CTCL

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED

ANNUAL REPORT 2019

Delivering Thrifty & Credible Financial Solutions to Shareholders

43rd Annual General Meeting

Rishikul College Hall, Nasinu

17th October 2020

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED

Board Members 2019-2022

MUNIAPPA GOUNDAR
Chairman

ARUN PRASAD
Secretary

PRANESH KUMAR
Treasurer

SASHI M SHANDIL
Vice Chairman

EMANUEL KUMAR
Asst. Secretary

AJESHNI LAL
Board Member

ROHITESH CHAND
Board Member

GYAN PRASAD
Board Member

MUSTAFA KHAN
Board Member

RAJENDRA V KUMAR
Board Member

VISHNU DEO SHARMA
Board Member

ASHWEEN RAJ
Board Member

FIJI TEACHERS UNION
CO-OPERATIVE THRIFT AND CREDIT LIMITED
ANNUAL REPORT 2019

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MESSAGE FROM THE BOARD CHAIRMAN

Dear Shareholders,

Warm greetings to you all from the FTUCTCL Board. Let me begin by acknowledging and appreciating the farsightedness and perseverance of the founding fathers and the successive Boards for building the organization block by block into what it is today. With paid up shares to the tune of $47,618,961.00, ours by far is the largest Cooperative in the South Pacific. The appreciated value of the real estate investment in CTCL stands at $18,905,000.00. Shareholders will also note that $35,287,878.00 of the funds are with members as loans. The valuation of Hideaway Coral Coast and Vuda are $29,250,000.00 and $12,895,000.00 respectively.

The current Board has been working on formulating and revising policies to further improve on the services provided to the shareholders. New products in the list of loans are also being explored for easier borrowing, without unduly increasing the risk.

Income from our investment in the hospitality sector has been affected adversely by the downturn in the economy, which has drastically escalated due to the pandemic. The whole world is still reeling from the sudden, swift, negative impact of COVID 19. Recovery is still a long way to come.

The good news for the shareholders is that the Board has negotiated an excellent management agreement with Tour Managers to manage the resorts and provide a fixed return. This arrangement will be fully effective once the borders open up and business normalizes. Meanwhile, Hideaway Coral Coast (like other resorts) opens during weekends for locals. The special rates are very attractive and you are all welcome to take advantage of it and at the same time assist your own investment.

Let us unite in solidarity like a true workers' organization and navigate through these challenging times.

I wish all shareholders healthy deliberations and look forward to constructive suggestions for the years ahead.

"TOGETHER, WE CAN MOVE MOUNTAINS."

....
MUNIAPPA GOUNDAR
CHAIRMAN

SUPERVISORY COMMITTEE'S REPORT

On behalf of the Supervisory Committee greetings to the entire FTUCTCL family.

Friends, Colleagues, it is a novel experience observing the activities, events from a new perspective after having been in the thick of things for almost 3 decades. Of course, it is much easier to pontificate (as some usually do), or to comment in retrospect than to be in the hot seat, strategizing and making crucial decisions.

I must commend my successor Bro. Goundar for boldly assuming the helm and steering the ship through very challenging times. The onset of the pandemic has impacted every individual in terms of eroding the quality of life. I wish to congratulate and express appreciation to the entire Board for continuously planning and executing decisions, reviewing operations and working as a team to confront obstacles and work out solutions.

The planned product diversification of services in terms of easier access to loans next year is expected to have a positive impact on the end result.

The management agreement with Tour Managers will definitely bear good yields and guarantee dividends to shareholders. We just need to hang in there till the borders open.

The Supervisory Committee had three formal meetings apart from sharing views /ideas on phone etc. The Board Chairman has been regularly briefing us on developments and seeking our advice all along.

The members of the Supervisory Committee will continue to assist the Board in every way possible to overcome the challenges of the "New Normal" and to keep moving forward.

We wish the AGM healthy deliberations.

Thank you.

....

Agni Deo Singh
Chairman Supervisory Committee

FIJI TEACHERS UNION
CO-OPERATIVE THRIFT AND CREDIT LTD
ANNUAL GENERAL MEETING
ORDER PAPER
SATURDAY 17TH OCTOBER, 2020

1.0 **Quorum:** Secretary to move.
"That this AGM has the necessary quorum as required by the FTU-CTC Ltd Regulation 16."

No. Present: - Total Membership: -

2.0 **Notice Convening the Annual General Meeting**
Secretary to move - "That this AGM of FTU-CTC Ltd be convened in accordance with Regulation 14, due notice of which was published in The Fiji Times of Saturday 19th September, 2020."

3.0 **Communication from the Chair**

4.0 **Minutes of the 2019 AGM**
Secretary to move - "That the Minutes of 42ndAnnual General Meeting of FTU-CTCL held at Rishkul College Hall, Nasinu on Thursday 25thApril, 2019 at 9.35am as circulated be taken as read and be confirmed."

4.1 Matters Arising

5.0 **Annual Report**
The Secretary to move - "That the Annual Report for the year 2019 as circulated be received for discussion and be adopted."

6.0 **Financial Report**
The Treasurer to move - "That the Audited Financial Report for the period 1st January 2019 to 31st December 2019 as previously circulated be received for discussion and be adopted."

6.1 Matters Arising

7.0 **General Business** (if any)

8.0 **Motions** (if any)

9.0 **Adjournment ofthe Meeting**

The Secretary to move - "That the AGM be adjourned "Sine Die."

MINUTES OF 42nd ANNUAL GENERAL MEETING OF FTU-CTCL HELD AT RISHIKUL SANATAN COLLEGE HALL, NASINU ON THURSDAY 25th APRIL, 2019 COMMENCING AT 9.35AM

1.0 QUORUM

Moved: Secretary Seconded: Mr. Sashi Shandil

"That this AGM has the necessary quorum as required by the FTU – CTC Limited Regulation 16"

Total Membership: 4165 Members Present: 316

2.0 BOARD MEMBERS

Mr. Agni Deo Singh, Mr. Arun Prasad, Mr. Pranesh Kumar, Mrs. Ajeshni Lal, Mr. Mustafa Khan, Mr. Emanuel Kumar, Mr. Rohit Deo, Mr. Narain Gounder, Mr. Rohitesh Chand and Mr. Vishnu Sharma

2.1 **Supervisory Committee Members:** Mrs. Vidya Singh, Mr. Ram Lingam and Mr. Muniappa Goundar

2.2 **Staff:** Mr. Chandar Dutt

2.3 **Apologies:** Mrs. Gyan Prasad

3.0 NOTICE CONVENING THE ANNUAL GENERAL MEETING

Moved: Secretary Seconded: Mr. Nukul D. Barman

"That this Annual General Meeting of FTU – CTCL be convened in accordance with Regulation 14, due notice of which was published in the Fiji Times of Saturday 6th April, 2019."

4.0 WELCOME FROM CHAIR AND INTRODUCTORY REMARKS

4.1 The Chairman, Mr. A.D. Singh welcomed all the members present for the 42nd Annual General Meeting of FTU-CTCL. He said AGM was to look at the Annual Financial Report of the year. There were 12 Board members and 3 Supervisory Committee members to over-see the operations of FTU-CTCL.

4.2 After every three years, one third of the Board members must step down and there is election for the vacant Board positions as per the Co-operative Act and the CTCL By-laws. Board had worked on the issues and suggestion received in the last AGM to improve on it. He stated it was challenging to do business in a competitive world.

4.3 Chairman said 42 years ago CTCL had its inception. Over the years it has grown from a $200-$300 loans and savings to a multi-million-dollar organization with a loan ceiling of $120,000.00 and a lot of other benefits which the members enjoy today. The purpose of forming the Co-operative was to ensure that the members benefited the maximum. He said the difference between a Co-operative and the Commercial lending agency was that with a Co-operative or Credit Union, you get more on your savings in the form of dividends and borrow at a lower rate for all kinds of secured loans.

4.4 The total CTCL paid up shares was up to $48,588.798 with the assets worth $92,064,964, a testimony of our steady growth. Chair said in the financial report would show that our assets were more than the liabilities. He said if tomorrow we had to sell our assets, we would get much more than our investment depending on the market value. Chair emphasized that AGM was an opportunity for members to ask questions and seek clarifications.

4.5 Chair stated that shareholders would notice that dividend on savings was affected by the requirement of the 30% of surplus apportioned to Reserve Funds. He said we have to revert to this arrangement after paying interest on savings for some years.

Hence the reduction of CTCL dividend from 4% to 3%.

4.6 He stated the investment in Hideaway Coral Coast paid 10% dividend for 5 years and there was no dividend paid for the last 2 years. He said we assured the members in the AGM that we would take measures to address the operations issue. The Board and management team worked hard to turn this around and despite the various challengers, a 4% dividend has been declared.

4.7 Chair said the Vuda Resort would take some time to start making surplus. We have 26 keys now and in future we need to take it to 50 keys. The incoming Board needs to look into developing it by injecting some more funds to make it a vibrant business. These were some future plans which we should continue to work on. Chair reiterated that before 1999 we were just a savings scheme and thereafter we had been investing, we have all these properties that we own today.

5.0 MINUTES OF THE 41st ANNUAL GENERAL MEETING – 2018

Moved: Secretary Seconded: Mr. Rajnesh Lingam

"That the Minutes of the 41st Annual General Meeting of FTU-CTCL held at Swami Vivekananda College Auditorium in Nadi on Thursday, 16th August, 2018, at 10.00am as circulated, be taken as read and confirmed."

5.1 Secretary informed that the members on page 3 of the Annual Report the shareholders would find a comprehensive Report from Supervisory Committee Chairman.

5.2 Secretary stated that the General Manager's position had been advertised locally and internationally. Shortlisted candidates would be interviewed and the interview was to take place from 2nd – 4th May 2019.

5.3 The issue of renovation and repairs to the resort had been taken care of and at the moment maintenance and renovation was taking place to up lift the outlook of the Resort.

5.4 Mr. Pranesh Sharma asked about the extra deductions from CTCL for Hideaway loan recovery. He asked if a member did not take loan from CTCL, how the Hideaway share purchase loan would be paid.

5.5 Treasurer replied that initially on the commencement of the Hideaway share purchase scheme it was planned that $15.00 fortnight would be deducted from the members pay to recoup the yearly loan of $390. Under the COBAL system that we had, it did not eventuate. But when the BANC system was implemented, it was possible for us to separate the Hideaway Loan repayment from CTCL repayment. The auditor also required us to repay the debts. Over years Hideaway debt continued to accumulate. Last year's AGM we decided to relook at how the debt could be recovered. The Board decided for Hideaway loan recovery we deduct $50.00. A member who did not take loan would continue to pay $15.00 per fortnightly.

5.6 Mr. Pranesh Sharma stated that if a member had taken a loan from CTCL and upon making the full payment of the CTCL loan the deduction from the members pay should cease immediately. However, it did not happen and the deduction continued at the same rate even after the CTCL loan was paid off to cater for Hideaway loan recovery. He said this should not happen and the excess deduction should be refunded to the member.

5.7 Chair explained that in 2009 when the share purchase scheme began $390.00 was credited from members CTCL account as interest free loan for Hideaway shares. This amount was to have been recovered from the shareholder at $15.00 per fortnight deduction. When shareholder took additional loan the payment for Hideaway was added to CTCL loan. The CTCL loan was being paid first and the Hideaway share payment got deferred because at time the IT system could not account for both deductions. The member's total deduction including the $15.00 Hideaway deduction was used to pay back the CTCL loan. The CTCL loan was paid back faster and members made some savings on interest. When the members kept on taking frequent loans the recovery of Hideaway share accredited every year kept on accumulating. When the new IT system was put in place it now picks up the purchase of Hideaway share recovery in arrears. In order to recover this money, we have to either deduct extra ($50.00) or keep the deduction going even if the member's CTCL loan is paid off until the Hideaway share purchase loan is cleared. The members in the past had enjoyed the 10% dividend for the 5 good years trading period without paying for it. At the end of the day the money is owed by the member and it has to be paid back. If for example a member takes a loan and the deduction is $200.00 instead adding another $50.00 per fortnight, the $50.00 from the CTCL loan repayment is credited for Hideaway loan repayment and rest goes to CTCL. The loan repayment for CTCL is reduced by $50.00. The member is able to pay back the Hideaway share purchase amount.

Chair said looking at the Financial Report, the $12m that was shown as Hideaway shares had arrears of $6.2m. This amount had been credited on behalf of the members as Hideaway shares and members have gained dividend from it without this amount been paid. Chair said this happened because of the IT system. A letter of explanation had been given to members who have taken loans to advise them of this issue. Once the Hideaway loan arrears was recovered then we would revert to $15.00 per fortnight loan deduction.

5.8 Mr. Pranesh Sharma asked when the correspondence was written and sent.

5.9 Chair replied it was written on the 1st of March, 2019.

5.10 Mr. Sharma said the deduction had started on 1st of January, 2019 and the members were not notified until queries were brought up by the members on the deduction being done without their knowledge. Chair agreed to that.

5.11 Mr. P. Sharma further said that the communication from CTCL do not reach the members on time and queries and members complaints were received by them as the members' representative from North. Secondly, he said that members take loans from CTCL and they have signed the authority form for CTCL loan deduction only. He said the members were never told and nowhere it was shown that a fund from Hideaway had come to top up their loan from CTCL. He said the repayment time which the legal document from CTCL stated a specified repayment time and the deductions must stop once the CTCL loans are paid. He stated that members must be informed of their financial status in advance.

5.12 Chair agreed with Mr. P. Sharma and said he is thankful that people like him raise the issues and assist us in serving the members. Chair said that when the Board realized that the members were not informed of this, we got together and agreed to communicate to the members in regards to this issue. He said at the end of the day the money is owed which needed to be paid by the members.

5.13 Mr. Shandil said that the deduction of $15.00 for the Hideaway should have been done from 2011 but it did not happen because of the IT system He said the operation of the IT system was the responsibility of the management. He said this should have been picked up by them and rectified. He said the $50.00 deduction from the members may affect the members intending to borrow because of MOE policy of maximum of 50% deduction at source. He said in the event of the loan recovery for Hideaway shares we are prolonging the repayment. He said instance where members wanted to seek loan from CTCL their loans could not be approved because they could not meet the repayment for the specified loan repayment time. The CTCL did not prolong their repayment to allow members to qualify for the loan.

5.14 Chair again reiterated that the money owed by the members had to be paid. He said now the IT system had been fixed and Hideaway loan recovery was taking place.

5.15 Chair said the issue of only 50% at source deduction was Ministry of Labour's policy, its purpose was to avoid social problems. Sometimes the members took a lot of loan and they did not have much left as take home pay to provide for their basic needs. He said management was liaising with the Reserve Bank to allow 75% deduction for housing loans as the other commercial lending agencies were doing. He said FTU-CTCL did its best to help the members. He said the points raised by the two members were taken and he stated that was important for us to explain to the members of every dollar that was deducted from them. He said the statement must also be clear stating how much was the CTCL loan and how much was the Hideaway loan and what the deductions were.

Individual members' cases could be looked at by the Board.

5.16 Mr. Shandil asked about the Vuda resort room rates in light of the huge investment that we had made.

5.17 CEO explained we had an average room rate of $250.00 as there were different categories of room rates. The lowest room rate was $150.00 per night.

5.18 Mr. Shandil said considering the investment of over $12m, the return we got was not good. He said he remembered when the development at Vuda was planned, the members were told that it will be 5-star resort and room rates projected was high. He said the project was planned initially for $2m and we ended up to $12m and getting a room rate of $150.00 was totally unacceptable. He said he believed a lot was needed to be done in this area.

5.19 Sis. Shareen Chand asked if the issue of Mr. Dutt wearing three hats; GM, CEO and Marketing Manager had been resolved.

5.20 Chair replied that the GM's position has been advertised locally and internationally by KPGM. Three candidates had been identified who would be interviewed in early May 2019. He said now Hideaway had a full time Marketing Manager for the Resort.

5.21 Mr. Abhay Chand stated that new Co-operative Act had been enacted. He said as the shareholders and members of the credit union and co-operative, we should read it to know of its implication to us.

5.22 Chair said under the Act, National Co-operative Federation (NCF) was formed which would look at the welfare of the Co-operatives. At the moment it had 44 affiliates and there were about 400 registered Co-operatives in Fiji. These Co-operatives needed to be assisted. Chair said he had been elected as the Chairman of NCF and he would ensure that the interest of our organization was looked after.

5.23 Sis Keshni expressed concern that the increase of loan deduction from $15.00 to $50.00 notification had not been sent to her. She queried on what would happen if the member's eligibility was only $50.00. She sighted her example where she was only eligible for $50.00 deduction.

5.24 Chair responded and said Board would have to look it. He said Board would try to assist every member and he again stated that communication was the key to address such issues.

5.25 Mr. Arvin Kumar said that CTCL must ensure that any changes which took place, the members needed to be informed in advance.

5.26 Mr. P Sharma commented that when the Board election took place yearly it was well functional. He said when they got elected for 3 years then all these issues arose.

5.27 Chair said the Co-operative Act was revised in 1996 which stated a three-year term for Board. Up till 2015 CTCL was having yearly election but a directive received from the Co-operative Ministry compelled us to have three-year Board term.

5.28 Mr. Pratosh Kumar said we are governed by the Act. He said we just have to look at our By-laws.

5.29 Chair said the By-laws have to be100% incompliance with the Act. The By-laws cannot be done be done outside the Act. But the By-laws can be strengthened. The Act supersedes the By-laws.

5.30 Secretary thanked the shareholders for raising pertinent issues.

5.31 Mr. Manhar Kumar raised questions on the defaulters list and if anything had been done about it.

5.32 Chair said the list was printed annually to so the shareholders could assist us to locate these defaulters. Cases were with the lawyers and for 2018 there were no defaulters.

6.0 ANNUAL REPORT – SEPTEMBER 2018-MARCH 2019

Moved by Secretary Seconded by Mr. Manhar Kumar

"That the Annual Report for the year 2018/2019 as circulated be received for discussion and be adopted."

6.1 Secretary made a correction to the Comprehensive income for 2018 to read as $1,799,988.00.

6.2 Mr. Pranesh Sharma said it was time that CTCL Board should remind themselves of the Core Values of FTU-CTCL.

6.3 Secretary encouraged the members to familiarize themselves of the FOC night's guidelines.

6.4 Secretary stated those members on Motor Vehicle loans upon the completion of the payment need to write to CTCL should they wish to discontinue with the insurance payment, if not CTCL would continue with payment for the insurance cover.

6.5 Mr. Pratosh Kumar thanked the Secretary for the Annual Report and he asked about the number of Board Meeting conducted in the last 7 months as the Act says that the Board should have monthly meetings.

6.6 Secretary replied that he could not state exactly how many Board meetings took place but said regular meetings were held. He said in the next Annual Report, he would include the date of the meetings and the Board members that attended the meetings.

6.7 Mr. Sashi Mahendra Shandil raised the issue of CTCL product development. He said CTCL just gives emergency, soft and formula loans. He said that the other sectors have gone ahead of us in terms of the products they offered to the customers. He said this could be one of the reasons members were withdrawing from CTCL as their financial needs were not met. He said a lot of CTCL funds were attached to Hideaway. He suggested for product differentiation and diversification.

6.8 Mr. Pranesh Sharma raised his concern on the HQ staff at CTCL office. He said CTCL staff were rude in the way they talked and responded to the members. He stated the staff did not respond to members' emails and did not return their calls. He said the staff must realize that teachers call during their recess and lunch time and their calls should be responded to.

6.9 Chair said CEO should take note of it and look into this matter. He said HQ had 4 mobile phones apart from the landline. Chair said our rule was that when the members called, their calls needed to be returned and the emails responded to as soon as possible.

6.10 Mr. Munendra Mistry also expressed similar concerns on HQ's response to members. He said the staff must understand that they are our workers paid by the members and they should be respectful. He further said the FOC nights had been reduced from 5 to 3. He said when members want to book their FOC nights they are told resort was fully booked. He stated that if the resort was fully booked then why the Resort didn't make much profit in 2018.

6.11 Chair replied that if members' book in advance they should be able to get FOC nights. If the frangipani room allocated for FOC was not available, members could pay $40.00 for an ungraded room.

