



ASSETS FIJI
PTE LIMITED



ANNUAL REPORT 2022

Parliamentary Paper No. 80/23

Vision

To maximise public asset value for the benefit of all Fijians

Goal 1

Managing resources for long-term value

Priority 1:

Environmentally sustainable developments.

Priority 2:

Maximising opportunities for commercial activities

Mission

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

Goal 2

Value to Shareholders

Priority 1:

Financial performance to support our goals

Priority 2:

Valuing and growing portfolio

Values

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

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 2022 Annual Report.

CHAIRMAN'S REPORT



It is my privilege to present the Annual Report for the financial year ending 2022. This year marks another significant period for Assets Fiji Limited (AFL), building on the strong foundations established since our inception on 13th November 2015. As the custodian of government land, AFL has navigated the challenges of the past year with unwavering dedication to our core values and commitment in all our interactions with stakeholders.

It is my privilege to present the Annual Report for the financial year ending 2022. This year marks another significant period for Assets Fiji Pte Limited (AFL), building on the strong foundations established since our inception on 13th November 2015. As the custodian of government real estate, AFL has navigated the challenges of the past year with unwavering dedication to our core values and commitment in all our interactions with stakeholders.

Commitment to Our Tenants

Our commitment to our tenants remained at the forefront of our operations throughout this period of ongoing uncertainty. Building upon the support measures successfully implemented in the previous year, AFL continued to proactively engage with our tenants. This collaborative approach fostered sustainable tenancies and played a vital role in contributing to broader economic resilience within the sectors we serve.

Strong Overall Revenue Performance

I am pleased to report that AFL maintained a robust overall revenue position for the financial year. This positive outcome reflects the stability of our core business operations and the effectiveness of our proactive tenant engagement strategies in a challenging environment.

Business Operations and Financial Performance

AFL delivered a profitable performance in FY2022, primarily driven by consistent rental income generated from our core land holdings. Notably, the Rokobili Subdivision and Walu Bay (excluding Fiji Ports Corporation Limited port operations) continued to perform in line with our expectations. This stable performance was underpinned by well-structured lease agreements and the periodic five-yearly rental reviews.

This solid operational foundation enabled AFL to achieve an accumulated Net Profit After Tax (NPAT) of \$5.92 million for FY2022. This result underscores the effectiveness of our operational management and the inherent strength of our underlying asset base. Furthermore, our balance sheet remains robust, with strategic property holdings valued at approximately \$84 million.

The FY2022 results clearly demonstrate the resilience and fundamental strength of AFL's business model. Our strategic focus on core revenue generation, coupled with diligent expense management and the maintenance of a strong balance sheet, has been instrumental in achieving this positive outcome. I commend the management and staff for their dedication and significant contributions throughout the year.

Key Performance Indicators

Year	2022
Operating Revenue (\$000)	1,082
Operating Expense (Including depreciation) (\$000)	481
EBIT (\$000)	601
Cash from operations (\$000)	123
Return of Assets (%)	0.92
Return on Equity (%)	1.01
Current Ratio (Times)	9.11
Gearing Ratio (%)	9.86

