



TOYOTA TSUSHO (SOUTH SEA) LTD

FINANCIAL STATEMENTS 2015



Contents

For the Year Ended 31 March 2015

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Directors	Yoshiaki Kato Chairman (appointed 1 April 2015) Teresa Julia Apted Jai Nand Kumar Tomonori Umehara John Benedict Thomas Digby Bossley	
Secretary	Ronald Nitesh Kumar	
Principal registered office in Fiji	Ratu Mara Road, Nabua Suva, Fiji Ph: 338 4888	
Auditor	KPMG Chartered Accountants Suva, Fiji	
Notice of annual general meeting	The 95th annual general meeting of the shareholders of Toyota Tsusho (South Sea) Limited	
	Will be held at	The Regional Training Centre, Asco Motors, Ratu Mara Road, Nabua
	Time	12.30 p.m.
	Date	19 June 2015

COMPANY PROFILE

Burns Philp & Co Ltd commenced operations in the Pacific in 1890 and in the ensuing years, developed businesses in shipping, trading, merchandise and automotive. In the early days, Burns Philp played a major role in assisting with the development of the Pacific Islands.

The business base was restructured to meet the changing circumstances and in 1990 a long term decision was made to focus on the automotive business. As part of this decision, Burns Philp entered into an equal share joint venture with Toyota Tsusho Corporation in June 1993. On 1 November 1998, Toyota Tsusho Corporation bought Burns Philp's share in the joint venture.

The company markets Toyota, Yamaha, Massey Ferguson, Bridgestone, Kobe, other world proven products and also operates the Avis franchise. Toyota Tsusho (South Sea) Limited, trading as Asco Motors, operates through branches, which are strategically located throughout Fiji, Tonga, Samoa and American Samoa. In each region that Asco Motors operates, it is the market leader in many of the market segments.

Business Review

The consolidated revenue for the group for the financial year 2014/15 increased by 10% from last financial year. The net profit after tax for the group stood at \$7.3m, a decline of \$0.2m from last year, mainly attributed to challenging economic conditions in the other markets of Toyota Tsusho (South Sea) Ltd based in Samoa and Tonga.

Revenue from trading activities in Fiji increased by 13% from last year, mainly led by improved sales of vehicles as a result of overall improvement in the performance of new vehicles market in Fiji. Hiace, Prado and LandCruiser 70 series contributed to the growth through improved pricing following the weakening of the Japanese Yen. The positive economic growth, stable political climate fostered by successful National Elections, government spending on infrastructure developments, improved labour market conditions, and easily accessible credit provided impetus for growth in the vehicles market. The flow on effect of growth in the vehicles segment was felt in the Fixed Operations business, resulting in 9% growth from last year. With notable increase in tourism arrivals and planned strategies, Car Rental business performed 11% better in revenue earnings compared to last financial year. As a result of the improved revenue from trading activities and reduction in corporate tax rates from last financial year, the net profit after tax grew by 19% from \$6.3m to \$7.5m.

Trading conditions in the other markets of Toyota Tsusho (South Sea) Ltd based in Samoa, Tonga and American Samoa continued to be weak. Total net result for the region was a loss of \$0.2m in comparison to a profit of \$1.2m in the previous year.

Dividend

In September 2014, the directors declared an interim dividend of 10 cents per share followed by a second interim dividend of 5 cents per share in December 2014 and a third interim dividend of 5 cents per share in March 2015, taking total dividends declared for the financial year ending 31 March 2015 to \$2.8m (2014: \$2.1m). This is an increase of 5 cents per share compared to prior year dividend payout.

Staff

Staff numbers remained fairly stable on a consolidated basis and increased by 13 persons to 392 at year end.

On behalf of the Board of Directors of the company, I thank all our employees for their continued efforts towards the results achieved during the year.

Corporate Social Responsibility

During the year, the company participated in the "one tyre one good deed" campaign in partnership with Bridgestone and World Wildlife Fund to raise funds to finance the reforestation programme. In addition, the company donated in cash and kind towards Hilton Special School, Heart Foundation, and hospitals around Suva.

The company continued to participate in various CSR activities in all the countries, assisting the underprivileged members of the community, by providing both direct monetary assistance and doing community service in various forms.

Staff involvement in CSR activities is an integral part of the company's CSR policy. Active participation levels of staff have increased, especially in areas of environment conservation, health and wellbeing and Christmas charity drives to assist the underprivileged in the society.

Outlook

The vehicles market is forecasted to remain very competitive, due to high levels of activity from both existing and new entrants to the market in all segments of the business including new vehicles.

Fiji's economy is forecast to grow by 4% in 2015, driven mainly by tourism, government spending on infrastructure and structural reforms announced in 2015 budget. These developments point towards a modest business growth in 2015/16 financial year.



Yoshiaki Kato

Chairman

Date: 15 May 2015

Corporate Governance Statement

31 March 2015

Toyota Tsusho (South Sea) Limited (TTSSL) is committed to strengthening its corporate governance and transparency in reporting, in accordance with the Listing Rules of the South Pacific Stock Exchange, the Companies Act 1983 for Fiji, Reserve Bank of Fiji's Corporate Governance Code for Capital Markets and International Financial Reporting Standards.

TTSSL's approach to governance, which has remained largely consistent over time, is to:

- promote long term profitability of TTSSL, while prudently managing risk;
- drive superior and sustainable shareholder value over the long term through alignment of the interests of shareholders and staff; and
- meet stakeholder expectations of sound corporate governance as part of TTSSL's broader responsibility to clients, shareholders, investors and the communities in which it operates.

Establish clear responsibilities for the Board oversight

The TTSSL Board is responsible for the overall corporate governance of the company. The TTSSL Articles of Association set out the powers and duties of directors in terms of managing the company effectively and efficiently. The Board has adopted a formal charter which details the Board's role and responsibilities and its relationship with management.

Each year, the Board reviews the company's strategies, the nature and scope of activities to be undertaken, and performance targets. The Board monitors management's performance relative to these objectives and targets.

Constitute an effective Board

TTSSL's Articles of Association specifies the number of directors may not be less than three (3) and not more than seven (7). The Board currently comprises six directors, including two independent directors and three resident directors.

The presence of independent non-executive directors on the Board promotes objectivity, challenge and debate. TTSSL's Board comprises qualified individuals with a wide range of experience and knowledge in the commercial sector.

Appointment of Chief Executive Officer

The Board appoints the Chief Executive Officer, TTSSL in accordance with the Articles of Association and the directors are expected to exercise due diligence in making this appointment.

Board and Company Secretary

The Board appoints the Company Secretary, in accordance with the Articles of Association and TTSSL's Recruitment Policy. The Company Secretary is the administrative link between Board and Management and is responsible for ensuring adherence to compliance issues. The Company Secretary coordinates effective and timely distribution of the Board meeting agenda and papers and ensures proper and detailed minutes are recorded.

Timely and balanced disclosure

TTSSL complies with its disclosure obligations under the SPSE Listing Rules and the Fiji Companies Act and provides its shareholders with information through regular market announcements.

TTSSL Annual Reports are subject to an independent audit and are in accordance with the Fiji Companies Act, and are presented to the shareholders at the Annual General Meeting for approval.

Promote ethical and responsible decision-making

TTSSL has a Code of Ethics in place, to guide the directors, CEO and employees in making ethical and responsible decisions. Directors and employees are encouraged to uphold high ethical standards, honesty, fairness and equity in all aspects of their employment and association with the company.

Register of interests

TTSSL directors are required to declare any conflicts of interest. All Board members declare their interests at the Board meetings and such interests are recorded in the Board minutes.

Respect the rights of shareholders

An Annual General Meeting is held every year in accordance with TTSSL's Articles of Association and shareholders are encouraged to participate. The Annual Report is published each year and circulated to the shareholders prior to the Annual General Meeting.

Corporate Governance Statement (cont)

31 March 2015

Accountability and Audit

TTSSL is audited externally each year and receives an independent audit report, which forms part of the Annual Report. The Company has a Business Review team that performs the functions of internal audit. Additionally, controls are periodically reviewed by the Business Review teams in the immediate parent company and the ultimate parent company. A risk-based audit plan, which provides assurance over key business processes and commercial and financial risks facing the company, is managed by the immediate parent body, Toyota Tsusho South Pacific Holdings Pty Ltd.

A comprehensive management accounting system is in place providing management with financial and operational performance measurement indicators. Detailed management accounts and various analyses are prepared monthly to cover each major area of the business.

Recognise and manage risk

The TTSSL Board takes steps to ensure that key business and operational risks are identified and appropriate controls and procedures are put in place to manage these risks through having a clearly defined organisational structure with approved financial delegation authority limits, procedures relating to capital expenditure, policies to manage financial and market risks and appropriate due diligence procedures.

