



ASSETS FIJI
PTE LIMITED



ANNUAL REPORT 2020

Parliamentary Paper Number 78/23

Vision

To maximise public asset value for the benefit of all Fijians.

Mission

To effectively manage, invest and realise full potential of our assets.

Values

To serve our stakeholders with honesty, integrity, accountability, respect, courage and commitment.

Goal 1

Managing resources for long-term value

Priority 1: Environmentally sustainable developments.

Priority 2: Maximising opportunities for commercial activities

Goal 2

Value to Shareholders

Priority 1: Financial performance to support our goals

Priority 2: Valuing and growing portfolio

Goal 3

Supporting and empowering our people

Priority 1: A team approach to work

Priority 2: A positive culture of service and support

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About Assets Fiji Pte Ltd

COMPANY OVERVIEW

Assets Fiji Pte Limited (“AFL”) was established under the Companies Act 2015, commencing operations on 13 November 2015.

As part of the Government’s 2015 divestment strategy and in line with a cabinet decision, Fiji Ports Corporation Pte Limited (“FPCL”) and Fiji Ships and Heavy Industries Pte Limited (“FSHIL”) were declared Re-Organization Enterprises through Legal Notice 94 of 2015.

All land interests owned and held by FPCL and FSHIL were vested to AFL. Subsequently, land assets required by FPCL and FSHIL for their core port operations and ship repairs/maintenance were leased back from AFL.

AFL serves as the Fiji Government’s asset holding company, responsible for retaining and managing land assets of divested Public Enterprises. The company is wholly owned by the Fiji Government.

AFL aims to effectively manage, invest in, and realize the full potential of its current and future assets.

OPERATIONAL ACTIVITIES

AFL’s primary revenue stream is generated through rental income from lease agreements concerning land areas not essential for the core operations of FPCL and FSHIL.

AFL’s portfolio comprises 36 strategically located land titles, predominantly situated near the port areas of Lautoka, Levuka, and Suva. These assets are carefully managed to generate rental income, thereby contributing to the nation’s economic growth.

ADDITIONAL ASSETS

In 2018, the land of the former Government Printing & Stationary Department (GPSD) was transferred to AFL’s management. This strategic acquisition further strengthened AFL’s role as a trusted asset manager for the Fiji government.

AFL is committed to optimizing the value of its assets through effective management and strategic investment. By leveraging its expertise and government support, AFL aims to contribute to Fiji’s economic development and ensure a sustainable future for the nation’s strategic resources.

Assets Fiji Leadership

ASSETS FIJI BOARD OF DIRECTORS



Mrs Marica Rokovada-Hallacy - Director
Appointed on 5th September 2023



Mr Parmesh Chand - Chairperson
Appointed on 11th August 2023



Mr Viren Kapadia - Director
Appointed on 5th September 2023

ASSETS FIJI MANAGEMENT TEAM



Ulamila Karawa



Karishma Kumar



Alisha Ali

Note: The current Board of Directors and management team is overseeing the post 2020 Annual Report.



CHAIRMAN'S REPORT

It is with considerable pride and optimism that I present the Annual Report for the financial year ending 2020 marking another significant chapter in the journey of Assets Fiji Pte Limited (AFL) since its establishment on 13th November 2015. As the entity entrusted with the stewardship of government real estate, AFL continues to play a vital role in serving the stakeholders with commitment.

The past year presented unprecedented global challenges, most notably the far-reaching impact of the COVID-19 pandemic. While many sectors of our economy faced significant headwinds, AFL navigated these turbulent times with resilience and strategic foresight. Our core revenue stream, generated through rental income from government real estate, demonstrated remarkable stability.

We recognize the difficulties faced by some of our tenants during this period. In a spirit of partnership and understanding, AFL proactively implemented measures to support them through these challenging circumstances. This included offering rental deferrals to eligible tenants and, in some cases, providing a 10% discount on rental payments. These decisions, while carefully considered, underscore our commitment to fostering sustainable tenancies and contributing to the broader economic well-being.

Despite the prevailing economic climate and the support extended to our tenants, I am pleased to report an increase in AFL'S overall revenue for the year.

Looking ahead, AFL remains committed to its core mandate of maximizing the value of government real estate. We will continue to explore opportunities for sustainable growth, enhance our tenant relationships, and contribute meaningfully to the economic progress of our nation. We will also remain vigilant to any future economic uncertainties and adapt our strategies accordingly to ensure the long-term stability and success of AFL.

A key highlight of our financial position is the company's strong liquidity and prudent financial management. We closed FY2020 with a healthy current ratio of 4.4, and notably, AFL has zero external debt. This positions us favourably for future opportunities and demonstrates our commitment to financial sustainability.

Business Operations and Financial Performance

I am pleased to report that AFL has delivered a profitable performance in the financial year 2020. Our core business centred around stable rental revenue from our land properties, primarily at Rokobili Subdivision, Walu Bay, Suva (excluding those used for Fiji Ports Corporation Limited port operations), has performed in line with our expectations, underpinned by the stability of our lease agreements and the five-yearly rental reassessments.

In FY2020, AFL achieved an accumulated Net Profit After Tax (NPAT) of \$4.29 million. This reflects the sound management of our operations and the strength of our underlying assets. Our balance sheet remains robust, with strategic property holdings valued at approximately \$57 million.