6.12 Chair said the Board needs to re-look at the FOC nights. Last year 1065 room nights were used at a minimum cost of $60.00. The total cost for these rooms was close to $200,000.00. The members were to spend a minimum of $20.00 per person per night and only $13,000.00 was recovered. Chair said instead of total FOC nights, a provision to offer a 40% discount for bed and meals could be looked into.

6.13 Sis Sima Kumar said emails sent in regards to FOC nights at the resort were not answered and no feedback was received. She said within 24 hours' feedback must be given to the members. She said the staff must have up dated information about individual members in the data base. She further stated the fact that $20.00 per night per member if not spent then the breakfast would be charged needed to be communicated to the members.

6.14 Mr. Nukul Barman suggested the Board should set a timeline to address the issues. He said the staff needed to be reminded of their responsibilities. He said the salary deduction [repayment] was to cease after the loan repayment. The CTCL staff must follow up with MEHA to expedite this process and make necessary adjustments. He further stated that when the members applied for loan, the loan requirements should be told to them there and then rather than when the members call to check on their loan application progress.

6.15 Chair said we take note that there was a short coming and this is what the staff should be doing. He asked the CEO to note that and ensure that it was done. He said AGM provided an opportunity for members to raise their concerns and for the Management to take note and address the issues.

7.0 FINANCIAL REPORT - 2018

Moved: Pranesh Kumar – Treasurer Seconded: Mr. Munendra Mistry

"That the Audited Financial Report for the period 1st January, 2018 to 31st December, 2018 as previously circulated be received for discussion and be adopted."

7.1 Treasurer said the financial report for CTCL and Hideaway Resort and SPA had been audited by external auditors. The two auditors were; for CTCL it was done by Ernst and Young and for Hideaway it was KPMG.

7.2 The Treasurer reported that the total comprehensive income for the year, net of tax was $1,790,988 compared to $910,804 in 2017. He said there was an upward valuation of our properties which was $1,312,000.00.

7.3 The Treasurer stated that members' Hideaway Shares stood at $11,999.986. Members shares was $48,588,798 and the Reserve Fund balance was $4,111,332 thus the total for members' fund and reserves were $70,431,849.

7.4 Treasurer stated that we had a cash equivalent of $6,365,938.

7.5 The CTCL made an operating profit of $2,023,310, compared to $1,451,709.00 in 2017.

7.6 Treasurer reported that the CTCL properties, which included the apartments, hostel and residential property made a loss of $232,322.00.

7.7 Mr. Manhar Kumar sought clarification on general, office and printing and stationery expenses.

7.8 Treasurer replied that there had been an increase in the General Expenses. He said there was a list of items that came under general expenses. They were cost of small items which have been classified by the auditors as General. The other which was the office expense, this accounted for the operational expense of the office. He said in 2017 we had shortage of staff. We had less expenses in terms of wages compared to 2018. It included mostly administrative purpose. The printing and stationery expense which was $43,706 included the printing of Annual Report which was previously part of AGM expense. This also included all office printing, stationery and the newsletters.

7.9 Mr. Manhar Kumar sought further information on the general expense as the treasurer had stated that general expense included small expense items which totalled $39,121 compared to $10,785. He asked for list of few items that came under general expense category.

7.10 Treasurer said he didn't have the break down for general expense but he had for office and printing stationery expenses. He said he won't be able to provide information on general expense in this AGM.

7.11 Mr. Pratosh Kumar asked about the increase in bank charges.

7.12 Treasurer said the increase in the bank charges was due to CTCL moving over from WBC to HFC due to a lower interest rate. There was an establishment fee of $150,000.00 which significantly increased the bank charges.

7.13 Mr. Sashi Shandil said the house had full confidence in the treasurer. However, he asked for the reason for the transfer of accounts from WBC to HFC.

7.14 Chair said HFC offered a 5.5% interest rate compared to the 10.75% charged by WBC. He said there would be huge savings on lower interest rate on loans.

7.15 Mr. Sashi Shandil queried about the decrease in wages and salary. He said normally there was an increase in salary. He said there was a suspicion that our staff was not well looked after.

7.16 Chair said we had staff leaving us. We had to recruit new staff who started at entry level which would be lower level then the staff who had left us. He said it also takes time to fill the vacant position thus leading to lower expense in salaries and wages. He further stated that the JEE was in progress which would incorporate cola payment for the staff. He said the market offers higher salary for our workers and they opted for it.

7.17 Mr. Pranesh. Sharma raised his concern on the clerical officer who was taken over from Shamal Kumar who resigned in November. He said he had been put on probation since then. He had performed well and he should have been offered the job instead of it being advertised.

7.18 Chair said the clerical officer was not on probation but on temporary contract. He said the post had been advertised and 2 applicants from Labasa had been short listed who would be interviewed and the post filled shortly.

7.19 Mr. Pranesh Sharma said the relieving clerical officer does not have the temporary contract. He said if he had it, he would have shown that to them.

7.20 Chair said the contracts are not to be shown to others. It is personal to an individual.

7.21 Mr. Munendra Mistry said the Board should consider providing bottled water to members in the AGM.

7.22 Mr. Pratosh Kumar said he was appreciative of the Board for looking after the investment of the shareholders.

7.23 Mr. Pranesh Sharma asked about the type of contract our employees were on.

7.24 Chair said our staff were on open contract except for CEO who had a three-year contract that expires in November this year.

7.25 Mr. Arvind asked about the increase in the FNPF contribution.

7.26 Treasurer said the employer pays 10% of the contribution while the employee contributes 8% which makes up the FNPF. The shortage of staff from 2017 had been rectified by recruiting new staff which will account for the increase in the FNPF amount.

7.27 Mr. Manhar Kumar said that the printing & stationery had increased.

7.28 Treasurer said the major cost was the printing of Annual Report which was $16,000.00. There were other printing expenses such as printing of HFC cheques.

7.29 Mr. Arvin Kumar queried about the Value of Hideaway shares since the value of the resort has doubled. He asked if the members share value could be increased as well.

7.30 Chair said if CTCL bought back the shares it would buy at $1 value per share but members could negotiate with another member who was willing to pay a higher value for the share. However, the total maximum a shareholder could acquire was $5850.00.

7.31 Mr. Sashi Shandil thanked the Board and the management for turning the table around and giving a dividend of 4%.

7.32 Chair thanked all those who had asked questions and said their concerns are noted. The Board will make every effort to address the issues raised in the AGM.

8.0 RESOLUTION
Nil

9.0 ELECTIONS
9.1 Chair stated as per the Act one third of the Board had to step down after a term of three years. He said out of the 12-member Board 4 will have to step down and 8 will remain in the spirit of continuity to enable the smooth transition of the Board members and maintain the standard of the operation of the organization.

9.2 Chair said he had served in CTCL for 27 years and was prepared to step down together other senior members; Mr. Rohit Deo and Mr. Narain Gounder stepped down as per "first in, first out."

Mr. Govind Singh had resigned earlier from the Board.

9.3 Chair said the Act allows for the AGM to elect the Chair and Vice Chair.

9.4 Mr. Pratosh Kumar moved that the Chair and Vice Chair with 2 Board members be elected in the AGM and that Mr. Singh to be the interim chair to allow for the election. Seconded by Mr. Ashwin Raj.

ELECTION OF BOARD MEMBERS 2019 - 2022

The following new board members were elected:

No.	NAME	POSITION	MOVER	SECONDED
1	Muniappa Goundar	Chairman	Pratosh Kumar	Pranesh Sharma
2	Sashi Mahendra Shandil	Vice Chair	Pranesh Sharma	Elivs Goundar
3	Ashwin Raj	Board Member	Brij Singh	Manhar Kumar
4	Rajendra Vishnu Kumar	Board Member	Elvis Goundar	Sashi Shandil

10.0 SUPERVISORY COMMITTEE

No.	NAME	POSITION	MOVER	SECONDED
1	Agni Deo Singh	Supervisory Committee Chair	Muniappa Gounder	Manhar Kumar

The other two Supervisory Committee Members; Mr. Ram Lingam and Mrs. Singh to continue for another term.

11.0 ADDRESS BY CHAIR ELECT

Mr. Muniappa Goundar said he was delighted to be elected as the Chair of the Board. He thanked the shareholders for having faith him. He thanked the outgoing Chairman for his 27 years of service to CTCL.

12 .0 ADJOURNMENT
The Meeting adjourned at 12.30pm.

....
Muniappa Goundar
CHAIRMAN

....
Arun Prasad
SECRETARY

FIJI TEACHERS' UNION
CO-OPERATIVE THRIFT AND CREDIT LIMITED
REPORT COVERING MAY 2019 TO SEPTEMBER 2020

1.0 Our Organization

As a Co-operative, we operate for the benefit and in the interest of the shareholders. Shareholders are vital for success of the organization and therefore every effort is made to ensure member confidence in the organization.

FTU- CTCL will continue to embark on programs to reach out to potential shareholders. The strength of the organization is dependent on the strength of the membership.
This Annual General meeting provides an opportunity to the shareholders to have a voice in the organization.

2.0 FIJI TEACHERS' UNION – CREDIT THRIFT AND COOPERATIVE LIMITED

FTU – CTCL [then FTU – CTCS] was established in 1978 to assist members with financial needs – basically, savings and borrowings.

Today, we have a total membership of 4227.

Profit generated during the year is paid back to the members as dividends [70%] and the balance of 30% is accumulated as Reserve Fund, as per the requirement of Co-Operative Act.

For the last three years, the total comprehensive income was $601,596.00 [2019], $1,790,988.00[2018] and $910,804.00 [2017].

3.0 FTU –CTCL CORE VALUES

- We will be fair and ethical in our dealings
- We will focus on our member benefits
- We will give you clear information about our products and services
- We will be a responsible lender
- We will deliver a high standard of service to shareholders
- We will deal fairly and impartially with all complaints
- We will recognise member / shareholder rights
- We will comply with our legal and industry obligations
- We will endeavour to provide financial literacy

4.0 FTU – CTCL SHARES

As at 31st December, 2019, the total shares issued stood at **$47,618,961.00**, whilst 2018 figure was **$48,588,798.00** and 2017 figure was **$46,072,829.00** each share is worth $1.

Whilst it is important that we provide assistance to members with accessible loans, it is equally important for us to ensure that shareholders save as much as they can to ensure healthy balances in retirement. We believe that savings must be encouraged.

Membership drive will continue during the year. The Board sincerely acknowledges the assistance given by all the FTU Branch Executives, Heads of Schools and members at large for their assistance during membership drive.

5.0 FIJI HIDEAWAY RESORT & SPA

Resort Purchase

In October 2009, the Fiji Hideaway & Spa Resort was purchased at a price of $12.9 M.

Progressive share purchase was offered to the FTU-CTCL shareholders @$390.00 p.a. in 2011.

As of 31/12/19, the total paid up shares was $11,818,316.00, 2018 was $11,999 986.00 and 2017 was $ 11,488,720.00

Resort Performance 2019

The total Gross Revenue from sales and other income in 2019 was $9,765,961.00, in 2018 it was $9,378,968.00 and in 2017 it was $9,359,617.00.

Hideaway Resort has made a Net Loss of $2,599,634.00 in 2019.

The Hideaway Coral Coast and Vuda Resort accounts are audited by KPMG.

The shareholders can scrutinise the financial performance of the Resort from the financial score board and seek clarifications.

6.0 HIDEAWAY FOC NIGHTS

The Board has temporarily shelved the FOC nights.

7.0 VUDA HIDEAWAY RESORT & SPA

The project, which commenced in February 2014, was finally completed in December, 2017.

The total cost of the project was $13,340,768.00.

For 2019 financial year, the Resort made a Net Loss of ($561,090.00), 2018 financial year, the Resort made a loss of ($871,218.00).

7.1 HIDEAWAY AND VUDA RESORT – OUT LOOK

The Fiji Hideaway Resort & Spa recorded a profit in the 2018 financial year and thus the Board distributed a 4% dividend. However, the result fell short in the 2019 financial year. The Vuda property, as expected, made a loss again in 2019.

A management Agreement has been signed with Tour Managers for seven years, whereby the operators will give a guaranteed return. The Agreement will come into force once the borders re-open.

In the meanwhile, the Resort employees have been sent on leave without pay. The employees are recalled on need basis in the weekends.

The Board is seeking your assistance in getting the families and friends spend time at the resort in the weekends.

This is the time we need to stand up and be counted.

8.0 SUB COMMITEES

8.1 ADMIN COMMITTEE

Mr. Muniappa Goundar [Chair]
Mr. Arun Prasad
Mr. Pranesh Kumar
Mr. Sashi Mahendra Shandil

8.2 FINANCE COMMITTEE

Mr. Pranesh Kumar [Chair]
Mr. Rajendra Vishnu Kumar
Mr. Emanuel Kumar
Mr. Vishnu Deo Sharma
Mr. Rohitesh Chand
Mr. Ashween Raj

8.3 LOANS COMMITTEE

Mr.Arun Prasad [Chair]
Mr. Pranesh Kumar
Mr. Rajendra Vishnu Kumar
Mr. Emanuel Kumar
Mr. Rohitesh Chand
Mr. Mustafa Khan
Mr. Vishnu Deo Sharma
Ms. Gyan Prasad
Mr Ashween Raj

8.4 SECURITIES COMMITTEE

Mr. Mustafa Khan [Chair]
Mr. Vishnu Deo Sharma

8.5 PUBLICITY COMMITTEE

Mr. Rohitesh Chand [Chair]
Mr. Arun Prasad
Mr. Pranesh Kumar
Ms. Ajeshni Lal
Ms. Gyan Prasad

8.6 PROPERTIES COMMITTEE

Mr. Muniappa Goundar [Chair]
Mr. Sashi Shandil
Mr. Arun Prasad
Mr. Emanuel Kumar
Mr. Pranesh Kumar

8.7 SOCIAL COMMITTEE

Mr Vishnu Deo Sharma [Chair]
Mr Arun Prasad
Mr Rohitesh Chand

9.0 BENEFITS REVISITED

9.1 Current Ceiling is $120,000.00. For housing loan up to $125,000.00 could be considered.

9.2 **Interest on Home Loan** – The interest rate for all new home loans was 5.5 percent. This to continue till 2022.

9.3 Re-payment time has been increased from 18 years to 20 years.

9.4 **Motor Vehicle** loan Re-payment has been re-scheduled as follows:

- ✓ Brand new vehicles – increased from 4 years to 5 years.
  70% of the value is taken as security.
- ✓ Japanese second hand vehicles – repayment period now is 4 years.
  60% of the value is taken as security.

- ✓ All other Motor Vehicles – repayment period is 3 years
- ✓ Motor Vehicles up to the value of $8,000.00 are not accepted as a security.
- ✓ Vehicles are now insured with Sun Insurance

9.5 **M-Paisa** – Shareholders are enjoying the benefits of money transfer via M-Paisa provision.

9.6 **In-House Mortgage Protection Scheme [IMPS]** – as per the resolution of 2013 AGM, the IMPS has been reduced to 0.5%, from 1.0%. In 2019, a total of $79,085.70 was paid to beneficiaries whilst in 2018, $52,615.70 was paid out from IMPS Account. Loan written off in case of natural death of the borrower.
IMPS does not cover defaulters/death via suicide/loans taken by retired members

9.7 **Motor Vehicle and Housing Loan Insurance** – All vehicles provided as securities for loans are insured through the scheme. Members wishing to terminate the policy on completion of loan repayment must inform the management in writing. CTCL will continue to insure your motor vehicles unless it gets in writing to cease insurance payments.

With effect from 01/01/18, FTU-CTCL has gone into an agreement with Sun Insurance for all motor vehicle insurance. The rate is 3 percent of the sum insured.

9.8 **Retired Members** – provision is there for them to do lump sum deposits and they can withdraw and deposit money at their convenience.

10.0 General Reminders

- ✓ Repeat borrowing on all CTCL loans subject to approval.
- ✓ Loan disbursement through MPAISA.
- ✓ Motor Vehicle & House Loan Insurance Scheme.
- ✓ Retired members continue to save and withdraw at will.
- ✓ Surrender Value of Life Insurance, Policies and members shares are accepted as surety.
- ✓ All concerns and issues to be forwarded to Secretary/Office in Writing.
- ✓ Members who receive Audit confirmation sent with September statements to respond.

11.0 Shareholders Emails

Acknowledging that digital plat form is the way forward, we request that shareholders give their email address to the office. We belief that receiving your communications electronically is an important way to stay informed and keep in touch as a FTU-CTCL and Hideaway Shareholder. I encourage each one to take this opportunity to switch to electronic communications and keep us with sustainable practices that also enable fastest possible flow of information to you in the most secure and cost effective manner possible.

CONCLUSION

FTU-CTCL has always endeavoured to work in the best interest of all the shareholders. Shareholders confidence is vital for the success of the organization. As the co-operative grows, so does the benefits.

The Board will continue to work in harmony with the stakeholders so as to maximize the returns for the shareholders, as well as to improve in the services provided.

The AGM is the platform provided for shareholders, to seek clarifications and give constructive suggestions for the betterment of the shareholders and the organization.

With the Management Agreement signed with Tour Managers and the guaranteed yearly return, Hideaway Shareholders should start receiving dividend once the Covid -19 pandemic scare is over. Currently, TM is managing the resort for local guests.

I wish to thank the Supervisory Committee, fellow Board members and the staff of Hideaway and Vuda Resorts for their time and commitment towards the organization.

Finally, my profound thanks and appreciation to all the shareholders for the trust and confidence you have placed in the board.

....

ARUN PRASAD
SECRETARY

TREASURER'S REPORT

Bula Vinaka!

Fiji Teacher's Union - Co-operative Thrift and Credit Limited [FTU-CTCL] has a 12 month trading period ending on 31st December 2019. The accounts have been audited by the Chartered Accountants, **Ernst & Young** [EY] and the audit was completed by the end of July. This was due to the 'new normal' as the pandemic had resulted in the closure of the office of FTU-CTCL and EY.

On the contrary, the Fiji Hideaway Resort & Spa – Coral Coast and the Fiji Hideaway Resort & Spa – Vuda [currently known as Landers Bay Resort & Spa] was audited by the **Klynveld Peat Marwick Goerdeler** [KPMG]. The audit was completed by June and financial report submitted later. The delay in the audit was again due to the closure of the audit firm and the resort.

The results of the operation have been due to the downturn of the economy. The second half of 2019 had generated low business resulting in the many cancellations and striving business taken away from our feet. The co-operative continued to do normal business whereas the resort was trying to maximize on its peak period but suffered drawbacks as visitors became reluctant to spend their holidays overseas. As such the trading results did not favour us as we had forecasted for the trading year.

Fiji Teachers Union – Co-operative Thrift and Credit Limited has a Net Worth of *$61 647 704*. The Net Profit from operations gained $1 853 029. Members Fund contributed to $47 618 961 out of which *$39 897 061* was utilized as Loans to members [*83.8%*].

The properties including the resort loans has a Net Loss of *$1 251 433* out of which *$1 159 660* is Interest on External Loan at HFC Bank. The properties including Tower 2000, Nailuva Flats and Rewa Street Apartments have a Net Worth of *$6 762 108*. The interest on the loans for the above is earned by the membership at *6%* as it is an internal loan.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa did not do good business as costs of sales had increased due to increase in operating supplies and repair and maintenance on the rise. None the less, the amounts payable to shareholders stands at *$15 664 322* which is unsecured and interest free.

The Operating Loss from Coral Coast amounted to $1 513 274 and Vuda as *$561 090*. The resort continues to spend on maintenance as it has been in existence for over 30 years.

I now commend the financials to the Annual General Meeting.