Directors' Report
31 March 2015

The directors present their report for the year ended 31 March 2015, together with the financial statements of the parent entity and its subsidiaries for the year ended 31 March 2015.

Directors

The following persons were directors of Toyota Tsusho (South Sea) Limited during the financial year and up to the date of this report:

Teresa Julia Apted
John Benedict Thomas
Jai Nand Kumar
Tomonori Umehara
Digby Bossley

Mr Shigeru Ito resigned as Managing Director and Chairman of the Board of Directors and Mr Yoshiaki Kato was appointed in his place on 1 April 2015.

Reserves

The directors recommend that no amounts be transferred to reserves in respect of the year ended 31 March 2015.

Principal activities

During the year, principal continuing activities of the consolidated entity consisted of importation and sale of motor vehicles, marine products, power generating equipment, spare parts, car hire and repairing of motor vehicles and equipment.

Dividends

The directors declared and paid interim dividends totalling 20 cents per share amounting to \$2,806,440 during the year (2014: Total dividends of 15 cents per share amounting to \$2,104,830).

Results

The consolidated net profit after income tax expense for the group for the year was \$7,328,000 (2014: \$7,478,000). The company recorded a net profit after income tax expense of \$7,515,000 (2014: \$6,292,000).

The extent to which each subsidiary in the group contributed to the net consolidated profit covered by this report is disclosed in note 26.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the group in the period covered by this report.

Bad and doubtful debts

Prior to the completion of the financial statements of the Holding Company and its subsidiary companies, the directors took reasonable steps to ascertain what action has been taken in relation to writing off bad debts and the making of provision for impairment.

All known bad debts have been written off and adequate provision has been made for doubtful debts.

As at the date of the report, the directors are not aware of any circumstances, which would render the amount written off for bad debts, or provision for impairment in the group, inadequate to any substantial extent.

Current assets

Prior to the completion of the financial statements of the Holding Company and its subsidiary companies, the directors took reasonable steps to ascertain whether any current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the company and its subsidiaries. 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.

As at the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the group financial statements, misleading or misstated.

Directors' Report (cont)

31 March 2015

Matters subsequent to balance date

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors and management, to affect significantly the operations of the group or of the company, the results of those operations or the state of affairs of the group or of the company in subsequent financial years.

Basis of accounting

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 group financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the company or its subsidiaries misleading or inappropriate.

Unusual transactions

Apart from the matters specifically referred to in the financial statements, in the opinion of the directors, the results of the operations of the group or of any companies in the group during the financial year were not substantially affected by any item, transaction or event of an abnormal nature likely, in the opinion of the directors, to affect substantially the results of the operations or disclosures noted therein of any company in the group in the current financial year.

Directors' benefit

Since the end of the financial year, no benefits (other than those included in the aggregate amount of emoluments received or due and receivable by the directors shown in the group financial statements or their fixed salary as a full time employee of the company) have accrued to any directors by reason of a contract made by the company, or a related corporation with that director or with any firm of which he/she is a member or a company in which he/she has a substantial financial interest.

Signed at Suva the 15th day of May 2015 in accordance with a resolution of the directors.



Yoshiaki Kato
Chairman



Jai Kumar
Director

Independent Auditor's Report to the members of Toyota Tsusho (South Sea) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Toyota Tsusho (South Sea) Limited (the "company") and the consolidated financial statements of the company and its controlled entities (the "Group"), which comprise statements of financial position as at 31 March 2015, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes 1 to 32, comprising a summary of significant accounting policies and other explanatory information.

Directors' and Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 March 2015, and of their financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

The financial statements of the prior period were audited by PricewaterhouseCoopers. The predecessor auditors expressed an unqualified audit opinion dated 9 May 2014.

Report on Other Legal and Regulatory Requirements


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

In our opinion:

- i) proper books of account have been kept by the company, so far as it appears from our examination of those books;
- ii) the financial statements are in agreement with the books of account; and
- iii) to the best of our information and according to the explanations given to us the financial statements give the information required by the Fiji Companies Act., 1983 in the manner so required.

19 May
Suva, Fiji

, 2015


KPMG
Chartered Accountants

Statements of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March 2015

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Revenue	6	141,920	128,959	106,529	94,503
Cost of sales		(111,985)	(100,827)	(83,664)	(73,744)
Gross profit		29,935	28,132	22,865	20,759
Other income	6	790	950	555	758
Selling and distribution expenses		(1,033)	(1,026)	(378)	(746)
Administrative and other expenses		(21,002)	(19,150)	(14,027)	(13,367)
Operating profit		8,690	8,906	9,015	7,404
Net finance (expense)/income	20	(334)	750	(386)	764
Profit before tax	7	8,356	9,656	8,629	8,168
Income tax expense	9	(1,028)	(2,178)	(1,114)	(1,876)
Profit for the year		7,328	7,478	7,515	6,292
Other comprehensive income					
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences	25(a)	956	401	-	-
Other comprehensive income for the year, net of tax		956	401	-	-
Total comprehensive income attributable to members of TTSSL		8,284	7,879	7,515	6,292
Earnings per share					
Basic earnings per share	24(a)	0.52	0.53		
Diluted earnings per share	24(b)	0.52	0.53		

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

Statements of Financial Position

As at 31 March 2015

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	10	15,494	10,348	9,781	4,432
Trade and other receivables	11(a)	10,390	9,073	5,613	5,041
Inventories	12	27,946	22,841	21,654	17,985
Current tax receivable		160	41	13	138
Other current assets	13(a)	3,817	1,155	3,759	1,071
TOTAL CURRENT ASSETS		57,807	43,458	40,820	28,667
NON-CURRENT ASSETS					
Trade and other receivables	11(b)	1,192	2,305	1,171	2,285
Investment in subsidiaries	26	-	-	1,084	1,084
Property, plant and equipment	14	19,853	24,168	14,560	17,774
Deferred tax assets	19	958	487	520	178
Other non-current assets	13(b)	2,903	5,875	2,880	5,796
TOTAL NON-CURRENT ASSETS		24,906	32,835	20,215	27,117
TOTAL ASSETS		82,713	76,293	61,035	55,784
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	15	15,513	9,773	11,419	7,030
Interest-bearing liabilities	18	-	663	-	-
Provisions	16	153	1,058	123	972
Other current liabilities	17(a)	8,598	4,317	8,446	4,122
TOTAL CURRENT LIABILITIES		24,264	15,811	19,988	12,124
NON-CURRENT LIABILITIES					
Deferred tax liabilities	19	-	8	-	-
Other non-current liabilities	17(b)	6,759	14,262	6,634	13,956
TOTAL NON-CURRENT LIABILITIES		6,759	14,270	6,634	13,956
TOTAL LIABILITIES		31,023	30,081	26,622	26,080
NET ASSETS		51,690	46,212	34,413	29,704
EQUITY					
Contributed equity	22	14,032	14,032	14,032	14,032
Reserves	25(a)	3,026	2,070	451	451
Retained earnings	25(b)	34,632	30,110	19,930	15,221
TOTAL EQUITY		51,690	46,212	34,413	29,704

For and on behalf of the Board



Yoshiaki Kato
Chairman



Jai Kumar
Director

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

Statements of Cash Flows

For the Year Ended 31 March 2015

	Notes	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers		138,301	129,893	103,610	96,227
Payments to suppliers and employees		(127,295)	(120,565)	(92,818)	(90,122)
Cash generated from operations		11,006	9,328	10,792	6,105
Interest paid	20	(156)	(233)	(124)	(114)
Income taxes paid		(1,668)	(1,989)	(1,373)	(1,522)
Net cash flow from operating activities		9,182	7,106	9,295	4,469
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of plant and equipment		192	407	138	33
Interest received	6	386	248	187	133
Purchase of property, plant and equipment		(821)	(4,761)	(623)	(3,571)
Net cash used in investing activities		(243)	(4,106)	(298)	(3,405)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of borrowings		(663)	(819)	-	-
Dividends paid		(3,648)	(1,545)	(3,648)	(1,545)
Net cash used in financing activities		(4,311)	(2,364)	(3,648)	(1,545)
Net increase/(decrease) in cash held		4,628	636	5,349	(481)
Cash and cash equivalents at beginning of year		10,348	9,580	4,432	4,913
Effect of exchange rate changes on cash held		518	132	-	-
Cash and cash equivalents at end of financial year	10	15,494	10,348	9,781	4,432

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

Statements of Changes in Equity
For the Year Ended 31 March 2015

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Total equity at beginning of financial year		46,212	40,438	29,704	25,517
Total comprehensive income					
Profit for the year		7,328	7,478	7,515	6,292
Currency translation differences	25(a)	956	401	-	-
Total comprehensive income		8,284	7,879	7,515	6,292
Dividends paid or provided for	23	(2,806)	(2,105)	(2,806)	(2,105)
Total equity at end of the financial year		51,690	46,212	34,413	29,704

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

Notes to the Financial Statements
For the Year Ended 31 March 2015

1 General information

Toyota Tsusho (South Sea) Limited ("the company")/"parent entity") and its subsidiaries [together ("the group")/"consolidated entity")] deal in the retailing and aftermarket operations of Toyota, Yamaha, Massey Ferguson, Bridgestone and Kobe franchises.