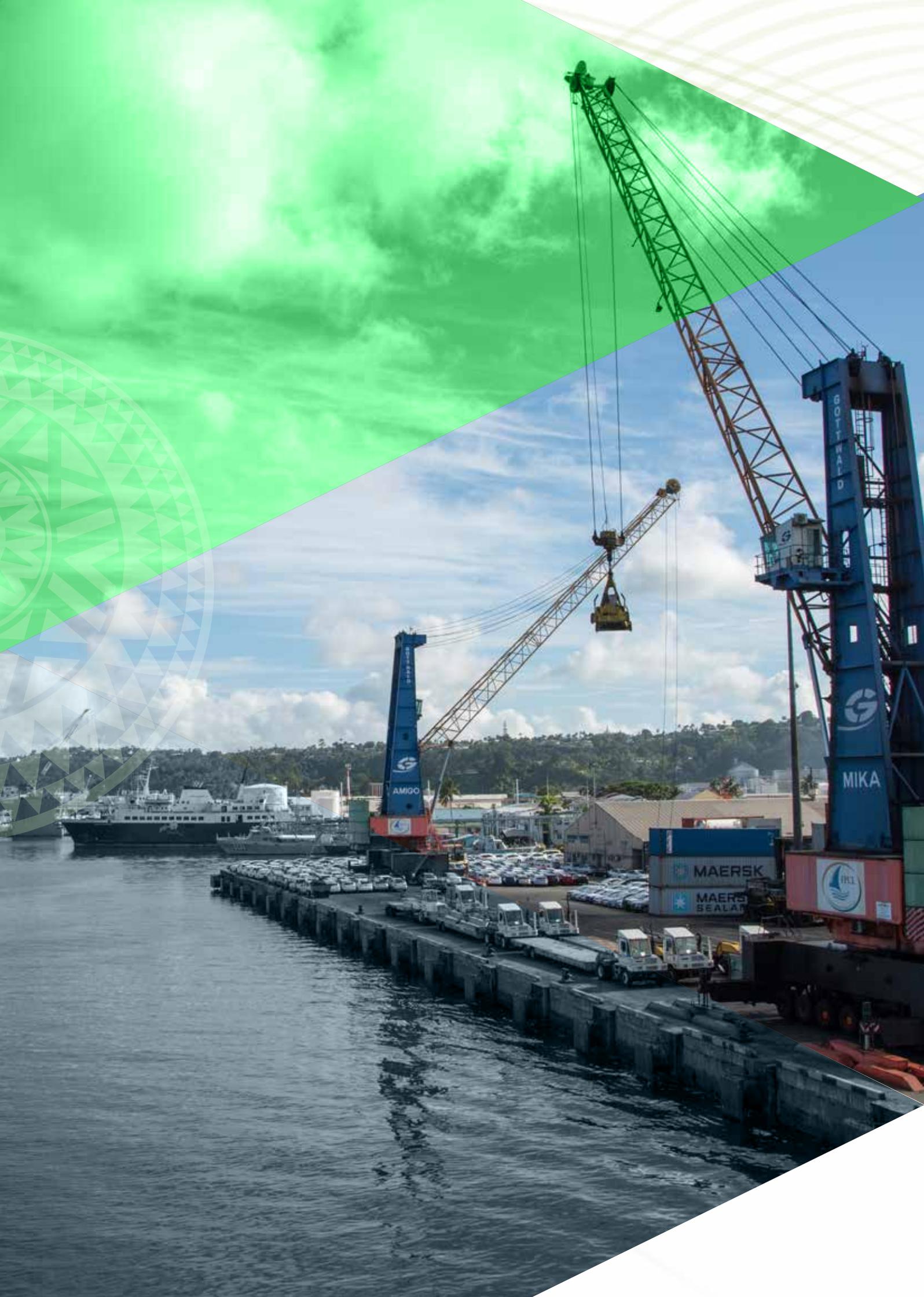
Appreciation

I extend my sincere appreciation to my fellow Directors for their invaluable guidance, wise counsel, and unwavering support throughout the financial year. My sincere commendation also goes to the dedicated management team and the entire staff of AFL for their hard work, adaptability in the face of challenges, and unwavering commitment to the organization's success. Their collective efforts have been pivotal in achieving the positive results we are reporting today.

Finally, I express my sincere gratitude to our tenants and stakeholders for their continued trust, collaboration, and partnership. We remain steadfast in our commitment to serving your best interests and working together to build a prosperous future.



Mr. Parmesh Chand
Chairperson





**ASSETS FIJI PTE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**



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**ASSETS FIJI PTE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 2022, 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 18 March 2022 resigned 26 June 2023
David Solvalu (Director)	Appointed 27 April 2022
Vimlesh Sagar (Director)	Appointed 27 April 2022
David Kolitagane (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 2022 was \$677,578 (2021: \$950,555) after an income tax expense of \$169,324 for the year ended December 2022 (2021: \$237,710).

Dividends

No dividends were declared or paid during the year ended December 2022 (2021: 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 (other than those disclosed in the financial statements as emoluments, fees and incentives) by reason of a contract made by Company or related company with the director or with a firm of which he/she is a member, or with a company in which he/she has substantial financial interest.

ASSETS FIJI PTE LIMITED
DIRECTORS' REPORT *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Events Subsequent to Balance Date

On 28 February 2023, Sublease No.871428 which was subleased to Serendib Investments Pte Ltd (a subsidiary of Fijian Holding Limited) was transferred to Punja and Sons Pte Limited. Serendib Investments Pte Ltd ("Serendib") took over the Government Printing assets in the year 2019 and occupied the building and land through a Sublease Agreement with Assets Fiji Pte Ltd. Serendib had been incurring losses since its inception and this was compounded by the impacts of COVID-19. During the year the Directors downsized the business operations and subsequently discontinued the whole operation. Punja and Sons Pte Ltd purchased all the printing equipment and will continue printing business from the same location through the transfer of the sublease agreement.

