TOYOTA TSUSHO (SOUTH SEA) LTD

FINANCIAL STATEMENTS 2016

Toyota Tsusho (South Sea) Limited

Financial Statements

For the Year Ended 31 March 2016

Contents

For the Year Ended 31 March 2016

Corporate Directory

Directors	Yoshiaki Kato (Chairman) Teresa Julia Apted Jai Nand Kumar Satoshi Sase (appointed 19 June 2015) 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 96th 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** 28 June 2016

COMPANY PROFILE

Toyota Tsusho (South Sea) Limited has been operating in the Pacific for nearly 100 years. Initially part of the Burns Philp Group, the company has been majority owned by Toyota Tsusho Corporation since 1998.

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

Business Review
Consolidated revenue for the group for the financial year 2015/16 was similar to that of the prior year. Revenue from trading activities for the Fiji operation was fairly static mainly due to the highly competitive markets for new and used vehicles. The natural disaster towards the end of the financial year also affected vehicle sales. The new Hilux was introduced during the year, however, sales remained moderate. The volume of used imports sales is expanding, albeit in a very competitive segment of the market.

In contrast, the consolidated aftermarket business experienced 9% sales growth from last year. Revenue from the car hire business in Fiji performed 15% better compared to last year, owing to a considerable increase in tourism arrivals and improving economic conditions. The Fiji operation was one of the successful respondents to the phase four Fiji Government vehicles tender. This award entails supply of three hundred and forty vehicles over a period of four years on operating lease finance to various Government ministries and departments. This is expected to have a positive impact on the business over the next four years.

Revenue from trading activities for operations based in Samoa, Tonga and American Samoa improved in 2015/16 from the previous year mainly due to good performance in fixed operations businesses.

The consolidated group after tax profit for the 2015/16 year increased by $1.3m from the prior year. This is attributed to growth in interest income, good expense control and net foreign exchange gains.

Dividend
In October 2015, the directors declared an interim dividend of 5 cents per share followed by a second interim dividend of 10 cents per share in March 2016, taking total dividend declared for the financial year ended 31 March 2016 to $2.1m (2015: $2.8m).

Staff
Staff numbers remained fairly stable on a consolidated basis and were 391 at the year end.

Employees form an integral part of business success and the group continues to invest in the learning and development of employees to maximise business performance, employee morale and employee empowerment.

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 Fiji operation donated in cash and kind towards the Petero Civoniceva Foundation's diabetes program and the Ministry of Agriculture's farming program. The Fiji operation also donated FJD200,000 to the Prime Minister's National Disaster & Rehabilitation fund in support of the government's rehabilitation efforts following the devastating effects of Tropical Cyclone Winston.

The company continued to participate in various CSR activities in all of the countries, assisting the underprivileged members of the community.

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 charity drives to assist the underprivileged in society.

Outlook
Fiji's economic growth is expected to be modest, impacted by the recent natural disasters.

Business outlook is expected to be moderate. The vehicles market is forecast to remain very competitive, due to high levels of activity from existing and new entrants to the market in all segments including used vehicles. The fixed operations and car hire businesses, however, are expected to grow and the award of the Fiji Government vehicles tender is expected to have a positive impact on the business.

Yoshiaki Kato
Chairman
Date: 2 June 2016

Corporate Governance Statement
31 March 2016

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 of 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 on 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.

Accountability and Audit
TTSSL is audited externally each year and receives an independent audit report, which forms part of the Annual Report.

A Finance and Audit Committee was established during the year with the members being selected by the Board. The committee's duties and responsibilities are documented in a Board approved Charter. The committee assists the Board in fulfilling its oversight responsibilities for financial performance; risk management, including the system of internal control; and monitoring litigation and compliance with laws and regulations and the Board charter. The committee meets at least two times a year, with authority to convene additional meetings, as circumstances require.

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 2016

The directors present their report for the year ended 31 March 2016, together with the financial statements of the parent entity and its subsidiaries for the year ended 31 March 2016.

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

Yoshiaki Kato
Teresa Julia Apted
John Benedict Thomas
Jai Nand Kumar
Digby Bossley

Mr Tomonori Umehara resigned as a director and Mr Satoshi Sase was appointed in his place on 19 June 2015.

Reserves
The directors recommend that no amounts be transferred to reserves in respect of the year ended 31 March 2016.

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 15 cents per share amounting to $2,105,000 during the year (2015: Total dividends of 20 cents per share amounting to $2,806,000).

Results
The consolidated net profit after income tax expense for the group for the year was $8,643,000 (2015: $7,328,000). The company recorded a net profit after income tax expense of $7,525,000 (2015: $7,515,000).

The extent to which each subsidiary in the group contributed to the net consolidated profit covered by this report is disclosed in note 25.

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.

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 2nd day of June 2016 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 2016, 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 30, 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 2016, and of their financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards.

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.

KPMG.