The company is a limited liability company incorporated and domiciled in Fiji. The address of the registered office is Lot 1, Ratu Mara Road, Nabua, Suva Fiji.

The company is listed on the South Pacific Stock Exchange.

These consolidated financial statements were authorised for issue by the Board of directors on 15 May 2015. The Board of directors has the power to amend the financial statements after issue.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and the requirements of the Fiji Companies Act, 1983.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial assets and liabilities.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and management's judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2014 and not early adopted

IFRS 9 'Financial instruments', published in July 2014, replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39. The standard is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

IFRS 15 'Revenue from contracts with customers', replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes' and establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The standard is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted.

The group has not early adopted these standards and has not yet determined their effect on the company and the group.

(b) Consolidation

Subsidiaries are entities controlled by the group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Notes to the Financial Statements
For the Year Ended 31 March 2015

2 Summary of significant accounting policies (continued)

(b) Consolidation (continued)

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Investments in subsidiaries are accounted for at cost less impairment in the parent entity's financial statements.

(c) Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Costs are allocated according to the applicable revenue line in which they are incurred.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. Costs are allocated based on the physical locality of the business within an economy and a specific regulatory jurisdiction.

(d) Foreign currency transactions and balances

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Fijian dollars, which is the company's functional and presentation currency.

(ii) Foreign controlled entities

As the foreign controlled entities are self-sustaining, their assets and liabilities are translated into Fijian currency at rates of exchange current at balance date, while their revenues and expenses are translated at the average of rates ruling during the year. Exchange differences arising on translation are taken to the foreign currency translation reserve on consolidation.

(iii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(e) Property, plant and equipment

In accordance with IAS 16, the group records all property, plant and equipment at cost less subsequent depreciation and impairment losses. Freehold land is not depreciated. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits with the item will flow to the group and the cost of the item can be measured reliably.

All other repairs and maintenance expenditures are charged to profit or loss during the financial year in which they are incurred.

Gains or losses on the disposal of property, plant and equipment are recognised in profit or loss.

Depreciation is provided on property, plant and equipment on a straight-line basis so as to write off the cost of assets over their expected economic life.

Notes to the Financial Statements

For the Year Ended 31 March 2015

2 Summary of significant accounting policies (continued)

(e) Property, plant and equipment (continued)

The depreciation rates currently adopted by the group are:

Fixed asset class	Depreciation rate
Buildings	5.00%
Plant and equipment	15.00% - 33.00%
Sale and buy-back vehicles	25.00% - 50.00%

(f) Leases

Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the lease property and the present value of the minimum lease payments. The corresponding rent obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the assets useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in revenue and other income on a straight-line basis over the lease term.

(g) Financial assets

The group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The group's loan and receivables comprise 'trade and other receivables' and 'cash equivalents' in the statement of financial position.

The Group does not engage in regular purchase and sale of financial assets.

Financial assets are derecognised when the contractual rights to receive cash flows from the asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Loans and receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(h) Trade and other receivables

(i) *Trade receivables*

All trade debtors are recognised at the amounts receivable as they are due for settlement. Collectability of trade debtors is reviewed on an on-going basis. Debts, which are known to be not collectable, are written off. A provision for impairment is raised when some doubt as to collection exists.

(ii) *Term receivables*

A receivable is recognised for this class of debtor when finance is provided to customers for terms of up to 4 years on completion of relevant security documentation. The carrying amount of the debt is shown net of unearned interest and provision for impairment.

Notes to the Financial Statements

For the Year Ended 31 March 2015

2 Summary of significant accounting policies (continued)

(i) Inventories

Inventories on hand and work in progress are stated at the lower of cost and net realisable value. Costs are assigned to individual items of stock on the basis of the landed direct cost, insurance, freight and an allocation of overhead expenditure, the latter being allocated on the basis of labour incurred. Adequate provision is made for slow moving and obsolete inventories.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are classified separately under current liabilities on the statements of financial position.

(k) Share capital

Ordinary shares are classified as equity and carried in the financial statements at par value.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the holding company and the group prior to the end of the financial period and remain unpaid at period end. These amounts are unsecured and are usually paid within 30 days of recognition.

(m) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowing are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(n) Current and deferred income tax

The current income tax charge is calculated on the basis of the tax rates enacted, or substantively enacted, at the reporting date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where timing of reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the Financial Statements
For the Year Ended 31 March 2015

2 Summary of significant accounting policies (continued)

(o) Employee emoluments and benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

(p) Provisions

Provisions for legal claims and service warranties are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(q) Dividends

Provisions are made when dividends are declared by the Board of directors.

The parent entity is subject to the provisions of Fiji Income Tax Act and the Income Tax (Dividend) Regulations of 2001.

(r) Earnings per share

Basic earnings per share is determined by dividing the net profit after income tax attributable to shareholders of the group by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is determined on the same basis as above as the group does not have any convertible instruments, options, warrants or ordinary shares that will be issued upon the satisfaction of specified conditions.

(s) Revenue recognition

Revenue comprises the fair value of the sale of goods and services. The group recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

(i) Operating revenue (product sales and services)

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised when goods and services have been delivered to customers pursuant to a valid sales order and the associated risks have passed to the customer.

Notes to the Financial Statements
For the Year Ended 31 March 2015

2 Summary of significant accounting policies (continued)

(s) Revenue recognition (continued)

(ii) Sales with buy-back conditions

Certain sale contracts include conditions that require the company to either buyback the vehicle sold at a specific price or guarantee a future trade-in-value. For such contracts the company does not record the revenues related to these contracts at the time of delivery, but rather defers and recognises this revenue over the term of the contract.

Such sale contracts also require that vehicles be fully serviced and maintained by the company. Revenues related to performance of servicing and maintenance are deferred and recognised after actual servicing and maintenance is carried out by the company.

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(t) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

(u) Rounding

Amounts have been rounded to the nearest thousand dollars except where otherwise noted.

(v) Assets and liabilities relating to sale and buy-back conditions

(i) Sale and buy-back assets - cost base of vehicles relative to guaranteed buy-back conditions

Costs relating to buy-back contracts expiring in the next financial year are disclosed as current assets and the remainder are disclosed as non-current assets (notes 13 and 21).

(ii) Sale and buy-back liabilities

(a) Guaranteed buy-back amounts

Amounts relating to buy-back contracts expiring in the next financial year are disclosed as current liabilities and the remainder are disclosed as non-current liabilities (notes 17 and 21).

(b) Lease instalments received in advance (deferred revenue on sales with buy-back conditions)

Amounts to be recognized as revenue in the next financial year are disclosed as current liabilities and the remainder are disclosed as non-current liabilities (note 17).

(c) Service contracts

Certain vehicle sales with buy-back conditions also have a parallel service contract. Under a service contract, the company guarantees to carry out specified levels of servicing for the vehicle, over the contract period at an agreed contract value. This value is held as a non-current liability (note 17), and is recognised in profit or loss as each service is performed on the vehicle.

The above assets and liabilities have not been discounted as the impact is not considered material to the financial statements.

(iii) Property, plant and equipment

Cost of vehicles subject to sales with buy-back conditions, net of the cost base relative to the guaranteed buy-back price, are held as property, plant and equipment. Each vehicle is depreciated over the period of the contract.

Notes to the Financial Statements
For the Year Ended 31 March 2015

2 Summary of significant accounting policies (continued)

(w) Impairment

(i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes a default or delinquency by a debtor and indications that a debtor or issuer will enter bankruptcy.

Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indications exist, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or CGU's.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

3 Financial risk management

The consolidated entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

Risk management is carried out by finance executives and management of controlled entities of the group. Management and finance executives identify and evaluate financial risks in close cooperation with the group's operating units. The Board provides direction for overall risk management covering specific areas, such as mitigating foreign exchange, interest rate risk and credit risks, and investment of excess liquidity.

Notes to the Financial Statements

For the Year Ended 31 March 2015

3 Financial risk management (continued)

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency (refer note 2 (d)).

The group operates in American Samoa (US dollar), Samoa (Tala), Tonga (Pa'anga) and Fiji (Fijian dollar) and procures assets and supplies from principal suppliers based predominantly in Australia (Australian dollar), Thailand (US Dollar), Japan (Japanese Yen), Singapore (US Dollar), Indonesia (US Dollar) and New Zealand (New Zealand dollar). As a measure, prompt settlement of liabilities (and assets if necessary) is exercised by management to minimise the exposure to foreign exchange losses. As an additional measure, the group negotiates competitive rates with its bankers to minimise losses and maximise gains when receipts and payments become due.

