ASIAN PAINTS (VANUATU) LIMITED

Board's Report

In accordance with a resolution of the Board of Directors, the Directors herewith submit the statement of financial position of the company as at 31 March 2015, the related statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended on that date and report as follows:

Directors

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

Rene Ah Pow   Jalaj Dani
Joseph Pulikottil

Principal Activities

The principal activities of the company in the course of the year were the manufacturing and distribution of paints and paint related products and there has been no significant change in these activities during the year.

Results

The operating profit for the company for the year was Vt 9,360,559 (2014: Vt 16,077,833).

Dividends

The directors declared total dividends amounting to Vt 13,000,000 (2014: Vt 25,000,000) for the year.

Reserves

The directors propose that no transfer be made to reserve within the meaning of the Companies Act (CAP 191) of the Republic of Vanuatu.

Bad and Doubtful Debts

Prior to the completion of the company's financial statements, the Directors took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the provision for doubtful debts. In the opinion of directors, adequate provision has been made for doubtful debts.

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

Non Current Assets

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

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 company's financial statements misleading.

Unusual Transactions

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

Events Subsequent to Balance Date

No matters or circumstances have been arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Other Circumstances

As at the date of this report :

i) no charge on the assets of the company has been given since the end of the financial year to secure the liabilities of any other person;

ii) no contingent liabilities have arisen since the end of the financial year for which the company could become liable and;

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

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

Director's 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 company or of a related company) by reason of a contract made by the company or by a related company with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 22nd day of April 2015

Director   Director

Statement of Directors

For the year ended 31 March, 2015

In accordance with a resolution of the Board of Directors of Asian Paints (Vanuatu) Limited, we state that in the opinion of the Directors:

i) the accompanying statement of 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 March 2015;

ii) 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 March 2015;

iii) 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 March 2015;

iv) 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 March 2015; and

v) 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.

vi) all related party transactions have been adequately recorded in the books of the company.

For and on behalf of the Board and in accordance with a resolution of the Directors.

Dated this 22nd day of April 2015

Director   Director

Independent Auditors' Report

To the members of Asian Paints (Vanuatu) Limited

Scope

We have audited the accompanying Financial Statements of Asian Paints (Vanuatu) Limited, which comprise the statement of financial position as at 31 March 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' and Management's Responsibility for the Financial Statements

The Directors and the Management are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act (CAP 191) of the Republic of Vanuatu. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 March 2015 and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act (CAP 191) of the Republic of Vanuatu.

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.

Suva, Fiji
24 April 2015

Ernst & Young
Chartered Accountants

Statement of Comprehensive Income

For the year ended 31 March, 2015

	Notes	2015 Vt	2014 Vt
Revenue			
Operating revenue	2.1	89,977,322	103,417,936
Other operating income	2.2	1,171,770	523,033
		91,149,092	**103,940,969**
Cost and expenses			
Cost of goods sold		50,238,508	56,366,623
Operating expenses	2.3	21,318,697	18,429,598
Salaries and employee benefits	2.4	7,938,337	10,368,181
Depreciation and amortisation	2.5	2,292,991	2,698,734
		81,788,533	87,863,136
Profit for the year		9,360,559	16,077,833
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**9,360,559**	**16,077,833**
Earnings per share basic, for profit for the year attributable to ordinary equity holders	3	34.67	59.55

The accompanying notes form an integral part of this statement of comprehensive income.

Statement of Financial Position

As at 31 March, 2015

ASSETS	Notes	2015 Vt	2014 Vt
Non-current assets			
Property, plant and equipment	5	35,466,071	37,121,809
Intangible assets	6	395,667	772,457
Other financial assets	12 (b)	177,606	158,958
		36,039,344	**38,053,224**
Current assets			
Cash at bank and on hand	7	4,970,136	16,440,290
Trade and other receivables	8	14,441,814	17,641,806
Inventories	9	19,188,905	22,617,713
Prepayments and other assets	10	1,190,846	1,025,987
		39,791,701	**57,725,796**
TOTAL ASSETS		**75,831,045**	**95,779,020**
EQUITY AND LIABILITIES			
Equity attributable to equity holders			
Share capital	11	30,939,300	30,939,300
Retained earnings		28,280,022	31,919,463
Total equity		**59,219,322**	**62,858,763**
Current liabilities			
Trade and other payables	13	13,125,445	29,808,290
Provisions	14	-	71,309
Employee benefit liability	15	3,486,278	3,040,658
		16,611,723	**32,920,257**
TOTAL LIABILITIES		**16,611,723**	**32,920,257**
TOTAL EQUITY AND LIABILITIES		**75,831,045**	**95,779,020**