Key Performance Indicators

Year	2020
Operating Revenue (\$000)	1,266
Operating Expense (Including depreciation) (\$000)	231
EBIT (\$000)	1,035
Cash from operations (\$000)	4,952
Return of Assets (%)	1.75
Return on Equity (%)	1.94
Current Ratio (Times)	4.40
Gearing Ratio (%)	10.51

A key highlight of our financial position is the company's strong liquidity and prudent financial management. We closed FY2020 with a healthy current ratio of 4.4, and notably, AFL has zero external debt. This positions us favourably for future opportunities and demonstrates our commitment to financial sustainability.

In conclusion, the FY2020 results demonstrate the resilience and strength of AFL's business model. We have maintained a focus on our core revenue streams, managed our expenses effectively, and upheld a strong balance sheet. I would like to thank the management and staff for their contributions to these results.

Acknowledgement

I extend my sincere gratitude to the Board of Directors for their invaluable guidance and unwavering support. I also commend the dedicated management team and staff of AFL for their hard work, adaptability, and commitment throughout the year. Their collective efforts have been instrumental in achieving the positive results we are reporting today.

Finally, I wish to thank our tenants and stakeholders for their continued trust and collaboration. We remain steadfast in our commitment to serving your interests and building a prosperous future together.



Mr. Parmesh Chand
Chairperson



**ASSETS FIJI PTE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**ASSETS FIJI PTE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of Assets Fiji Pte Limited ("the Company") for the year ended 31 December 2020, the related statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date and report as follows:

Directors

Directors at the date of this report are:

Shaheen Ali (Chairman)	Appointed 10 November 2015
David Solvalu (Director)	Appointed 27 April 2022
Vimlesh Sagar (Director)	Appointed 27 April 2022
David Kolutagane (Director)	Appointed 10 November 2015 resigned 17 March 2022
Kamni Naidu (Director)	Appointed 10 November 2015 resigned 7 March 2022

Principal Activities

The principal activities of the Company are to retain and manage land assets. The company generates rental income through lease of land. There were no significant changes in the nature of activities of the Company during the year.

Trading Results

The operating profit for the year ended December 2020 was \$902,657 (2019: \$846,654) after an income tax expense of \$225,664 for the year ended December 2020 (2019: \$211,663).

Dividends

No dividends were declared or paid during the year ended December 2020 (2019: NIL)

Bad and Doubtful Debts

The directors took reasonable steps before the Company's financial statements were made out to ascertain that all known bad debts were written off and adequate provision was made for doubtful debts.

As at the date of this report, the Directors are not aware of any circumstances, which would render the amount written off for bad debts inadequate to any substantial extent.

Current and Non-Current Assets

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

Apart from the matters disclosed above, as at the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to the non current assets in the Company's financial statements misleading.

Unusual Transactions

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the Directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a materially unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Company in the current financial year, other than those reflected in the financial statements.

Directors' Benefits

No director of the Company has, since the end of the previous financial year, received or become entitled to receive a benefit by reason of a contract made by Company or related company with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

Going Concern

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

ASSETS FIJI PTE LIMITED
DIRECTORS' REPORT *continued*
FOR THE YEAR ENDED 31 DECEMBER 2020

Impact of COVID-19

The World Health Organisation declared a pandemic in relation to the Novel Coronavirus (COVID-19) on 11 March 2020. Measures taken to contain the virus have had a significant negative economic impact on global markets including Fiji's major trading partners. Economic activity in Fiji has also been drastically impacted with business disruptions, job losses or reduced pay and levels of activity reduced in most market sectors.

In April 2021, Fiji recorded its second outbreak of COVID-19 in over a year and various restrictions have been imposed to contain the outbreak including the establishment of containment zones, restricted travel within the country and through international borders and the closure of non-essential businesses. The economic disruption has had some impact on the entity's operations and operating results for the 2020/2021 financial year, albeit not significant. The Fijian Government subsequently announced the easing of COVID-19 restrictions, including the removal of containment zones, travel restrictions within the country, and reopening of most businesses and workplaces, subject to COVID-19 protocols and guidelines; and the reopening of Fiji's international borders from 1 December 2021 to travel partner countries. This is expected to gradually increase levels of economic activity in the country and to have a positive impact on the operations and operating results of the entity for the 2021/2022 financial year.

Directors and management are carefully considering the impact of the COVID-19 pandemic on the business and closely monitoring emerging risks. Directors and management believe that the entity has sufficient financial resources to be able to successfully manage its business risks. Accordingly, the financial statements are prepared on a going concern basis.

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

Events Subsequent to Balance Date

No charge on the assets of the company has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person. No contingent liability has arisen since the end of the financial year to the date of this report. No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months from the date of this report which, in the opinion of the directors, will or may affect the ability of the company to meet its obligations when they fall due.

Basis of Preparation

The financial statements of the Company have been drawn up in accordance with International Financial Reporting Standards and the requirements of law. The financial statements have been prepared under the historical cost convention.