Management has set up a policy requiring group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward exchange contracts (FECs). However, the FECs are not available in respect of certain South Pacific currencies. Hedge accounting has not been applied.

The contract value of FECs, in Fijian dollars, outstanding as at the reporting date was as follows:

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Forward exchange contracts	6,561	687	6,561	687

Given the short period from inception of the contracts to balance date, the fair value of these contracts is not considered material to the financial statements.

The group and company's exposure to foreign currency risk at the reporting date, in Fijian dollars, was as follows:

	Consolidated		
	USD \$'000	AUD \$'000	JPY 000
2015			
Trade payables	6,251	427	1,630
2014			
Trade payables	1,891	474	414
	Parent		
	USD \$'000	AUD \$'000	JPY 000
2015			
Trade payables	5,444	298	1,624
2014			
Trade payables	1,862	420	398

(ii) Sensitivity analysis

To determine the sensitivity to foreign exchange risk, the company calculates an implied volatility in exchange rates by calculating the maximum variation of month end spot rates from the average exchange rate for the year.

Notes to the Financial Statements

For the Year Ended 31 March 2015

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Sensitivity analysis (continued)

Group Sensitivity

At 31 March 2015, had the Fijian dollar strengthened/weakened by the implied volatility of 6% (2014: 6%) against the US dollar with all other variables held constant, the group's post-tax profits would have been FJD313,111 higher/FJD313,111 lower (2014: FJD111,922 higher/ FJD111,922 lower), mainly as a result of foreign exchange gains/losses on translation of USD denominated trade receivables, and USD denominated borrowings.

The groups sensitivity to foreign exchange risk from other currencies was not material at balance date.

Parent Entity Sensitivity

At 31 March 2015, had the Fijian dollar strengthened/weakened by the implied volatility of 6% (2014: 6%) against the US dollar with all other variables held constant, the group's post-tax profits would have been FJD313,111 higher/FJD313,111 lower (2014: FJD111,922 higher/ FJD111,922 lower), mainly as a result of foreign exchange gains/losses on translation of USD denominated trade receivables, and USD denominated borrowings.

The parent entity's sensitivity to foreign exchange risk from other currencies was not material at balance date.

(b) Credit risk

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

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

Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The group has a credit policy in place under which each new customer is analysed individually for credit worthiness before the group's standard payment and delivery terms and conditions are offered. The Group reviews customer's credit history through the Data Bureau of Fiji and trade references with the customer's existing trade partners. Sales limits are established for each customer and reviewed on an individual case basis. Any sales exceeding those limits require approval from the Management Committee.

The majority of the group's customers have been transacting with the group for over four years and no impairment loss has been recognised against these customers. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are wholesale, retail or end-user customer, their geographic location, industry and existence of previous financial difficulties.

At 31 March 2015 and 2014, the ageing of trade and term receivables, gross of impairment provisions, was as follows:

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Up to 3 months	5,880	5,000	4,325	3,472
3 to 6 months	1,044	527	370	373
Over 6 months	2,728	2,252	591	749
	<u>9,652</u>	<u>7,779</u>	<u>5,286</u>	<u>4,594</u>

Notes to the Financial Statements

For the Year Ended 31 March 2015

3 Financial risk management (continued)

(b) Credit risk (continued)

Trade and other receivables (continued)

At 31 March 2015 and 2014, the ageing of trade and term receivables that were not impaired was as follows:

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Neither past due nor impaired	3,596	4,933	2,758	3,102
Past due 31-90 days, not impaired	1,026	792	612	404
Past due 91 days plus, not impaired	3,331	1,585	953	809
	7,953	7,310	4,323	4,315

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on the customer's historical payment record.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business of the company, management aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

Consolidated	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Greater than 5 years \$'000	Contractual Outflows \$'000	Carrying Amount \$'000
Year ended 31 March 2015						
Trade and other payables	15,513	-	-	-	15,513	15,513
Sale and buy-back liabilities	3,768	965	2,448	-	7,181	7,181
	19,281	965	2,448	-	22,694	22,694

Consolidated	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Greater than 5 years \$'000	Contractual Outflows \$'000	Carrying Amount \$'000
Year ended 31 March 2014						
Trade and other payables	9,773	-	-	-	9,773	9,773
Interest-bearing liabilities	695	-	-	-	695	663
Sale and buy-back liabilities	444	3,873	2,729	-	7,046	7,046
	10,912	3,873	2,729	-	17,514	17,482

Parent	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Greater than 5 years \$'000	Contractual Outflows \$'000	Carrying Amount \$'000
Year ended 31 March 2015						
Trade and other payables	11,419	-	-	-	11,419	11,419
Sale and buy-back liabilities	3,687	960	2,412	-	7,059	7,059
	15,106	960	2,412	-	18,478	18,478

Notes to the Financial Statements

For the Year Ended 31 March 2015

3 Financial risk management (continued)

(c) Liquidity risk (continued)

Parent	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Greater than 5 years \$'000	Contractual Outflows \$'000	Carrying Amount \$'000
Year ended 31 March 2014						
Trade and other payables	7,030	-	-	-	7,030	7,030
Sale and buy-back liabilities	347	3,791	2,729	-	6,867	6,867
	7,377	3,791	2,729	-	13,897	13,897

(d) Cash flow and fair value interest rate risk

As the company and consolidated entity have no significant interest-bearing assets, the company and consolidated entity's income and operating cash flows are not materially exposed to changes in market interest rates.

(e) Capital risk management

The group's objectives when obtaining and managing capital are to safeguard the group's ability to continue as a going concern and provide shareholders with a consistent level of returns.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Provisions, legal, warranty, doubtful debts, obsolescence and employee benefits

Provisions are measured at the value management best estimates an expenditure to be incurred at, to settle a present obligation at balance date. Market situations are often used to estimate provisions. Changes in market situations will create a difference between provisions recorded and actual amounts on settlement.

(ii) Depreciation

On acquiring an asset, management determines the most reasonable length of time it expects the group to maintain that asset with reference to characteristics of similar assets or classes of assets held by the group presently or in the past. Where there is no reference available to assets or classes of assets held at present or in the past, reference is made to industry benchmarks.

Each year, management assesses the carrying value of assets to determine whether they are impaired. Appropriate revisions to the policies are made, if necessary, or where any significant impairment losses are accounted for in the financial statements as a corrective measure, appropriate disclosure would normally follow.

(iii) Revenue recognition on sale and buy-back contracts

Revenue from buy-back contracts is recognised over the applicable contractual period. This is in line with the understanding that the period of allocation coincides with the life of the contract and that no variations in terms and conditions that may affect the allocation of revenue will be made thereafter. Adjustments to the allocation period based on variations to the terms and conditions of a sale and buy-back contract will have a direct effect on the amount of revenues recognised in one financial year from another.

The bases of the revenues recognised on sale and buy-back contracts are corrected in the financial year when it becomes known to management that there have been variations.

Notes to the Financial Statements
For the Year Ended 31 March 2015

4 Critical accounting estimates and judgements (continued)

(b) Critical judgements in applying the entity's accounting policies

The assessment of the transfer of risk and rewards of ownership to the purchaser requires significant judgement. The group has determined that sale of vehicles that are subject to guaranteed buy-back provisions represent in substance a financing transaction and are accounted for as operating leases.

5 Segment information

General information

For the group, the respective management executive committees and the Board act as the 'key decision makers'. Operating segments have been determined based on reports reviewed by the Board.

The Board considers the business from both a geographic and product perspective.

The reportable operating segments derive their revenue primarily from the retail and aftermarket operations of Toyota, Yamaha, Massey Ferguson, Bridgestone and Kobe franchises.

Sales between segments are carried out under normal commercial terms and conditions. The revenue from external parties reported to the Board is measured in a manner consistent with that in the statements of profit or loss and other comprehensive income.

(a) Operating segments

The group has four reportable segments, which are the four legal entities in the group: Fiji, Samoa, American Samoa and Tonga. In addition, revenues from external customers for each product or service line has been disclosed comprising: new vehicle, used vehicle, parts, tyres & batteries, service, panel, fuel, car rental, marine products and sale and buy-back revenue. Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment. Segment assets include all assets used by that segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment, net of related segment liabilities consisting primarily of trade and other creditors, employee entitlements and provisions.