For and on behalf of the board and in accordance with a resolution of the directors.

The accompanying notes form an integral part of this statement of financial position.

Director Director

Statements of Changes in Equity

For the year ended 31st March 2015

	Note	2015 Vt	2014 Vt
Issued capital			
Balance at the beginning of the year		30,939,300	30,939,300
Balance at the end of the year	11	30,939,300	30,939,300
Retained earnings			
Balance at the beginning of the year		31,919,463	40,841,630
Net profit for the year		9,360,559	16,077,833
		41,280,022	56,919,463
Dividend paid/ declared		(13,000,000)	(25,000,000)
Balance at the end of the year		28,280,022	31,919,463
Total equity and shares		59,219,322	62,858,763

The accompanying notes form an integral part of this statement of changes in equity.

Statement of Cash Flows

For the year ended 31st March 2015

	Note	2015 Vt	2014 Vt
Cash flows from Operating Activities			
Profit before tax		9,360,559	16,077,833
Adjustment to reconcile profit before tax to net cash flows			
Non-cash:			
Amortisation of intangible asset		376,790	378,883
Depreciation and impairment of property, plant and equipment		1,916,201	2,319,851
Unrealised exchange loss on held to maturity investment		(18,648)	(4,973)
Movements in provision for doubtful debts		3,884,548	(460,264)
Movements in provision for employee entitlements		445,620	1,090,443
Working capital adjustments:			
(Increase) in trade receivables		(684,556)	(798,001)
Decrease in inventories		3,428,808	1,268,093
(Increase)/decrease in other assets		(164,859)	188,245
(Decrease)/increase in trade creditors and other creditors		(16,682,845)	9,120,936
Net cash flows from Operating Activities		1,861,618	29,181,046
Cash flows from Investing Activities			
Acquisition of plant and equipment		(260,463)	(2,622,222)
Net cash flows (used in) Investing Activities		(260,463)	(2,622,222)
Cash flows used in Financing Activities			
Dividends paid		(13,071,309)	(24,928,691)
Net cash flows (used in) Financing Activities		(13,071,309)	(24,928,691)
Net (decrease)/increase in cash held		(11,470,154)	1,630,133
Cash at the beginning of the year		16,440,290	14,810,157
Cash at end of year	7	4,970,136	16,440,290

The accompanying notes form an integral part of this statement of cash flows.

Notes to the Financial Statements

For the year ended 31st March 2015

1. Corporate Information

The financial statements of Asian Paints (Vanuatu) Limited ('the company') for the year ended 31 March 2015 was authorised for issue in accordance with a resolution of the Directors dated 22nd April 2015. Asian Paints (Vanuatu) Limited is a limited liability company incorporated and domiciled in Vanuatu. The registered office is located at Port Villa, Vanuatu.

The principal activities of the company are described in Note 22.

1.2 Basis of preparation of the Financial Statements

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Vatu currency.

Statement of compliance

The financial statements of Asian Paints (Vanuatu) Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).

1.3 Summary of significant accounting policies

a) Foreign Currencies

The company's financial statements are presented in Fijian dollars, which is the company's functional currency. Transactions in foreign currencies are initially recorded by the company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items 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 rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Any goodwill arising on acquisition of foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

<u>Sale of goods</u>

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Sales revenue represents revenue earned from the sale of the company's products and is stated net of returns, trade allowances and Value Added Tax.