On 8 April 2022, a claim was lodged against Assets Fiji Pte Limited ("entity") by a tenant for relief against forfeiture of the Lease Agreement. Tenant was issued Notice of Re-entry for breach of lease agreement. On 16 June 2023 the matter was resolved out of court through a Deed of Full and Final Settlement. There has been no lawsuit claims against the entity throughout the case and no payment liability as a result of the settlement. It was resolved that rent owed to the entity from April 2022 to December 2022 to be paid in full and this have been recorded as receivable as at year end.

Except for the above, 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

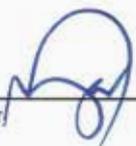
As at the date of this report:

- (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 July 2023.


 Director


 Director

**ASSETS FIJI PTE LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

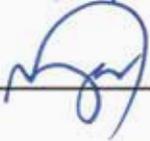
The Directors of Assets Fiji Pte Limited ("the Company") have made a resolution that declared:

- (a) in the directors' opinion, the financial statements and notes of the Company for the financial year ended 31 December 2022:
- (i) give a true and fair view of the financial position of the Company as at 31 December 2022 and of the performance of the Company for the year ended 31 December 2022; and
 - (ii) have been made out in accordance with the Companies Act 2015.
- (b) they have received declarations as required by section 395 of the Companies Act 2015; 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 July 2023.

Director



Director



OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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Karsanji St. Vatuwaqa
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Suva, Fiji



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**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 2022, 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 of 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 2022, the Statement of Comprehensive Income, Statement of Changes in Equity, 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 present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

I conducted my 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 my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to my 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 Matter

The Company is yet to have proper plans and policies in place for effective governance and better management of risks and vulnerabilities associated with the Company's operations. Plans and policies that have not been prepared included strategic plan, annual corporate/business plan, human resources policy, Risk management policy/framework and disaster recovery/business continuity plan, IT strategic/security policy, fraud control and anti-corruption policy and a detailed finance manual.

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.

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

Other information (con't)

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 the fact. I have nothing to report in this regard.

Responsibilities of the Management and Directors for the Financial Statements

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

In preparing the financial statements, the Directors and Management are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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 or 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 my 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors and Management.
- Conclude on the appropriateness of the Directors' and Management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required

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

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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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 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 my opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2015 in all material respects, and;

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



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
24 July 2023

ASSETS FIJI PTE LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$ (Restated)
Income			
Revenue - rental income		1,082,850	1,252,479
Other income	4	309,021	89,043
Finance Income		52,186	100,179
Total income		<u>1,444,057</u>	<u>1,441,701</u>
Expenses			
Administration and operating expenses	6	(481,813)	(155,394)
Impairment loss - rent receivable	13	(20,985)	-
Finance cost	5	(94,358)	(98,042)
Total expenses		<u>(597,156)</u>	<u>(253,436)</u>
Profit before income tax		846,901	1,188,265
Income tax expense	7(a)	(169,323)	(237,710)
Net profit after tax for the year		<u>677,578</u>	<u>950,555</u>
Other comprehensive income for the year	16(c)	24,313,500	-
Total comprehensive income for the year		<u><u>24,991,078</u></u>	<u><u>950,555</u></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
AS AT 31 DECEMBER 2022

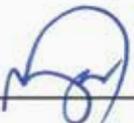
	Note	2022 \$	2021 \$ (Restated)
Assets			
<u>Current assets</u>			
Cash and cash equivalents	12	2,449,765	2,335,164
Rent receivable	13, 18 (i)	41,088	105,160
Prepayments and other receivables	8	11,818	85,562
Financial assets	14	4,000,000	4,000,000
Total current assets		6,502,671	6,525,886
<u>Non-current assets</u>			
Property, plant and equipment	10	84,311,049	57,311,973
Intangible assets	11	5,461	-
Right-of-use assets	20	1,661,771	1,693,937
Total non-current assets		85,978,281	59,005,910
Total assets		92,480,952	65,531,796
Liabilities and equity			
<u>Current liabilities</u>			
Other payables	9	74,871	114,659
Income tax payable	7(d)	626,706	1,314,640
Lease liabilities	20	12,297	11,583
Total current liabilities		713,874	1,440,882
<u>Non-current liabilities</u>			
Deferred tax liability	7(c)	6,131,246	3,433,863
Lease liability	20	1,458,100	1,470,397
Total non current liabilities		7,589,346	4,904,260
Total liabilities		8,303,220	6,345,142
Net assets		84,177,732	59,186,654
<u>Shareholder's equity</u>			
Share capital	16(a)	2	2
Capital re-organisation reserve	16(b)	23,005,855	23,005,855
Revaluation reserve	16(c)	55,250,231	30,936,731
Retained earnings		5,921,644	5,244,066
Total shareholder's equity		84,177,732	59,186,654