2015	Fiji	Samoa	American Samoa	Tonga	Inter-Entity Elimination	Group Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue and other income	106,748	13,410	11,708	10,844	-	142,710
Inter-segment revenue	336	-	-	-	(336)	-
Total segment revenue & other income	107,084	13,410	11,708	10,844	(336)	142,710
Segment profit before tax	8,629	(142)	188	(319)	-	8,356
Interest income	187	60	137	2	-	386
Interest expense	(124)	(32)	-	-	-	(156)
Depreciation expense	(5,645)	(704)	(256)	(252)	-	(6,857)
Segment assets	61,035	9,836	10,254	2,329	(741)	82,713
Acquisitions of property, plant and equipment (excluding sale and buy-back vehicles and hire cars)	623	-	119	79	-	821
Segment liabilities	26,622	1,270	2,267	710	154	31,023

Notes to the Financial Statements

For the Year Ended 31 March 2015

5 Segment information (continued)

(a) Operating segments (continued)

2014	Fiji	Samoa	American Samoa	Tonga	Inter-Entity Elimination	Group Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue and other income	94,931	12,824	10,411	11,743	-	129,909
Inter-segment revenue	330	-	-	-	(330)	-
Total segment revenue & other income	95,261	12,824	10,411	11,743	(330)	129,909
Segment profit before tax	8,168	565	767	156	-	9,656
Interest income	133	4	109	2	-	248
Interest expense	(114)	(119)	-	-	-	(233)
Depreciation expense	(5,628)	(829)	(251)	(255)	-	(6,963)
Segment assets	55,784	10,080	8,231	3,324	(1,126)	76,293
Acquisitions of property, plant and equipment (excluding sale and buy-back vehicles and hire cars)	2,654	97	86	69	-	2,906
Segment liabilities	26,080	1,558	1,235	1,439	(231)	30,081

The comparatives have been adjusted to conform to changes in presentation in the current year. Foreign exchange gain has been reclassified from "Other income" and is included in "Net finance (expense)/income" in the statements of profit or loss and other comprehensive income (refer note 30). "Revenue and other income" has been adjusted in the table above.

(b) Information about products and services

The following discloses revenue from external customers by product or service:

	2015 \$'000	2014 \$'000
New Vehicles	70,369	60,859
Used Vehicles	7,170	5,802
Parts	9,939	9,321
Tyres & Batteries	8,696	9,368
Service	6,178	5,897
Panel	2,171	2,273
Fuel	20,163	19,135
Car Rental	6,448	6,099
Marine Products	6,758	5,703
Sale and Buy-Back	4,028	4,502
Other Income	790	950
	142,710	129,909

(c) Reportable segment assets and liabilities

The reports provided to the Executive Committee with respect to assets and liabilities are reviewed and measured in respect of geographical location only and are consistent with the financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2015

6 Revenue and other income

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Revenue				
Product sales	123,095	110,188	92,753	81,027
Service income	8,349	8,170	5,719	5,397
Car rental income	6,448	6,099	4,225	3,819
Sale and buy-back income	4,028	4,502	3,832	4,260
	<u>141,920</u>	<u>128,959</u>	<u>106,529</u>	<u>94,503</u>
Other income				
Property rental and sub-lease income	114	92	-	-
Interest	386	248	187	133
Gain on sale of fixed assets	75	415	21	230
Administration and management fees from subsidiaries (note 27(a))	-	-	228	248
Other income	215	195	119	147
	<u>790</u>	<u>950</u>	<u>555</u>	<u>758</u>
Total income	<u>142,710</u>	<u>129,909</u>	<u>107,084</u>	<u>95,261</u>

7 Profit before tax

Profit before tax has been determined after:

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Charging as expense:				
Depreciation	6,857	6,963	5,645	5,628
Employee emoluments and benefits expenses (note 8)	9,169	7,891	6,303	5,526
Auditors remuneration for audit services				
Auditors of the Company – KPMG	87	-	72	-
Other auditors	50	162	-	100
Amounts set aside/(withdrawn) in respect of provisions:				
Trade and term debts	28	110	(28)	66
Employee emoluments	10	(11)	30	(42)
Employee benefits (Long service leave)	24	49	18	33
Stock obsolescence	159	(69)	110	30
Sundry	1	1	1	(5)

8 Employee emoluments and benefits

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Staff	6,927	5,669	5,146	4,437
Key management personnel (note 27 (b))	2,242	2,222	1,157	1,089
Total employee emoluments and benefits	<u>9,169</u>	<u>7,891</u>	<u>6,303</u>	<u>5,526</u>

Notes to the Financial Statements

For the Year Ended 31 March 2015

8 Employee emoluments and benefits (continued)

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Superannuation (included in employee emoluments and benefits)	390	389	361	362
	Consolidated		Parent	
	2015	2014	2015	2014
Number of employees	392	379	277	261

The employee emoluments and benefits are included as part of cost of sales and administrative and other expenses in the statements of profit or loss and other comprehensive income.

9 Income tax**(a) Income tax expense**

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Current tax:				
Current tax	1,078	1,877	1,026	1,450
Adjustment in respect of prior years	407	138	430	31
Total current tax expense	1,485	2,015	1,456	1,481
Deferred tax:				
Origination and reversal of temporary differences	(264)	(14)	(149)	218
Recognition of temporary difference not previously brought to account	(220)	-	(220)	-
Adjustment in respect of prior years	27	-	27	-
Impact of change in tax rate	-	177	-	177
Total deferred tax expense	(457)	163	(342)	395
Income tax expense	1,028	2,178	1,114	1,876

Notes to the Financial Statements

For the Year Ended 31 March 2015

9 Income tax (continued)

(b) The prima facie income tax payable on operating profit before income tax is reconciled to the income tax expense in the statement of profit or loss and other comprehensive income as follows:

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Profit before tax	8,356	9,656	8,629	8,168
Prima facie income tax expense calculated at 10% (2014: 20%) on operating profit	836	1,931	863	1,634
Add back tax effect of amounts which are not deductible				
50% superannuation	18	34	18	34
Fringe benefit tax	3	-	3	-
Donations	2	-	2	-
Less tax effect of amounts which are deductible				
100% PGA sponsorship	(9)	-	(9)	-
	850	1,965	877	1,668
Income tax under provided in prior years	434	138	457	31
Recognition of temporary difference not previously brought to account	(220)	-	(220)	-
Difference in overseas tax rates	(36)	(102)	-	-
Effect of change in tax rates	-	177	-	177
Income tax expense	1,028	2,178	1,114	1,876

10 Cash and cash equivalents

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash on hand	10	8	4	5
Cash at bank	15,484	10,340	9,777	4,427
	15,494	10,348	9,781	4,432

As at 31 March 2015, the group has not utilised any of its bank overdraft facilities (2014: nil).

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For the Year Ended 31 March 2015

11 Trade and other receivables

(a) Current assets

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade receivables	4,583	4,534	3,597	2,976
Provision for impairment - trade receivables	(147)	(159)	(25)	(72)
	<u>4,436</u>	<u>4,375</u>	<u>3,572</u>	<u>2,904</u>
Term receivables	5,069	3,245	1,689	1,618
Provision for impairment - term receivables	(58)	(35)	-	-
	<u>5,011</u>	<u>3,210</u>	<u>1,689</u>	<u>1,618</u>
Receivables from related parties (note 27 (d))	49	146	23	75
Other receivables	618	821	181	238
Prepayments	276	521	148	206
	<u>10,390</u>	<u>9,073</u>	<u>5,613</u>	<u>5,041</u>

Trade and other receivables are expected to be settled/ realised within 3 months and at the latest, within 12 months. Balances outstanding/ unrealised beyond 3 months, and assessed to be non-collectable, have all been provided for. The current carrying values of all trade and other receivables are considered to be a close approximation of their fair values.

Movements in the provision for impairment of trade and term receivables are as follows:

Provision for impairment - Trade receivables

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At 1 April	159	53	72	6
Provision for impairment	76	113	25	66
Receivables written off during the year as uncollectable	(19)	(2)	(19)	-
Unused amount released	(70)	(3)	(53)	-
Exchange differences	1	(2)	-	-
At 31 March	<u>147</u>	<u>159</u>	<u>25</u>	<u>72</u>

Provision for impairment - Term receivables

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
At 1 April	35	38	-	-
Provision for impairment	37	-	-	-
Unused amount released	(15)	-	-	-
Exchange differences	1	(3)	-	-
At 31 March	<u>58</u>	<u>35</u>	<u>-</u>	<u>-</u>

The other receivables and prepayments are not deemed to be impaired.

Notes to the Financial Statements

For the Year Ended 31 March 2015

11 Trade and other receivables (continued)**(b) Non-current assets**

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Term receivables	1,157	2,271	1,157	2,271
Rental deposits	35	34	14	14
	1,192	2,305	1,171	2,285

Fair values

All term receivables are expected to be settled within 2 to 5 years and approximate their fair values based on the corporate borrowing rate which the company would have been entitled to at year end. The fair value of rental deposits approximates the current carrying values.