<u>Dividends</u>

Revenue is recognised when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

c) **Taxes**

Value Added Tax (VAT)

Expenses and assets are recognised net of the amount of sales tax, except:

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

The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) **Property, plant and equipment**

Construction in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. 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 are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Buildings on leasehold land	1.5% - 2%
Plant and equipment	10% - 30%
Motor vehicles	20%
Furniture and fittings	6% - 18%

An item of property, plant and equipment and any significant part initially recognised 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 the income statement when the asset is derecognised.

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

e) **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

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 are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify 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 the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from 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 when the asset is derecognised.

h) Financial instruments - initial recognition and subsequent measurement

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

The company's financial assets include cash and trade and other receivables.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

Financial liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. The company has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

The company has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Loan and receivables

This category is the most relevant to the company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 8.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the company has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs. The company had VUV 177,606 (2014: VUV 158,958) held-to-maturity investments for the years ended 31 March 2015 and 2014.

Available-for-sale investments

Available-for-sale financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

The company evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the company is unable to trade these financial assets due to inactive markets, the company may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity. For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

Derecognition

A financial asset (or, where a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

ii) Impairment of financial assets

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

(iii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

The company has not designated any financial liabilities as at fair value through profit or loss.Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The company has not designated any financial liabilities as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecogniton

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(v) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm’s length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 19.

i) **Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and

Finished goods and work in progress	-	cost of direct materials and labour and an appropriate portion of fixed and variable overheads but excluding borrowing costs;

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j) **Impairment of non financial assets**

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired assets, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k) **Cash and short term deposits**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

l) **Provisions**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m) **Employee entitlements**

Provisions are made for wages and salaries, incentive payments and annual leave estimated to be payable to employees at reporting date on the basis of statutory and contractual requirements.

n) **Trade and other payables**

Liabilities for trade creditors and other amounts are carried at cost (inclusive of Value Added Tax 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 company. 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.

o) **Comparative figures**

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

p) **Earnings per share**

Basic earnings per share is determined by dividing net profit after income tax attributable to shareholders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

q) **Dividends**

Dividends are recorded in the company's financial statements in the period in which the Directors approve them.

1.4 Changes in accounting policy and disclosures

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2014:

- IFRS 10, IFRS 12 and IAS 27 - Investment Entities - amendments
- IAS 32 - Offsetting Financial Assets and Financial Liabilities - amendments

The adoption of the standards or interpretations is described below:

IFRS 10, IFRS 12 and IAS 27 - Investment Entities - amendments

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the company, since the company does not have any investment entities that meets the definition under IFRS 10.

IAS 32 - Offsetting Financial Assets and Financial Liabilities - amendments

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the company, since the company does not have any offsetting arrangements.

1.5 Significant accounting judgments, estimates and assumptions

The preparation of the company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Notes to the Financial Statements

For the year ended 31st March 2015

Judgments

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

Operating Lease Commitments

The company has entered into commercial property leases on its investment property portfolio. The company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment of non financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

1.6 Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. This listing is of standards and interpretations issued, which the company reasonably expects to be applicable at future date. The company intends to adopt those standards when they become effective.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the company given that the company has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the company's financial statements.

Notes to and forming Part of the Financial Statements

For the year ended 31 March, 2015

	2015 Vt	2014 Vt
2. REVENUE AND EXPENSES		
2.1 Operating revenue		
Sales revenue	89,977,322	103,417,936
2.2 Other operating income		
Realised exchange gain	1,029,756	311,751
Unrealised exchange gain	18,849	103,137
Other income	123,165	108,145
	1,171,770	**523,033**
2.3 Operating expenses		
Included in other operating expenses are:		
Auditors' remuneration	301,016	380,427
Bad and doubtful debts	3,884,548	(460,264)
Bank charges	70,903	38,772
Royalties	2,531,917	2,863,002
Realised exchange loss	432,071	382,303
Unrealised exchange loss	202,017	12,891
Other operating expenses	13,896,225	15,212,467
	21,318,697	**18,429,598**
2.4 Salaries and employee benefits		
Salaries and wages	3,663,039	5,702,123
Superannuation contributions	574,800	1,513,019
Staff costs	3,700,498	3,153,039
	7,938,337	**10,368,181**
2.5 Depreciation and amortisation		
Depreciation and impairment	1,916,201	2,319,851
Amortisation of intangible assets	376,790	378,883
	2,292,991	**2,698,734**
3. EARNINGS PER SHARE		
Net profit for the year	9,360,559	16,077,833
Number of equity shares fully paid	270,000	270,000
Basic and diluted earnings per share	**34.67**	**59.55**
4. DIVIDENDS PAID AND PROPOSED		
Dividend paid / declared during the year:	13,000,000	25,000,000