2nd June **, 2016**
Suva, Fiji

KPMG
Chartered Accountants

Statements of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 March 2016

		Consolidated		Parent	
		2016	2015	2016	2015
	Note	$'000	$'000	$'000	$'000
Revenue	6	**141,872**	141,920	**105,812**	106,529
Cost of sales		**(112,224)**	(111,985)	**(83,478)**	(83,664)
Gross profit		**29,648**	29,935	**22,334**	22,865
Other income	6	**1,310**	790	**739**	555
Selling and distribution expenses		**(762)**	(1,033)	**(537)**	(378)
Administrative and other expenses		**(20,880)**	(21,002)	**(14,484)**	(14,027)
Operating profit		**9,316**	8,690	**8,052**	9,015
Net finance income/(cost)	19	**464**	(334)	**253**	(386)
Profit before tax	7	**9,780**	8,356	**8,305**	8,629
Income tax expense	9	**(1,137)**	(1,028)	**(780)**	(1,114)
Profit		**8,643**	7,328	**7,525**	7,515
Other comprehensive income					
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences	24(a)	**(699)**	956	**-**	-
Other comprehensive income for the year, net of tax		**(699)**	956	**-**	-
Total comprehensive income attributable to members of TTSSL		**7,944**	8,284	**7,525**	7,515
Earnings per share					
Basic earnings per share	23(a)	**0.62**	0.52		
Diluted earnings per share	23(b)	**0.62**	0.52		

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 2016

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent 2016 $'000	Parent 2015 $'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	10	**9,516**	15,494	**3,482**	9,781
Trade and other receivables	11(a)	**12,027**	10,390	**6,602**	5,613
Inventories	12	**34,338**	27,946	**27,802**	21,654
Current tax receivable		**308**	208	**275**	13
Other current assets	13(a)	**2,625**	3,817	**2,575**	3,759
TOTAL CURRENT ASSETS		**58,814**	57,855	**40,736**	40,820
NON-CURRENT ASSETS					
Trade and other receivables	11(b)	**915**	1,192	**895**	1,171
Investment in subsidiaries	25	**-**	-	**1,084**	1,084
Property, plant and equipment	14	**22,593**	19,853	**17,600**	14,560
Deferred tax assets	18	**997**	958	**543**	520
Other non-current assets	13(b)	**2,452**	2,903	**2,452**	2,880
TOTAL NON-CURRENT ASSETS		**26,957**	24,906	**22,574**	20,215
TOTAL ASSETS		**85,771**	82,761	**63,310**	61,035
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	15	**16,664**	15,513	**12,278**	11,419
Provisions	16	**1,420**	1	**1,420**	1
Current tax liability		**270**	48	**-**	-
Other current liabilities	17(a)	**6,054**	8,598	**5,964**	8,446
TOTAL CURRENT LIABILITIES		**24,408**	24,160	**19,662**	19,866
NON-CURRENT LIABILITIES					
Provisions	16	**140**	152	**121**	122
Other non-current liabilities	17(b)	**3,694**	6,759	**3,694**	6,634
TOTAL NON-CURRENT LIABILITIES		**3,834**	6,911	**3,815**	6,756
TOTAL LIABILITIES		**28,242**	31,071	**23,477**	26,622
NET ASSETS		**57,529**	51,690	**39,833**	34,413
EQUITY					
Contributed equity	21	**14,032**	14,032	**14,032**	14,032
Reserves	24(a)	**2,327**	3,026	**451**	451
Retained earnings	24(b)	**41,170**	34,632	**25,350**	19,930
TOTAL EQUITY		**57,529**	51,690	**39,833**	34,413

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 2016

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent 2016 $'000	Parent 2015 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers		**135,580**	138,301	**99,860**	103,610
Payments to suppliers and employees		**(138,430)**	(127,295)	**(103,904)**	(92,818)
Cash generated from operations		**(2,850)**	11,006	**(4,044)**	10,792
Interest paid	19	**(106)**	(156)	**(106)**	(124)
Income taxes paid		**(1,517)**	(1,668)	**(1,065)**	(1,373)
Net cash flow (used in)/from operating activities		**(4,473)**	9,182	**(5,215)**	9,295
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of plant and equipment		**-**	192	**-**	138
Interest received	6	**668**	386	**286**	187
Dividends received	6	**-**	-	**203**	-
Purchase of property, plant and equipment		**(1,192)**	(821)	**(871)**	(623)
Net cash used in investing activities		**(524)**	(243)	**(382)**	(298)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of borrowings		**-**	(663)	**-**	-
Dividends paid		**(702)**	(3,648)	**(702)**	(3,648)
Net cash used in financing activities		**(702)**	(4,311)	**(702)**	(3,648)
Net (decrease)/increase in cash held		**(5,699)**	4,628	**(6,299)**	5,349
Cash and cash equivalents at beginning of year		**15,494**	10,348	**9,781**	4,432
Effect of exchange rate changes on cash held		**(279)**	518	**-**	-
Cash and cash equivalents at end of financial year	10	**9,516**	15,494	**3,482**	9,781

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 2016

		Consolidated		Parent	
		2016	**2015**	**2016**	**2015**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Total equity at beginning of financial year		**51,690**	46,212	**34,413**	29,704
Profit		**8,643**	7,328	**7,525**	7,515
Currency translation differences	24(a)	**(699)**	956	**-**	-
Total comprehensive income		**7,944**	8,284	**7,525**	7,515
Dividends paid or provided for	22	**(2,105)**	(2,806)	**(2,105)**	(2,806)
Total equity at end of the financial year		**57,529**	51,690	**39,833**	34,413

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

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 2 June 2016.
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 (IFRS) 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 judgment in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgment 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 2015 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.