12 Inventories

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Finished goods	20,204	19,714	15,233	15,533
Provision for obsolescence	(582)	(423)	(372)	(262)
	19,622	19,291	14,861	15,271
Goods in transit	8,295	3,528	6,771	2,695
Work in progress	29	22	22	19
	27,946	22,841	21,654	17,985

The cost of inventories and the amount of write-downs recognised as an expense and included in 'cost of sales' for the group amounted to \$104,048,000 (2014: \$91,999,000) and \$40,000 (2014: \$33,000) respectively. The cost of inventories and the amount of write downs recognised as an expense and included in 'cost of sales' for the parent entity amounted to \$77,473,000 (2014: \$67,606,000) and \$20,000 (2014: \$4,000) respectively.

13 Other non-financial assets**(a) Other current assets**

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Sale and buy-back assets (note 21)	3,478	400	3,426	314
Other current assets	339	755	333	757
	3,817	1,155	3,759	1,071

(b) Other non-current assets

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Sale and buy-back assets (note 21)	2,903	5,875	2,880	5,796

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For the Year Ended 31 March 2015

14 Property, plant and equipment

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Freehold land & buildings				
At cost	13,924	13,388	8,107	7,903
Accumulated depreciation	(6,141)	(5,484)	(3,459)	(3,084)
Leasehold land & buildings				
At cost	3,425	3,380	1,170	1,177
Accumulated depreciation	(2,483)	(2,333)	(610)	(585)
Plant and equipment				
At cost	19,197	19,598	13,387	12,795
Accumulated depreciation	(12,217)	(11,577)	(7,923)	(7,228)
Sale and buy-back vehicles				
At cost	10,796	12,208	10,290	11,355
Accumulated depreciation	(6,823)	(5,271)	(6,402)	(4,662)
Capital work in progress				
At cost	175	259	-	103
At end of year	19,853	24,168	14,560	17,774

Consolidated	Freehold land and buildings \$'000	Leasehold land and buildings \$'000	Plant and equipment \$'000	Sale and buy back vehicles \$'000	Total \$'000
Year ended 31 March 2015					
Carrying amount at 1 April 2014	8,163	1,047	8,021	6,937	24,168
Additions	100	38	3,898	729	4,765
Disposals	-	(7)	-	(110)	(117)
Depreciation	(389)	(142)	(3,425)	(2,901)	(6,857)
Other movements – transfers*	-	-	(1,588)	(685)	(2,273)
Capital work in progress additions	8	-	-	-	8
Effect of movements in exchange rates	76	6	74	3	159
Carrying amount at 31 March 2015	7,958	942	6,980	3,973	19,853

Consolidated	Freehold land and buildings \$'000	Leasehold land and buildings \$'000	Plant and equipment \$'000	Sale and buy back vehicles \$'000	Total \$'000
Year ended 31 March 2014					
Carrying amount at 1 April 2013	7,089	811	9,233	5,955	23,088
Additions	1,133	352	3,093	4,805	9,383
Disposals	-	-	(4)	-	(4)
Depreciation	(329)	(129)	(3,478)	(3,027)	(6,963)
Other movements – transfers*	-	-	(873)	(800)	(1,673)
Capital works in progress additions	183	-	-	-	183
Effect of movements in exchange rates	87	13	50	4	154
Carrying amount at 31 March 2014	8,163	1,047	8,021	6,937	24,168

Notes to the Financial Statements

For the Year Ended 31 March 2015

14 Property, plant and equipment (continued)

Parent	Freehold land and buildings \$'000	Leasehold land and buildings \$'000	Plant and equipment \$'000	Sale and buy back vehicles \$'000	Total \$'000
Year ended 31 March 2015					
Carrying amount at 1 April 2014	4,922	592	5,568	6,692	17,774
Additions	100	38	3,199	674	4,011
Disposals	-	(7)	-	(110)	(117)
Depreciation	(374)	(63)	(2,505)	(2,703)	(5,645)
Other movements – transfers*	-	-	(798)	(665)	(1,463)
Carrying amount at 31 March 2015	4,648	560	5,464	3,888	14,560

Parent	Freehold land and buildings \$'000	Leasehold land and buildings \$'000	Plant and equipment \$'000	Sale and buy back vehicles \$'000	Total \$'000
Year ended 31 March 2014					
Carrying amount at 1 April 2013	4,010	289	6,718	5,584	16,601
Additions	1,133	352	1,983	4,771	8,239
Disposals	-	-	(4)	-	(4)
Depreciation	(324)	(49)	(2,392)	(2,863)	(5,628)
Other movements – transfers*	-	-	(737)	(800)	(1,537)
Capital work in progress additions	103	-	-	-	103
Carrying amount at 31 March 2014	4,922	592	5,568	6,692	17,774

* Transfers relate to sale and buy-back vehicles which are transferred from property, plant and equipment to used vehicles inventories upon expiry or early termination of sale and buy-back arrangements. This also includes transfer of former hire cars to used vehicle inventories.

15 Trade and other payables

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade creditors	2,814	2,385	1,312	810
Employee entitlement provisions	1,048	1,038	737	707
Accrued expenses	575	523	367	367
Related parties (note 27 (d))	8,476	2,873	7,576	2,895
Other creditors	2,600	2,954	1,427	2,251
	15,513	9,773	11,419	7,030

Notes to the Financial Statements

For the Year Ended 31 March 2015

16 Provisions

		Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Employee benefits	(a)	152	154	122	130
Dividends payable	(b)	-	173	-	173
Dividends payable to parent company	(b)	-	669	-	669
Sundry	(c)	1	62	1	-
		153	1,058	123	972

Consolidated	Employee Benefits	Dividends	Dividends payable to parents shareholders	Sundry	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 March 2015					
At 1 April 2014	154	173	669	62	1,058
Charged/(credited) to profit or loss					
- Additional provisions	24	570	2,236	1	2,831
- Used during the year	(26)	(743)	(2,905)	-	(3,674)
Reclassification					
- Trade and other payables	-	-	-	(62)	(62)
At 31 March 2015	152	-	-	1	153

Parent	Employee Benefits	Dividends	Dividends payable to parents shareholders	Sundry	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 March 2015					
At 1 April 2014	130	173	669	-	972
Charged/(credited) to profit or loss					
- Additional provisions	18	570	2,236	1	2,825
- Used during the year	(26)	(743)	(2,905)	-	(3,674)
At 31 March 2015	122	-	-	1	123

(a) Employee benefits

Provision for employee benefits relate to long service leave. The group is obliged to reward employees for years of service after 15 and 20 years of continuous employment. This provision estimates the extent of the benefit outstanding to an employee as a proportion of their 15 or 20 years of service and does not take into account the possibility of an employee being terminated, terminally ill, unfit for employment, voluntarily resigning or deceased. Employee benefits have been accounted for as per note 2(o).

(b) Dividends

The Board of directors declared and paid interim dividends of \$2,806,440 (2014: Total dividends of \$2,104,830) during the year. The amount outstanding at balance date represents unpaid dividends. All outstanding dividends are expected to be paid out in the next financial year. Dividends have been accounted for as per note 2(q).

(c) Sundry

The amount represents provisions for legal claims and unified campaigns. The provision charge is recognised in profit or loss within 'administrative and other expenses'. The balance at 31 March 2015 is expected to be settled within the next financial year. In the Board's opinion, after making an assessment of historical data, the current market situation, and taking legal advice, the outcome of these provisions will not result in any significant loss beyond the amounts provided at 31 March 2015.

Notes to the Financial Statements

For the Year Ended 31 March 2015

17 Other liabilities**(a) Other current liabilities**

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Sale and buy-back liabilities (note 21)	3,768	444	3,687	347
Service contracts	2,254	854	2,209	854
Sale and buy-back income in advance - current	2,576	3,019	2,550	2,921
	8,598	4,317	8,446	4,122

(b) Other non-current liabilities

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Sale and buy-back liabilities (note 21)	3,413	6,602	3,372	6,520
Service contracts	1,377	3,638	1,353	3,563
Sale and buy-back income in advance - non-current	1,969	4,022	1,909	3,873
	6,759	14,262	6,634	13,956

18 Interest-bearing liabilities

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Borrowings - current	-	663	-	-

The borrowing was taken up by Toyota Tsusho (Samoa) Ltd to purchase freehold land. This was a three year term loan which expired in February 2015 and was repaid in full.