PRANESH KUMAR

FIJI TEACHERS UNION
CO-OPERATIVE THRIFT & CREDIT LTD
FINANCIAL STATEMENTS
31ST DECEMBER 2019

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of Fiji Teachers Union Co-operative Thrift and Credit Limited (the Co-operative) as at 31 December 2019, the related statement of profit or loss and other comprehensive income, the statement of members' fund and reserves and the statement of cash flows for the year ended on that date and report as follows:

Directors

The names of the Directors in office at the date of this report are:

Mr. Muniappa Goundar (Chair)
Mr. Sashi Shandil (Vice Chairman)
Mr. Arun Prasad (Secretary)
Mr. Pranesh Kumar (Treasurer)
Mr. Emanuel Kumar (Asst. Secretary)
Mrs. Ajeshni Lal
Mr. Rohitesh Chand
Mrs. Gyan Prasad
Mr. Mustafa Khan
Mr. Rajendra Vishnu Kumar
Mr. Vishnu Sharma
Mr. Ashween Raj

Principal Activity

The principal activities of the Co-operative in the course of the financial year were that of promoting thrift among its members, receiving the savings of its members, to grant loans to its members and to invest member savings. The Co-operative also holds investment properties which earns rental income.

Results

The operating result for the year was a surplus of $601,596 (2018: $1,790,988) after providing an income tax expense of $48,441 (2018: $24,567).

Interest/ Dividends

During the financial year, the Co-operative paid out interest on share capital of $1,472,145 (2018: $1,841,203). Interest of $Nil were declared in the current year (2018: $1,472,145).

Reserves

The Directors recommend that no transfer be made to reserves.

Bad and Doubtful Debts

Prior to the completion of the Co-operative's financial statements, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the provision for doubtful debts (expected credit loss). In the opinion of Directors, no provision for doubtful debts is adequate.

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

Non-current Assets

Prior to the completion of the financial statements of the Co-operative, the Directors took reasonable steps to ascertain whether any non-current assets were unlikely to be realised in the ordinary course of business other than at their values as shown in the accounting records of the Co-operative. 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.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
DIRECTORS' REPORT continued
FOR THE YEAR ENDED 31 DECEMBER 2019

Non-current Assets continued

As at the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to non-current assets in the Co-operative's financial statements misleading.

Basis of Accounting

The Directors of the Co-operative believe that the basis of preparation of the financial statements is appropriate and that the Co-operative will be able to conduct its normal operations in the next twelve months. The Directors of the Co-operative resolved that the classification and carrying amounts of assets and liabilities included in these financial statements are appropriate.

Unusual Transactions

In the opinion of the Directors, the results of the operations of the Co-operative during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Co-operative in the current financial year, other than those reflected in the financial statements.

Events Subsequent to Balance Date

Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020.

We have not seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however they will have an impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Company at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.

Other Circumstances

As at the date of this report:

(i) no charge on the assets of the Co-operative has been given since the financial year ended 31 December 2019 to secure the liabilities of any other person;

(ii) no contingent liabilities have arisen since the financial year ended 31 December 2019 for which the Co-operative could become liable; and

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
DIRECTORS' REPORT continued
FOR THE YEAR ENDED 31 DECEMBER 2019

Other Circumstances continued

(iii) no contingent liabilities or other liabilities of the Co-operative has become or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Co-operative to meet its obligations as and when they fall due.

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

Auditor Independence

The Directors have obtained an independence declaration from the Co-operative's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the Auditor's Independence Declaration to the Co-operative on page 6.

Directors' Benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements or received as the fixed salary of a full-time employee of the Co-operative or of a related corporation) by reason of a contract made by the Co-operative or by a related corporation with the Director or with a firm of which he is a member, or with a Co-operative in which he has a substantial financial interest.

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

Dated this 6th day of October 2020.

....	....	....
Chairman	Treasurer	Secretary

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2019

The Board of Directors of the Co-operative have made a resolution that declared:

(a) in the Directors' opinion, the financial statements and notes of the Co-operative for the financial year ended 31 December 2019:

    (i) give a true and fair view of the financial position of the Co-operative as at 31 December 2019 and of the performance of the Co-operative for the year ended 31 December 2019; and

(b) at the date of this declaration, in the Directors' opinion, there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

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

Dated this 6th day of October 2020.

………………………………	………………………………	………………………………
Chairman	Treasurer	Secretary

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF FIJI TEACHERS UNION COOPERATIVE THRIFT LIMITED

As lead auditor for the audit of Fiji Teachers Union Co-operative Thrift Limited for the financial year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Fiji Teachers Union Co-operative Thrift Limited and the entity it controlled during the financial year.

Ernst & Young
Chartered Accountants

Steven Pickering
Partner
Suva, Fiji

6 October 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Fiji Teachers Union Co-operative Thrift and Credit Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Fiji Teachers Union Co-operative Thrift and Credit Limited (the Co-operative), which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in members' funds and reserves, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters referred to in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Co-operative as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard (IFRS) and the Co-operatives Act 1996.

Basis for Qualified Opinion

The Co-operative has recorded Loans to Members of $35,287,878 and Amounts due from Related Parties of $15,662,656. An allowance for expected credit loss in relation to these receivables should be calculated in accordance with IFRS9, however the recorded allowances for expected credit loss of $343,425 (for Loans to Members) and nil (for Amount due from Related Parties) have not been calculated in accordance with these requirements. Given this and the lack of other evidence available, we were unable to determine by alternative means whether the recorded allowances for expected credit loss were appropriately recorded. Consequently, we were unable to determine whether any adjustments to the net recorded value of the Co-operative's Loans to Members or Amounts due from Related Parties were required.

The Co-operative 's investment in subsidiary (Hideaway Resort) should be recorded at fair value, with any movement in this value recognised in profit or loss. The Co-operative has not provided sufficient appropriate evidence to support the assessed fair value of its investment in Hideaway Resort, recorded at $13,878,119. We were unable to determine by alternative means the fair value of this investment at 31 December 2019. Consequently, we were unable to determine whether any adjustment to the recorded value of the Co-operative's investment in Hideaway Resort was necessary.

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

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INDEPENDENT AUDITOR'S REPORT continued

Emphasis of Matter

We draw attention to Note 27 of the financial statements which notes the World Health Organisation's declaration of the outbreak of COVID-19 as a global pandemic subsequent to 31 December 2019 and how this has been considered by the Directors in the preparation of the financial statements. As set out in Note 27, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements and the auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the Financial Statements

The Directors and management are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the Co-operative Act 1996, and for such internal control as the Directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors and management are responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors and management either intend to liquidate the Co-operative or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Co-operative's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Building a better working world

INDEPENDENT AUDITOR'S REPORT continued

Auditor's Responsibilities for the Audit of the Financial Statements continued

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors and management.

- Conclude on the appropriateness of the Directors' management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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INDEPENDENT AUDITOR'S REPORT continued

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the requirements of the Co-operative Act 1996 in all material respects, and;

a) we have been given all information, explanations and assistance necessary for the conduct of the audit; and

b) the Co-operative has kept financial records sufficient to enable the financial statements to be prepared and audited.

Ernst & Young
Chartered Accountants

Steven Pickering
Partner
Suva, Fiji

6 October 2020

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 $	2018 $
Interest income	5 (a)	2,090,582	2,451,260
Rental income		419,569	394,952
Other revenue	5(b)	26,119	13,298
Total income		2,536,270	2,859,510
Administrative expenses	5 (d)	(317,415)	(684,526)
Depreciation and amortisation expense - property, plant and equipment	12	(37,227)	(34,509)
Depreciation expense - right-of-use assets	24 (a)	(20,759)	-
Property maintenance expense		(63,091)	(78,312)
Operating expenses	5 (c)	(280,523)	(237,983)
Total administration and operating expenses		(719,015)	(1,035,330)
Profit from operations		1,817,255	1,824,180
Finance costs	5 (e)	(1,173,438)	(1,321,425)
Unrealised gain on available for sale shares		6,220	800
Change in fair value of investment properties, net of tax	11	-	1,312,000
Profit before income tax		650,037	1,815,555
Income tax expense	6	(48,441)	(24,567)
Profit for the year		601,596	1,790,988
Other comprehensive income		-	-
Total comprehensive income for the year, net of tax		601,596	1,790,988

The accompanying notes form an integral part of this Statement of Profit or Loss and Other Comprehensive Income.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
STATEMENT OF CHANGES IN MEMBERS' FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2019

Members' funds and reserves	Notes	2019 $	2018 $
Members Hideaway shares			
Balance at 1 January		11,999,986	11,488,720
Movement during the year		(181,670)	511,266
Balance at 31 December	18	11,818,316	11,999,986
Members shares			
Balance at 1 January		48,588,798	46,072,829
Contributions during the year		5,348,978	5,866,650
		53,937,776	51,939,479
Withdrawals during the year		(4,971,220)	(3,341,887)
		48,966,556	48,597,592
Shares transferred to loan account		(1,347,595)	(8,794)
Balance at 31 December	20	47,618,961	48,588,798
Reserve fund			
Balance at 1 January		4,111,332	3,574,036
Operating profit		180,479	537,296
Balance at 31 December	21	4,291,811	4,111,332
Retained earnings			
Balance at 1 January		5,731,733	4,478,041
Operating profit		421,117	1,253,692
Less: interest on share capital declared/dividends		(1,472,145)	-
Balance at 31 December		4,680,705	5,731,733
Total members funds and reserves		68,409,793	70,431,849

The accompanying notes form an integral part of this Statement of Changes in Members' Funds and Reserves.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 $	2018 $
Assets			
Cash and cash equivalents	8	4,527,687	6,365,938
Trade and other receivables	7	137,416	164,176
Financial assets	9	1,054,946	1,057,248
Loans to members	14	35,287,878	37,263,204
Investment properties	11	18,905,000	18,905,000
Amount due from related parties	23 (c)	15,662,656	14,279,494
Investment in subsidiary	10	13,878,119	13,878,119
Property, plant and equipment	12	85,348	90,975
Right-of-use assets	24 (a)	176,079	-
Intangible assets	13	88,560	60,810
Total assets		89,803,689	92,064,964
Liabilities			
Trade and other payables	16	593,427	582,453
Interest bearing borrowings	15	15,927,461	16,512,458
Lease liabilities	24 (b)	181,343	-
Employee entitlements	17	21,105	23,474
Deferred income	19	2,781,183	2,673,794
Deferred tax liability	6	1,889,377	1,840,936
Total liabilities		21,393,896	21,633,115
Net assets		68,409,793	70,431,849
Members' funds and reserves			
Members Hideaway shares	18	11,818,316	11,999,986
Members shares	20	47,618,961	48,588,798
Reserve fund	21	4,291,811	4,111,332
Retained earnings		4,680,705	5,731,733
Total members' funds and reserves		68,409,793	70,431,849

The accompanying notes form an integral part of this Statement of Financial Position.

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FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 $	2018 $
Operating activities			
Receipts of interest, rentals and other income		2,670,419	2,937,598
Cash paid to suppliers and employees		(2,124,569)	(2,633,434)
Interest paid		(1,173,438)	(1,321,425)
Net loan repayments/(grants to) members		1,975,326	(291,402)
Net cash flows from/(used in) operating activities		1,347,738	(1,308,663)
Investing activities			
Acquisition of plant and equipment		(12,494)	(20,514)
Acquisition of intangible assets		(46,856)	(6,170)
Investment in term deposits		8,522	-
Net loan to subsidiary		(1,383,162)	(938,726)
Net cash flows used in investing activities		(1,433,990)	(965,410)
Financing activities			
Net (repayments)/proceeds from issue of shares to members		(969,837)	2,515,969
Net (repayment)/proceeds from HFC loan		(584,997)	2,436,736
Net (withdrawals)/proceeds from Hide-A-Way shares		(181,670)	511,266
Lease payments - principal portion only		(15,495)	-
Net cash flows (used in)/from financing activities		(1,751,999)	5,463,971
Net (decrease)/increase in cash and cash equivalents		(1,838,251)	3,189,898
Cash and cash equivalents at 1 January		6,365,938	3,176,040
Cash and cash equivalents at 31 December	8	4,527,687	6,365,938

The accompanying notes form an integral part of this Statement of Cash Flows.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Corporate Information

The financial statements of Fiji Teachers Union Co-operative Thrift and Credit Limited (the Co-operative) for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Directors on 6th October 2020.

Fiji Teachers Union Co-operative Thrift and Credit Limited is a Co-operative incorporated and domiciled in Fiji and operating under its own By-Laws. The principal activities of the Co-operative are described in Note 26.

2 Basis of preparation of the financial statements

The financial statements have been prepared on a historical cost basis except for investment properties and financial instruments that have been measured at fair value. The financial statements are presented in Fiji dollars and all values are rounded to the nearest dollar except when otherwise indicated.

Statement of compliance

The financial statements of Fiji Teachers Union Co-operative Thrift and Credit Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements provide comparative information in respect of the previous financial year ended 31 December 2018.

Basis of consolidation

The Co-operative is an investment entity, therefore, it holds its investments in subsidiaries at fair value rather than consolidating the same. Investments in subsidiaries are classified as fair value through profit or loss in accordance with IFRS 9.

Going concern

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

2.1 IFRS Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Co-operative's financial statements include:

- an amendment to IFRS 3 Business Combination on the definition of a business; and
- amendments to IAS 1 and IAS 8 in the definition of "material" to ensure the definition is aligned across the standards.

The Co-operative intends to adopt these amendments when they become effective. The amendments will not have any material impact on the Co-operative.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2.1 IFRS Standards issued but not yet effective continued

IFRS 17 Insurance contracts

In May 2017, the IASB issued IFRS 17 Insurance contracts (IFRS 17) a comprehensive new accounting standard for insurance contracts, covering recognition and management, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance contracts (IFRS 4). IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. IFRS 17 is effective for reporting periods beginning 1 January 2023, with comparative figures required. The Co-operative has yet to assess the impact of this standard.

2.2 Changes in significant accounting policies

New and amended standards and interpretations

The Co-operative applied IFRS 16 Leases for the first time during the year. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the Co-operative. The Co-operative has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases , IFRIC 4 Determining whether an Arrangement contains a Lease , SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease . The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the Co-operative is the lessor.

The Co-operative adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Co-operative elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Co-operative applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

Upon adoption of IFRS 16, the Co-operative applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Co-operative.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2.2 Changes in significant accounting policies continued

New and amended standards and interpretations continued

IFRS 16 Leases continued

- Leases previously classified as finance leases

The Co-operative did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 were applied to these leases from 1 January 2019.

- Leases previously accounted for as operating leases

The Co-operative recognised right-of-use assets ("ROU assets") and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Co-operative also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Financial impacts

The impacts on the financial statements and notes as at and for the year ended 31 December 2019 are shown throughout these financial statements. At the date of transition, the new standard resulted in the following increases:

Balance sheet as at 1 January 2019	$
Right-of-use assets	196,838
Lease liabilities	196,838

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2.2 Changes in significant accounting policies continued

New and amended standards and interpretations continued

IFRS 16 Leases continued

Financial impacts continued

A reconciliation of total operating lease commitments as at 31 December 2018 (as disclosed in our 2018 financial statements) to the opening lease liability, as above, is shown below:

Opening lease liability reconciliation	$
Operating lease commitments as at 31 December 2018:	
- within one year	31,674
- later than one year but not later than five years	108,846
- later than five years	162,192
	302,712
Impact of discounting	(105,874)
Lease liabilities as at 1 January 2019	196,838

Income statement for the year ended 31 December 2019	$
Operating lease expenses (previous lease accounting)*	31,674
Depreciation of right of use assets**	(20,759)
Impact on EBIT	10,915
Net finance costs	(13,779)
Impact on profit before income tax	(2,864)

For further details regarding additions, depreciation and other movements in right-of-use assets refer to Note 24.

*Represents the undiscounted sum of committed future lease payments.
**Under the previous standard, operating lease expenses were recognised within EBIT. Under the new standard, lease expenses are recognised in the income statement and comprise depreciation of right-of-use assets recognised within EBIT and interest expenses arising from lease liabilities recognised within net finance costs.

2.3 Summary of significant accounting policies

a) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term deposits with an original maturity of three months or less.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2.3 Summary of significant accounting policies continued

b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria is met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Co-operative recognises such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

Computers	10%
Buildings	1%
Office renovation	10%
Equipment, furniture & fittings	10%
Motor vehicles	18%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

c) Investment properties

Investment property is held for long-term rental yields or for capital appreciation or both, and is not occupied by the Co-operative.

Investment property is measured initially at cost including transaction costs. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the Statement of Profit or Loss and Other Comprehensive income in the year in which they arise, including the corresponding tax effect.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses at the retirement or disposal of investment property.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2.3 Summary of significant accounting policies continued

d) Fair value measurement

The Co-operative measures its investments in properties and subsidiaries as well as its investments in financial instruments, such as shares at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Co-operative. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price, without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is renewed at least at each financial year end.

Changes in the expected useful life or expected pattern of consumption in future economic benefits embodied in the asset is accounted by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible assets. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss and Other Comprehensive income when the asset is derecognised.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2.3 Summary of significant accounting policies continued

f) Income tax

The Co-operative is not liable for income tax under Part 2 (1) of Regulation 3 of the Income Tax Act Regulation 2016, however the exemption shall not exceed 8 years from the date of registration as a co-operative society.

This exemption applies to Co-operative where the activities of the Cooperative is to accept deposits from members and non-members and granting loans for productive purposes to members. Under Part 2 (2) of Regulation 3 of the Income Tax Act 2016, the exemption does not apply to income derived from a trade or business carried on by the Society. Thus interest income derived by the Cooperative is exempt from income tax, however rental income is subject to income tax.

g) Financial instruments

i) Recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Co-operative becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and measurement

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Co-operative changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Co-operative may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2.3 Summary of significant accounting policies continued

g) Financial instruments continued

ii) Classification and measurement

Financial assets: Business model assessment

The Co-operative makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Co-operative's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and demonstrate why those sales do not reflect a change in the entity's business model.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Co-operative's continuing recognition of the assets.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Co-operative considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Co-operative considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Co-operative's claim to cash flows from specified assets (e.g. non-recourse features).

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2.3 Summary of significant accounting policies continued

g) Financial instruments continued

ii) Classification and measurement continued

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest continued

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets: Subsequent measurement and gains and loss

Financial assets that are measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

iii) Derecognition

Financial assets

The Co-operative derecognises a financial asset when the contractual rights to the cash flows from the financial 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 in which the Co-operative neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Co-operative enters into transactions whereby it transfers assets recognised in its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets In these cases the transferred assets are not derecognised.

Financial liabilities

The Co-operative derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Co-operative also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Co-operative currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2.3 Summary of significant accounting policies continued

h) Impairment

i) Non-derivative financial assets

The Co-operative recognises loss allowances for ECLs on financial assets measured at amortised cost.

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

- other receivables and cash at bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Co-operative considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Co-operative's historical experience and informed credit assessment and including forward-looking information.

The Co-operative assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Co-operative considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Co-operative in full, without recourse by the Co-operative to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Co-operative considers another receivable or cash balance to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Co-operative is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flow due to the Co-operative in accordance with the contract and the cash flows that the Co-operative expects to receive).

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2.3 Summary of significant accounting policies continued

h) Impairment continued

i) Non-derivative financial assets continued

Measurement of ECLs continued

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

At each reporting date, the Co-operative assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Credit-impaired financial assets

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Co-operative on terms that the Co-operative would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Co-operative determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Co-operative's procedures for recovery of amounts due.

ii) Non-financial assets

The carrying amounts of the Co-operative's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2.3 Summary of significant accounting policies continued

h) Impairment continued

ii) Non-financial assets continued

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

i) Loans to members

Loans to members are stated at principal loan advanced plus accrued interest.

j) Employee entitlements

Annual leave

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

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

k) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Co-operative. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

l) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Co-operative recognises revenue when it transfers control over a product or service to a customer. Rental income from the leasing of properties is recognised on a accrual basis. Interest income is accrued on the monthly outstanding balance at the prevailing interest rate of 6% per annum.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2.3 Summary of significant accounting policies continued

m) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Co-operative's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

In the process of applying the Co-operative's accounting policies, management has made the following judgments, which has the most significant effect on the amounts recognised in the financial statements:

a) Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at FVPL rather than consolidate them. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Co-operative's By-Laws details its objective of providing investment management services to investors. The objective of FTU CTCL is to provide its investors with maximum returns on their shares by investing in equities and property investments for the purpose of returns in the form of investment income and capital appreciation.