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 JULY 2023.

Director 

Director 

ASSETS FIJI PTE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Share capital			
Beginning of the period		2	2
End of the period	16(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	16(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		24,313,500	-
End of the period	16(c)	<u>55,250,231</u>	<u>30,936,731</u>
Retained Earnings			
Beginning of the period		5,244,066	4,293,511
Net profit for the year		677,578	950,555
End of the period		<u>5,921,644</u>	<u>5,244,066</u>
Total equity		<u><u>84,177,732</u></u>	<u><u>59,186,654</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 2022

	Note	2022 Inflows/ (Outflows) \$	2021 Inflows/ (Outflows) \$
Cash flow from operating activities			
Rent collected		1,146,922	1,351,130
Cash receipts from other income		234,591	2,619
Cash paid to suppliers		(393,860)	(141,950)
Bank charges paid		(5,741)	(10,217)
Interest received		45,893	64,080
Income tax paid		(861,374)	-
Interest component of lease payments		(10,803)	(14,586)
Principal component of lease payments		(32,297)	(3,414)
Net cash generated from operating activities		<u>123,331</u>	<u>1,247,662</u>
Investing Activities			
Acquisition of property, plant and equipment		(2,551)	(10,975)
Acquisition of intangible assets		(6,179)	-
Placement of Term deposits		(4,000,000)	(4,000,000)
Redemption of Term deposits		4,000,000	4,000,000
Net cash generated from investing activities		<u>(8,730)</u>	<u>(10,975)</u>
Financing Activities			
Cash receipt from issuing shares		-	-
Net cash generated from financing activities		<u>-</u>	<u>-</u>
Net movement in cash and cash equivalents		114,601	1,236,687
Cash and cash equivalents at the beginning of the year		2,335,164	1,098,477
Cash and cash equivalents at the end of the year	12	<u>2,449,765</u>	<u>2,335,164</u>

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

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 were authorised for issue by the Board of Directors on **20 July** 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.

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

2 BASIS OF PREPARATION - Continued

b) Impact of COVID-19 - continued

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").

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 2022

The Company did not apply any new standards and amendments in 2022 as the new standards and amendments effective from 1 January 2022 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.

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

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%

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) Intangible assets

Acquired computer software, which have a finite life, are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years). Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

d) 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.

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

e) 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.

f) 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.

g) 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.

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.

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

h) Other payables

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

i) 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.

j) 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.

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.

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

j) Financial Instruments - *continued*

Financial Assets - continued

(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 AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

j) 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.

k) 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.

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

k) Leases - *continued*

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.

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.

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.

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

4. OTHER INCOME	2022 \$	2021 \$ (Restated)
Benefit realized (Note 13)	-	11,994
Consent fees	600	2,619
Other income - Lease recharges	74,430	74,430
Other income - Property Rates recharges	232,254	-
Other income - Valuation Fee recharges	786	-
Other income - Utility recharges	951	-
Total other income	309,021	89,043
5. FINANCE COST		
Finance Cost - Lease liabilities	88,617	87,825
Finance Cost - Others	5,741	10,217
Total other income	94,358	98,042
6. PROFIT BEFORE INCOME TAX		
Profit before income tax has been determined after charging the following expenses:		
Advertising	632	-
Auditors remuneration	9,348	8,750
Professional fees - accounting	7,350	-
Amortisation - Crown lease land	15,475	15,475
Amortisation - Intangible Asset	718	-
Depreciation expense - ROU	32,166	24,861
Depreciation expense - PPE	3,000	1,425
Electricity	1,838	494
Property rates	237,016	9,731
Valuation	1,835	1,376
Internet and mobile	5,370	1,674
Telephone	296	25
Professional fees - Legal	22,548	7,250
Wages and salaries	102,000	67,934
FNPF employer contribution	6,120	3,396
Annual leave	3,637	3,925
Directors fees	9,489	-
FNU Levy	1,115	1,098
Travel and transport	6,095	485
Office supplies	3,207	5,320
Other expenses	12,558	2,175
	481,813	155,394
7. INCOME TAX EXPENSE		
(a) Current Tax		
Current year	173,497	241,750
(Over)/under provision in prior years	-	-
	173,497	241,750
Deferred Tax		
Origination and reversal of temporary differences	(4,117)	(4,040)
(Over)/under provision in prior years	(57)	-
	(4,174)	(4,040)
Income tax expense	169,323	237,710