Other Circumstances

As at the date of this report:

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

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

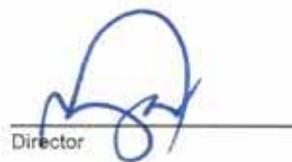
Signed for and on behalf of the Company and in accordance with a resolution of the Directors.

Dated this 20 day of JANUARY 2023.

Director



Director



**ASSETS FIJI PTE LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

This directors' declaration is required by the Companies Act 2015.

The Directors of Assets Fiji Pte Limited ("the Company") have made a resolution that declared:

- (a) in the directors' opinion, the financial statements and notes of the Company for the financial year ended 31 December 2020:
 - (i) give a true and fair view of the financial position of the Company as at 31 December 2020 and of the performance of the Company for the year ended 31 December 2020; 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; and
- (c) at the date of this declaration, in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dated this 20 day of January 2023.



Director



Director

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza
Karsanji St. Vatuwaqa
P. O. Box 2214, Government Buildings
Suva. Fiji



Telephone: (679) 330 9032
E-mail: info@auditorgeneral.gov.fj
Website: www.oag.gov.fj



ASSETS FIJI PTE LIMITED

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF ASSETS FIJI PTE LIMITED

As auditor for the audit of Assets Fiji PTE Limited for the financial year ended 31 December 2020, I declare to the best of my knowledge and belief that there have been:

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

This declaration is in respect to Assets Fiji PTE Limited during the year.

Sairusi Dukuno
ACTING AUDITOR-GENERAL



OFFICE OF THE AUDITOR GENERAL

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INDEPENDENT AUDITOR'S REPORT

Assets Fiji Pte Limited

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of Assets Fiji Pte Limited ("the Company"), which comprise the Statement of Financial Position as at 31 December 2020, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Other Information

The Management and Directors 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.

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

In connection with my audit of the financial statements, my 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 my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of those charged with governance for the Financial Statements

The Management and Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the Companies Act 2015, and for such internal control as the Management and Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Directors.
- Conclude on the appropriateness of the Management and Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If I conclude that material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the organisation 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.

Auditor's Responsibilities for the Audit of the Financial Statements (con't)

- I communicate with the Management and Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

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;

- I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- The Company has kept financial records sufficient to enable the financial statements to be prepared and audited.

Sairusi Dukuno

Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
27 January 2023

ASSETS FIJI PTE LIMITED
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
Income			
Revenue - rental income		1,266,091	1,218,262
Other income	4	140,027	115,647
Finance Income		41,665	1,293
Total income		<u>1,447,783</u>	<u>1,335,202</u>
Expenses			
Administration and operating expenses	6	(231,695)	(233,029)
Finance cost	5	(87,767)	(43,856)
Total expenses		<u>(319,462)</u>	<u>(276,885)</u>
Profit before income tax		1,128,321	1,058,317
Income tax expense	8(a)	(225,664)	(211,663)
Net profit after tax for the year		<u>902,657</u>	<u>846,654</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>902,657</u>	<u>846,654</u>

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

ASSETS FIJI PTE LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2020

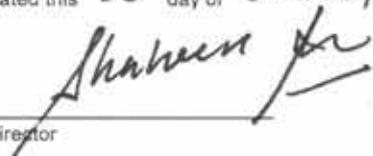
	Notes	2020 \$	2019 \$
Assets			
<u>Current assets</u>			
Cash and cash equivalents	12	1,098,477	149,089
Rent receivable		32,700	-
Prepayments and other receivables	9	220,574	4,811,276
Financial assets	13	4,000,000	-
Total current assets		5,351,751	4,960,365
<u>Non-current assets</u>			
Property, plant and equipment	11	57,317,898	57,330,995
Right-of-use assets	19	1,685,927	1,707,136
Total non-current assets		59,003,825	59,038,131
Total assets		64,355,576	63,998,496
Liabilities and equity			
<u>Current liabilities</u>			
Other payables	10	143,206	849,402
Income tax payable	8(d)	1,072,890	843,174
Lease liabilities	19	948	966
Total current liabilities		1,217,044	1,693,542
<u>Non-current liabilities</u>			
Deferred income	14	11,994	76,091
Deferred tax liability	8(c)	3,437,903	3,441,955
Lease liabilities	19	1,452,536	1,453,466
Total non current liabilities		4,902,433	4,971,512
Total liabilities		6,119,477	6,665,054
Net assets		58,236,099	57,333,442
<u>Shareholder's equity</u>			
Share capital	15(a)	2	2
Capital re-organisation reserve	15(b)	23,005,855	23,005,855
Revaluation reserve	15(c)	30,936,731	30,936,731
Retained earnings		4,293,511	3,390,854
Total shareholder's equity		58,236,099	57,333,442

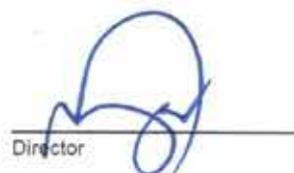
The above statement of financial position should be read in conjunction with the accompanying notes.

These financial statements are approved in accordance with a resolution of the Board of Directors.

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

Dated this 20 day of JANUARY 2023.