The Board has also concluded that the Co-operative meets the additional characteristics of an investment entity, in that it has more than one investment; the Co-operative's ownership interests are predominantly in the form of equities and property investments; it has more than one investor and its investors are not related parties.

The Board has concluded that the Co-operative meets the definition of an investment entity. These conclusions will be reassessed on a continuous basis, if any of these criteria or characteristics change.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Significant accounting judgments, estimates and assumptions continued

b) Impairment of loans

Impairment of loan balances is assessed at an individual level as well as on a collective level. If there is objective evidence that impairment loss on loans and receivable financial assets has occurred, the carrying value of the asset is reduced by the use of an allowance account. The amount of the loss is recognised in the Statement of Comprehensive Income.

c) Fair value gain to investment

Gains or losses arising from changes in the fair value of investment property are included in the Statement of Comprehensive Income in the period in which they arise.

d) Determining the lease term of contracts with renewal and termination options – Co-operative as lessee

The Co-operative determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

e) Leases - Estimating the incremental borrowing rate

The Co-operative cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Co-operative would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Co-operative 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Co-operative estimates the IBR using observable inputs (such as market interest rates) when available.

4. Segment information

The Co-operative operates predominantly in the credit and property investment industry.

Business segments

The following tables present revenue and profit information and certain asset and liability information regarding the segments for the years ended 31 December 2019 and 2018.

Year ended 31 December 2019	Finance activities	Investment activities	Eliminations	Total
	$	$	$	$
Revenue				
Interest income	2,363,537	1,320	(274,275)	2,090,582
Rental income	-	419,569	-	419,569
Other revenue	20,710	5,409	-	26,119
	2,384,247	426,298	(274,275)	2,536,270

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FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Segment information continued

Business segments continued

Year ended 31 December 2019	Finance activities	Investment activities	Eliminations	Total
	$	$	$	$
Results				
Administrative expenses	(340,172)	(38,324)		(378,496)
Depreciation and amortisation expense	8,573	(5,314)	-	3,259
Property maintenance expense	(943)	(62,148)	-	(63,091)
Operating expenses	(191,117)	(89,570)	-	(280,687)
Profit from operations	1,860,588	230,942	(274,275)	1,817,255
Finance costs	(13,779)	(1,433,934)	274,275	(1,173,438)
Income tax expense	-	(48,441)	-	(48,441)
Unrealised gain on available for sale	6,220	-	-	6,220
Net profit/(loss)	1,853,029	(1,251,433)	-	601,596
Assets and liabilities				
Segment assets	2,274,810	22,700,226	-	24,975,036
Loan to members	39,897,061	-	(4,609,183)	35,287,878
Investment in subsidiary	-	13,878,119	-	13,878,119
Amount due from related parties	22,723,934	6,270,941	(13,332,219)	15,662,656
Total assets	64,895,805	42,849,286	(17,941,402)	89,803,689
Segment liabilities	(466,918)	(2,218,315)	-	(2,685,233)
Interest bearing borrowings	-	(20,536,644)	4,609,183	(15,927,461)
Deferred liability	(2,781,183)	-	-	(2,781,183)
Related party borrowings	-	(13,332,219)	13,332,219	-
Total liabilities	(3,248,101)	(36,087,178)	17,941,402	(21,393,877)
Other segment information				
Deferred tax liability	-	(1,889,377)	-	(1,889,377)

Year ended 31 December 2018	Finance activities	Investment activities	Eliminations	Total
	$	$	$	$
Revenue				
Interest income	2,710,994	8,418	(268,152)	2,451,260
Rental income	-	394,952	-	394,952
Other revenue	13,226	72	-	13,298
	2,724,220	403,442	(268,152)	2,859,510

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FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Segment information continued

Business segments continued

Year ended 31 December 2018	Finance activities	Investment activities	Eliminations	Total
	$	$	$	$
Results				
Administrative expenses	(669,162)	(13,984)	-	(683,146)
Depreciation and amortisation expense	(30,426)	(4,082)	-	(34,508)
Property maintenance expense	(2,072)	(76,241)	-	(78,313)
Operating expenses	(50)	(239,313)	-	(239,363)
Profit from operations	2,022,510	69,822	(268,152)	1,824,180
Finance costs	-	(1,589,577)	268,152	(1,321,425)
Income expense	-	(24,567)	-	(24,567)
Unrealised gain on available for sale shares	800	-	-	800
Change in fair value of investment properties	-	1,312,000	-	1,312,000
Net profit/(loss)	2,023,310	(232,322)	-	1,790,988
Assets and liabilities				
Segment assets	7,516,652	19,127,495	-	26,644,147
Loan to members	41,800,470	-	(4,537,266)	37,263,204
Investment in subsidiary	-	13,878,119	-	13,878,119
Amount due from related parties	16,078,411	9,788,296	(11,587,213)	14,279,494
Total assets	65,395,533	42,793,910	(16,124,479)	92,064,964
Segment liabilities	(303,431)	(2,143,432)	-	(2,446,863)
Interest bearing borrowings	-	(21,049,724)	4,537,266	(16,512,458)
Deferred income	(2,673,794)	-	-	(2,673,794)
Related party borrowings	-	(11,587,213)	11,587,213	-
Total liabilities	(2,977,225)	(34,780,369)	16,124,479	(21,633,115)
Other segment information				
Deferred tax liability	-	(1,840,936)	-	(1,840,936)

5. Revenue and expenses

	2019	2018
	$	$
(a) Interest income		
Interest on loan from members	2,012,022	2,384,912
Interest on term deposit	35,891	31,791
Bank interest	42,669	34,557
	2,090,582	2,451,260
(b) Other revenue	$	$
Sundry income	25,767	12,726
Entrance fee	352	572
	26,119	13,298

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
5.	Revenue and expenses continued	$	$
(c)	Operating expenses		
	City rate	8,346	8,149
	Electricity	21,687	20,500
	Insurance	39,995	40,646
	Salaries and wages	201,739	159,821
	Business licenses	873	1,063
	Chemicals	-	653
	Pest control	4,200	4,200
	Pool maintenance	-	350
	Water	3,683	2,601
		280,523	237,983
(d)	Administrative expenses	$	$
	Accounting fee	17,295	12,992
	Advertising	1,871	3,869
	Annual general meeting	14,801	19,840
	Annual leave	1,620	2,330
	Auditor's remuneration	42,000	18,500
	Bank charges	13,670	153,952
	Board Honorarium	2,850	2,850
	Board members' allowances	20,194	17,727
	Computer upkeep	39,535	7,359
	Commission	950	950
	Dispenser	515	836
	Dividend expense	-	10,516
	Doubtful debts	-	167,628
	Electronic data processing commission	579	718
	Fax	241	279
	FNPF Employer Contribution	20,450	30,669
	Fiji National University levy	1,838	844
	Garbage fees	164	-
	General expenses	15,410	39,121
	Internet	1,653	2,037
	Legal fee	11,995	170
	Long service leave	-	993
	NCF levy	50	-
	Office expenses	19,259	15,835
	Office rent	2,400	29,074
	Post box rental	39	39
	Postage and Stamps	15,842	14,770
	Printing and stationery	45,442	43,706
	Rent refund	2,649	-
	Stamp duty	4,750	54,240
	Telephone	15,317	15,219
	Travel and accommodation	4,036	2,978
	Union dues	-	14,485
		317,415	684,526

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
5.	Revenue and expenses continued	$	$
(e).	Finance costs		
	Interest on bank loans	1,159,659	1,321,425
	Interest on leases	13,779	-
		1,173,438	1,321,425

6.	Income tax	$	$

Reconciliation of tax expense and accounting profit multiplied by Fiji's tax rate for 2019 and 2018:

Operating loss before income tax attributed to CTCL Properties	(1,202,992)	(207,755)
Prima facie tax benefit thereon at the rate of 20%	(240,598)	(41,551)
Tax effect of non-deductible differences	(264)	(404,662)
Tax losses not recognised	262,885	446,213
Restatement of deferred balances	-	24,567
Other	26,418	-
Income tax expense attributable to operating loss	48,441	24,567
Deferred tax at 31 December relates to the following:		
Accelerated depreciation and revaluation of investments	(1,889,377)	(1,840,936)
	(1,889,377)	(1,840,936)
Represented on the statement of financial position:		
Deferred tax liability	(1,889,377)	(1,840,936)

7.	Trade and other receivables	$	$
	Trade receivables	35,466	31,700
	Income receivable- interest	-	7,177
	Vodafone imprest	100,000	100,000
	Other receivables	1,950	1,850
	Admin fees receivable	-	80,936
		137,416	221,663
	Allowance for expected credit loss	-	(57,487)
		137,416	164,176

As at 31 December 2019 trade and other receivables at nominal value of $137,413 (2018: $221,663) were examined for impairment and $Nil (2018 : $57,487) were provided for.

Movement in the provision for impairment of receivables were as follows:

At 1 January	57,487	57,487
Utilised	(57,487)	-
At 31 December	-	57,487

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
8. Cash and cash equivalents		$	$

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks and investment in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2019	2018
Cash at bank	3,235,523	5,145,836
Cash at bank - IMP	961,688	847,892
Cash at Bank - RF	72,396	72,283
Cash at bank - Hideaway RF	(6)	(6)
Cash at bank-WP	79,492	34,703
Cash at bank - Dividend	176,033	264,730
Cash at bank - WBC HA dividend	2,061	-
Petty cash imprest	500	500
	4,527,687	6,365,938

9. Financial assets		$	$
Equity instrument			
Shares in Fiji Television Limited		11,000	4,780
Debt instrument			
Term deposits	9 (a)	1,043,946	1,052,468
		1,054,946	1,057,248

Particulars relating to financial assets:

(a) Term deposits are placed with Westpac Banking Corporation and Kontiki Finance Limited and earn interest at 3% and 5% per annum. The terms of the deposits are for 12 months.

10. Investment in subsidiary	$	$
Hide-A-Way Resort Limited - ordinary shares	13,878,119	13,878,119

Particulars relating to financial assets:

(a) The Co-operative owns 528,852 ordinary shares (90.66%) in Hide-A-Way Resort Pte Limited and has full control over the subsidiary company. The results of Hide-A-Way Resort Pte Limited are not consolidated in these financial statements as the Co-operative is an investment entity and therefore was required to hold the investment in subsidiary at fair value rather than consolidating the results.

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FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Investment properties

	Nailuva road	Rewa street	Tower 2000	Knolly street land	Vuda land	Total
	$	$	$	$	$	$
Fair value						
At 1 January 2018	1,470,000	2,135,000	6,300,000	1,945,000	5,415,000	17,265,000
Change in fair value of investment property	420,000	125,000	450,000	645,000	-	1,640,000
At 31 December 2018	1,890,000	2,260,000	6,750,000	2,590,000	5,415,000	18,905,000
At 31 December 2019	1,890,000	2,260,000	6,750,000	2,590,000	5,415,000	18,905,000
Net book value						
31 December 2019	1,890,000	2,260,000	6,750,000	2,590,000	5,415,000	18,905,000
31 December 2018	1,890,000	2,260,000	6,750,000	2,590,000	5,415,000	18,905,000

The Co-operative's investment properties are recognised at fair value based on an independent valuation prepared by a registered valuer, Pacific Valuations Limited. The valuation was adopted by the Directors and incorporated into the values of the individual investment properties on 31 December 2018. There was no valuation performed in the current year. The investment properties disclosed under this Note are mortgaged to HFC Bank.

The gain from revaluation in the prior year amounted to $1,640,000. These were for the following

	Revaluation gain
	$
Nailuva road	420,000
Rewa street	125,000
Tower 2000	450,000
Knolly Street land	645,000
Vuda land	-
Total revaluation gain	1,640,000

Property rental income earned by the Co-operative from its investment properties amounted to $409,569 (2018: $394,952).

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

12. Property, plant and equipment

	Land and building $	Office renovation $	Computers $	Furniture and fittings $	Office and gym equipment $	Motor Vehicles $	Tools $	Total $
Cost:								
At 1 January 2018	11,680	79,808	84,388	205,235	55,879	46,000	2,126	485,116
Additions	-	4,867	2,072	4,445	7,031	-	2,100	20,515
At 31 December 2018	11,680	84,675	86,460	209,680	62,910	46,000	4,226	505,631
Additions	-	-	1,699	1,696	9,099	-	-	12,494
At 31 December 2019	11,680	84,675	88,159	211,376	72,009	46,000	4,226	518,125
Depreciation and impairment:								
At 1 January 2018	(5,692)	(54,900)	(76,904)	(196,287)	(17,724)	(42,780)	(806)	(395,093)
Depreciation charge for the year	-	(8,184)	(904)	(1,893)	(4,940)	(3,220)	(422)	(19,563)
At 31 December 2018	(5,692)	(63,084)	(77,808)	(198,180)	(22,664)	(46,000)	(1,228)	(414,656)
Depreciation charge for the year	-	(8,467)	(1,089)	(2,099)	(6,044)	-	(422)	(18,121)
At 31 December 2019	(5,692)	(71,551)	(78,897)	(200,279)	(28,708)	(46,000)	(1,650)	(432,777)
Net book value								
31 December 2019	5,988	13,124	9,262	11,097	43,301	-	2,576	85,348
31 December 2018	5,988	21,591	8,652	11,500	40,246	-	2,998	90,975

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
13.	Intangible assets	$	$
	Cost		
	At 1 January	75,756	69,586
	Additions	46,856	6,170
	At 31 December	122,612	75,756
	Depreciation and amortisation		
	At 1 January	(14,946)	-
	Amortisation charge for the year	(19,106)	(14,946)
	At 31 December	(34,052)	(14,946)
	Net book value	88,560	60,810
14.	Loans to members	$	$
	Balance as at 31 December	35,631,303	37,606,629
	Less: allowance for expected credit loss	(343,425)	(343,425)
		35,287,878	37,263,204

As at 31 December 2019 trade and other receivables at nominal value of $35,631,303 (2018: $37,606,629) were examined for impairment and $343,425 (2018 : $343,425) were provided for.

Movement in the provision for impairment of loans to members were as follows:

At 1 January	343,425	343,425
At 31 December	343,425	343,425

Internal loans for Tower, Rewa and CTCL Properties amounting to $3,334,707, $1,274,475 and $13,332,219 respectively at year end, were eliminated from loans to members.

(i) As at 31 December 2019, the balance of loans receivable from the board and the committee members of the Co-operative amounted to $384,856 (2018: $245,858); and

(ii) A sum of $343,425 (2018: $343,425) was recorded as allowance for estimated credit loss.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
15. Interest-bearing borrowings	$	$
Current		
Secured loan - HFC	730,889	808,462
Non- current		
Secured loan - HFC	15,196,572	15,703,996
Total interest bearing borrowings	15,927,461	16,512,458

Particulars relating to interest-bearing borrowings:

a) The Co-operative has a loan facility with HFC Bank. The loan facilities attracts an interest rate of 7% per annum. The bank loans is secured by:

i) First registered mortgage over the residential property legally described as Lot 2&3 on DP 5511 as contained in Certificate of Title No. 22115 & 22116, situated at 65 Knolly Street, Suva and improvements thereon;

ii) First registered mortgage debenture over all assets and undertakings of the company including uncalled and unpaid premiums;

iii) First registered guaranteed mortgage given by Hide-A-Way Resort Limited over the Special Use Tourism property contained in Native Lease No. 15937, situated at Coral Coast, Nadroga and improvements thereon;

iv) First registered mortgage over the residential property legally described as Lot 13 on DP 2280 as contained in Certificate of Title No. 12720, situated at 228 Rewa Street, Suva and improvements thereon;

v) First registered mortgage over the commercial property legally described as Lot 2 on DP 7119 as contained in Certificate of Title No. 27944, situated at Knolly Street, Suva and improvements thereon;

vi) First registered mortgage over the commercial property legally described as Lots 1- 4 on DP 4105 as contained in Certificate of Title No. 15272 and 15273, situated at 49 Nailuva Road, Suva and improvements thereon;

vii) First registered mortgage over the Special Use Tourism property contained in Crown Lease No. 4/7/2014, situated at Vuda and improvements thereon;

viii) Unlimited guarantee given by Hide-A-Way Resort Limited;

ix) First registered mortgage debenture by Hide-A-Way Resort Limited over all assets and undertakings of the company including uncalled and unpaid premiums; and

x) Collateral deed between Hide-A-Way Resort Limited or Licensee over the hotel and liquor license.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
16. Trade and other payables	$	$
Trade creditors	207,119	146,068
Other payables	91,972	95,363
Provision for unclaimed dividends	159,391	205,882
Provision for dividends	134,945	135,140
Total trade and other payables	593,427	582,453

Terms and conditions of the above financial liabilities are:

- Trade payables are non-interest bearing and are normally settled on 30-day terms; and
- Other payables are non-interest bearing and mainly consists of rental deposits.

17. Employee entitlements	$	$
Current		
Annual leave		
As at 1 January	2,330	-
Net movement for the year	1,620	2,330
At 31 December	3,950	2,330
Non-current		
Long service leave		
As at 1 January	21,144	20,151
Net movement for the year	(3,989)	993
At 31 December	17,155	21,144
Total employee entitlements	21,105	23,474

18. Members Hideaway shares $ $

Members of the Co-operative are given the opportunity to invest their funds in Hide-A-Way Resort Pte Limited, which is the subsidiary Company of the Co-operative through a share scheme. The minimum shares of $390 and maximum of $5,850 are offered to its members. Members are able to purchase more shares at any point in time provided that the limit is not exceeded.

As at 1 January	11,999,986	11,488,720
Net movement for the year	(181,670)	511,266
At 31 December	11,818,316	11,999,986

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FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
19. Deferred income	$	$

Deferred income represents In-house Mortgage Protection (IMP) fees charged at 0.5% on the loans taken by members. The amount is deferred and utilised against loans taken by members upon the death of a member.

In-house Mortgage Protection (IMP)	2,781,183	2,673,794

20. Members shares

(i) In accordance with Section 5 of the By Laws of the Co-operative, members have to subscribe to shares of the Co-operative. The par value of each members share is not less than one dollar and the minimum number of shares held by each member shall be $20. The shares are payable at the time of application.

(ii) The maximum amount of shares, which may be held by any one member, shall be established from time to time by resolution of the Board.

(iii) Section 5 of the Co-operative's By Laws further states that money paid on account of shares may be withdrawn in whole or in part subject to any indebtedness of the Co-operative.

(iv) Shares may be transferred from one member to their appointed nominee under Section 6 of the By Laws.

(v) In accordance with the Section each year, the Board may declare interest on share capital from the reminder of the surplus after the statutory contribution to the reserve fund.

	$	$
Member shares	47,618,961	48,588,798

21. Reserve fund

In accordance with Section 100 of the Co-operative Act 1996 and Section 16 of the FTU CTCL Supplementary By-laws:

(i) Co-operative shall maintain a reserve fund which shall be indivisible and no member shall be entitled to claim a specific share of it;

(ii) The Co-operative shall allocate to the statutory reserve fund at least thirty percent of its surplus resulting from the transactions of the Co-operative with its members during the financial year. The entire surplus resulting from the transactions with non-members of the Co-operative during the financial year shall be allocated to the reserve fund. Until such time as the total amount in the reserve fund reaches at least half the value of the total assets of the Co-operative the Co-operative may reduce its allocation to the reserve fund to at least five percent of its surplus; and

(iii) The reserve fund shall be utilised for the development of the Co-operative.

Reserve fund	4,291,811	4,111,332

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

22. Commitments and contingent liabilities

a) Contingent liabilities at balance date amounts to $Nil (2018: $Nil).

Income tax
The Co-operative is not liable for income tax under Part 2 (1) of Regulation 3 of the Income Tax Act Regulation 2016, however the exemption shall not exceed 8 years from the date of registration as a co-operative society.

This exemption applies to Co-operative where the activities of the Co-operative is to accept deposits from members and non-members and granting loans for productive purposes to members. Under Part 2 (2) of Regulation 3 of the Income Tax Act 2016, the exemption does not apply to income derived from a trade or business carried on by the Society. Thus there may be contingent tax liabilities for non-exempted period.

b) Capital commitments at balance date amounts to $Nil (2018: $Nil).