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.

2 Summary of significant accounting policies (continued)

(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.

The depreciation rates currently adopted by the group are:

Fixed asset class	Depreciation rate
Leasehold land	Over the period of the lease
Leasehold buildings	5.00% or over the period of the lease, whichever is shorter
Freehold buildings	5.00%
Plant and equipment	15.00% - 33.00%
Sale and buy-back vehicles	25.00% - 50.00%

2 Summary of significant accounting policies (continued)

(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 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.

(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.

2 Summary of significant accounting policies (continued)

(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. Borrowings 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, 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.

(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.

2 Summary of significant accounting policies (continued)

(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.

(ii) Sales with buy-back conditions

Certain sale contracts include conditions that require the company to either buy back 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.

2 Summary of significant accounting policies (continued)

(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 20).

(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 20).

(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.

Except for the guaranteed buy-back amounts, the sale and buy back 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.

(w) Internally financed operating leases

The company has leased vehicles on operating lease to the Government of Fiji. Cost of vehicles subject to operating lease are held as property, plant and equipment. Each vehicle is depreciated at 18% over the period of the contract.

Revenue is recognised monthly based on the agreed contractual rates.

(x) 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.

2 Summary of significant accounting policies (continued)

(x) Impairment (continued)

(i) Non-derivative financial assets (continued)

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 cash generating units (CGUs). A CGU is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets.

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 risk, interest rate risk and credit risks, and investment of excess liquidity.

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**	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Forward exchange contracts	**6,383**	6,561	**6,383**	6,561

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	**AUD**	**JPY**
2016	**$'000**	**$'000**	**$'000**
Trade payables	**4,631**	**580**	**1,763**
2015			
Trade payables	6,251	427	1,630

	Parent		
	USD	**AUD**	**JPY**
2016	**$'000**	**$'000**	**$'000**
Trade payables	**4,467**	**523**	**1,756**
2015			
Trade payables	5,444	298	1,624

3 Financial risk management (continued)

(a) Market risk (continued)

(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.

Group Sensitivity
At 31 March 2016, had the Fijian dollar strengthened/weakened by the implied volatility of 6% (2015: 6%) against the US dollar with all other variables held constant, the group's post-tax profits would have been FJD287,574 higher/ FJD287,574 lower (2015: FJD313,111 higher/ FJD313,111 lower), mainly as a result of foreign exchange gains/losses on translation of USD denominated trade receivables, and USD denominated borrowings.

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

Parent Entity Sensitivity
At 31 March 2016, had the Fijian dollar strengthened/weakened by the implied volatility of 6% (2015: 6%) against the US dollar with all other variables held constant, the company's post-tax profits would have been FJD287,574 higher/ FJD287,574 lower (2015: FJD313,111 higher/ FJD313,111 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.

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 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 2016 and 2015, the ageing of trade and term receivables, gross of impairment provisions, was as follows:

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Up to 3 months	**6,468**	5,880	**4,817**	4,325
3 to 6 months	**1,011**	1,044	**442**	370
Over 6 months	**3,208**	2,728	**515**	591
	10,687	9,652	**5,774**	5,286

3 Financial risk management (continued)

(b) Credit risk (continued)

Trade and other receivables (continued)

At 31 March 2016 and 2015, the ageing of trade and term receivables that were not impaired was as follows:

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Neither past due nor impaired	**5,268**	4,582	**4,178**	3,568
Past due 31-90 days, not impaired	**1,200**	1,294	**640**	756
Past due 91 days plus, not impaired	**4,219**	3,776	**956**	962
	10,687	9,652	**5,774**	5,286

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 2016						
Trade and other payables	16,664	-	-	-	16,664	16,664
Sale and buy-back liabilities	2,093	2,367	343	-	4,803	4,803
	18,757	2,367	343	-	21,467	21,467

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

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 2016						
Trade and other payables	12,278	-	-	-	12,278	12,278
Sale and buy-back liabilities	2,072	2,367	343	-	4,782	4,782
	14,350	2,367	343	-	17,060	17,060

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 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

(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 judgments

Estimates and judgments 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.

4 Critical accounting estimates and judgments (continued)

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

The assessment of the transfer of risk and rewards of ownership to the purchaser requires significant judgment. 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.