Director


Director

ASSETS FIJI PTE LIMITED
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
Share capital			
Beginning of the period		2	2
End of the period	15(a)	<u>2</u>	<u>2</u>
Capital re-organisation reserve			
Beginning of the period		23,005,855	23,005,855
End of the period	15(b)	<u>23,005,855</u>	<u>23,005,855</u>
Revaluation reserve			
Beginning of the period		30,936,731	30,936,731
Other comprehensive income - revaluation surplus		-	-
End of the period	15(c)	<u>30,936,731</u>	<u>30,936,731</u>
Retained Earnings			
Beginning of the period		3,390,854	2,544,200
Net profit for the year		902,657	846,654
End of the period		<u>4,293,511</u>	<u>3,390,854</u>
Total equity		<u><u>58,236,099</u></u>	<u><u>57,333,442</u></u>

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

ASSETS FIJI PTE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 Inflows/ (Outflows) \$	2019 Inflows/ (Outflows) \$
Cash flow from operating activities			
Rent collected		5,868,458	57,258
Cash receipts from government grants		-	-
Cash receipts from consent fees		1,500	2,700
Cash paid to suppliers		(903,211)	(19,564)
Bank charges paid		(515)	(210)
Interest received		-	1,293
Income tax paid		-	-
Interest component of lease payments		(13,957)	(6,979)
Principal component of lease payments		(43)	(6,381)
Net cash generated from operating activities		4,952,232	28,117
Investing Activities			
Acquisition of property, plant and equipment		(2,844)	-
Placement of Term deposits		(4,000,000)	-
Net cash generated from investing activities		(4,002,844)	-
Financing Activities			
Cash receipt from issuing shares		-	-
Net cash generated from financing activities		-	-
Net movement in cash and cash equivalents		949,388	28,117
Cash and cash equivalents at the beginning of the year		149,089	120,972
Cash and cash equivalents at the end of the year	12	1,098,477	149,089

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

ASSETS FIJI PTE LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 GENERAL INFORMATION

As part of Fiji Government's divestment strategy and cabinet approval through Legal Notice No. 97 of 2015 made on 13 November 2015, all interest in land and improvements owned and held by Fiji Ports Corporation Pte Limited ("FPCL") and Fiji Ships and Heavy Industries Limited ("FSHIL") under the Property, Plant and Equipment and Investment Property was vested to Assets Fiji Pte Limited ("the Company") as of that date. The Company in turn has leased the assets necessary for port operations back to FPCL and FSHIL. Ownership of all land interests will remain with the Company which in turn is 100% owned by the Fiji Government. The land title transfer and lease back agreement was also signed on the date commencing 13 November 2015 for a term of 50 years.

The principle activities of the company is to retain, manage and lease out land assets. The company is a limited liability company incorporated and domiciled in the Republic of Fiji.

The financial statements of the Company for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 20 January 2023.

2 BASIS OF PREPARATION

a) Basis of preparation

The financial statements have been prepared on the basis of historical cost convention except where specifically stated. Cost is based on the fair values of the consideration given in exchange for assets.

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

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

b) Impact of COVID-19

The World Health Organisation declared a pandemic in relation to the Novel Coronavirus (COVID-19) on 11 March 2020. Measures taken to contain the virus have had a significant negative economic impact on global markets including Fiji's major trading partners. Economic activity in Fiji has also been drastically impacted with business disruptions, job losses or reduced pay and levels of activity reduced in most market sectors.

In April 2021, Fiji recorded its second outbreak of COVID-19 in over a year and various restrictions have been imposed to contain the outbreak including the establishment of containment zones, restricted travel within the country and through international borders and the closure of non-essential businesses. The economic disruption has had some impact on the entity's operations and operating results for the 2020/2021 financial year, albeit not significant. The Fijian Government subsequently announced the easing of COVID-19 restrictions, including the removal of containment zones, travel restrictions within the country, and reopening of most businesses and workplaces, subject to COVID-19 protocols and guidelines; and the reopening of Fiji's international borders from 1 December 2021 to travel partner countries. This is expected to gradually increase levels of economic activity in the country and to have a positive impact on the operations and operating results of the entity for the 2021/2022 financial year.

Directors and management are carefully considering the impact of the COVID-19 pandemic on the business and closely monitoring emerging risks. Directors and management believe that the entity has sufficient financial resources to be able to successfully manage its business risks. Accordingly, the financial statements are prepared on a going concern basis.

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

c) Statement of compliance

The financial statements of the Company have been drawn up in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

ASSETS FIJI PTE LIMITED
 NOTES TO FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 DECEMBER 2020

2 BASIS OF PREPARATION - Continued

d) Going concern

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

e) Functional and presentation currency

The Company operates in Fiji and hence its financial statements are presented in Fiji dollars rounded to the nearest dollar, which is the Company's functional and presentation currency.

f) Comparatives

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

g) Standards issued but not yet effective

New Standards, interpretations and amendments effective from 1 January 2020

The Company did not apply any new standards and amendments in 2020 as the new standards and amendments effective from 1 January 2020 is not applicable to the Company and does not impact the financial statements of the Company

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Company are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

a) Cash and cash equivalents

Cash and cash equivalents comprises cash at bank and on hand and short term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

b) Property, plant and equipment

Land is shown at fair value, based on valuations by external independent valuers. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any amortisation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land is credited to other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life. The principal annual rates in use are:

Leasehold improvements	2.5% - 4%
Office furniture, fittings and equipment	12.5%
Motor vehicles	25%
Plant and equipment	20%
Computers	25%

ASSETS FIJI PTE LIMITED
 NOTES TO FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 DECEMBER 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

b) **Property, plant and equipment - *continued***

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position 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 disposal are determined by comparing proceeds with carrying amount and are included in the statement of profit or loss and other comprehensive income.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

c) **Provisions**

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

Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an expense.

d) **Employee entitlements**

Wages and salaries

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

Annual Leave

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

Defined contribution plan

Contributions to Fiji National Provident Fund (FNPF) are expensed when incurred.

e) **Value Added Tax (VAT)**

Revenue, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

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

f) **Income tax**

Current income tax

Current income tax assets and liabilities for the current and prior periods 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 by the balance date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

ASSETS FIJI PTE LIMITED
 NOTES TO FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 DECEMBER 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

f) **Income tax - continued**

Deferred income tax

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

- except where the deferred income tax liability arises from goodwill, amortisation or 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 taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

g) **Other payables**

Payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

h) **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods or provision of services in the ordinary course of the company's activities. Revenue is shown net of value added tax, returns, rebates and discounts.

The recognition criteria for the various streams of income is outlined below.

(i) *Rental Income*

Rental income revenue is earned from leasing of occupiable land space to tenants through tenancy agreement. Revenue is recognised from the effective date of the tenancy agreement at the specified rental rate agreed.

(i) *Government grants and deferred income*

This relates to the monetary contributions from the Government of Fiji. Monetary grants have been allocated through the national budget for operational support for the Company.

Cash contributions are initially recognised as deferred income and are then recognised in the profit and or loss on a systematic basis in the same periods in which the expenses are recognised.

i) **Financial Instruments**

Financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument. Financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue.

The company's financial assets measured at amortised cost comprise of cash and cash equivalent and other receivables.

The company's financial liabilities comprise of other payables. The adoption of IFRS 9 has not had a significant impact on the company's accounting policies for financial liabilities.

Financial Assets

(i) *Classification*

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

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

ASSETS FIJI PTE LIMITED
 NOTES TO FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 DECEMBER 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

i) Financial Instruments - *continued*

Financial Assets

(ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

(iii) *Measurement*

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by any impairment losses. Interest income, gains/(losses) arising from derecognition, foreign exchange gains/(losses), and impairment losses are recognised in profit or loss.

(iv) *Impairment*

The company recognizes loss allowances for expected credit losses (ECLs) for financial assets measured at amortised cost. The company assesses on a forward looking basis the ECLs associated with its financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- bank balances;
- other receivables; and
- amounts receivable from related parties

for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for receivables are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows; and

ECLs are discounted at the effective interest rate of the financial asset.

ASSETS FIJI PTE LIMITED
 NOTES TO FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 DECEMBER 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

i) Financial Instruments - *continued*

Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss (FVPL). A financial liability is classified as at FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

j) Leases

As a Lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The company does not have leases which contain the amounts expected to be payable by the lessee under residual value guarantees.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Cash payments for the principal and interest portion of the lease liabilities are presented as cash flows from financing activities.

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

ASSETS FIJI PTE LIMITED
 NOTES TO FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 DECEMBER 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

j) Leases - *continued*

Critical judgements in the application of the new standard

The company has entered into tenancy leases agreements with Director of Lands. Management applied judgment in selecting an appropriate rate to discount the remaining future lease payments when determining lease liabilities under IFRS 16.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the companies incremental borrowing rate as of 1 January 2019. The incremental borrowing rate is the rate of interest that the companies would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

(i) Determining the incremental borrowing rate (IBR)

The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflective of what the company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The company estimate the IBR using observable inputs when available and is required to make certain entity-specific estimates. The company has used an IBR based on a 10 year Fiji Government bond rate, which is currently 6.00%.

As a Lessor

When the company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease

To classify each lease, the company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the company applies IFRS 15 to allocate the consideration in the contract. Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

The company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease. The company accounted for its leases in accordance with IFRS 16 from the date of initial application. Under IFRS 16, the company is required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset. The Company does not have any sub-lease contracts.

4. OTHER INCOME	2020	2019
	\$	\$
Benefit realized (Ref Note 14)	64,097	38,517
Consent fees	1,500	2,700
Other income - Lease recharges	74,430	74,430
Total other income	<u>140,027</u>	<u>115,647</u>
5. FINANCE COST	2020	2019
	\$	\$
Finance Cost - Lease liabilities	87,252	43,646
Finance Cost - Others	515	210
Total other income	<u>87,767</u>	<u>43,856</u>

ASSETS FIJI PTE LIMITED
 NOTES TO FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 DECEMBER 2020

6. PROFIT BEFORE INCOME TAX

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

	2020 \$	2019 \$
Advertising	3,365	598
Auditors remuneration	8,750	8,304
Professional fees - accounting	4,483	3,080
Amortisation - Crown lease land	15,475	15,475
Depreciation expense - ROU	21,209	21,210
Depreciation expense - PPE	466	
Electricity	4,046	3,238
Property rates	230	8,703
Property insurance	9,149	37,321
Administration fees*	121,110	115,100
Valuation	5,963	20,000
Internet and mobile	1,261	-
Professional fees - legal	1,500	-
Wages and salaries	29,933	-
FNPF employer contribution	1,414	-
Annual leave	1,607	-
FNU Levy	43	-
Travel and transport	609	-
Other expenses	1,082	-
	<u>231,695</u>	<u>233,029</u>