	2019	2018
c) Operating lease income:	$	$

Undiscounted future lease commitments in respect of operating lease are as follows:

Within one year	275,542	364,737
Later than one year but not more than five years	108,614	171,263
	384,156	536,000

The Co-operative leases rental properties based on a fixed annual rental charge.

d) Operating lease expense:	$	$

Undiscounted future lease commitments in respect of operating lease expense are as follows:

Within one year	-	31,674
Later than one year but not more than five years	-	64,907
	-	96,581

The Co-operative leases rental properties based on a fixed annual rental charge.

e) Guarantees:	$	$
Bank guarantees - Energy Fiji Limited deposit	60,000	60,000

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

23. Related party transactions

a) Identity of related parties

Board of Directors

The names of persons who were Directors of the Co-operative at any time during the financial year are as follows:

Mr. Muniappa Goundar (Chair)
Mr. Sashi Shandil (Vice Chairman)
Mr. Arun Prasad (Secretary)
Mr. Pranesh Kumar (Treasurer)
Mr. Emanuel Kumar (Asst. Secretary)
Mrs. Ajeshni Lal
Mr. Rohitesh Chand
Mrs. Gyan Prasad
Mr. Mustafa Khan
Mr. Rajendra Vishnu Kumar
Mr. Vishnu Sharma
Mr. Ashween Raj

Key management personnel

The following persons were the executive identified as key management personnel, with the greatest authority and responsibility for planning, directing and controlling the activities of the Co-operative.

Chandar Dutt (Chief Executive Officer)

b) Transactions with related parties

Entity	Transaction	2019 $	2018 $
Key management personnel	Short term employee benefits	-	13,884

c) Amount receivable from related party

	$	$
Current		
Loan receivable from subsidiary	15,662,656	14,279,494

24. Leases

a) Right-of-use assets

The Co-operative entered into lease agreements for office premises. Lease terms are for a period of 3 years and when approaching expiry, are either extended at the option of the Co-operative or are renegotiated.

	Property $
As at 1 January 2019	196,838
Depreciation expense	(20,759)
As at 31 December 2019	176,079

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FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

24. Leases continued

b) Lease liabilities

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

	$
As at 1 January 2019	196,838
Add: accretion of interest for the year	13,779
Less: payments made during the year	(29,274)
	181,343
Current	29,274
Non-current	152,069
	181,343

The table below summarises the maturity profile of the Co-operative's lease liabilities based on contractual undiscounted payments:

Year ended 31 December 2019	Less than 3 months $	3 to 12 months $	1 to 5 years $	> 5 years $	Total $
Lease liabilities	7,319	21,956	95,046	141,918	266,239

The following are amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	20,759
Interest expense on lease liabilities	13,779
Total amount recognised in profit or loss	34,538

The Co-operative had total cash outflows for leases of $29,274.

The Co-operative has lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio to align with the Co-operative's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (refer to Note 3).

25. Financial instruments risk management objectives and policies

The Co-operative's principal financial liabilities, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Co-operative's operations. The Co-operative's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations. The Co-operative also holds investments in debt and equity instruments.

The Co-operative is exposed to market risk, credit risk and liquidity risk. The Co-operative's senior management oversees the management of these risks. The Co-operative's senior management is supported by a financial committee that advises on financial risks and the appropriate financial risk governance framework for the Co-operative. The finance committee provides assurance to the Co-operative's senior management that the Co-operative's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Co-operatives' policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

25. Financial instruments risk management objectives and policies

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and debt and equity investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Co-operative's exposure to the risk of changes in market interest rates relates primarily to the Co-operatives' long-term debt obligations.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Co-operative is exposed to credit risk from its operating activities (primarily loans to members) and from its financing activities, including deposits with banks and financial institutions, other financial instruments.

Loans to members and trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, loans to members and trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

25. Financial instruments risk management objectives and policies continued

Capital management

For the purpose of the Co-operative's capital management, capital includes members Hideaway shares, members shares and reserve fund attributable to equity holders of the parent.

The Co-operative manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Co-operative may adjust in accordance with the Co-operative's By-laws. The Co-operative monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt. The Co-operative includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

	2019 $	2018 $
Interest-bearing loans and borrowings (Note 15)	15,927,461	16,512,458
Lease liabilities (Note 24)	181,343	-
Trade and other payables (Note 16)	593,427	582,453
Less: cash and short-term deposits (Note 8)	(4,527,687)	(6,365,938)
Net debt	12,174,544	10,728,973
Equity	68,409,793	70,431,849
Total capital	68,409,793	70,431,849
Capital and net debt	80,584,337	81,160,822
Gearing ratio	15%	13%

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

26. Principal activities

The principal activities of the Co-operative in the course of the financial year were that of promoting thrift among its members, receiving the savings of its members, to grant loans to its members and to invest member savings. The Co-operative also holds investment properties which earns rental income.

27. Subsequent events

Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020.

We have not seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however they will have an impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Company at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.

28. Co-operative details

Co-operative incorporation
The Co-operative is incorporated in Fiji under the Co-operative Act 1996.

Registered office/principal place of business
1-3 Berry Road
Suva
Fiji.

Number of employees at the end of the year	2019	2018
Finance and administration	11	11

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

Disclaimer on additional financial information

The following additional information, being the Detailed Income Statement, has been compiled by the management of Fiji Teachers Union Co-operative Thrift and Credit Limited and does not form part of the financial statements.

To the extent permitted by law, Ernst & Young does not accept liability for any loss or damage which any person, other than Fiji Teachers Union Co-operative Thrift and Credit Limited may suffer arising from any negligence on our part. No person should rely on the additional financial information without having an audit or review conducted.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
STATEMENT OF FINANCIAL PERFORMANCE FOR CTCL
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 $	2018 $
Income		
Bank interest	41,349	26,139
Interest- term deposits	35,891	31,791
Interest income	392,286	655,722
Loan interest - CTCL	1,621,736	1,959,097
Loan interest - Tower/Rewa	272,275	38,245
Entrance fee	352	572
Sundry income	20,358	12,654
Unrealised gain on shares	6,220	800
	2,390,467	2,725,020
Expenses		
Accounting fee	17,295	12,992
Advertising	1,540	3,731
Amortisation expense	18,640	-
Annual general meeting	14,801	19,840
Annual leave	1,620	2,330
Audit fee	42,000	18,500
Board members' allowances	20,194	17,727
Board honorarium	2,850	2,850
Dividend expense	-	10,516
Electronic data processing commission	579	718
Computer upkeep	39,535	7,359
Internet	1,653	2,037
Depreciation - property, plant and equipment	12,186	30,426
Depreciation - right-of-use assets	20,759	-
Dispenser	515	836
Doubtful debts	-	167,628
Electricity	11,110	10,632
Office expenses	17,399	15,835
Fax	241	279
Fiji National Provident Fund employer contribution	20,450	30,669
Insurance	1,802	3,357
Interest - leases	13,779	-
Long service leave	-	993
NCF fees	50	-
Office rent	-	29,074
Union fees	-	14,485
Post box rental	39	39
Postage and stamps	15,842	14,770
Printing and stationery	45,442	43,706
Repairs and maintenance	943	2,072
Stamp duty	-	51,115
Salaries and wages	178,168	137,244
Legal fee	2,730	170

This Statement of Financial Performance is to be read in conjunction with the disclaimer set out on page 46.

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FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
STATEMENT OF FINANCIAL PERFORMANCE FOR CTCL continued
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 $	2018 $
Expenses continued		
Bank charges	11,844	7,521
Telephone	17,546	14,994
Travel and accommodation	4,011	2,900
Fiji National University levy	1,838	844
General expenses	-	23,471
Water	37	50
	537,438	701,710
Net profit from operations	1,853,029	2,023,310

This Statement of Financial Performance is to be read in conjunction with the disclaimer set out on page 46.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
STATEMENT OF FINANCIAL POSITION FOR CTCL
AS AT 31 DECEMBER 2019

	2019 $	2018 $
Assets		
Cash at bank	3,235,523	5,145,836
Cash at bank - dividend	122,120	151,304
Cash at bank - IMP	961,688	847,892
Cash at bank - RF	72,396	72,283
Cash on hand	400	400
Rent deposit	1,850	1,850
Receivable from Hideaway Resort	9,391,715	7,269,989
Loans to members	39,897,061	42,627,244
Receivable from CTCL Properties	9,757,922	8,012,916
NCF shares	100	-
Vodafone M-Paisa imprest (Business)	100,000	100,000
Property, plant and equipment	39,284	47,780
Right-of-use assets	176,079	-
Intangible assets	84,721	60,810
Financial assets	1,054,946	1,057,248
Total assets	64,895,805	65,395,552
Liabilities		
Trade and other payables	105,959	74,075
Lease liabilities	181,343	-
Provision for unclaimed dividend	159,391	205,882
Employee entitlements	21,105	23,474
Deferred income	2,780,303	2,673,794
Total liabilities	3,248,101	2,977,225
Net assets	61,647,704	62,418,327
Members' funds and reserves		
Members contribution	47,618,961	48,588,798
Member Hideaway shares	11,818,316	11,999,986
Reserve fund	3,432,259	3,432,259
Retained earnings	(1,221,832)	(1,602,716)
Total members' funds and reserves	61,647,704	62,418,327

This Statement of Financial Position is to be read in conjunction with the disclaimer set out on page 46.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
STATEMENT OF FINANCIAL PERFORMANCE FOR CTCL - PROPERTIES
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	$	$
Income		
Bank interest	1,320	8,418
Rental income	419,569	394,952
Sundry income	5,409	72
	426,298	403,442
Expenses		
Advertising	331	138
Amortisation	466	-
Bank charges	1,826	146,431
Business licenses	873	899
Chemicals	-	653
City rate	8,346	8,149
Commission	950	950
Depreciation	5,935	4,703
Electricity	10,577	9,868
Garbage fee	164	164
General expenses	17,270	15,029
Insurance	38,193	37,289
Interest on loan- external	1,159,660	1,325,425
Interest on loan- tower	274,274	264,152
Legal fee	9,265	-
Pest control	4,200	4,200
Pool maintenance	-	350
Rent refund	2,649	-
Repairs and maintenance- building	55,494	62,580
Repairs and maintenance- equipment	4,369	13,661
Repairs and maintenance- lift	2,285	-
Salaries and wages	23,571	22,577
Stamp duty	4,750	3,125
Telephone	171	225
Travel and accommodation	25	78
Water	3,646	2,551
	1,629,290	1,923,197
Net loss from operations	(1,202,992)	(1,519,755)
Change in fair value of investment properties	-	1,312,000
Net loss before income tax	(1,202,992)	(207,755)
Income tax expense	(48,441)	(24,567)
Net loss	(1,251,433)	(232,322)

This Statement of Financial Performance is to be read in conjunction with the disclaimer set out on page 46.

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED
STATEMENT OF FINANCIAL POSITION FOR CTCL - PROPERTIES
AS AT 31 DECEMBER 2019

	2019 $	2018 $
Assets		
Cash at bank	79,492	34,703
Cash at bank - dividend	53,913	113,426
Cash at bank - Hideaway reserve fund	(6)	(6)
Cash at bank - Hideaway dividend	2,061	-
Receivable from Hideaway Resort	6,270,941	9,788,296
Cash on hand	100	100
Other receivables	3,591,600	-
Rent receivable	18,163	31,700
Investment property	18,905,000	18,905,000
Investment in subsidiary	13,878,119	13,878,119
Intangible asset	3,839	-
Property, plant and equipment	46,064	42,572
Total assets	42,849,286	42,793,910
Liabilities		
Trade and other payables	154,972	113,142
Interest bearing borrowings- external	15,927,462	16,512,458
Interest bearing borrowings- Rewa	1,274,475	1,229,222
Interest bearing borrowings- Tower	3,334,707	3,308,686
Payable to CTCL	13,332,219	11,587,213
Rent deposit	39,021	53,572
Provision for dividend	134,945	135,140
Deferred tax liability	1,889,377	1,840,936
Total liabilities	36,087,178	34,780,369
Net assets	6,762,108	8,013,541
Shareholders equity		
Retained earnings	6,762,108	8,013,541
Total accumulated funds	6,762,108	8,013,541

This Statement of Financial Performance is to be read in conjunction with the disclaimer set out on page 46.

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DEFAULTERS AS AT 30TH SEPTEMBER, 2020						
TPF	**Name**	**Amount**	**Date**	**T/L**	**Status**	**Remarks**
42868	Kamal K Singh	$933.10	1987/AUG	F/L	MIGRATED	
8032	Elenoa Sikivou	$572.32	1987/JUL	F/L	MAHARAJ & ASSOCIATES	
5451	Inoke Sikivou	$4,874.60	1987/JUL	F/L	RESIGNED	
42528	Krishna Naidu	$392.51	1987/JUN	S/L	MIGRATED	
9449	D K Narayan	$286.38	1987/OCT	S/L	L/BAY SEC SCHOOL	
42077	Akhilesh Kumar	$517.32	1987/SEP	S/L	NADI MUSLIM	
6883	Premila D Singh	$471.75	1988/DEC	S/L	MIGRATED	
6561	Mehar Nisha	$6,446.14	1988/FEB	F/L	MIGRATED	
43603	S Singh	$679.56	1988/FEB	F/L	RESIGNED	
9769	Sant Kumar	$639.96	1988/JAN	F/L	CASE WITH SOLICITORS	
9919	Yashoda Reddy	$522.14	1989/APR	S/L	LAUTOKA MUSLIM	
43559	Rajendra S Prasad	$326.98	1989/FEN	S/L	MIGRATED	
5840	Sahidan Hussein	$431.71	1989/JAN	S/L	SIGATOKA PRIMARY	
9897	Anil Kumar	$563.58	1990/JAN	F/L	RABULU INDIAN	
43705	Sushil K Sukul	$444.68	1990/JAN	F/L	VOTUALEVU HIGH NADI	
4367	Vijay Kumar	$3,106.10	1990/JAN	F/L	MIGRATED	
55684	Narayan Gounder	$322.43	1993	S/L	NADI MUSLIM COLLEGE	NOT IN SERVICE
55064	Madan Sen	$339.73	1993/AUG	S/L	RESIGNED	
5183	Jagjiwan Prasad	$2,997.83	1997/JUL	F/L	MIGRATED	
42081	Damodar Gounder	$476.77	1998/MAR	S/L	MIGRATED	
6353	Mohammed Habib	$1,064.60	1998/MAY	F/L	MIGRATED	
54203	A C Lal	$499.65	2000/FEB	Ins/pymt	MIGRATED	
5083	Suruj Deo	$4,292.32	2001/JAN	F/L	CASE WITH SOLICITORS	
G3605	Ponipate Kabui	$442.06	2002/SEP	S/L	RESIGNED	
57845	Muthu Krishna	$249.01	2004/APR	F/L	RESIGNED	
7419	Veena Devi Lal	$847.66	2005/FEB	E/L	RESIGNED	
66281	Subhan Khan	$780.36	2005/AUG	S/L	RESIGNED	
8650	Verenaisi Ole	$3,684.19	2006/JAN	F/L	MIGRATED: CASE WITH SOLICITORS	
66114	Bob Nitin Prasad	$273.04	2007/AUG	S/L	MIGRATED	
44038	Michael Koroi	$5,330.89	2008/MAR	F/L	RESIGNED	
6663	Apakuki Divi	$395.64	2008/JUN	E/L	RETIRED	
57218	Sekove Waqa	$65.03	2009/MAR	E/L	RESIGNED	

G3603	Komal Keshni Prasad	$228.10	2009/JUN	F/L	MIGRATED	
G3374	Josateki T Vunisea	$74.17	2009/JUL	E/L	RESIGNED	
G3867	Arun Padarath	$297.87	2009/JUL	S/L	RESIGNED	
G1158	Ponipate Raboiliku	$106.08	2009/AUG	E/L	RESIGNED	
G1855	Filimoni Saumaki	$764.67	2009/AUG	E/L	STUDY LEAVE WITHOUT PAY	
69080	Shalesh K Nand	$19.25	2010/JAN	S/L	RESIGNED	
80015	Anareta Kaunilagilagi	$695.76	2010/JAN	E/L	STUDY LEAVE WITHOUT PAY	
57002	Nasiran Bibi	$1,405.45	2010/MAR	F/L	MIGRATED	
56499	Ralisa N Ligairi	$79.96	2010/MAY	F/L	TERMINATED	
6797	Sheik Mohammed Ibrahim	$2,490.70	2010/AUG	F/L	CASE WITH SOLICITORS	
80275	Avinesh Prasad	$31.01	2010/AUG	E/L	RESIGNED	
8843	Petero Delasau	$3,617.76	2011/JUN	F/L	CASE WITH SOLICITORS	
81897	Satish Sitaiya	$4,638.63	2011/JULY	F/L	TERMINATED	
54574	Sashi L Ben	$3,646.33	2012/FEB	Ins/pymt	Migrated	
8646	Unisi Oloi	$406.59	2013/JAN	F/L	RESIGNED	
81169	Kemeuli Rabonu	$8,918.75	2014/Jan	F/L	RESIGNED	
8628	Mohammed S Khan	$14,254.20	2014/May	F/L	CASE WITH SOLICITORS	
85378	Anaseini R Waqabaca	$34.94	2015/Feb	S/L	Resigned	
56682	Isimeli Kacivi	$514.94	2016/June	CYCLONE/L	LWOP. CASE WITH SMALL CLAIMS TRIBUNAL	
80061	Asena Nalovo	$216.11	2018/JAN	F/L	RESIGNED : CASE WITH SMALL CLAIMS	
83358	Roy Colon Pickering	$132.03	2018/JAN	F/L	RESIGNED : CASE WITH SMALL CLAIMS	
85877	Deependra Singh	$134.93	2018/JAN	F/L	RESIGNED	
55894	Marama Tara	$218.32	2018/OCT	F/L	RESIGNED : CASE WITH SMALL CLAIMS	
80429	Ana L Tuikewawa	$101.52	2019/ JULY	F/L	RESIGNED : CASE WITH SMALL CLAIMS	
Total		**$86,398.11**				

Hide-A-Way Resort Pte Limited t/a
Fiji Hide-A-Way Resort & Spa

Financial Statements
For the year ended 31 December 2019

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa

Contents

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Directors' report

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa (“the Company”) as at 31 December 2019 and the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and report as follows:

Directors
The names of Directors in office throughout the financial year and at the date of this report are as follows:

- Muniappa Goundar - Chairman
- Arun Prasad
- Pranesh Kumar
- Vishnu Deo Sharma
- Gyan Prasad
- Ajeshni Kumari Nand
- Mustafa Khan
- Emanuel Hemant Kumar
- Sashi Mahendra Shandil
- Rajendra Vishnu Kumar
- Rohitesh Chand
- Ashween Chand Raj

State of affairs
In the opinion of the Directors, the accompanying statement of financial position gives a true and fair view of the state of affairs of the Company as at 31 December 2019 and the accompanying statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows give a true and fair view of the results, changes in equity and cash flows of the Company for the year then ended.

Trading results
The loss for the year was $2,599,634 (2018: $559,786) after accounting for income expense of $525,270 (2018: income tax benefit of $48,488).

Dividends
The Directors of the Company declared dividends of $480,000 for the year (2018: $Nil).

Principal activity
The principal activity of the Company during the course of the financial year was the provision of hotel accommodation, food and beverage and other hotel related services at Fiji Hide-A-Way Resort & Spa in Sigatoka and Landers Bay Resort and Spa Vuda Lautoka in Vuda . There were no significant changes in the nature of the activities of the Company during the year.

Current assets
The Directors took reasonable steps before the Company’s financial statements were made out to ascertain that the current assets of the Company were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributable to the current assets in the financial statements to be misleading.

Receivables
The Directors took reasonable steps before the Company’s financial statements were made out to ascertain that all known bad debts were written off and adequate allowance was made for impairment losses.

At the date of this report, the Directors are not aware of any circumstances which would render the above assessment inadequate to any substantial extent.

Related party transactions
All related party transactions have been adequately recorded in the financial statements.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Directors' report (continued)

Going concern

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by Governments, regulators and industry sectors. The Fiji Government enacted its emergency plan, which has seen the closure of Fiji borders from 20 March 2020, an increasing level of restrictions on corporate Fiji's ability to operate, volatility in financial markets as the Fijian and global economies face significant slowdowns and uncertainties.