2016	**Fiji**	**Samoa**	**American Samoa**	**Tonga**	**Inter-Entity Elimination**	**Group Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenue and other income	106,205	13,646	13,622	9,709	-	**143,182**
Inter-segment revenue	346	-	-	-	(346)	**-**
Total segment revenue & other income	106,551	13,646	13,622	9,709	(346)	**143,182**
Segment profit before tax	8,305	879	586	213	(203)	**9,780**
Interest income	286	238	142	2	-	**668**
Interest expense	(106)	-	-	-	-	**(106)**
Depreciation expense	(5,535)	(319)	(283)	(212)	-	**(6,349)**
Segment assets	63,310	11,084	10,643	2,014	(1,280)	**85,771**
Acquisitions of property, plant and equipment (excluding sale and buy-back vehicles and hire cars)	871	86	72	163	-	**1,192**
Segment liabilities	23,477	2,219	2,611	321	(386)	**28,242**

5 Segment information (continued)

(a) Operating segments (continued)

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	10,302	2,329	(741)	**82,761**
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	2,315	710	154	**31,071**

(b) Information about products and services

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

	2016	**2015**
	$'000	**$'000**
New Vehicles	**67,783**	70,369
Used Vehicles	**8,923**	7,170
Parts	**12,537**	9,939
Tyres & Batteries	**8,537**	8,696
Service	**6,742**	6,178
Panel	**2,339**	2,171
Fuel	**17,265**	20,163
Car Rental	**6,408**	6,448
Marine Products	**7,412**	6,758
Sale and Buy-Back	**3,513**	4,028
In-house Operating Lease	**413**	-
Other Income	**1,310**	790
	143,182	142,710

(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.

6 Revenue and other income

	Consolidated		Parent	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Revenue				
Product sales	**122,457**	123,095	**90,835**	92,753
Service income	**9,081**	8,349	**6,238**	5,719
Car rental income	**6,408**	6,448	**4,861**	4,225
Sale and buy-back income	**3,513**	4,028	**3,465**	3,832
In-house operating lease income	**413**	-	**413**	-
	141,872	141,920	**105,812**	106,529
Other income				
Property rental and sub-lease income	**157**	114	**5**	-
Dividend income (note 26(b))	**-**	-	**203**	-
Interest	**668**	386	**286**	187
Gain on sale of fixed assets	**67**	75	**26**	21
Administration and management fees from subsidiaries (note 26(a))	**-**	-	**-**	228
Other income	**418**	215	**219**	119
	1310	790	**739**	555
Total income	**143,182**	142,710	**106,551**	107,084

7 Profit before tax

Profit before tax has been determined after:

	Consolidated		Parent	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Charging as expense:				
Depreciation (note 14)	**6,349**	6,857	**5,535**	5,645
Employee emoluments and benefits expenses (note 8)	**9,736**	9,169	**6,607**	6,303
Auditors remuneration for audit services:				
Auditors of the Company – KPMG	**95**	87	**74**	72
Other auditors	**27**	50	**-**	-
Amounts set aside/(withdrawn) in respect of provisions:				
Trade and term debts	**36**	28	**39**	(28)
Employee emoluments	**34**	10	**15**	30
Employee benefits (Long service leave)	**11**	24	**16**	18
Stock obsolescence	**171**	159	**215**	110
Sundry	**16**	1	**16**	1

8 Employee emoluments and benefits

	Consolidated		Parent	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Staff	**7,524**	6,927	**5,692**	5,146
Key management personnel (note 26 (c))	**2,212**	2,242	**915**	1,157
Total employee emoluments and benefits	**9,736**	9,169	**6,607**	**6,303**

8 Employee emoluments and benefits (continued)

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Superannuation (included in employee emoluments and benefits)	**516**	390	**472**	361

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
Number of employees	**391**	392	**285**	277

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	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Current tax:				
Current tax	**1,299**	1,078	**885**	1,026
Adjustment in respect of prior years	**(136)**	407	**(82)**	430
Total current tax expense	**1,163**	1,485	**803**	1,456
Deferred tax:				
Origination and reversal of temporary differences	**(26)**	(264)	**(23)**	(149)
Recognition of temporary difference not previously brought to account	**-**	(220)	**-**	(220)
Adjustment in respect of prior years	**-**	27	**-**	27
Total deferred tax expense	**(26)**	(457)	**(23)**	(342)
Income tax expense	**1,137**	1,028	**780**	1,114

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 statements of profit or loss and other comprehensive income as follows:

	Consolidated		Parent	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Profit before tax	**9,780**	8,356	**8,305**	8,629
Prima facie income tax expense calculated at 10% (2015: 10%) on operating profit	**978**	836	**831**	863
Add back tax effect of amounts which are not deductible				
50% superannuation	**24**	18	**24**	18
Fringe benefit tax	**12**	3	**12**	3
Donations	**7**	2	**7**	2
Sales turnover tax and Environmental Levy	**2**	-	**2**	-
Deduct tax effect of amounts which are deductible				
100% PGA sponsorship	**(9)**	(9)	**(9)**	(9)
PM's rehabilitation fund	**(5)**	-	**(5)**	-
Tax losses utilised	**(35)**	-	**-**	-
	974	850	**862**	877
Income tax (over)/under provided in prior years	**(136)**	434	**(82)**	457
Recognition of temporary difference not previously brought to account	**(54)**	(220)	**-**	(220)
Difference in overseas tax rates	**353**	(36)	**-**	-
Income tax expense	**1,137**	1,028	**780**	1,114

10 Cash and cash equivalents

	Consolidated		Parent	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Cash on hand	**8**	10	**4**	4
Cash at bank	**9,508**	15,484	**3,478**	9,777
	9,516	15,494	**3,482**	9,781

As at 31 March 2016, the group has not utilised any of its bank overdraft facilities (2015: nil).

11 Trade and other receivables

(a) Current assets

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	**5,725**	4,583	**4,658**	3,597
Provision for impairment - trade receivables	**(84)**	(147)	**(64)**	(25)
	5,641	4,436	**4,594**	3,572
Term receivables	**4,962**	5,069	**1,116**	1,689
Provision for impairment - term receivables	**(53)**	(58)	**-**	-
	4,909	5,011	**1,116**	1,689
Receivables from related parties (note 26 (e))	**74**	49	**79**	23
Other receivables	**1,187**	618	**749**	181
Prepayments	**216**	276	**64**	148
	12,027	10,390	**6,602**	5,613

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	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
At 1 April	**147**	159	**25**	72
Provision for impairment	**129**	76	**64**	25
Receivables written off during the year as uncollectable	**(93)**	(19)	**-**	(19)
Unused amount released	**(90)**	(70)	**(25)**	(53)
Exchange differences	**(9)**	1	**-**	-
At 31 March	**84**	147	**64**	25

Provision for impairment - Term receivables

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
At 1 April	**58**	35	**-**	-
Provision for impairment	**10**	37	**-**	-
Unused amount released	**(13)**	(15)	**-**	-
Exchange differences	**(2)**	1	**-**	-
At 31 March	**53**	58	**-**	-

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

11 Trade and other receivables (continued)

(b) Non-current assets

	Consolidated		Parent	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Term receivables	**824**	1,157	**824**	1,157
Rental deposits	**91**	35	**71**	14
	915	1,192	**895**	1,171

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	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Finished goods	**22,261**	20,204	**17,474**	15,233
Provision for obsolescence	**(753)**	(582)	**(587)**	(372)
	21,508	19,622	**16,887**	14,861
Goods in transit	**12,780**	8,295	**10,880**	6,771
Work in progress	**50**	29	**35**	22
	34,338	27,946	**27,802**	21,654

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 $104,322,000 (2015: $104,048,000) and $47,000 (2015: $40,000) 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 $76,744,000 (2015: $77,473,000) and $1,000 (2015: $20,000) respectively.

13 Other non-financial assets

(a) Other current assets

	Consolidated		Parent	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Sale and buy-back assets (note 20)	**2,313**	3,478	**2,294**	3,426
Other current assets	**312**	339	**281**	333
	2,625	3,817	**2,575**	3,759

(b) Other non-current assets

	Consolidated		Parent	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Sale and buy-back assets (note 20)	**2,452**	2,903	**2,452**	2,880

14 Property, plant and equipment

	Consolidated 2016 $'000	Consolidated 2015 $'000	Parent 2016 $'000	Parent 2015 $'000
Freehold land & buildings				
At cost	**13,736**	13,924	**8,107**	8,107
Accumulated depreciation	**(6,392)**	(6,141)	**(3,836)**	(3,459)
Leasehold land & buildings				
At cost	**3,392**	3,425	**1,209**	1,170
Accumulated depreciation	**(2,485)**	(2,483)	**(595)**	(610)
Plant and equipment				
At cost	**20,602**	19,197	**14,897**	13,387
Accumulated depreciation	**(12,306)**	(12,217)	**(7,994)**	(7,923)
Sale & buy-back and internally financed operating lease vehicles				
At cost	**12,038**	10,796	**11,911**	10,290
Accumulated depreciation	**(6,207)**	(6,823)	**(6,113)**	(6,402)
Capital work in progress				
At cost	**215**	175	**14**	-
At end of year	**22,593**	19,853	**17,600**	14,560

Consolidated

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Plant and equipment $'000	Sale and buy-back and internally financed operating lease vehicles $'000	Total $'000
Year ended 31 March 2016					
Carrying amount at 1 April 2015	**7,958**	**942**	**6,980**	**3,973**	**19,853**
Additions	**10**	**112**	**5,597**	**4,482**	**10,201**
Disposals	**(12)**	**-**	**(84)**	**(16)**	**(112)**
Depreciation	**(382)**	**(139)**	**(3,236)**	**(2,592)**	**(6,349)**
Other movements – transfers*	**-**	**-**	**(913)**	**(14)**	**(927)**
Capital work in progress additions	**40**	**-**	**-**	**-**	**40**
Effect of movements in exchange rates	**(55)**	**(8)**	**(48)**	**(2)**	**(113)**
Carrying amount at 31 March 2016	**7,559**	**907**	**8,296**	**5,831**	**22,593**