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

7. INCOME TAX EXPENSE	2022	2021	
	\$	\$	
(b) Reconciliation of effective tax			
Profit before income tax	846,901	1,188,549	
Prima facie income tax expense at 20%	169,380	237,710	
Effect of permanent differences	-	-	
(Over)/under provision in prior years	(57)	-	
	<u>169,323</u>	<u>237,710</u>	
(c) Recognition of deferred tax, net			
Right of use asset / lease liability	(7,668)	(3,551)	
Property, Plant & Equipment	6,138,914	3,437,414	
	<u>6,131,246</u>	<u>3,433,863</u>	
Movement in deferred taxes during the year	1 January 2022	Recognised in Profit and Loss	31 December 2022
Right of use asset / lease liability	(3,551)	(4,117)	(7,668)
Property, Plant & Equipment	3,437,414	2,701,500	6,138,914
	<u>3,433,863</u>	<u>2,697,383</u>	<u>6,131,246</u>
(d) Current tax asset / liability			
Balance as at 1 January	1,314,640	1,072,890	
Current tax expense	173,497	241,750	
(Over)/under provision in prior years	(57)	-	
Payments made during the year	(861,374)	-	
Balance as at 31 December	<u>626,706</u>	<u>1,314,640</u>	
8. PREPAYMENTS AND OTHER RECEIVABLES			
Rent collected - receivable from FPCL*	-	12,463	
Security deposits- receivable from FPCL	-	17,925	
VAT Receivable	2,959	17,424	
Interest receivable	6,293	36,099	
Other prepayment	2,566	1,651	
	<u>11,818</u>	<u>85,562</u>	
*Fiji Ports Corporation Pte Limited (FPCL) carried out the administrative tasks of invoicing and collecting rent on behalf of the Company. The arrangement ceased effective from 1 January 2021 however there were still outstanding rent to be receivable as at year end.			
Interest receivable relates to interest on Term Deposit.			
9. OTHER PAYABLES			
Security deposits received in advance - payable to tenants	17,925	17,925	
Accruals - audit and accounting	31,560	78,918	
Annual leave accrual	9,169	5,532	
Other payables	3,244	1,924	
Rent Received in Advance	12,973	10,360	
	<u>74,871</u>	<u>114,659</u>	

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

10. PROPERTY, PLANT AND EQUIPMENT	2022 \$	2021 \$
<u>Freehold Land</u>		
<i>Fair value:</i>		
At 1 January	55,835,000	55,835,000
Revaluation surplus	16,915,000	-
At 31 December	72,750,000	55,835,000
<u>Leasehold land</u>		
<i>Fair value:</i>		
At 1 January	1,545,000	1,545,000
Revaluation surplus	10,100,000	-
At 31 December	11,645,000	1,545,000
<i>Depreciation and impairment</i>		
At 1 January	(79,955)	(64,480)
Amortisation charge for the year	(15,475)	(15,475)
At 31 December	(95,430)	(79,955)
<u>Computer equipment</u>		
<i>Cost:</i>		
At 1 January	7,701	2,844
Additions	-	4,857
At 31 December	7,701	7,701
<i>Depreciation</i>		
At 1 January	(1,645)	(466)
Depreciation charge for the year	(1,925)	(1,179)
At 31 December	(3,570)	(1,645)
<u>Office furniture, fittings and equipment</u>		
<i>Cost:</i>		
At 1 January	6,118	-
Additions	2,551	6,118
At 31 December	8,669	6,118
<i>Depreciation</i>		
At 1 January	(246)	-
Depreciation charge for the year	(1,075)	(246)
At 31 December	(1,321)	(246)
<u>TOTAL</u>		
<i>Fair value/Cost:</i>		
At 1 January	57,393,819	57,382,844
Revaluation surplus	27,015,000	-
Additions	2,551	10,975
At 31 December	84,411,370	57,393,819
<i>Depreciation and impairment</i>		
At 1 January	(81,846)	(64,946)
Amortisation/depreciation charge for the year	(18,475)	(16,900)
At 31 December	(100,321)	(81,846)
Net book value - total	84,311,049	57,311,973

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

10. PROPERTY, PLANT AND EQUIPMENT - Continued

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.