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future; that is for atleast 12 months from the date of signing of these financial statements. The Company has a working capital deficiency of $3,105,344 (2018: $1,319,094) and a net loss after tax of $2,599,634 (2018: $559,786).

However following the closure of borders, the Company shut down its resort/operations and will monitor and determine the appropriate reopening dependent on opening of borders, number of COVID-19 cases in Fiji and/or other factors as determined by the Directors.

The Directors have prepared projected cash flow information for the 12 months from the date of approval of these financial statements taking into consideration the estimation of the continued business impacts of COVID-19. In response to the uncertainty arising from this, the Directors have considered severe but plausible downside forecast scenarios.

These forecasts indicate that, taking into account of reasonably possible downsides, the Company is expected to continue to operate, within available cash levels and the terms of its debt facilities. Key to the forecasts are relevant assumptions regarding the business, business model, any legal or regulatory restrictions, financing and shareholder support. In particular, the following assumptions were made:

- Unless Directors decide to open the resort, the operations of the resort are to remain closed for the next 6 months from the date of approval of the financial statements;
- minimum cash to be generated from the receipt of advance deposits in early 2021 ;
- current obligations for repayment of loan facilities and suppliers to be fully met;
- mitigating actions being available to respond to cash flow uncertainties.

The Directors remain focused on the Company's liquidity, and expect to manage business operations in the forecast period whilst maintaining adequate liquidity through :

- Fiji Teachers Union Co-operative Thrift and Credit Society Limited has provided financial support in prior years and are expected to continue providing this support. To this effect, a letter of support has been obtained from the parent entity for a period of 12 months from the date of signing of the financial statements.
- Bank overdraft facility available of $250,000; and
- The majority of the resort and head office employees have been temporarily sent on leave without pay, while certain administration and finance staff are working at reduced pay.
- The parent entity is in-progress of obtaining additional drawdown of at-least $1,000,000 on the existing loan to assist with the resort operations.
- Based on agreement with the new resort manager, the Directors expect minimum return of $180,000 for the period of January - June 2021, subject to the resort resuming operations for the period and achieving gross revenue of $5,500,000 (VIP) from operation of both resorts.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Directors' report (continued)

Going concern
Based on these forecasts, events and assumptions, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis as the Directors anticipate that the Company will generate adequate funds to meet their liabilities as and when they fall due.

Notwithstanding the Directors consideration to prepare the accounts on a going concern basis, the circumstances described give rise to the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements do not include any adjustment relating to the recoverability or re-classification of recorded amounts or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Other circumstances
At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amounts stated in the accounts to be misleading.

Events subsequent to year end
Subsequent to year end, the World Health Organisation announced the spread of COVID-19 virus to be a pandemic. The impact of the spread of this virus is disrupting travel and businesses in Fiji and throughout the world. It is not clear at the time of finalising these financial statements, the impact this will have on services provided by the Company during 2020. Management and the Board are monitoring developments on an ongoing basis. The financial reporting effects of the outbreak, such as impairment of financial and non-financial assets, will be accounted for as non-adjusting events, given the changes in business activities and economic conditions occurred as a result of events occurring after the balance sheet date. Consequently, there is no impact on the recognition and measurement of assets and liabilities.

As events that occurred after the reporting date have caused a significant deterioration in economic conditions for the Company and an increase in economic uncertainty, management have taken cost cutting measures / initiatives to ensure that the going concern assumption is still appropriate as a basis for the preparation of the Company's financial statements.

On 13 July, 2020, the Board of Directors approved and signed a Operating Management Agreement to appoint Tour Managers (Fiji) Pte Limited as the operating managers of the resort for a period of 7 years, commencing on 31 July 2020, as agreed by both parties.

Other than this, and the management agreement, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Company, the results of those operations, or the state of the affairs of the Company, in subsequent financial years.

Dated at Suva this 31st day of August 2020.

Signed in accordance with a resolution of the Directors.

Director **Director**

3

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Directors' declaration

In the opinion of the Directors of Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa:

(a) the accompanying statement of profit or loss and other comprehensive income of the Company is drawn up so as to give a true and fair view of the results of the Company for the year ended 31 December 2019;

(b) the accompanying statement of changes in equity of the Company is drawn up so as to give a true and fair view of the changes in equity of the Company for the year ended 31 December 2019;

(c) the accompanying statement of financial position of the Company is drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2019;

(d) the accompanying statement of cash flows of the Company is drawn up so as to give a true and fair view of the cash flows of the Company for the year ended 31 December 2019;

(e) at the date of this statement there are reasonable grounds to believe the Company will be able to pay its debts as and when they fall due;

(f) all related party transactions have been adequately recorded in the books of the Company; and

(g) the financial statements have been prepared in accordance with the Companies Act 2015.

Dated at SUVA this 31st day of AUGUST 2020.

Signed in accordance with a resolution of the Directors.

Director **Director**

KPMG

Independence Declaration

For the year ended 31 December 2019

Auditors Independence Declaration under Section 395 of the Companies Act 2015

To the Directors of Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa

As required under Section 395 of the Companies Act 2015, we declare that to the best of our knowledge and belief, in relation to the audit for the year ended 31 December 2019 and up to the date of this report there have been:

i). no contraventions of the Auditor independence requirements as set out in the Companies Act 2015 in relation to the audit; and

ii). no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG **Sharvek Naidu, Partner**

31 August, **2020**

Nadi, Fiji

KPMG

Independent Auditors' Report

To the Shareholders of Hide-A-Way Resort Pte Limited t/a Fiji Hideaway Resort & Spa

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Hide-A-Way Resort Pte Limited t/a Fiji Hideaway Resort & Spa ("the Company"), which comprise the statement of financial position as at 31 December 2019, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out in notes 1 to 29.

In our opinion, except for the possible effects of the matters described in the *Basis of Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

As described in Note 16 to the financial statements, the Company carries its property, plant and equipment at cost, less accumulated depreciation and impairment losses. Included within property, plant and equipment are buildings with a carrying amount of $18,840,290 of which carrying value of $12,573,304 relates to the Vuda property, trading as Landers Bay Resort and Spa Vuda Lautoka, as at 31 December 2019. We were unable to obtain sufficient appropriate audit evidence over the valuation of the Vuda property.

Management has not performed an impairment assessment of the property despite an indication of impairment. Accordingly, we have not been able to obtain evidence to support the valuation of the above mentioned amounts recorded in the financial statements and any consequential tax related adjustments.

Since the impairment of property, plant and equipment enters into the determination of financial performance, we were unable to determine whether adjustments might have been necessary in respect of the loss for the year reported in the statement of profit or loss and other comprehensive income. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), the Companies Act 2015 and the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going concern

We draw attention to Note 2(d), "Going Concern basis of accounting" in the financial statements. The conditions disclosed in Note 2(d), indicate a material uncertainty exists particularly relating to the temporary closure of the resort as a result of COVID 19 that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial statements. Our opinion is not further modified in respect of this matter.

KPMG

Independent Auditors' Report

To the Shareholders of Hide-A-Way Resort Pte Limited t/a Fiji Hideaway Resort & Spa

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence over the valuation of property, plant and equipment of the Vuda property, and the related elements making up the statement of profit or loss and other comprehensive income for the year ended 31 December 2019. Accordingly, we are unable to conclude whether or not other information is materially misstated with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

KPMG

Independent Auditors' Report

To the Shareholders of Hide-A-Way Resort Pte Limited t/a Fiji Hideaway Resort & Spa

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, sufficient to enable financial statements to be prepared, so far as it appears from our examination of those books; and

ii). to the best of our knowledge and according to the information and explanations given to us the financial statements give the information required by the Companies Act 2015, in the manner so required.

KPMG.

KPMG

31 August**, 2020**

Nadi, Fiji

Sharvek

Sharvek Naidu, Partner

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

	Note	2019 $	2018 $
Revenue from contract with customers	6	9,765,961	9,378,968
Cost of sales	7	(4,182,478)	(3,535,241)
Gross profit		5,583,483	5,843,727
Other income	8	41,024	11,380
Administrative expenses	9 (a)	(2,695,024)	(2,113,823)
Marketing expenses	9 (b)	(875,106)	(536,704)
Other expenses	9 (c)	(4,049,923)	(3,812,854)
Finance expenses	21 (ii)	(78,818)	-
Loss before income tax		(2,074,364)	(608,274)
Income tax (expense) / benefit	11 (a)	(525,270)	48,488
Loss for the year		(2,599,634)	(559,786)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(2,599,634)	(559,786)

The notes on pages 13 to 45 are an integral part of these financial statements.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Statement of changes in equity
For the year ended 31 December 2019

	Note	Issued capital $	Retained earnings $	Total $
Balance at 1 January 2018		667,163	4,997,562	5,664,725
Total comprehensive loss for the year				
Loss for the year		-	(559,786)	(559,786)
Total other comprehensive income for the year		-	-	-
Total comprehensive loss for the year		-	(559,786)	(559,786)
Transactions with owners of the Company				
Dividends declared and paid during the year		-	-	-
Balance at 31 December 2018		667,163	4,437,776	5,104,939
Balance at 1 January 2019		667,163	4,437,776	5,104,939
Opening balance adjustment	4 (o)	-	(103,101)	(103,101)
Restated balance at 1 January 2019		667,163	4,334,675	5,001,838
Total comprehensive loss for the year				
Loss for the year		-	(2,599,634)	(2,599,634)
Dividend declared		-	(480,000)	(480,000)
Total comprehensive loss for the year		-	(3,079,634)	(3,079,634)
Balance at 31 December 2019		667,163	1,255,041	1,922,204

The notes on pages 13 to 45 are an integral part of these financial statements.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Statement of financial position
As at 31 December 2019

	Note	2019	2018
Assets		**$**	**$**
Current assets			
Cash and cash equivalents	12	22,741	36,814
Trade receivables	13	432,836	834,213
Inventories	14	255,125	178,019
Other receivables and prepayments	15	62,237	68,807
Income tax receivable	11 (c)	-	408,703
Total current assets		772,939	1,526,556
Non-current assets			
Property, plant and equipment	16	20,577,657	20,525,215
Other receivables and prepayments	15	308,741	366,787
Deferred tax asset	11 (b)	-	119,693
Right-of-use asset	21	1,129,269	-
Total non-current assets		22,015,667	21,011,695
Total assets		22,788,606	22,538,251
Liabilities			
Current liabilities			
Bank overdraft	12	193,996	438,846
Income tax payable	11 (c)	19,824	-
Contract liabilities	27	192,589	307,658
Trade and other payables	18	3,628,750	2,377,458
Employee benefits	19	8,095	29,346
Lease liability	21 (ii)	27,618	-
Total current liabilities		4,070,872	3,153,308
Non-current liabilities			
Amounts payable to shareholder	20	15,664,322	14,280,004
Lease liability	21 (ii)	1,131,208	-
Total non-current liabilities		16,795,530	14,280,004
Total liabilities		20,866,402	17,433,312
Net assets		1,922,204	5,104,939
Equity			
Share capital	17 (b)	667,163	667,163
Retained earnings		1,255,041	4,437,776
Total shareholders equity and reserve		1,922,204	5,104,939

Signed in accordance with a resolution of the Board.

Director **Director**

The notes on pages 13 to 45 are an integral part of these financial statements.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Statement of cash flows
For the year ended 31 December 2019

	Note	2019 $	2018 $
Operating activities			
Cash receipts from customers		10,004,406	9,384,710
Cash paid to suppliers and employees		(9,536,843)	(8,945,477)
Payment of lease liability		(252,974)	
Income tax paid	11 (c)	-	(12,631)
Net cash from operating activities		214,589	426,602
Investing activities			
Acquisition of property, plant and equipment	16	(756,978)	(509,678)
Proceeds from disposal of property, plant and equipment		44,954	-
Net cash used in investing activities		(712,024)	(509,678)
Financing activities			
Net advance from shareholders	22 (d)	1,021,060	288,534
Dividends paid	22 (d)	(267,066)	-
Payment of lease liability	21 (ii)	(25,782)	-
Net cash from financing activities		728,212	288,534
Net increase in cash and cash equivalents		230,777	205,458
Cash and cash equivalents at 1 January		(402,032)	(607,490)
Cash and cash equivalents at 31 December	12	(171,255)	(402,032)
Material non-cash financing activity	26	150,324	355,941

The notes on pages 13 to 45 are an integral part of these financial statements.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

1. Reporting entity

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa ("the Company"), is a company domiciled in Fiji. The registered office of the Company is situated at Hide-A-Way Resort Limited, Queen's Highway, Sigatoka.

The principal activity of the Company during the course of the financial year was the provision of hotel accommodation, food and beverage and other hotel related services at Fiji Hide-A-Way Resort & Spa in Sigatoka and Landers Bay Resort and Spa Vuda Lautoka in Vuda . There were no significant changes in the nature of the activities of the Company during the year.

During the year, the Company changed that trading name of the resort at Vuda to Landers Bay Resort and Spa Vuda Lautoka.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Fiji Companies Act 2015.

The financial statements were authorised for issue by the Board of the Directors on 31/08/20, 2020.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention basis.

(c) Functional and presentation currency

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

(d) Going concern

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by Governments, regulators and industry sectors. The Fiji Government enacted its emergency plan, which has seen the closure of Fiji borders from 20 March 2020, an increasing level of restrictions on corporate Fiji's ability to operate, volatility in financial markets as the Fijian and global economies face significant slowdowns and uncertainties.

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future; that is for atleast 12 months from the date of signing of these financial statements. The Company has a working capital deficiency of $3,105,344 (2018: $1,319,094) and a net loss after tax of $2,599,634 (2018: $559,786).

However following the closure of borders, the Company shut down its resort/operations and will monitor and determine the appropriate reopening dependent on opening of borders, number of COVID-19 cases in Fiji and/or other factors as determined by the Directors.

The Directors have prepared projected cash flow information for the 12 months from the date of approval of these financial statements taking into consideration the estimation of the continued business impacts of COVID-19. In response to the uncertainty arising from this, the Directors have considered severe but plausible downside forecast scenarios.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

2. Basis of preparation (continued)

(d) Going concern (continued)

These forecasts indicate that, taking into account of reasonably possible downsides, the Company is expected to continue to operate, within available cash levels and the terms of its debt facilities. Key to the forecasts are relevant assumptions regarding the business, business model, any legal or regulatory restrictions, financing and shareholder support. In particular, the following assumptions were made:

- Unless Directors decide to open the resort, the operations of the resort are to remain closed for the next 6 months from the date of approval of the financial statements;
- minimum cash to be generated from the receipt of advance deposits in early 2021 ;
- current obligations for repayment of loan facilities and suppliers to be fully met;
- mitigating actions being available to respond to cash flow uncertainties.

The Directors remain focused on the Company's liquidity, and expect to manage business operations in the forecast period whilst maintaining adequate liquidity through :

- Fiji Teachers Union Co-operative Thrift and Credit Society Limited has provided financial support in prior years and are expected to continue providing this support. To this effect, a letter of support has been obtained from the parent entity for a period of 12 months from the date of signing of the financial
- Bank overdraft facility available of $250,000; and
- The majority of the resort and head office employees have been temporarily sent on leave without pay, while certain administration and finance staff are working at reduced pay.
- The parent entity is in-progress of obtaining additional drawdown of at-least $1,000,000 on the existing loan to assist with the resort operations.
- Based on agreement with the new resort manager, the Directors expect minimum return of $180,000 for the period of January - June 2021, subject to the resort resuming operations for the period and achieving gross revenue of $5,500,000 (VIP) from operation of both resorts.

Based on these forecasts, events and assumptions, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis as the Directors anticipate that the Company will generate adequate funds to meet their liabilities as and when they fall due.

Notwithstanding the Directors consideration to prepare the accounts on a going concern basis, the circumstances described give rise to the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements do not include any adjustment relating to the recoverability or re-classification of recorded amounts or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

(e) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

2. Basis of preparation (continued)

(e) Use of estimates and judgments (continued)

Information about judgments in applying accounting policies that have an effect on the amounts recognised in the financial statements is included in the following notes:

Note 4 (g)(i) - Recoverability of trade receivables - key assumptions in determining weighted average loss rate
Note 4 (g)(ii) - Impairment of property, plant and equipment
Note 4 (b) - Property, plant and equipment depreciation rates

3. Changes in significant accounting policies

The Company initially applied IFRS 9 *Financial Instruments* (see 3(a)) and IFRS 16 *Leases* (see 3(b)) from 1 January 2019. A number of other new standards are also effective 1 January 2019 but they do not have a material effect on the Company's financial statements.

(a) IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets and financial liabilities. The standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9 Financial Instruments, the Company adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously, the Company's approach was to include the impairment of trade receivables in other expenses.

Additionally, the Company adopted consequential amendments to IFRS 7 *Financial Instruments: Disclosures* that are applied to disclosures about 2019 but generally have not been applied to comparative information.

There was no impact on opening retained earnings as a result of transition to IFRS on 1 January 2019, as the impact was determined not to be material by the Company.

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI (fair value through other comprehensive income) and FVTPL (fair value through profit or loss). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of "held to maturity" and "loans and receivables".

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies for financial liabilities.

For an explanation of how the Company classifies and measures financial assets and accounts for related gains and losses under IFRS 9, see Note 4 (c)(ii).

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

3. Changes in significant accounting policies (continued)

(a) IFRS 9 Financial Instruments (continued)

(i) Classification and measurement of financial assets and financial liabilities (continued)

The following table and accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 January 2019.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2019 relates to solely the new impairment requirements.

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets				
Cash at bank	Loans and receivable	Amortised cost	11,801	11,801
Trade receivables and other receivables	Loans and receivable	Amortised cost	834,213	834,213
Total financial assets			846,014	846,014
Financial liabilities				
Trade and other payables	Other financial liabilities	Other financial liabilities	2,377,458	2,377,458
Bank overdraft	Other financial liabilities	Other financial liabilities	438,846	438,846
Amounts payable to shareholder	Other financial liabilities	Other financial liabilities	14,280,004	14,280,004
Total financial liabilities			17,096,308	17,096,308

(a) Cash on hand and cash at bank that were classified as loans and receivables under IAS 39 are now classified at amortised cost. No allowance for impairment over cash at bank was recognised in opening retained earnings at 1 January 2019 on transition to IFRS 9 as the adjustment was not considered material by the Company.

(b) Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost. No allowance for impairment over these receivables was recognised in opening retained earnings at 1 January 2019 on transition to IFRS 9 as the adjustment was not considered material by the Company.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

3. Changes in significant accounting policies (continued)

(a) IFRS 9 Financial Instruments (continued)

(ii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets, debt investments at FVOCI and loan commitments issued, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39 – see Note 4 (g) (i).

For assets in the scope of IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements at 1 January 2019 results in no additional allowance for impairment.

(iii) Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below:

- The Company has used the exemption note to restate comparative information prior periods with respect to classification and measurement (including impairment) requirements. Therefore comparative years have not been restated therefore is not comparable to the information presented for 2019 under IFRS 9.
- The determination of the business model within which a financial asset is held is an assessments has been made on the basis of the facts and circumstances that existed at the date of initial application.

(b) IFRS 16 Leases

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated - i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

(i) Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining whether an Arrangement contains a Lease*. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 4(i).

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

3. Changes in significant accounting policies (continued)

(b) IFRS 16 Leases (continued)

(ii) As a lessee

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most of these leases - i.e. these leases are on-balance sheet.

Leases classified as operating leases under IAS 17

Previously, the Company classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate of 7% as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Company:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term, if the contract contains options to extend or terminate the lease.

Leases classified as finance leases under IAS 17

For leases that were classified as finance lease under IAS 17, the carrying amount of the right-of-use asset and lease liability are determined at the carrying amount of the lease asset and lease liability under IAS 17 Leases immediately before the date. The Company had no finance leases under IAS 17.

(iii) Impact on financial statements

On transition to IFRS 16, the Company recognised right-of-use assets of $1,184,608 and lease liabilities of $1,184,608.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate of 7% at 1 January 2019.