Notes to the Financial Statements

For the year ended 31st March 2015

5. PROPERTY, PLANT AND EQUIPMENT

	Vt	Vt	Vt	Vt	Vt
Cost	Leasehold land, buildings and improvements	Plant and office equipment	Motor vehicles	Furniture, fittings and computers	Total
At 31 March 2013	51,103,211	20,798,134	14,462,368	7,028,402	93,392,115
Additions	-	-	2,622,222	-	2,622,222
At 31 March 2014	51,103,211	20,798,134	17,084,590	7,028,402	96,014,337
Additions	-	260,463	-	-	260,463
At 31 March 2015	**51,103,211**	**21,058,597**	**17,084,590**	**7,028,402**	**96,274,800**
Depreciation and impairment					
At 31 March 2013	16,894,955	19,309,341	13,477,346	6,891,035	56,572,677
Depreciation	786,162	294,570	1,101,830	137,289	2,319,851
At 31 March 2014	17,681,117	19,603,911	14,579,176	7,028,324	58,892,528
Depreciation charge	781,818	302,822	831,561	-	1,916,201
At 31 March 2015	**18,462,935**	**19,906,733**	**15,410,737**	**7,028,324**	**60,808,729**
Net book value:					
At 31 March 2015	32,640,276	1,151,864	1,673,853	78	35,466,071
At 31 March 2014	33,422,094	1,194,223	2,505,414	78	37,121,809
At 31 March 2013	34,208,256	1,488,793	985,022	137,367	36,819,438

		2015 Vt	2014 Vt
6. INTANGIBLE ASSETS			
Software costs		1,715,966	1,715,966
Addition		-	-
		1,715,966	1,715,966
Amortisation and impairment:			
Opening balance		943,509	564,626
Amortisation		376,790	378,883
Closing Balance		1,320,299	943,509
Net book value:		**395,667**	**772,457**
7. CASH AT BANK AND ON HAND		Vt	Vt
Cash at bank and on hand		4,970,136	16,440,290
For the purpose of the cash flow statement, cash and cash equivalents comprise the following at 31 March:			
Cash at bank		4,949,313	16,435,880
Cash on hand		20,823	4,410
		4,970,136	16,440,290
8. TRADE AND OTHER RECEIVABLES (CURRENT)			
Trade receivables		6,507,445	8,295,967
Related party receivables	17(b)	7,934,369	9,345,839
		14,441,814	**17,641,806**

Trade and other receivables are non-interest bearing and are generally on 30-90 day terms. At 31 March 2015, trade receivables at nominal value of VT 5,989,393 (March 2014: VT 2,104,845) were impaired and fully provided for. Movements in provision for impairment of receivables were as follows:

Notes to the Financial Statements
For the year ended 31st March 2015

	2015 Vt	2014 Vt
Opening Balance	2,104,845	2,565,109
Charge for the year	3,884,548	145,211
Utilised	-	(605,475)
Closing Balance	**5,989,393**	**2,104,845**

At 31 March, the ageing analysis of trade receivables is as follows:

		Neither past due nor impaired	Past due but not impaired		
	Total	< 30 days	30 - 60 days	60 - 90 days	> 90 days
March 2015	14,441,814	2,460,877	5,455,164	2,656,495	3,869,278
March 2014	17,641,806	1,696,971	8,470,427	2,603,274	4,871,134

