stock, fixed asset and goods in trust were destroyed in fire.

The construction on the restoration of fire damaged Coachworks building in Lami commenced on 28 July 2024by the contractor Fortech Construction Pte Limited. The building was insured on replacement basis. An agreement was signed between Sun Insurance Company Limited and Fortech Construction Company Pte Limited for the restoration of the building at a cost of $2,150,261.50 VEP. The construction work is expected to be completed by end of March 2025.

## 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 to provide aftersales service to customers. 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 94 permanent staff (2023: 85).

**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 2024**

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| **Revenue** | **$** | **$** | **$** | **$** |
| Sales | 51,533,137 | 36,427,531 | 51,533,137 | 36,427,531 |
| **Less:** Cost of sales | 39,997,183 | 27,025,123 | 39,997,183 | 27,025,123 |
| | 11,535,954 | 9,402,408 | 11,535,954 | 9,402,408 |
| **Other income** | | | | |
| Advertising reimbursement and incentives | 43,525 | 55,107 | 43,525 | 55,107 |
| Exchange gain | 694,310 | 424,615 | 694,310 | 424,615 |
| Gain on disposal of property, plant and equipment | 32,059 | 121,344 | 32,059 | 121,344 |
| Interest | 5,284 | 46,079 | 5,989 | 46,079 |
| Lease rentals | 10,105 | 20,211 | 10,105 | 20,211 |
| Rent | 401,474 | 273,218 | 328,200 | 260,700 |
| Sundry income | 33,978 | 37,510 | 30,600 | 37,510 |
| Liquidated damages | - | 200,800 | - | 200,800 |
| Solar energy billed to EFL | 4,984 | 4,004 | 4,984 | 4,004 |
| | 1,225,719 | 1,182,888 | 1,149,772 | 1,170,370 |
| Total revenue | 12,761,673 | 10,585,296 | 12,685,726 | 10,572,778 |
| **Expenses** | | | | |
| Auditors remuneration | 12,600 | 12,600 | 12,600 | 12,600 |
| Advertising and promotion | 174,007 | 203,109 | 174,007 | 203,109 |
| Bank charges | 17,229 | 13,701 | 17,100 | 13,579 |
| Commission | 29,315 | 15,055 | 29,315 | 15,055 |
| Consultation fees (FRCS) | 3,000 | - | 3,000 | - |
| Depreciation | 517,375 | 483,474 | 488,855 | 456,660 |
| Director's fee | 366,300 | 355,650 | 366,300 | 355,650 |
| Donations | 21,500 | 10,000 | 21,500 | 10,000 |
| Provision for Doubtful Debt | - | 57,000 | - | 57,000 |
| Entertainment | 9,008 | 10,705 | 9,008 | 10,705 |
| Exchange loss | 66,618 | 27,279 | 66,618 | 27,279 |
| General expenses | 189,833 | 170,919 | 188,607 | 170,894 |
| Insurance | 215,429 | 162,238 | 211,985 | 162,238 |
| Interest | 405,068 | 212,136 | 405,068 | 212,136 |
| Interest expense - leases | 25,240 | 25,871 | 65,532 | 58,934 |
| Legal fees | 14,762 | 3,201 | 14,762 | 3,201 |
| Licenses | 14,475 | 14,605 | 14,475 | 14,605 |
| Light and power | 100,842 | 88,174 | 100,842 | 88,174 |
| Lease vehicle repair and maintenance | - | 540 | - | 540 |
| Motor vehicle running expenses | 66,440 | 65,429 | 66,440 | 65,429 |
| Repairs and maintenance | | | | |
| - Furniture fittings and office equipment | 77,489 | 47,092 | 77,489 | 47,092 |
| - Vehicles | 38,974 | 49,734 | 38,974 | 49,734 |
| - Plant and buildings | 147,091 | 124,078 | 108,972 | 122,128 |
| Rent and rates | 36,582 | 41,491 | 96,582 | 40,094 |
| Right-of-use of asset depreciation | 42,824 | 65,819 | 271,080 | 257,859 |
| Stationery | 29,703 | 25,761 | 29,703 | 25,761 |
| Salaries and wages | 588,682 | 552,871 | 588,682 | 552,871 |
| Internet Expense - Vodafone | 47,979 | 33,000 | 47,979 | 33,000 |
| Internet Expense - Telecom | 3,000 | 12,000 | 3,000 | 12,000 |
| Telephone, cable and postage | 28,045 | 26,817 | 28,045 | 26,817 |
| Travelling expenses - Local | 12,751 | 8,587 | 12,751 | 8,587 |
| - Overseas | 28,694 | 48,432 | 28,694 | 48,432 |
| Tuition fee | - | 3,380 | - | 3,380 |
| FNPF contribution | 211,392 | 129,166 | 211,392 | 129,166 |
| Fringe benefit tax | 3,971 | 4,300 | 3,971 | 4,300 |
| FNU levy | 23,280 | 21,234 | 23,280 | 21,234 |
| **Total expense** | **3,569,498** | **3,125,448** | **3,826,608** | **3,320,243** |
| Operating profit before tax | 9,192,175 | 7,459,848 | 8,859,118 | 7,252,535 |

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