	1 January 2019
	$
Operating lease commitments at 31 December 2018 as disclosed under IAS 17	2,475,400
Discounted using the incremental borrowing rate at 1 January 2019	(1,290,792)
Lease liabilities recognised at 1 January 2019	1,184,608

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

4. Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements. Certain comparative amounts in the statement of profit or loss and other comprehensive income and statement of financial position have been reclassified as a result of change in classification.

(a) Foreign currency

Transactions in foreign currencies are translated to Fiji dollars at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Fiji dollars at the exchange rate at the reporting date. The foreign currency gains or losses on translation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(b) Property, plant and equipment

<u>Recognition and measurement</u>

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

If a significant part of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income or other expenses in profit or loss.

<u>Subsequent expenditure</u>

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Company, and its cost can be measured reliably. The cost of the day-to-day servicing of property, plant and equipment is recognised in profit or loss as incurred.

<u>Depreciation</u>

Items of property, plant and equipment are depreciated from the date they are available for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line basis over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

4. Significant accounting policies (continued)

(b) Property, plant and equipment (continued)

Depreciation
The estimated useful lives for the current and comparative period are as follows:

Leasehold land	Term of lease
Plant and equipment	7% - 40%
Buildings	1.25% - 10%
Furniture and fittings	7% - 13%
Motor vehicle	20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(c) Financial instruments

(i) Recognition and measurement
Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and measurement
Financial assets
On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

All financial assets recorded during the year and as at financial year end are measured at amortised cost. All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

4. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Classification and measurement (continued)

Financial assets - Business model assessment
The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

ln assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

4. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Classification and measurement (continued)

Financial assets - Subsequent measurement and gains and loss
Financial assets that are measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets – policy applicable before 1 January 2019
The Company classified its financial assets into the loans and receivables category.

Subsequent measurement and gains and loss- Policy applicable before 1 January 2019
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method.

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

(iii) Derecognition

Financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial 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 in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities
The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

4. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Modifications of financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

(d) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and cash at bank. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Inventories

Inventories include food, beverage, boutique, room and fuel. Inventories have been valued at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their present condition and location. Net realisable value is the estimated selling price in the ordinary course of business less selling costs.

(g) Impairment

(i) Non-derivative financial assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except for cash at bank and debt security balances which are measured as 12-month ECL as credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
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4. Significant accounting policies (continued)

(g) Impairment (continued)

(i) Non-derivative financial assets (continued)

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers another receivable or cash balance to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Company considers this to be BBB or a higher rating per S&P's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

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

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Credit-impaired financial assets

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;

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Notes to the financial statements
For the year ended 31 December 2019

4. Significant accounting policies (continued)

(g) Impairment (continued)

(i) Non-derivative financial assets (continued)

Credit-impaired financial assets (continued)

- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Policy applicable before 1 January 2019
A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. The Company's exposure to financial assets impairment is limited to trade and other receivables.

Trade and other receivables
A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Provision is raised on a specific debtor as well as on a collective basis. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that a specific debtor balance is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectable, it is written off against the allowance for receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss. The aging profile of trade receivables is disclosed in Note 5 (i) under credit risk.

(ii) Non-financial assets
The carrying amounts of the Company's non-financial assets, other than inventories, prepayments and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The Company's exposure to nonfinancial assets impairment is limited to property, plant and equipment.

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Notes to the financial statements
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4. Significant accounting policies (continued)

(g) Impairment (continued)

(ii) Non-financial assets (continued)

Property, plant and equipment
The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

(i) Leases
At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

As a lessee
The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and plus any initial direct costs incurred.

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Notes to the financial statements
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4. Significant accounting policies (continued)

(i) Leases (continued)

As a lessee (continued)

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

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately in the statement of financial position .

<u>Under IAS 17</u>

In the comparative period, as a lessee the Company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

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4. Significant accounting policies (continued)

(j) Employee benefits

Defined contribution plan / superannuation

Contributions are paid to the Fiji National Provident Fund on behalf of employees to secure retirement benefits. These costs are included in profit or loss as the services are rendered by the employee.

Short-term benefits (wages and salaries, annual leave)

Liabilities for salaries and wages expected to be settled within 12 months of the reporting date are recognised in other payables and accruals in the statement of financial position. Annual leave with respect to employees services up to the reporting date, measured at the amounts expected to be paid when the liabilities are settled, are accrued for under employee benefits.

(k) Amounts payable to shareholder

Amounts payable to shareholder are recognised at cost.

(l) Revenue

Revenue from room sales, boutique, food and beverage, water sports, wedding revenue and other miscellaneous revenue are recognised in profit or loss when services are rendered and at the point of sale.

Revenue is shown net of Value Added Tax (VAT), Service Turnover Tax (STT), Environmental Climate Adaptation Levy (ECAL) returns, rebates and discounts.

Information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms and the related revenue recognition policies is as follows:

Accommodation

A customer books to stay at the resort for a specified number of room nights. Revenue from accommodation is recognised over time as the room nights are utilised by the customer. On check-out from the resort, accommodation charges are billed to travel agents if the customer has come through a travel agent. Invoices are payable within 30 days for travel agents. If a customer has directly booked at the resort, the accommodation charges will be settled by the customer on check-out from the resort. For customers that prepay, the amount received is recognised as contract liability and revenue is recognised as the Company satisfies the respective performance obligation for the service.

Food and beverage

A customer places an order for a food and beverage item at the resort. Customers obtain control of the food and beverage items when the order has been delivered to the customer. The order is charged to the customer's room for a customer residing at the resort which the customer will settle on checkout from the resort. Revenue from food and beverage is recognised when the order has been delivered to the customer.

Other hotel related services

Revenue from other hotel related services is recognised as the service is provided to the customer and is usually recognised at a point in time.

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Notes to the financial statements
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4. Significant accounting policies (continued)

(l) Revenue (continued)

Policy applicable before 1 January 2019

Revenue comprises revenue from the hotel operations and includes revenue derived from rooms, food and beverage and other guest services, shop rentals, commissions, and other miscellaneous income.

The Company recognises revenue when the service has been rendered, the amount can be reliably measured, and when it is probable that future economic benefits will flow to the entity.

(m) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are proposed or declared by the Company's directors.

(o) Comparative information

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

There was a restatement of $103,101 to reduce the retained earnings in relation to trade creditor account balances that were not reconciled for the 2018 financial year. The related adjustment has been recorded against the trade creditors account.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

5. Financial risk management

Overview

The Company has exposure to the following risks:

(i) Credit risk;
(ii) Liquidity risk; and
(iii) Market risk.

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash at bank.

	Note	**2019**	**2018**
		$	**$**
Cash at bank	12	11,741	11,801
Trade receivables	13	432,836	834,213
Other receivables (excluding prepayments)	15	308,741	366,787
		753,318	1,212,801

Cash and cash equivalents

The cash at bank is held with local financial institutions and maximum credit exposure is regularly reviewed by the Board.

Trade and other receivables

The Company has credit risk arising from credit exposure to customers, including outstanding receivables. The level of credit granted is regularly monitored. The Company has policies in place to ensure that sale of rooms to wholesalers are made to customers with an appropriate credit history.

Comparative information under IAS 39

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

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5. Financial risk management (continued)

(i) Credit risk (continued)

Trade and other receivables (continued)

Comparative information under IAS 39 (continued)
The aging of trade receivables that were not impaired at the reporting date was:

	2019	2018
	$	$
Not yet due	271,982	415,046
Past due 1 - 30 days	102,491	257,864
Past due 31 - 60 days	58,363	135,947
Past due 61 - 90 days	-	58,101
Past due 90 days	-	(32,745)
Net receivables	432,836	834,213

Impairment losses on financial assets recognised in profit or loss were as follows:

	2019	2018
	$	$
Impairment losses on trade and other receivables	62,766	-

Expected credit losses assessment for trade receivables
The Company uses an allowance matrix to measure ECLs of trade receivables from individual customers. Losses are calculated using a roll rate method based on the probability of a receivable progressing through successive stages of delinquency to write-off. The loss rates were calculated based on actual credit loss experience over the past two years. These rates were multiplied by scalar factors to reflect differences between economic conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors used are based on actual and forecasted visitor arrival growth in the country.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as at 31 December 2019.

31 December 2019	Weighted-average loss rate	Gross carrying amount	Loss allowance
	$	$	$
1 to 30 days	0.00%	271,982	-
31 to 60 days	0.00%	102,491	-
61 to 90 days	0.00%	58,363	-
Over 90 days past due	100.00%	294,527	294,527
		727,363	294,527

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

5. Financial risk management (continued)

(i) Credit risk (continued)

Trade and other receivables (continued)

Expected credit losses assessment for trade receivables (continued)

Loss rates for performing trade receivables are based on actual credit loss experience over the past two years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Company's view of economic conditions over the expected lives of trade receivables. Scalar factors are based on actual and forecasted visitor arrival growth in the country.

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows. Comparative amounts for 2018 represent the allowance account for impairment losses under IAS 39.

	2019 $	2018 $ Individual impairment
Balance at 1 January per IAS 39	231,761	231,761
Adjustment on initial application of IFRS 9	-	-
Balance at 1 January per IFRS 9	231,761	231,761
Net measurement of loss allowance	62,766	-
Balance at 31 December	294,527	231,761

Cash and cash equivalents

The Company held cash of $11,741 (2018: $11,801). Cash are held with banks which are rated AA-, based on S&P's ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

The amount of impairment allowance at 31 December 2019 is $Nil (2018: $Nil).

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

The Company maintains a $250,000 (2018: $250,000) overdraft facility. Interest on this facility is charged at the rate of 7% (2018: 10.70%) per annum.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

5. Financial risk management (continued)

(ii) Liquidity risk (continued)

The Company has also received a letter of support from its parent entity for a period of 12 months from the signing of the financial statements.

The following are the contractual maturities of financial liabilities:

31 December 2019	**Carrying amount**	**Contractual cash flow**	**Less than 12 months**	**More than 12 months**
	$	**$**	**$**	**$**
Financial liabilities				
Bank overdraft	193,996	193,996	193,996	-
Trade and other payables	3,628,750	3,628,750	3,628,750	-
Lease liability	1,158,826	2,370,800	104,600	2,266,200
Amounts payable to shareholder	15,664,322	15,664,322	-	15,664,322
	20,645,894	21,857,868	3,927,346	17,930,522

31 December 2018	**Carrying amount**	**Contractual cash flow**	**Less than 12 months**	**More than 12 months**
	$	**$**	**$**	**$**
Financial liabilities				
Bank overdraft	438,846	438,846	438,846	-
Trade and other payables	2,377,458	2,377,458	2,377,458	-
Amounts payable to shareholder	14,280,004	14,280,004	-	14,280,004
	17,096,308	17,096,308	2,816,304	14,280,004

(iii) Market risk

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

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with a floating interest rate. The Company's policy is to limit it's exposure to the variability in cash flows associated with floating interest rate movements. The Company negotiates changes in interest rate where possible.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

5. Financial risk management (continued)

(iii) Market risk (continued)

At reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	2019	**2018**
Variable rate instruments	**$**	**$**
Bank overdraft	193,996	438,846
Sensitivity analysis for variable rate instruments		
The approximate impact of a 1% change in the interest rate is:	1,940	4,388

The above analysis assumes that all other variables remain constant.

Capital management

Capital consists of share capital and retained earnings. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company's policy is to maintain a strong capital base so as to maintain creditor confidence to sustain future development of the business. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There have been no material changes in the Company's management of capital during the year ended 31 December 2019.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

		2019	2018
		$	$
6.	**Revenue from contract with customers**		
	Accommodation	5,073,682	4,174,840
	Food	2,296,476	3,273,825
	Beverage	1,635,941	1,399,943
	Other operating income	759,862	530,360
		9,765,961	9,378,968

Following provides information about receivables and contract liabilities from contract with customers:

	2019	2018
	$	$
Trade receivables	432,836	834,213
Contract liabilities	192,589	307,658

7.	**Cost of sales**		
	Opening stock	178,019	149,406
	Purchases	2,917,568	2,259,930
	Closing stock	(255,125)	(178,019)
		2,840,462	2,231,317
	Personnel expenses (Refer Note 10)	1,342,016	1,303,924
		4,182,478	3,535,241
8.	**Other income**		
	Laundry income	14,903	11,380
	Gain on disposal of property, plant and equipment	26,121	-
		41,024	11,380
9.	**Expenses**		
(a)	**Administrative expenses**		
	Allowance for uncollectability (Refer Note 5(i))	62,766	-
	Auditor's remuneration - audit fees	29,000	29,000
	- other services	33,898	22,717
	Bank charges	35,759	28,694
	Commission	199,661	138,509
	Insurance	146,200	137,415
	Printing and stationery	99,587	56,177
	Professional fees	52,440	41,923
	Personnel expenses (Refer Note 10)	2,035,713	1,659,388
		2,695,024	2,113,823
(b)	**Marketing expenses**		
	Advertising	875,106	536,704

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

		2019	2018
9.	**Expenses (continued)**	**$**	**$**
(c)	**Other expenses**		
	Activities	228,567	113,010
	Depreciation - property, plant and equipment	836,027	956,767
	- right-of-use asset	55,339	-
	Donation	219	1,259
	Electricity	621,330	629,001
	Computer support	66,261	15,796
	Fuel and oil	54,386	40,059
	Gas	259,181	253,273
	General expenses	150,015	266,201
	Motor vehicle expenses	26,107	13,871
	Operating supplies	487,592	413,486
	Repairs and maintenance	475,490	257,699
	Security	180,302	148,198
	Staff transport	203,109	168,044
	Subscription	18,920	11,759
	TLTB lease rental	177,110	282,259
	Telephone and facsimile	76,132	113,900
	Other expenses	133,836	127,550
		4,049,923	3,812,132
(d)	**Finance costs**		
	Interest - lease liability	78,818	-
10.	**Personnel expenses**		
	Wages and salaries	2,753,064	2,358,165
	Key management compensation - short term employment benefits	161,293	155,173
	Key management compensation - Fiji National Provident Fund contributions	16,129	15,517
	Fiji National Provident Fund contributions	284,507	218,745
	FNU levy	28,985	19,660
	Staff training and welfare	133,751	196,052
		3,377,729	2,963,312
	Disclosed in the financial statements as follows:		
	Cost of sales	1,342,016	1,303,924
	Administrative expenses	2,035,713	1,659,388
		3,377,729	2,963,312
	Average full-time employees	220	188

Key management compensation is disclosed in Note 22 (c).

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Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

11. Income tax *

	2019	2018
(a) Income tax expense recognised in profit or loss	**$**	**$**
Current tax expense		
Current tax expense	-	-
Under-provision in prior years	405,578	27,573
Deferred tax expense		
Deferred tax expense	184,310	(76,061)
Over-provision in prior years	(64,618)	-
Income tax expense / (benefit)	525,270	(48,488)
Reconciliation of effective tax rate		
Profit before income tax	(2,074,364)	(608,274)
Prima facie income tax expense at 20% (2018: 20%)	(414,873)	(121,655)
Effect of permanent differences	58,972	23,678
Under-provision of tax in prior years	340,960	27,573
Deferred tax not brought to account	540,211	-
Adjustment from prior years	-	21,916
Income tax expense	525,270	(48,488)

(b) Unrecognised deferred tax assets

The Company has not brought to account deferred tax assets for deductible temporary differences and unused tax losses. The unrecognition of deferred tax assets is in part dependent on the Company's ability to generate future taxable tax profits sufficient to utilise deductible temporary differences.

Deferred tax assets have not been recognised in respect to the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	2019	2018
	$	**$**
Employee benefits	-	5,869
Property, plant and equipment	-	(35,590)
Trade receivables - allowance for impairment	-	46,352
Tax losses	-	103,062
Right-of-use asset	-	-
Lease liability	-	-
	-	119,693

* There is a qualification in the opinion with respect to the tax figures disclosed above.

(c) Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	2019		2018	
31 December 2018	632,457	2022	632,457	2022
31 December 2019	1,668,195	2023	-	-

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Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

11. Income tax (continued)

(b) Unrecognised deferred tax assets (continued)

Movement in temporary differences during the year

	Balance at 1 January 2019	Recognised in profit or loss	Balance at 31 December 2019
	$	$	$
Employee benefits	5,869	(5,869)	-
Property, plant & equipment	(35,590)	35,590	-
Trade receivables - allowance for impairment	46,352	(46,352)	-
Tax losses	103,062	(103,062)	-
Right-of-use asset	-	-	-
Lease liability	-	-	-
	119,693	(119,693)	-

	Balance at 1 January 2018	Recognised in profit or loss	Balance at 31 December 2018
Employee benefits	6,916	(1,047)	5,869
Property, plant & equipment	(24,579)	(11,011)	(35,590)
Trade receivables - allowance for impairment	46,352	-	46,352
Tax losses	14,943	88,119	103,062
	43,632	76,061	119,693

	2019	2018
(c) Income tax (payable) / receivable	$	$
Balance at 1 January	408,703	423,645
Under-provision in prior years	(405,576)	(27,573)
Payments made during the year	(22,951)	12,631
Balance at 31 December	(19,824)	408,703

12. Cash and cash equivalents

	2019	2018
Cash on hand	11,000	25,013
Cash at bank	11,741	11,801
	22,741	36,814
Bank overdraft	(193,996)	(438,846)
Cash and cash equivalents as per statement of cash flows	(171,255)	(402,032)

The Company has an overdraft facility of $250,000 (2018: $250,000) and interest is charged at the rate of 7.00% (2018: 10.70%) per annum.

The overdraft facility is secured by the following;
- Unlimited guarantee by Fiji Teachers Union Cooperative Thrift & Credit Union.

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Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

		2019	2018
13.	**Trade receivables**	**$**	**$**
	Trade receivables - city ledger	247,163	455,946
	Trade receivables - guest ledger	185,673	378,267
		432,836	834,213

Impairment losses on trade receivables is disclosed in Note 5 (i).

14.	**Inventories**		
	Beverage	57,515	60,111
	Food	60,224	51,408
	Boutique	16,606	-
	Fuel and oil	64,041	44,440
	Other	56,739	22,060
		255,125	178,019

In 2019, inventories of $2,840,462 (2018: $2,231,317) was recognised as an expense during the year and included in cost of sales.

		2019	2018
15.	**Other receivables and prepayments**	**$**	**$**
	Energy Fiji Limited bond	106,889	106,889
	Other receivables	201,852	259,898
	Prepayments	62,237	68,807
		370,978	435,594
	<u>Disclosed in the financial statements as follows:</u>		
	Current	62,237	68,807
	Non-current	308,741	366,787
		370,978	435,594

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
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16. Property, plant and equipment	Leasehold Land $	Buildings $	Plant and equipment $	Motor vehicles $	Furniture and fittings $	Work in progress $	Total $
Cost							
Balance at 1 January 2018	130,204	7,778,047	2,422,130	293,900	823,237	13,307,447	24,754,965
Acquisitions during the year	-	12,742	229,785	-	26,570	596,522	865,619
Transfer from WIP	-	13,852,667	-	-	-	(13,852,667)	-
Transfer to expenses	-	(85,735)	(64,967)	-	(44,090)	(26,573)	(221,365)
Balance at 31 December 2018	130,204	21,557,721	2,586,948	293,900	805,717	24,729	25,399,219
Acquisitions during the year	-	166,909	614,026	55,010	71,357	-	907,302
Disposals	-	-	-	(91,875)	-	-	(91,875)
Transfer from WIP	-	24,729	-	-	-	(24,729)	-
Balance at 31 December 2019	130,204	21,749,359	3,200,974	257,035	877,074	-	26,214,646
Depreciation and impairment							
Balance at 1 January 2018	40,460	1,924,579	1,448,509	94,708	462,558	-	3,970,814
Depreciation charge for the year	4,118	586,353	226,567	48,494	91,235	-	956,767
Transfer to expenses	-	(4,690)	(27,653)	-	(21,234)	-	(53,577)
Balance at 31 December 2018	44,578	2,506,242	1,647,423	143,202	532,559	-	4,874,004
Depreciation charge for the year	4,452	402,827	259,892	38,838	130,018	-	836,027
Disposals	-	-	-	(73,042)	-	-	(73,042)
Balance as at 31 December 2019	49,030	2,909,069	1,907,315	108,998	662,577	-	5,636,989
Carrying amount							
At 31 December 2018	85,626	19,051,479	939,525	150,698	273,158	24,729	20,525,215
At 31 December 2019	81,174	18,840,290	1,293,659	148,037	214,497	-	20,577,657

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Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

	2019	2018
17. Share capital and reserve	**$**	**$**
(a) Authorised capital		
750,000 ordinary shares	750,000	750,000

Shares of the Company have no par value.