19 Deferred tax assets and liabilities

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Deferred tax assets:				
Property, plant and equipment	546	325	370	226
Trade and term debtors	61	43	2	6
Inventories	96	57	37	10
Employee benefits	66	59	12	13
Other	189	3	99	(77)
Total deferred tax assets	958	487	520	178
Deferred tax liabilities:				
Property, plant and equipment	-	(8)	-	-
Total deferred tax liabilities	-	(8)	-	-
Total deferred tax	958	479	520	178

Notes to the Financial Statements

For the Year Ended 31 March 2015

19 Deferred tax assets and liabilities (continued)

The gross movement on the deferred income tax account is as follows:

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Deferred tax – 1 April	479	640	178	573
Exchange differences	22	2	-	-
Income statement charge - current year (note 9(a))	457	(163)	342	(395)
Deferred tax - 31 March	958	479	520	178

20 Net finance expense/(income)

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Interest paid	156	233	124	114
Net foreign exchange losses /(gains)	178	(983)	262	(878)
	334	(750)	386	(764)

21 Sale and buy back

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Current assets (note 13(a))	3,478	400	3,426	314
Non-current assets (note 13(b))	2,903	5,875	2,880	5,796
Current liabilities (note 17(a))	(3,768)	(444)	(3,687)	(347)
Non-current liabilities (note 17(b))	(3,413)	(6,602)	(3,372)	(6,520)

The above receivables and payables are included in the statements of financial position in respect of sale and buy-back transactions of the consolidated entity and its subsidiaries as described in note 2(v).

All sale and buy-back assets and liabilities of the group are with the three major players in the banking industry in which the group operates. The carrying amounts of all sale and buy-back assets and liabilities reflected in the group's financial statements at balance date are considered to be a close approximation of their fair values.

22 Contributed equity

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Ordinary shares				
Issued and paid up capital	14,032	14,032	14,032	14,032

Authorised capital comprise of 20 million ordinary shares (2014: 20 million shares) with a par value of \$1 per share (2014: \$1 per share). Issued and paid up capital comprise of 14,032,000 ordinary shares (2014: 14,032,000 ordinary shares) with par value of \$1 per share (2014: \$1 per share). All issued shares are fully paid and have equal rights to vote at general meetings, receive dividends and carry the same preferences and restrictions.

Notes to the Financial Statements

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23 Dividends per share

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
1st interim dividend of 10 cents per share (2014: 5 cents per share)	1,402	702	1,402	702
2nd interim dividend of 5 cents per share (2014: 4 cents per share)	702	561	702	561
3rd interim dividend of 5 cents per share (2014: 6 cents per share)	702	842	702	842
	2,806	2,105	2,806	2,105

The dividends are accounted for in accordance with the policy note 2(q).

24 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and number of ordinary shares outstanding:

	Consolidated	
	2015 \$'000	2014 \$'000
Profit for the year attributable to members of TTSSL	7,328	7,478
Number of ordinary shares	14,032	14,032
Basic earnings per share	0.52	0.53

(b) Diluted earnings shares

Diluted earnings per share are the same as basic earnings per share.

25 Reserves and retained earnings

(a) Reserves

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Capital redemption reserve	56	56	56	56
Share premium reserve	395	395	395	395
Foreign currency translation reserve	2,575	1,619	-	-
	3,026	2,070	451	451

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Movements:				
Foreign currency translation reserve				
Opening balance	1,619	1,218	-	-
Currency translation differences arising during the year	956	401	-	-
Closing balance	2,575	1,619	-	-

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25 Reserves and retained earnings (continued)

(a) Reserves (continued)

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in note 2(d). The exchange differences are recognised in profit or loss when the net investment is disposed of.

There are no policies regarding the distribution of the capital redemption and share premium reserve, but sole discretion rests with the Board of directors.

(b) Retained earnings

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Retained profits at the beginning of the financial year	30,110	24,737	15,221	11,034
Net profit attributable to members of TTSSL	7,328	7,478	7,515	6,292
Dividends	(2,806)	(2,105)	(2,806)	(2,105)
Closing balance	34,632	30,110	19,930	15,221

26 Investments in subsidiaries

Investments in subsidiaries (unlisted):

Name of company	TTSSL Investment		Contribution to group		Book Value	
	Percentage		profit after tax		2015 \$'000	2014 \$'000
	2015 %	2014 %	2015 \$'000	2014 \$'000		
Car Rentals Pacific Ltd	100	100	-	-	189	189
Toyota Tsusho (American Samoa) Inc.	100	100	162	677	594	594
Toyota Tsusho (Tonga) Ltd	100	100	(253)	131	1	1
Toyota Tsusho (Samoa) Ltd	100	100	(96)	378	300	300
			(187)	1,186	1,084	1,084

Shares in subsidiaries are carried at cost. They are accounted for in line with policy note 2(b)

Place of incorporation and place where business is carried out:

Car Rentals Pacific Limited	Fiji
Toyota Tsusho (American Samoa) Inc.	American Samoa
Toyota Tsusho (Tonga) Ltd	Tonga
Toyota Tsusho (Samoa) Ltd	Independent State of Samoa

The business assets and liabilities of Car Rentals Pacific Limited were transferred to the parent company, Toyota Tsusho (South Sea) Limited on 1 January 2005 and the company has been dormant since that time.

27 Related parties

Details of interest in subsidiary companies are set out in note 26.

The immediate holding company of Toyota Tsusho (South Sea) Limited is Toyota Tsusho South Pacific Holdings Pty Ltd incorporated in New South Wales, Australia. Toyota Tsusho Corporation, incorporated in Japan, is the ultimate holding company of Toyota Tsusho (South Sea) Limited by virtue of 100% shareholding in Toyota Tsusho South Pacific Holdings Pty Ltd.

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For the Year Ended 31 March 2015

27 Related parties (continued)

The group has implemented a restructure of the car rental business in the Samoa operations in order to comply with a change in local legislation, requiring forty percent local shareholding in foreign investments. Through the restructure, Avis Budget Car Rental, LLC has granted to Toyota Tsusho South Pacific Holdings Pty Ltd, the license to operate car rental business in Samoa. Toyota Tsusho South Pacific Holdings Pty Ltd has given a sub-license to Vision Car Rentals Ltd (a company fully owned and operated by August Huch, CEO of Toyota Tsusho (Samoa) Ltd) to operate the car rental business. Toyota Tsusho (Samoa) Ltd supplies vehicles under term finance arrangement to Vision Car Rentals Ltd and also provides aftermarket services. Vision Car Rentals Ltd leases office space from Toyota Tsusho (Samoa) Ltd.

Transactions of directors and director related entities concerning shares or share options

During the year, the company and its subsidiaries entered into transactions with the immediate and ultimate holding companies.

(a) Sale of goods and services

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade with subsidiaries (vehicle sales to Tonga)	-	-	108	80
Management fees received from the subsidiaries	-	-	228	248
Trade with other related parties	88	-	52	-
Trade with a director (vehicle sales)	110	-	110	-
Trade with Vision Car Rentals Ltd (vehicle sales and property lease income)	1,288	-	-	-
	<u>1,486</u>	<u>-</u>	<u>498</u>	<u>328</u>

(b) Key management personnel

Key management personnel include the management committee members and the group's directors who have the authority and responsibility for planning, directing, and controlling the activities of the entity, either directly or indirectly.

In addition to the directors, during the year the following persons were identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling of activities:

- Jai Kumar (Chief Executive Officer) - parent entity and group
- Ronald Kumar (Financial Controller/Company Secretary) - parent entity and group
- Seiji Tokito (National Sales & Marketing Manager) - parent entity
- Sanjeet Kumar (National Fixed Operations Manager) - parent entity
- Elenoa Korovulavula (National Marketing Manager) - parent entity
- Gyanen Prasad (National Tyres & Battery Manager) - parent entity
- Evelyn Farouk (Avis Manager) - parent entity
- Ranju Kumar (Human Resource Manager) - parent entity. Resigned 6 February 2015
- August Huch (Chief Executive Officer - Samoa and American Samoa) - group
- Stan Moheloa (Chief Executive Officer - Tonga) - group

The aggregate compensation of key management personnel's is set out below:

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Emoluments	2,186	2,044	1,123	951
Short-term employee benefits	56	178	34	138
Total emoluments and benefits	<u>2,242</u>	<u>2,222</u>	<u>1,157</u>	<u>1,089</u>

Notes to the Financial Statements

For the Year Ended 31 March 2015

27 Related parties (continued)**(c) Purchases of goods and services**

The group made the following purchase of goods and services from related parties:

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Purchase of goods:				
Ultimate parent	23,062	18,145	16,422	14,148
Immediate parent	29,948	34,314	25,291	30,113
Total goods purchased from related parties	<u>53,010</u>	<u>52,459</u>	<u>41,713</u>	<u>44,261</u>
Purchase of services:				
Immediate parent – management fees	2,332	2,209	1,779	1,766
Immediate parent – other services	101	-	-	-
	<u>2,433</u>	<u>2,209</u>	<u>1,779</u>	<u>1,766</u>

(d) Year-end balances arising from sale and purchase of goods and services

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Receivable from related parties				
- Ultimate parent – TTC	-	29	-	-
- Immediate parent - TTSPH	4	115	-	31
- Subsidiaries	-	-	21	42
- Vision Car Rentals Ltd	12	-	-	-
- Other related parties**	33	2	2	2
Total receivable from related parties (note 11(a))	<u>49</u>	<u>146</u>	<u>23</u>	<u>75</u>

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Payable to related parties				
- Ultimate parent - TTC	1,335	59	1,198	59
- Immediate parent - TTSPH	6,981	2,735	6,044	2,647
- Parent - TTSSL	-	-	-	-
- Other related parties**	160	79	334	189
Total payable to related parties (note 15)	<u>8,476</u>	<u>2,873</u>	<u>7,576</u>	<u>2,895</u>

** Other related parties comprise of Toyota Tsusho (Vanuatu) Limited, Toyota Tsusho (S.I.) Ltd, Toyota Tsusho (PNG) Limited, TAS Corporation and Avis Budget Car Rental, LLC.