Consolidated

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Plant and equipment $'000	Sale and buy-back and internally financed operating lease 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 works 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**

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 and internally financed operating lease vehicles $'000	Total $'000
Year ended 31 March 2016					
Carrying amount at 1 April 2015	**4,648**	**560**	**5,464**	**3,888**	**14,560**
Additions	**-**	**112**	**4,995**	**4,482**	**9,589**
Disposals	**-**	**-**	**(84)**	**(16)**	**(100)**
Depreciation	**(377)**	**(58)**	**(2,556)**	**(2,544)**	**(5,535)**
Other movements – transfers*	**-**	**-**	**(916)**	**(12)**	**(928)**
Capital work in progress additions	**14**	**-**	**-**	**-**	**14**
Carrying amount at 31 March 2016	**4,285**	**614**	**6,903**	**5,798**	**17,600**

Parent

	Freehold land and buildings $'000	Leasehold land and buildings $'000	Plant and equipment $'000	Sale and buy-back and internally financed operating lease 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)**
Capital work in progress additions	**-**	**-**	**-**	**-**	**-**
Carrying amount at 31 March 2015	**4,648**	**560**	**5,464**	**3,888**	**14,560**

* 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	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Trade creditors	**3,140**	2,814	**1,675**	1,312
Employee entitlement provisions	**1,082**	1,048	**752**	737
Accrued expenses	**834**	575	**716**	367
Related parties (note 26 (e))	**8,303**	8,476	**6,830**	7,576
Other creditors	**3,305**	2,600	**2,305**	1,427
	16,664	15,513	**12,278**	11,419

16 Provisions

		Consolidated		Parent	
		2016	2015	2016	2015
		$'000	$'000	$'000	$'000
Current					
Dividends payable	(a)	**285**	-	**285**	-
Dividends payable to parent company	(a)	**1,118**	-	**1,118**	-
Sundry	(b)	**17**	1	**17**	1
		1,420	1	**1,420**	1
Non-current					
Employee benefits	(c)	**140**	152	**121**	122
		1,560	153	**1,541**	123

Consolidated

	Employee Benefits	Dividends	Dividends payable to parents shareholders	Sundry	Total
	$'000	$'000	$'000	$'000	$'000
Year ended 31 March 2016					
At 1 April 2015	152	-	-	1	**153**
Charged/(credited) to profit or loss					
- Additional provisions	11	428	1,677	16	**2,132**
- Used during the year	(23)	(143)	(559)	-	**(725)**
At 31 March 2016	140	285	1,118	17	**1,560**

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 2016					
At 1 April 2015	122	-	-	1	**123**
Charged/(credited) to profit or loss					
- Additional provisions	16	428	1,677	16	**2,137**
- Used during the year	(17)	(143)	(559)	-	**(719)**
At 31 March 2016	121	285	1,118	17	**1,541**

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**

16 Provisions (continued)

(a) Dividends

The Board of directors declared interim dividends of $2,105,000 (2015: Total dividends of $2,806,000) 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).

(b) 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 2016 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 2016.

(c) 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).

17 Other liabilities

(a) Other current liabilities

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Sale and buy-back liabilities (note 20)	**2,093**	3,768	**2,072**	3,687
Service contracts	**2,266**	2,254	**2,255**	2,209
Sale and buy-back income in advance - current	**1,695**	2,576	**1,637**	2,550
	6,054	8,598	**5,964**	8,446

(b) Other non-current liabilities

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Sale and buy-back liabilities (note 20)	**2,710**	3,413	**2,710**	3,372
Service contracts	**349**	1,377	**349**	1,353
Sale and buy-back income in advance - non-current	**635**	1,969	**635**	1,909
	3,694	6,759	**3,694**	6,634

18 Deferred tax assets

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Property, plant and equipment	**619**	546	**378**	370
Trade and term debtors	**33**	61	**6**	2
Inventories	**108**	96	**59**	37
Employee benefits	**19**	66	**12**	12
Other	**218**	189	**88**	99
	997	958	**543**	520

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

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax – 1 April	**958**	479	**520**	**178**
Exchange differences	**13**	22	**-**	**-**
Income statement charge - current year (note 9(a))	**26**	457	**23**	**342**
Deferred tax - 31 March	**997**	958	**543**	**520**

19 Net finance (income)/cost

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Interest paid	**106**	156	**106**	124
Net foreign exchange losses /(gains)	**(570)**	178	**(359)**	262
	(464)	334	**(253)**	386

20 Sale and buy-back

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Current assets (note 13(a))	**2,313**	3,478	**2,294**	3,426
Non-current assets (note 13(b))	**2,452**	2,903	**2,452**	2,880
Current liabilities (note 17(a))	**(2,093)**	(3,768)	**(2,072)**	(3,687)
Non-current liabilities (note 17(b))	**(2,710)**	(3,413)	**(2,710)**	(3,372)

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 banks with 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.