(b) Issued capital		
583,319 ordinary shares	667,163	667,163

18. Trade and other payables		
Trade payables	1,871,866	920,067
Statutory taxes payable	1,592,670	998,264
Other payables and accruals	164,214	459,127
	3,628,750	2,377,458

19. Employee benefits		
Provision for annual leave		
Balance at 1 January	29,346	34,579
Net movement during the year	(21,251)	(5,233)
Balance at 31 December	8,095	29,346

20. Amounts payable to shareholder		
Fiji Teachers Union Co-operative Thrift and Credit Society Limited	15,664,322	14,280,004
Disclosed in the financial statements as follows:		
Non-current	15,664,322	14,280,004

Amounts payable to shareholder are unsecured and interest free. The shareholder has committed that the amounts will not be called in the next 12 months.

21. Leases

The Company leases land for the resort operations. Information about leases for which the Company is a lessee is presented below:

	Land
(i) Right-of-use of assets	**$**
Balance at I January	1,184,608
Depreciation charge for the year	(55,339)
Balance at 31 December	1,129,269

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Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Notes to the financial statements
For the year ended 31 December 2019

21. Leases (continued)

	Land
(ii) Lease liabilities	**$**
Less than one year	104,600
One to five years	418,400
More than five years	1,847,800
Total undiscounted liabilities at 31 December 2019	2,370,800

	2019
Lease liabilities included in the statement of financial position	**$**
Current	27,618
Non-current	1,131,208
	1,158,826

Amounts recognised in profit or loss

Interest on lease liabilities	78,818

Amounts recognised in statement of cash flows

Total cash outflow for leases under operating activities	252,974
Total cash outflow for leases under financing activities	25,782

Land lease - Coral Coast

The Company leases land at Baravi, Nadroga for the operation of the resort. The lease for land is for a period of 60 years ending 25 July 2039. The lease does not have an option to renew. The lease payments are based on gross turnover of the resort or minimum fixed yearly payments to be paid half yearly in equal instalments each year. Lease payments are reassessed after certain number of years.

Land lease - Vuda

The Company leases land at Vuda for the operation of the resort. The lease for land is for a period of 99 years ending 30 June 2116. The lease does not have an option to renew. The lease payments are based on gross turnover of the resort or minimum fixed yearly payments to be paid half yearly in equal instalments each year. Lease payments are reassessed after certain number of years.

Land lease - Pipeline reserve

The Company leases land at Baravi Nadroga for the purpose of pipeline of the resort. The lease for land is for a period of 48 years ending 25 July 2039. The lease does not have an option to renew. The lease payments are fixed yearly payments to be paid half yearly in equal instalments each year.

Variable lease payments based on percentage of gross receipts turnover

Land leases also contain variable lease payment that is based on the percentage of gross receipts turnover. These payment terms are common for most of the land leases under iTLTB across resorts.

Variable rental payments for the year ended 31 December 2019 is as follows:

	Fixed payments	Variable payments	Total payments
	$	$	$
Lease with lease payments based on percentage of gross receipts turnover	104,600	177,110	281,710

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
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22. Related parties

(a) Directors

The names of Directors in office at any time during the financial year were as follows:

- Muniappa Goundar - Chairman
- Arun Prasad
- Pranesh Kumar
- Vishnu Deo Sharma
- Gyan Prasad
- Ajeshni Kumari Nand
- Mustafa Khan
- Emanuel Hemant Kumar
- Sashi Mahendra Shandil
- Rajendra Vishnu Kumar
- Rohitesh Chand
- Ashween Chand Raj

(b) Parent entity

The parent entity of the Company is Fiji Teachers Union Co-operative Thrift and Credit Society Limited.

(c) Transactions with key management personnel

In the current year, key management personnel comprises of the General Manager, Resort Manager and Finance and Administration Manager.

Transactions with key management personnel are on terms no more favourable than those available, or which might be reasonably be expected to be available, on similar transactions to third parties at arm's length.

Key management compensation is disclosed under Note 10.

	2019	2018
(d) Amounts payable to shareholder	**$**	**$**
Fiji Teachers Union Co-operative Thrift and Credit Society Limited	15,664,322	14,280,004

The advance from Fiji Teachers Union Co-operative Thrift and Credit Society Limited amounting to $15,664,322 (2018: $14,280,004) is interest free, unsecured and not repayable within the next 12 months (2018: interest free, unsecured and not repayable within the next 12 months).

(e) Transaction with related parties

During the year, the Company entered into various transactions with related parties. The aggregate value of major transactions with the related parties during the year is as follows:

	2019	2018
	$	**$**
Fiji Teachers Union Co-operative Thrift and Credit Society Limited		
Payments by the shareholder on behalf of the Company	150,324	650,702
Payments by Hide-A-Way Resort Limited on behalf of the shareholder	-	(656,770)
Advances from the shareholder	1,021,060	945,304
Dividend declared	480,000	-
Dividend paid	(267,066)	-

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23. Capital commitments

Capital commitments at year end amounted to $Nil (2018: $Nil).

24. Contingent liabilities

Bonds and guarantees

As at reporting date, contingent liabilities exist in respect of bank guarantees amounting to $59,680 (2018: $59,680).

25. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

26. Material non-cash investing activity

During the year additions to property plant and equipment paid by the parent on behalf of the Company amounts to $150,324 (2018: $355,941).

27. Contract liabilities

Contract liabilities relates to advance consideration received from customers in advance for future accommodation and food and beverage services at the resort. This will be recognised as revenue when the services are rendered to customers which is expected to occur in the subequent year.

	2019	2018
	$	$
Contract liabilities	192,589	307,658

28. Assets held as securities

The following securities have been provided to Westpac Banking Corporation by the Company to secure bank loans of the parent, Fiji Teachers Union Co-operative Thrift and Credit Society Limited:

- Registered first fixed and floating charge (stamped collateral) by Hide-A-Way Resort Limited over its assets and undertakings including its uncalled and called but unpaid capital.
- Registered first all monies mortgage No. 764169 (stamped collateral) by Hide-A-Way Resort Limited over Native Lease No. 15937.
- Registered first all monies mortgage (stamped collateral) by Hide-A-Way Resort Limited over Crown Lease No. 18176.
- Collateral deed over hotel and liquor license (stamped collateral) between Hide-A-Way Resort Limited or Licensee and Westpac Banking Corporation.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
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29. Events subsequent to year end

Subsequent to year end, the World Health Organisation announced the spread of COVID-19 virus to be a pandemic. The impact of the spread of this virus is disrupting travel and businesses in Fiji and throughout the world. It is not clear at the time of finalising these financial statements, the impact this will have on services provided by the Company during 2020. Management and the Board are monitoring developments on an ongoing basis. The financial reporting effects of the outbreak, such as impairment of financial and non-financial assets, will be accounted for as non-adjusting events, given the changes in business activities and economic conditions occurred as a result of events occurring after the balance sheet date. Consequently, there is no impact on the recognition and measurement of assets and liabilities.

As events that occurred after the reporting date have caused a significant deterioration in economic conditions for the Company and an increase in economic uncertainty, management have taken cost cutting measures / initiatives to ensure that the going concern assumption is still appropriate as a basis for the preparation of the Company's financial statements.

On 13 July, 2020, the Board of Directors approved and signed a Operating Management Agreement to appoint Tour Managers (Fiji) Pte Limited as the operating managers of the resort for a period of 7 years, commencing on 31 July 2020, as agreed by both parties.

Other than this, and the management agreement, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect significantly the operations of the Company, the results of those operations, or the state of the affairs of the Company, in subsequent financial years.

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Disclaimer

The additional financial information presented on pages 47 to 50 is in accordance with the books and records of Hide-A-Way Resort Limited t/a Fiji Hide-A-Way Resort & Spa which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 31 December 2019. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

KPMG.

Nadi, Fiji Islands

KPMG
Chartered Accountants

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Statement of operations - Coral Coast
For the year ended 31 December 2019

	2019	2018
	$	$
Income		
Accommodation	4,621,492	3,826,321
Food	2,123,247	3,193,816
Beverage	1,491,071	1,327,478
Other revenue	710,629	515,079
Laundry income	14,072	10,962
Gain on disposal of property, plant and equipment	26,121	-
	8,986,632	8,873,656
Expenses		
Cost of sales	2,597,018	2,150,115
Activities	227,164	108,355
Advertising	862,628	529,712
Allowance for uncollectability	62,766	-
Auditor's remuneration - audit fees	29,000	29,000
- other services	33,898	22,717
Bank charges	35,509	28,591
Commission	199,661	125,622
Depreciation - property, plant and equipment	442,791	366,974
- right-of-use asset	54,688	-
Donation	219	1,259
Electricity	474,206	517,153
Computer support	66,261	14,145
Fiji National Provident Fund contributions	269,399	202,717
Fiji National University levy	25,861	17,907
Freight	9,396	10,247
Fuel and oil	52,968	37,057
Gas	245,606	241,885
General expenses	136,221	70,707
Insurance	138,200	137,415
Interest expense - lease liability	78,818	-
Laundry	88,634	69,576
License fees	7,025	2,160
Motor vehicle expenses	25,466	13,733
Operating supplies	445,586	382,422
Printing and stationery	96,384	53,810
Postage	-	710
Professional fees	52,440	41,923
Repairs and maintenance	424,154	251,279
Balance carried forward	**7,181,967**	**5,427,191**

The above statement of operations is to be read in conjunction with the disclaimer set out on page 46.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Statement of operations - Coral Coast (continued)
For the year ended 31 December 2019

	2019	2018
	$	$
Balance brought forward	**7,181,967**	**5,427,191**
Salaries and wages	2,601,988	2,320,812
Security costs	105,903	64,221
Staff training and welfare	133,751	196,052
Staff transport	201,741	167,944
Subscription	15,560	10,547
Telephone and facsimile (net of recoveries)	55,116	98,730
TLTB lease rental	177,110	282,259
Uniforms	21,794	38,265
Wedding	4,976	4,691
Total expenditure	10,499,906	8,610,712
(Loss) / profit before tax	(1,513,274)	262,944

The above statement of operations is to be read in conjunction with the disclaimer set out on page 46.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Statement of operations - Landers Bay Resort and Spa Vuda Lautoka
For the year ended 31 December 2019

	2019	2018
	$	$
Income		
Accommodation	452,190	348,519
Food	173,229	80,009
Beverage	144,870	72,465
Spa	11,876	-
Wedding	7,910	-
Other revenue	29,447	15,281
Laundry income	831	418
Total income	820,353	516,692
Expenses		
Cost of sales	243,444	81,202
Activities	1,403	4,655
Advertising	12,478	6,992
Allowance for uncollectability	-	-
Bank charges	250	103
Computer support	-	1,651
Commission	-	12,887
Depreciation - property, plant and equipment	393,236	589,793
- right-of-use asset	651	-
Electricity	147,124	111,848
Fiji National Provident Fund contributions	31,237	31,545
Fiji National University levy	3,124	1,753
Freight	9	410
Fuel and oil	1,418	3,002
Gas	13,575	11,388
General expenses	13,794	27,706
Insurance	8,000	-
License fees	-	722
Low valued items capitalised	-	167,788
Motor vehicle expenses	641	138
Operating supplies	42,006	31,064
Printing and stationery	3,203	2,367
Repairs and maintenance	51,336	6,420
Salaries and wages	312,369	192,526
Security costs	74,399	83,977
Staff transport	1,368	100
Subscription	3,360	1,212
Balance carried forward	**1,358,425**	**1,371,249**

The above statement of operations is to be read in conjunction with the disclaimer set out on page 46.

Hide-A-Way Resort Pte Limited t/a Fiji Hide-A-Way Resort & Spa
Statement of operations - Vuda (continued)
For the year ended 31 December 2019

	2019	2018
	$	$
Balance brought forward	**1,358,425**	**1,371,249**
Telephone and facsimile (net of recoveries)	21,016	15,170
Uniforms	2,002	1,491
Total expenditure	1,381,443	1,387,910
Loss before tax	(561,090)	(871,218)

The above statement of operations is to be read in conjunction with the disclaimer set out on page 46.

DIVIDEND PAYMENTS CURRENTLY PAYING 3% ON SAVINGS SHARES HELD

INTEREST RATE - 6% FOR ALL LOANS EXCEPT HOUSING 5.5%

ADDITIONAL SERVICES

GROUP MOTOR VEHICLE INSURANCE SCHEME

3% on all motor vehicles

Minimum value $10,000.00

PREPARATION OF BILL OF SALE AND MORTGAGE

Requires

1. Search of ownership
2. Preparation of BOS/mortgage
3. Countersigning by the Lawyers
4. Registration/ stamping of BOS/mortgage

GROUP HOUSE/ CONTENT INSURANCE

PROPERTY

COVER	WOODEN
Basic	0.2%
Cyclone	0.1%

RECOGNISED FNPF LENDER FACILITIES FOR REAL ESTATE PURPOSES

Allows for

1. Settlement of loans with other lenders
2. Borrowing from FNPF through CTCL
3. Joint borrowing from CTCL & FNPF

IN-HOUSE MORTGAGE PROTECTION SCHEME

Rate – 0.5% per loan sum
-loan w/o in case of death

This provision does not apply to

1. defaulter
2. death by suicide
3. drunken driving
4. civil riots

FIJI HIDEAWAY RESORT SHARE PURCHASE

Very lucrative investment opportunity with good returns & redeemable shares.

1.Maximum shares $5850.00.
2.Minimum shares $390.00 p.a.
3.Annual Dividends up to 10%.
4.Accomodations as per FOC Regulations.
5.Reservations contact: www.hideawayfiji.com

LOAN PROCESSING.

MEMBERS APPLICATION RECEIVED
↓
ENTITLEMENT VERIFIED
↓
LOAN ELIGIBILITY ESTABLISHED
↓
SECURITY REQUIREMENTS (IF ANY CONFIRMED)
↓
LOAN PROCESSED BY STAFF
↓
LOAN SANCTIONED BY THE BOARD
↓
PAYMENT MADE

CONTACT US

HQ: 1-3 Berry Rd, Suva
Phone: 3304770/3317838
9920026/9957802
Fax: 3307343
Email: enquiries@ftuctcl.com.fj

Lautoka: **2 Nasoki Street**
Phone: 6665711
9929771
Email: lautoka@ftuctcl.com.fj

Labasa: **FPSA Building, Top Floor, Naseakula Rd**
Phone: 8818072
9929778
Email: labasa@ftuctcl.com.fj

FIJI TEACHERS' UNION
CO-OPERATIVE THRIFT AND CREDIT LIMITED

TYPES OF LOAN

SOFT LOAN (T/C + $200)

FORMULA LOAN (T/C X 12)

SPECIAL LOAN B (FTU –SUBS)

EMERGENCY LOAN (T/C ONLY)

SPECIAL LOAN (F/LOAN X2)

$120,000.00 CEILING PROVISION APPLIES TO ALL LOANS

ACCEPTABLE SECURITIES

MOTOR VEHICLE

60% ON THE MARKET VALUE

JAPANESE SECONDHAND
LOCAL SECONDHAND
BRAND NEW

REQUIREMENTS

BILL OF SALE
COMPREHENSIVE INSURANCE
2 VALUATIONS BY APP /VALUER
CURRENT THIRD PARTY POLICY

REAL ESTATE

80% FREEHOLD LAND
60 % CROWN LAND
60% NATIVE LAND
60% HOUSING AUTHORITY (IN EXCESS OF 30 YEARS TENURE)

REQUIREMENTS
MORTGAGE
VALUATION OF PROPERTY
INSURANCE COVER
ENGINEERS CERTIFICATE

MEMBERS SURETY

MEMBER'S CONTRIBUTION

REQUIREMENTS

SURETY AMOUNT WITNESSED BY MEMBER

LIFE POLICY

CURRENT SURRENDER VALUE

REQUIREMENTS

ASSIGNMENT OF POLICY

REPAYMENT TIME

JAPANESE IMPORTED CARS
- 4 YEARS

GENUINE SECOND HAND
- 3 YEARS

BRAND NEW
- 5 YEARS

$10,000 OR LESS (MINIMUM $8000)
- 2 YEARS

HOUSING LOAN

NEW HOUSING LOAN AS OF 01/01/2019 **5.5%** INTEREST

LOGIN: www.ftuctcl.com.fj

ENTER YOUR PIN TO ACCESS YOUR ACCOUNT DETAILS.

REPAYMENT TIME
(SAME FOR ALL TYPES OF LOANS EXCEPT FOR MOTOR VEHICLES)

AMOUNT			TIME	NO OF PAYS
Up to	-	500	6 months	13 pays
501	-	1000	9 months	18 pays
1001	-	2000	12 months	26 pays
2001	-	3000	18 months	39 pays
3001	-	4500	24 months	52 pays
4501	-	6000	30 months	65 pays
6001	-	7500	36 months	78 pays
7501	-	9000	42 months	91 pays
9001	-	10500	48 months	104 pays
10501	-	12000	54 months	117 pays
12001	-	13500	60 months	130 pays
13501	-	15000	66 months	143 pays
15001	-	16500	72 months	156 pays
16501	-	18000	78 months	169 pays
18001	-	20000	84 months	182 pays
20001	-	22000	90 months	195 pays
22001	-	25000	96 months	208 pays
25001	-	30000	102 months	221 pays
30001	-	35000	108 months	234 pays
35001	-	40000	114 months	247 pays
40001	-	45000	120 months	260 pays
45001	-	50000	126 months	273 pays
50000	-	55000	132 months	286 pays
55001	-	60000	138 months	299 pays
60001	-	65000	144 months	312 pays
65001	-	70000	150 months	325 pays
70001	-	75000	156 months	338 pays
75001	-	80000	180 months	390 pays
80001	-	85000	204 months	442 pays
85001	-	100000	216 months	468 pays
100000	-	120000	240 months	520 pays

THANKS AND APPRECIATION

The Board expresses its sincere appreciation to the following for contributing towards the success of the 2019 operations:

1. The Supervisory Committee
2. The FTU-CTC Ltd Staff
3. The Fiji Teachers Union
4. The Ministry of Education / ITC
5. FTU-CTC Ltd Co-coordinators
6. FTU Branch Executives
7. The Bankers - HFC
8. The Auditors – Ernst & Young
9. Ministry of Co-operatives
10. Suppliers of Consumables and Services
11. Sun Insurance
12. Solicitors

    : Neel Shivam & Associates

    : Kohli & Singh Associates
13. Fiji National Provident Fund
14. DATEC Fiji Limited
15. Life Insurance Cooperation of India
16. Colonial Insurance
17. Fiji Hideaway Resort & Spa – Management and Staff
18. Tour Managers

NOTES

FIJI TEACHERS UNION CO-OPERATIVE THRIFT AND CREDIT LIMITED

Office Staff

CHANDAR DUTT
Chief Executive Officer (CEO)

SUNITA CHAND
Manager - Admin / Finance

SALVIN DAYAL
Accountant

YOGESH SINGH
Assistant Accountant

AVINESH PRASAD
Loans Officer

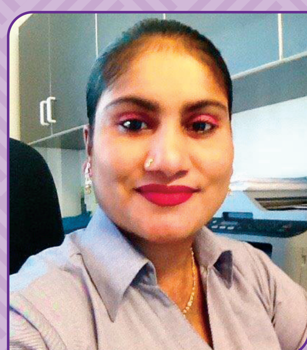
ANJESHNI CHAND
Loans Clerk

JOASH GOUNDAR
Loans Clerk

SANGEETA NAIR
Senior Clerical Officer

DHRISHANT CHAND
Filing/Mailing Clerk

RAJESHNI DEVI SINGH
Clerical Officer



LITIKA RATNAM
Clerical Officer – Lautoka

PRAVNEEL LAL
Clerical Officer – Labasa

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