Receivables from related parties arise mainly from cost recharges and are due one month after date of transaction. The receivables are unsecured and bear no interest.

Payables to the related parties arise mainly from purchase transactions and are due one month after the date of purchase. Interest is charged mainly on purchase of vehicles.

Notes to the Financial Statements

For the Year Ended 31 March 2015

27 Related parties (continued)

(e) Year-end balances arising from financial services

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Receivable from related parties				
- Vision Car Rentals Ltd	1,349	-	-	-

Receivable from Vision Car Rentals Ltd, which is included in Term Receivables in Note 11, arises mainly from the sale transactions under term finance arrangement and is subject to interest of 14% per annum. The receivable is secured and Toyota Tsusho (Samoa) Limited retains title to vehicles sold under Samoa's Chattels Transfer Act of 1975. Interest is charged on these transactions.

28 Contingent liabilities

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Details and estimates of maximum amounts of contingent liabilities are as follows:				
- Guarantees and endorsements	451	431	404	431
- Letter of credit	119	-	-	-
- Legal disputes	-	43	-	-
	570	474	404	431

The contingent liability for the company and group as at 31 March 2015 is in respect of guarantees and endorsements by the company and group relating to customer bonds. The directors are of the opinion that no losses will be incurred in respect of these contingent liabilities.

The company and group have no further contingent liabilities other than those disclosed above.

29 Commitments for expenditure

(a) Property Leases

The company and its subsidiaries have various lease agreements in the region, with the lease term ranging from 10 to 99 years. The total commitments for future rentals, which have not been provided for in the financial statements are as follows:

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Minimum lease payments:				
- not later than one year	803	782	604	576
- between one year and five years	1,762	1,789	778	1,356
- later than five years	6,717	3,035	4,996	2,703
	9,282	5,606	6,378	4,635

(b) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated		Parent	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Property, plant and equipment	176	2,761	-	678

Notes to the Financial Statements

For the Year Ended 31 March 2015

30 Reclassification of comparatives

The following comparative figures have been reclassified within the Statement of Profit or Loss and Other Comprehensive Income to conform to changes in presentation in the current year:

Foreign exchange gains and foreign exchange losses have been reclassified from "Other income" and "Administrative and other expenses" respectively. These are reflected on a net basis under "Net finance (expense)/income".

The reclassified statement of profit or loss and other comprehensive income as at 31 March 2014 for the group and parent are presented below:

	2014 \$'000	Reclassification \$'000	2014 Reclassified \$'000
Consolidated			
Other Income	4,378	(3,428)	950
Administrative and other expenses	(21,594)	2,444	(19,150)
Net finance (expense)/income	(234)	984	750
Parent			
Other Income	3,658	(2,900)	758
Administrative and other expenses	(15,389)	2,022	(13,367)
Net finance (expense)/income	(114)	878	764

31 Matters subsequent to the end of the financial year

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors and management, to affect significantly the operations of the group or of the company, the results of those operations or the state of affairs of the group or of the company in subsequent financial years.

32 Principal activities

During the year, the principal continuing activities of the consolidated entity consisted of the importation and sale of motor vehicles, marine products, power generating equipment, spare parts, car hire and the repairing of vehicles and equipment.

Directors' Declaration


The directors of Toyota Tsusho (South Sea) Limited hereby state that in their opinion:

- a) The accompanying statements of profit or loss and other comprehensive income of the parent entity and of the group are drawn up so as to give a true and fair view of the results of the parent entity and of the group for the year ended 31 March 2015.
- b) The accompanying statements of financial position of the parent entity and of the group are drawn up so as to give a true and fair view of the affairs of the parent entity and of the group for the year ended 31 March 2015.
- c) The accompanying statements of cash flows of the parent entity and of the group are drawn up so as to give a true and fair view of the cash flows of the parent entity and of the group for the year ended 31 March 2015.
- d) The accompanying statements of changes in equity are drawn up so as to give a true and fair view of the movement in shareholders' equity of the parent entity and of the group for the year ended 31 March 2015.
- e) At the date of this statement, there are reasonable grounds to believe the parent entity and the group will be able to pay their debts as and when they fall due; and
- f) All related party transactions have been adequately recorded in the books of the parent entity and the group and reflected in the attached financial statements.

Signed at Suva the 15th day of May 2015 in accordance with the resolution of directors.



Yoshiaki Kato
Chairman



Jai Kumar
Director

Stock Exchange Information

31 March 2015

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in this Annual Report).

- a) Statement of interest of each director in the share capital of the company or a related corporation as at 31 March 2015 in compliance with Listing Requirements.

Directors' and Senior Managements' interest in the company is nil as at 31 March 2015.

b) **Distribution of Share Holding**

Holding	No. of Holders	% Holding
Less than 500 shares	89	0.13
501 to 5000 shares	47	0.40
5,001 - 10,000 shares	3	0.12
10,001 to 20,000 shares	3	0.22
20,001 to 30,000 shares	1	0.17
30,001 to 40,000 shares	1	0.26
50,001 to 100,000 shares	1	0.36
100,001 to 1,000,000 shares	1	4.16
Over 1,000,000 shares	2	94.18
Total	148	100.00

c) **Top twenty shareholders listing as at 31 March 2015**

	No. of shares held	% Holding
Toyota Tsusho South Pacific Holdings Pty Ltd	11,181,556	79.68
FNPF Board	2,034,270	14.50
QBE Insurance (Fiji) Ltd	583,330	4.16
Niranjan's Autoport Limited	50,885	0.36
Unit Trust of Fiji (Trustee Company) Ltd	36,780	0.26
Fiji National Provident Fund	23,892	0.17
Ishwar Nand & Prabha Wati Nand	10,833	0.08
Fiji Care Insurance Limited	10,000	0.07
Stellar Investments Limited	10,000	0.07
Fleishmans Limited	6,898	0.05
J. Santa Ram (Stores) Limited	5,080	0.04
Ishwar Nand	5,028	0.04
Olaf Ralph Engellandt-Grunert	4,852	0.03
Winston Chan	3,700	0.03
Dr. Isoa R. Bakani	3,066	0.02
Kialiki Keith Reid	2,877	0.02
Grish Maharaj	1,840	0.01
Mohammed Hannif	1,839	0.01
Edmond Arthur Danyers Jowett	1,839	0.01
Phillip Moreton Newman	1,533	0.01

Stock Exchange Information (cont)

31 March 2015

d) Share Register

Central Share Registry
 South Pacific Stock Exchange
 Level 2, Plaza One, Provident Plaza
 33 Ellery Street
 GPO Box 11689
 Suva, Fiji
 Ph: 330 4130

e) The Board of directors met four times during the financial year. All four meetings were ordinary meetings.

The following table shows the attendance of the directors at the Board meetings.

Director	Number of meetings entitled to attend	Number of meetings attended	Apologies received
Shigeru Ito	4	4	-
Teresa Julia Apted	4	4	-
John Benedict Thomas	4	4	-
Digby Bossley	4	4	-
Tomonori Umehara	4	3	1
Jai Nand Kumar	4	4	-

f) Past Five Year Performance (\$'000)

	2010	2011	2012	2013	2014
Net Profit	1,730	1,771	3,061	5,235	7,478
Assets	63,370	59,835	69,047	69,674	76,293
Liabilities	30,289	25,733	32,763	29,236	30,081
Equity	33,081	34,102	36,284	40,438	46,212

g) The following table shows the highest and lowest share price during the course of the year.

	Share Price (\$)
Highest	3.05
Lowest	3.05

As at 31 March 2015, the share price was \$3.05 per issued share.



TOYOTA TSUSHO (SOUTH SEA) LTD

FINANCIAL STATEMENTS 2015