11. INTANGIBLE ASSET

	2022 \$	2021 \$
<u>Computer software</u>		
<i>Cost:</i>		
At 1 January	-	-
Additions	6,179	-
At 31 December	6,179	-
<i>Depreciation</i>		
At 1 January	-	-
Amortisation charge for the year	(718)	-
At 31 December	(718)	-
Net book value - total	5,461	-

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:

Cash on hand	500	500
Cash at bank	2,449,265	2,334,664
	<u>2,449,765</u>	<u>2,335,164</u>

13. RENT RECEIVABLE

Rent receivable	62,073	105,160
Less: Impairment loss	(20,985)	-
	<u>41,088</u>	<u>105,160</u>

14. FINANCIAL ASSETS

Term deposits	4,000,000	4,000,000
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Term deposits are held with Financial Institutions at terms of 3 months to 12 months. The interest rate of the deposits range from 1.10% to 1.35%.

15. DEFERRED INCOME

Cash grant from Government

Beginning of the year	-	11,994
Additions during the year	-	-
Amortisation charge	-	(11,994)
Balance at the end of the year	<u>-</u>	<u>-</u>

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

16. CAPITAL AND RESERVES	2022 \$	2021 \$
(a) Issued and Paid up Capital		
2 ordinary shares	2	2
(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	24,313,500	-
	55,250,231	30,936,731
 Closing balance	 78,256,088	 53,942,588

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.

17. RELATED PARTIES

(a) Directors

(i) The names of persons who were directors of the Company during the year ended December 2022 are as follow:

Shaheen Ali (Chairman)
David Solvalu (Director)
Vimlesh Sagar (Director)

(ii) Directors fees of \$9,489 (2021:NIL) was paid to the non-civil servant directors.

(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.

The Manager Finance and Administration is identified as key management personnel.

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

Short-term employee benefits	52,000	52,000
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ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

18. 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:

	2022	2021
	\$	\$
Cash at bank	2,449,765	2,334,664
Trade receivables	41,088	105,160
Term deposits	4,000,000	4,000,000
Other receivables (excluding prepayments)	6,293	66,487
	<u>6,497,146</u>	<u>6,506,311</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.

Less than 30 days, due not impaired	6,037	10,016
Past due 31 - 60 days	6,038	10,015
Past due 61 - 90 days	4,145	7,000
Past due more than 90 days	45,853	78,129
	<u>62,073</u>	<u>105,160</u>
Impairment loss	(20,985)	-
	<u>41,088</u>	<u>105,160</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.

During financial year ending 31 December 2022, a tenant failed to engage in a repayment plan with the Company and failed to make contractual payments for a period of greater than 120 days past due. There is an ongoing litigation against the tenant however there is no reasonable expectation of recovery. Full amount has been provided as impairment loss for the period based on specific provisioning.

Term Deposits

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

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

18. FINANCIAL RISK MANAGEMENT - Continued

(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.

19. 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.

20. 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

	2022	2021
	\$	\$
		(Restated)
Right of use assets - Beginning of period	1,693,937	1,685,927
Add: Lease additions during the year	-	32,871
Less: Depreciation charge for the year	(32,166)	(24,861)
End of period	<u>1,661,771</u>	<u>1,693,937</u>