21 Contributed equity

	Consolidated		Parent	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Ordinary shares				
Issued and paid up capital	**14,032**	14,032	**14,032**	14,032

Authorised capital comprise of 20 million ordinary shares (2015: 20 million shares) with a par value of $1 per share (2015: $1 per share). Issued and paid up capital comprise of 14,032,000 ordinary shares (2015: 14,032,000 ordinary shares) with par value of $1 per share (2015: $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.

22 Dividends per share

	Consolidated		Parent	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
1st interim dividend of 5 cents per share (2015: 10 cents per share)	**702**	1,402	**702**	1,402
2nd interim dividend of 10 cents per share (2015: 5 cents per share)	**1,403**	702	**1,403**	702
3rd interim dividend of nil (2015: 5 cents per share)	**-**	702	**-**	702
	2,105	2,806	**2,105**	2,806

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

23 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	
	2016	2015
	$'000	$'000
Profit for the year attributable to members of TTSSL	**8,643**	7,328
Number of ordinary shares	**14,032**	14,032
Basic earnings per share	**0.62**	0.52

(b) Diluted earnings shares

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

(c) Net tangible assets per share

	Consolidated		Parent	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Net tangible assets	**56,532**	50,732	**39,290**	33,893
Number of ordinary shares	**14,032**	14,032	**14,032**	14,032
Net tangible assets per share	**4.03**	3.62	**2.80**	2.42

24 Reserves and retained earnings

(a) Reserves

	Consolidated		Parent	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Capital redemption reserve	**56**	**56**	**56**	**56**
Share premium reserve	**395**	**395**	**395**	**395**
Foreign currency translation reserve	**1,876**	**2,575**	**-**	**-**
	2,327	**3,026**	**451**	**451**

Movements:				
Foreign currency translation reserve				
Opening balance	**2,575**	1,619	**-**	-
Currency translation differences arising during the year	**(699)**	956	**-**	-
Closing balance	**1,876**	2,575	**-**	-

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	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Retained profits at the beginning of the financial year	**34,632**	30,110	**19,930**	15,221
Net profit attributable to members of TTSSL	**8,643**	7,328	**7,525**	7,515
Dividends	**(2,105)**	(2,806)	**(2,105)**	(2,806)
Closing balance	**41,170**	34,632	**25,350**	19,930

25 Investments in subsidiaries

Investments in subsidiaries (unlisted):

Name of company	TTSSL Investment Percentage		Contribution to group profit after tax		Book Value	
	2016	2015	2016	2015	2016	2015
	%	%	$'000	$'000	$'000	$'000
Car Rentals Pacific Ltd	100	100	**-**	**-**	**189**	**189**
Toyota Tsusho (American Samoa) Inc	100	100	**450**	**162**	**594**	**594**
Toyota Tsusho (Tonga) Limited	100	100	**227**	**(253)**	**1**	**1**
Toyota Tsusho (Samoa) Limited	100	100	**644**	**(96)**	**300**	**300**
			1,321	**(187)**	**1,084**	**1,084**

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

25 Investments in subsidiaries (continued)

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) Limited	Tonga
Toyota Tsusho (Samoa) Limited	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.

26 Related parties

Details of interest in subsidiary companies are set out in note 25.

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.

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	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Trade with subsidiaries (tyre/vehicle sales to Tonga)	**-**	-	**11**	108
Trade with subsidiaries (vehicle sales to Samoa)	**-**	-	**144**	-
Management fees received from the subsidiaries	**-**	-	**-**	228
Trade with other related parties	**49**	88	**49**	52
Trade with a director (vehicle sales)	**-**	110	**-**	110
Trade with Vision Car Rentals Ltd (vehicle sales and property lease income)	**1,400**	1,288	**-**	-
	1,449	1,486	**204**	498

(b) Dividends

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Dividend received from Toyota Tsusho (Samoa) Limited	**-**	-	**203**	-
Dividend declared to Toyota Tsusho South Pacific Holdings	**(1,677)**	(2,236)	**(1,677)**	(2,236)

The Group has paid $559,000 of the $1,677,000 dividends declared to TTSPH.

26 Related parties (continued)

(c) 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. Resigned 7 May 2015.
Romit Prakash (National Sales & Marketing Manager) - parent entity. Appointed 18 August 2015.
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.
Avnit Sundar (Human Resource Manager) - parent entity. Appointed 11 May 2015.
August Huch (Chief Executive Officer - Samoa) – group.
Stan Moheloa (Chief Executive Officer - Tonga) – group.
Janardhan Goundar (Chief Executive Officer – American Samoa) – group. Resigned 3 March 2016.
Craig Sims (General Manager – Toyota Tsusho South Pacific Holdings Pty Ltd - Fiji Branch) – group. Appointed 1 April 2015.