*See note 7 for details

7. ADMINISTRATION BY FIJI PORTS CORPORATION PTE LTD

Following the divestment of Fiji Ports Corporation Pte Ltd (FPCL) and vesting of land to the Company, there were no immediate staff or management to manage the properties and overall business operations. The directors of the Company engaged FPCL, at a predetermined administration fee, to carry out the administrative and property management tasks on behalf of the Company. These tasks included invoicing, receipting, making payments, attend to tenant queries and property maintenance.

As a result, all rent collected during the financial year were retained by FPCL and disclosed as other receivables at year end. Expenses incurred during the year by the Company were paid by FPCL and are recorded as other payables at year end. The rent receivable and expenses payable since the year 2016 gets cleared during the current year.

8. INCOME TAX EXPENSE

	2020 \$	2019 \$
(a) Current Tax		
Current year	229,716	207,122
(Over)/under provision in prior years	-	-
	<u>229,716</u>	<u>207,122</u>
Deferred Tax		
Origination and reversal of temporary differences	(4,052)	4,541
(Over)/under provision in prior years	-	-
	<u>(4,052)</u>	<u>4,541</u>
Income tax expense	<u>225,664</u>	<u>211,663</u>
(b) Reconciliation of effective tax		
Profit before income tax	1,128,321	1,058,317
Prima facie income tax expense at 20%	225,664	211,663
Effect of permanent differences	-	-
(Over)/under provision in prior years	-	-
	<u>225,664</u>	<u>211,663</u>

ASSETS FIJI PTE LIMITED
 NOTES TO FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 DECEMBER 2020

(c) Recognition of deferred tax, net:			
Right of use asset / lease liability		489	4,541
Property, Plant & Equipment		3,437,414	3,437,414
		<u>3,437,903</u>	<u>3,441,955</u>
Movement in deferred taxes during the year			
	1 January 2020	Recognised in Profit and Loss	31 December 2020
Right of use asset / lease liability	4,541	(4,052)	489
Property, Plant & Equipment	3,437,414	-	3,437,414
	<u>3,441,955</u>	<u>(4,052)</u>	<u>3,437,903</u>
(d) Current tax asset / liability			
Balance as at 1 January		843,174	636,052
Current tax expense		229,716	207,122
(Over)/under provision in prior years		-	-
Payments made during the year		-	-
Balance as at 31 December		<u>1,072,890</u>	<u>843,174</u>

9. PREPAYMENTS AND OTHER RECEIVABLES

	2020 \$	2019 \$
Rent collected - receivable from FPCL*	150,516	4,767,034
Security deposits- receivable from FPCL	29,728	29,728
Insurance Prepayment	-	10,454
VAT Receivable	2,783	4,060
Interest receivable	37,377	-
Other prepayment*	170	-
	<u>220,574</u>	<u>4,811,276</u>

*Fiji Ports Corporation Pte Limited (FPCL) carried out the administrative tasks of invoicing and collecting rent on behalf of the Company. During the year all rent receivable since 2016 is received and amount outstanding as at year end relates to rent receivable for the month of December 2020

Interest receivable relates to Term Deposit with HFC Bank

10. OTHER PAYABLES

	2020 \$	2019 \$
Expenses incurred - payable to FPCL	8,154	764,341
Security deposits received in advance - payable to tenants	29,728	29,728
Accruals - audit and accounting	68,855	55,333
Annual leave accrual	1,607	-
Other payables	309	-
Rent received in Advance	34,553	-
	<u>143,206</u>	<u>849,402</u>

During the year amount payable to Fiji Ports Corporation Pte Ltd since the year 2016 is cleared and amount payable as at year end relates to expenses incurred for the month of December 2020.

11. PROPERTY, PLANT AND EQUIPMENT

	2020 \$	2019 \$
Freehold Land		
<i>Fair value:</i>		
At 1 January	55,835,000	55,835,000
Revaluation surplus	-	-
At 31 December	<u>55,835,000</u>	<u>55,835,000</u>

ASSETS FIJI PTE LIMITED
 NOTES TO FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 DECEMBER 2020

11. PROPERTY, PLANT AND EQUIPMENT - continued

	2020 \$	2019 \$
<u>Leasehold land</u>		
<i>Fair value:</i>		
At 1 January	1,545,000	1,545,000
Revaluation surplus	-	-
At 31 December	<u>1,545,000</u>	<u>1,545,000</u>
<i>Depreciation and impairment</i>		
At 1 January	(49,005)	(33,530)
Amortisation charge for the year	(15,475)	(15,475)
At 31 December	<u>(64,480)</u>	<u>(49,005)</u>
<u>Computer equipment</u>		
<i>Cost:</i>		
At 1 January	-	-
Additions	2,844	-
At 31 December	<u>2,844</u>	<u>-</u>
<i>Depreciation</i>		
At 1 January	-	-
Depreciation charge for the year	(466)	-
At 31 December	<u>(466)</u>	<u>-</u>
<u>TOTAL</u>		
<i>Fair value/Cost:</i>		
At 1 January	57,380,000	57,380,000
Revaluation surplus	-	-
Additions	2,844	-
Disposal	-	-
At 31 December	<u>57,382,844</u>	<u>57,380,000</u>
<i>Depreciation and impairment</i>		
At 1 January	(49,005)	(33,530)
Amortisation charge for the year	(15,941)	(15,475)
At 31 December	<u>(64,946)</u>	<u>(49,005)</u>
Net book value - total	<u><u>57,317,898</u></u>	<u><u>57,330,995</u></u>