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

Lease liabilities	2022 \$	2021 \$ (Restated)
Lease liabilities - Beginning of period	1,481,980	1,453,484
Add: Additions during the year		32,871
Add: Interest	88,617	87,825
Less: lease payments - cash	(43,100)	(18,000)
Less: lease payments - non cash	(57,100)	(74,200)
End of period	<u>1,470,397</u>	<u>1,481,980</u>
(i) Amounts recognised in the statement of financial position		
<i>Assets</i>		
Right-of-use assets - Land	1,661,771	1,693,937
<i>Liabilities</i>		
Current	12,297	11,583
Non- current	1,458,100	1,470,397
Total lease liabilities at 31 December	<u>1,470,397</u>	<u>1,481,980</u>
(ii) Amounts recognised in profit or loss		
Depreciation charge on right-of-use assets	32,166	24,861
Interest expense (included in finance cost)	88,617	87,825
(iii) Amounts recognised in statement of cash flows		
Principal element of lease payments	32,297	3,414
Interest element of lease payments	10,803	14,586
(iv) Maturity analysis – contractual undiscounted cash flows		
Less than one year	100,200	88,200
One to five years	449,000	441,000
More than five years	6,211,900	6,300,100
Total undiscounted lease liabilities at 31 December	<u>6,761,100</u>	<u>6,829,300</u>

(b) As a lessor

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

Operating lease

Lease income receivable	<u>29,361,494</u>	<u>29,497,603</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

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

21. COMMITMENTS

(a) Capital Commitments

There were no capital commitments for the year ending December 2022 (2021: NIL)

(b) Operating Lease Income

	2022	2021
	\$	\$
Operating lease income relates to rental income from land spaces rented out.		
Not later than one year	1,015,384	1,053,317
Later than one year but not later than five years	4,061,538	4,099,436
Later than five years	<u>24,284,572</u>	<u>24,344,850</u>
Total future rental income	<u>29,361,494</u>	<u>29,497,603</u>

22. 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 2022, the special license is assessed continually to ensure that developments are appropriately reflected in the financial statements.

23. CONTINGENT LIABILITIES

There were no contingent liabilities for the year ending December 2022 (2021: NIL)

24. EVENTS SUBSEQUENT TO BALANCE DATE

On 28 February 2023, Sublease No.871428 which was subleased to Serendib Investments Pte Ltd (a subsidiary of Fijian Holding Limited) was transferred to Punja and Sons Pte Limited. Serendib Investments Pte Ltd ("Serendib") took over the Government Printing assets in the year 2019 and occupied the building and land through a Sublease Agreement with Assets Fiji Pte Ltd. Serendib had been incurring losses since its inception and this was compounded by the impacts of COVID-19. During the year the Directors downsized the business operations and subsequently discontinued the whole operation. Punja and Sons Pte Ltd purchased all the printing equipment and will continue printing business from the same location through the transfer of the sublease agreement.

On 8 April 2022, a claim was lodged against Assets Fiji Pte Limited ("entity") by a tenant for relief against forfeiture of the Lease Agreement. Tenant was issued Notice of Re-entry for breach of lease agreement. On 16 June 2023 the matter was resolved out of court through a Deed of Full and Final Settlement. There has been no lawsuit claims against the entity throughout the case and no payment liability as a result of the settlement. It was resolved that rent owed to the entity from April 2022 to December 2022 to be paid in full and this have been recorded as receivable as at year end.

Except for the above, 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.

ASSETS FIJI PTE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 31 DECEMBER 2022

25. COMPANY DETAILS

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

82 Robertson Road
 Unity House
 Suva
 Fiji

26. CORRECTION OF PRIOR PERIOD ERRORS

During the audit of the financial year ending 31 December 2022 it was discovered that due to oversight, there were omission of items from the Amortisation Schedule (for Crown Lease) and omission of Office Rent (Contractual Agreement) from the IFRS 16 Lease working files. The error resulted in the understatement of total expenses recognised for 2021 financial year and other corresponding financial line statement items. There was no impact on the balance sheet as at 1 January 2021.

The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

	2021 Restated	2021 Previously Reported	2021 Increase/ (Decrease)
	\$	\$	\$
Statement of profit and loss			
Administration and operating expenses	(155,394)	(155,742)	(348)
Finance cost	(98,042)	(97,410)	632
Statement of financial position			
Right-of-use assets	1,693,937	1,664,718	29,219
Lease liabilities - Current	11,583	1,067	10,516
Lease liability - Non-current	1,470,397	1,451,410	18,987
Retained earnings	5,244,066	5,244,350	(284)
Statement of changes in equity			
Retained Earnings	5,244,066	5,244,350	(284)
Statement of cash flow			
Cash paid to suppliers	(141,950)	(145,950)	(4,000)
Interest component of lease payments	(14,586)	(13,954)	632
Principal component of lease payments	(3,414)	(46)	3,368





ASSETS FIJI
PTE LIMITED