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

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Emoluments	**2,046**	2,186	**877**	1,123
Short-term employee benefits	**166**	56	**38**	34
Total emoluments and benefits	**2,212**	2,242	**915**	**1,157**

(d) Purchases of goods and services

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

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Purchase of goods:				
Ultimate parent	**32,530**	23,062	**26,227**	16,422
Immediate parent	**35,734**	29,948	**30,903**	25,291
Total goods purchased from related parties	**68,264**	53,010	**57,130**	41,713
Purchase of services:				
Immediate parent – management fees	2,450	2,332	1,744	1,779
Immediate parent – other services	**-**	101	**-**	-
	2,450	2,433	**1,744**	1,779

26 Related parties (continued)

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

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Receivable from related parties				
- Ultimate parent – TTC	**-**	-	**-**	-
- Immediate parent – TTSPH	**73**	4	**71**	-
- Subsidiaries	**-**	-	**7**	21
- Vision Car Rentals Ltd	**-**	12	**-**	-
- Other related parties**	**1**	33	**1**	2
Total receivable from related parties (note 11(a))	**74**	49	**79**	23

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Payable to related parties				
- Ultimate parent – TTC	**1,417**	1,335	**1,110**	1,198
- Immediate parent – TTSPH	**6,846**	6,981	**5,506**	6,044
- Subsidiaries	**9**	-	**-**	-
- Other related parties**	**31**	160	**214**	334
Total payable to related parties (note 15)	**8,303**	8,476	**6,830**	7,576

** Other related parties comprise of Toyota Tsusho (Vanuatu) Limited 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.

(f) Year-end balances arising from financial services

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Receivable from related parties				
- Vision Car Rentals Ltd	**2,663**	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. The receivable is secured and Toyota Tsusho (Samoa) Limited retains title to vehicles sold under Samoa's Chattels Transfer Act of 1975.

27 Contingent liabilities

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Details and estimates of maximum amounts of contingent liabilities are as follows:				
- Guarantees and endorsements	**494**	**451**	**450**	**404**
- Letter of credit	**-**	**119**	**-**	**-**
	494	**570**	**450**	**404**

27 Contingent liabilities (continued)

The contingent liability for the company and group as at 31 March 2016 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.

28 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	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Minimum lease payments:				
- not later than one year	**712**	787	**523**	588
- between one year and five years	**1,210**	1,701	**466**	717
- later than five years	**2,975**	5,426	**1,169**	3,705
	4,897	7,914	**2,158**	5,010

The Group has significant operating leases with:
- Airports Fiji Limited for 3 years with an annual rent of $104,640 (2015: $13,800)
- BSP Life for 10 years with an annual rent of $226,837 (2015: $196,650)
- iTaukei Land Trust Board for 99 years with an annual rent of $14,235 (2015: $14,103)
- Motor Distributors (Samoa) Limited for 20 years with an annual rent of $102,960 (2015: $102,950)
- American Samoa Government for 30 year with an annual rent of $31,530 (2015: $31,530)

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

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Property, plant and equipment	**-**	176	**-**	-

29 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.

30 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 2016.

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 2016.

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 2016.

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 2016.

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 2nd day of June 2016 in accordance with the resolution of directors.

Yoshiaki Kato
Chairman

Jai Kumar
Director

Stock Exchange Information
31 March 2016

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 2016 in compliance with Listing Requirements.

Directors' and Senior Managements' interest in the company is nil as at 31 March 2016.

b) Distribution of Share Holding

Holding	No. of Holders	% Holding
Less than 500 shares	92	0.14
501 to 5000 shares	43	0.38
5,001 - 10,000 shares	4	0.19
10,001 to 20,000 shares	2	0.16
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	147	100.00

c) Top twenty shareholders listing as at 31 March 2016

	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
PatelKhatri Investment Fiji Ltd	11,167	0.08
Ishwar Nand & Prabha Wati Nand	10,833	0.08
Fiji Care Insurance 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 Ralp 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 2016

d) Share Register

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

e) The Board of directors met three times during the financial year. All three 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
Yoshiaki Kato	3	3	-
Teresa Julia Apted	3	3	-
John Benedict Thomas	3	3	-
Digby Bossley	3	3	-
Satoshi Sase	3	1	2
Jai Nand Kumar	3	3	-

f) Past Five Year Performance ($'000)

	2011	2012	2013	2014	2015
Net Profit	1,771	3,061	5,235	7,478	7,328
Assets	59,835	69,047	69,674	76,293	82,761
Liabilities	25,733	32,763	29,236	30,081	31,071
Equity	34,102	36,284	40,438	46,212	51,690

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

	Share Price ($)
Highest	3.10
Lowest	3.05

As at 31 March 2016, the share price was $3.10 per issued share.

TOYOTA TSUSHO (SOUTH SEA) LTD

FINANCIAL STATEMENTS 2016