Land is recognised at fair value based on periodic, but at least quinquennial, valuations by external independent valuers. The revaluation surplus net of applicable deferred income taxes is credited to asset revaluation reserve in shareholders equity. At the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates. All other property, plant and equipment is recognised at historical cost less depreciation.

12. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and at bank. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

	2020 \$	2019 \$
Cash on hand	500.00	-
Cash at bank	1,097,977	149,089
	<u>1,098,477</u>	<u>149,089</u>

During the year, rent receivable and expenses payable since the year 2016 to Fiji Port Corporation Pte Ltd were cleared. From the net amount received, \$4m were invested into term deposit. See note 13.

ASSETS FIJI PTE LIMITED
 NOTES TO FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 DECEMBER 2020

13. FINANCIAL ASSETS	2020 \$	2019 \$
Term deposits	4,000,000	-
Term deposits are held with HFC Bank at terms of 6 months to 12 months. The interest rate of the deposits range from 1.30% to 2.50%.		
14. DEFERRED INCOME	2020 \$	2019 \$
<i>Cash grant from Government</i>		
Beginning of the year	76,091	114,608
Additions during the year	-	-
Amortisation charge	(64,097)	(38,517)
Balance at the end of the year	<u>11,994</u>	<u>76,091</u>
15. CAPITAL AND RESERVES	2020 \$	2019 \$
(a) Issued and Paid up Capital		
2 ordinary shares	<u>2</u>	<u>2</u>
(b) Capital re-organisation reserve		
Balance at beginning of period	23,005,855	23,005,855
Assets transferred through divestment	-	-
(c) Revaluation reserve		
Balance at beginning of period	30,936,731	30,936,731
Revaluation surplus - land	-	-
Closing balance	<u>53,942,588</u>	<u>53,942,588</u>

As part of Fiji Government's divestment strategy and cabinet approval through Legal Notice No. 97 of 2015 made on 13 November 2015, all interest in land and improvements owned and held by Fiji Ports Corporation Limited ("FPCL") and Fiji Ships and Heavy Industries Limited ("FSHIL") under the Property, Plant and Equipment and Investment Property was vested to Assets Fiji Pte Limited (the Company) as of that date.

The Company elected to measure the land and improvements at their carrying amounts prior to reorganisation without fair value uplift.

No consideration was transferred as part of the reorganization, resulting in the carrying amount of the land and improvements being recorded in the capital re-organisation reserve.

Fair value of land was determined to be more than the carrying amount resulting in the revaluation surplus recorded in the revaluation reserve.

16. RELATED PARTIES

(a) Directors

The names of persons who were directors of the Company during the year ended December 2020 are as follow:

Shaheen Ali (Chairman)
 David Koltangane
 Kamni Naidu

The directors were not entitled to any remuneration during the year ended December 2020 (2019: NIL)

(b) Key Management personnel

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly (whether executive or otherwise) of the Company. During the year Manager Finance and Administration was recruited and identified as key management personnel.

The amount of compensation of the key management personnel recognised in the profit or loss is as follows:

	2020 \$	2019 \$
Short-term employee benefits	29,933	-

ASSETS FIJI PTE LIMITED
 NOTES TO FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 DECEMBER 2020

17. FINANCIAL RISK MANAGEMENT

Risk management framework

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect in market conditions and the Company activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at bank, receivable and investment in term deposits.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposures. The maximum exposure to credit risk at the reporting date was as follows:

	2020	2019
	\$	\$
Cash at bank	1,097,977	149,089
Trade receivables	32,700	-
Term deposits	4,000,000	-
Other receivables (excluding prepayments)	183,027	4,800,822
	<u>5,313,704</u>	<u>4,949,911</u>

Trade Receivables

The Company has lease agreements in place with tenants for the use of land spaces. The tenants are mainly reputable companies using the land spaces to conduct their business permissible under the lease agreement. The Company limits its exposure to credit risk from trade receivables by establishing payment period of 30 days.

	2020	2019
	\$	\$
Less than 30 days, due not impaired	-	-
Past due 31 - 60 days	-	-
Past due 61 - 90 days	-	-
Past due more than 90 days	32,700	-
	<u>32,700</u>	<u>-</u>

The Company establishes a provision for doubtful debts that represents its estimate of incurred losses in respect of trade receivables. Provisions are only established if it is certain tenant will not repay in the case when the lease agreement has been terminated and income earned is not recoverable through legal means.

Term Deposits

Terms deposits are placed with financial institutions with sound credit ratings to minimise credit exposure.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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.

There were no significant contractual maturities of financial liabilities as at the reporting date.

(iii) Market risk

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

At the reporting date, the Company has not entered into any interest-bearing financial instruments.

ASSETS FIJI PTE LIMITED
 NOTES TO FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 DECEMBER 2020

18. CAPITAL MANAGEMENT

The Company's capital includes share capital, capital re-organisation reserve and retained earnings.

The Company's policy is to maintain a strong capital base to sustain future development of the business.

The Company is not subject to any externally imposed capital requirements. The Company's policies with respect to capital management are reviewed regularly by the Board of Directors.

There have been no material changes in the Company's management of capital during the year.

19. LEASES

(a) As a lessee

The company has accounted for its lease contracts in accordance with IFRS 16. Note 3(j) includes details of the accounting impact as at date of initial adoption.

Nature of leasing activities

The company has lease agreements with Director of Lands for the lease of land. Rent is payable as per the terms of the agreements. Leasehold land leases typically run for a period of 99 years.

Information about leases for which the Company is a lessee is presented below.

The statement of financial position shows the following amounts relating to right-of-use assets:

Right-of-use assets - Land

	2020	2019
	\$	\$
Right of use assets recognised on date of adoption – 1 January	1,707,136	1,259,342
Add: Lease additions during the year	-	469,003
Less: Depreciation charge for the year	(21,209)	(21,209)
Balance as at 31 December	<u>1,685,927</u>	<u>1,707,136</u>

Lease liabilities

	2020	2019
	\$	\$
Lease liabilities recognised on date of adoption – 1 January	1,454,432	1,259,342
Add: Additions during the year	-	239,003
Add: Interest	87,252	43,647
Less: lease payments - cash	(14,000)	(13,360)
Less: lease payments - non cash	(74,200)	(74,200)
Balance as at 31 December	<u>1,453,484</u>	<u>1,454,432</u>

(i) Amounts recognised in the statement of financial position

	2020	2019
	\$	\$
<u>Assets</u>		
Right-of-use assets - Land	1,685,927	1,707,136
<u>Liabilities</u>		
Current	948	966
Non-current	1,452,536	1,453,466
Total lease liabilities at 31 December	<u>1,453,484</u>	<u>1,454,432</u>

(ii) Amounts recognised in profit or loss

Depreciation charge on right-of-use assets	21,209	21,209
Interest expense (included in finance cost)	87,252	43,647

(iii) Amounts recognised in statement of cash flows

Principal element of lease payments	13,957	6,979
Interest element of lease payments	43	6,381

(iv) Maturity analysis – contractual undiscounted cash flows

Less than one year	88,200	88,200
One to five years	441,000	441,000
More than five years	6,388,300	6,476,500
Total undiscounted lease liabilities at 31 December	<u>6,917,500</u>	<u>7,005,700</u>

ASSETS FIJI PTE LIMITED
 NOTES TO FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 31 DECEMBER 2020

19. LEASES - continued

(b) As a lessor

2020	2019
\$	\$

Lease income receivable from lease agreements in which the company acts as a lessor is as below:

Operating lease

Lease income receivable	<u>30,550,921</u>	<u>32,536,925</u>
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All the land that is owned by the company is leased out to tenants and classified as operating lease because they do not transfer the substantially all the risk and rewards incidental to the ownership of the assets.

Note 19(b) sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date

20. COMMITMENTS

(a) Capital Commitments

There were no capital commitments for the year ending December 2020 (2019: NIL)

(b) Operating Lease Income

2020	2019
\$	\$

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

Not later than one year	1,053,317	1,086,747
Later than one year but not later than five years	4,138,268	4,310,820
Later than five years	<u>25,359,336</u>	<u>27,139,358</u>
Total future rental income	<u>30,550,921</u>	<u>32,536,925</u>

21. CONTINGENT ASSETS

Upon enquiry, it has been probable that special license No.1348 and 5 pending land titles from Fiji Ports Corporation Pte Limited will be vested to Assets Fiji Pte Limited. The details of these 5 pending land titles are: CT 35539, LD 27/6/1-2 ND 4770, DP5244/3595, ND 550/3238 and LD 60/938.

Accordingly, Clause 2 (3) of the said Legal notice No. 97 indicated that 1 special license currently leased to Fiji Ships & Heavy Industries Limited was supposed to have been vested to Assets Fiji Pte Limited. Special license No.1348 relates to Fiji Ships and Heavy Industries Limited - Waterways.

As it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. As at 31 December 2020, the special license is assessed continually to ensure that developments are appropriately reflected in the financial statements.

22. CONTINGENT LIABILITIES

There were no contingent liabilities for the year ending December 2020 (2019: NIL)

23. EVENTS SUBSEQUENT TO BALANCE DATE

No charge on the assets of the company has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person. No contingent liability has arisen since the end of the financial year to the date of this report. No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months from the date of this report which, in the opinion of the directors, will or may affect the ability of the company to meet its obligations when they fall due.

24. COMPANY DETAILS

The Company is incorporated and domiciled in Fiji and its registered office is located at:

82 Robertson Road
 Unity House
 Suva
 Fiji





ASSETS FIJI
PTE LIMITED