	2015 Vt	2014 Vt
9. Inventories		
Raw materials	1,413,980	1,141,469
Finished goods	17,774,925	21,476,244
Total inventories at the lower of cost and net realisable value	**19,188,905**	**22,617,713**
10. Prepayments and other assets	Vt	Vt
Prepayment	574,653	589,863
Deposits	563,296	436,124
Other receivables	52,897	-
	1,190,846	**1,025,987**
11. Share capital		
Authorised	Vt	Vt
270,000 ordinary shares of USD 1.00 each	30,939,300	30,939,300
Ordinary shares issued and fully paid		
270,000 ordinary shares of USD 1.00 each	30,939,300	30,939,300
12. Other financial assets	Vt	Vt
(a) Current:		
Held-to-maturity term investment	-	-
(b) Non-Current:		
Available for-sale investments	177,606	158,958

Available for-sale investments relates to unquoted shares in Asian Paints (International) Ltd - Mauritius (at fair value).

The fair value of the unquoted ordinary shares has been estimated using a valuation technique based on assumptions that are not supported by observable market prices. The valuation requires management to make estimates about the expected future cash flows of the shares which are discounted at current rates.

			Ownership Interest
Investments in related entities represents the following percentage of ownership:			
Asian Paints (International) Limited			Preference shares

13. Trade and other payables

		Vt	Vt
Trade payables		1,154,937	934,793
Related party payables	17 (b)	10,554,172	25,365,423
Other payables		1,416,336	3,508,074
		13,125,445	**29,808,290**

Terms and conditions of the above financial liabilities:

-Trade payables are non-interest bearing and are normally settled on 60-day terms.

-Other payables are non-interest bearing and have an average term of six months.

14. Provisions

	Vt	Vt
Provision for dividend		
Opening balance	71,309	-
Arising during the year	13,000,000	25,000,000
Paid during the year	(13,071,309)	(24,928,691)
Balance at the end of the year	-	**71,309**

15. Employee benefit liability

Opening balance	3,040,658	1,950,215
Arising during the year	445,620	1,090,443
Paid during the year	-	-
Balance at the end of the year	**3,486,278**	**3,040,658**

16. Commitments and contingencies

	Vt	Vt
Operating lease commitments - Company as lessee		
Future commitments in respect of operating lease are as follows:		
Within one year	91,620	91,620
After one year but not more than five years	366,480	366,480
More than five years	2,020,221	2,111,841
Minimum lease payments	**2,478,321**	**2,569,941**

Contingent liabilities

A former customer has filed a legal case against the company with regards to additional costs incurred for remedial works on a residential property due to application of a faulty product. However, the directors are confident that the case will be in their favour and no additional liabilities exist for the company. The professional fees payable to the lawyers are estimated at VT 2,000,000 in case the legal proceedings proceed.

17. Related party disclosures

(a) Directors

Directors at the date of this report are:

Rene Ah Pow — Jalaj Dani

Joseph Pulikottil

b) Transactions with related parties

During the year Company entered into transactions with related parties in the ordinary course of business under normal commercial terms. Significant transactions during the year are as follows:

Notes to the Financial Statements

For the year ended 31st March 2015

	2015 Vt	2014 Vt
Royalties		
Asian Paints Ltd	2,531,917	2,863,002
Technical/Management fee		
Asian Paints (SP) Ltd, Fiji	3,571,197	3,555,652
Intra group sales		
Santo Hardware Ltd, Vanuatu	15,070,743	18,591,972
Port Villa Hardware Ltd, Vanuatu	18,309,620	25,497,410
	33,380,363	44,089,382
Intra group purchases		
Asian Paints (SP) Ltd, Fiji	40,707,136	45,828,878
Amount owing to related parties		
Asian Paints (SP) Ltd, Fiji	10,405,863	25,210,487
Asian Paints (India) Ltd, India	146,709	154,936
	10,552,572	25,365,423
Due from related parties		
Asian Paints (Tonga) Ltd	(7)	(7)
Asian Paints (SI) Ltd	32,140	-
Au Bon Marche	4	4
Port Villa Hardware Ltd, Vanuatu	5,292,346	2,693,866
Santo Hardware Ltd, Vanuatu	2,609,886	6,651,976
	7,934,369	9,345,839
(c) Key management personnel		
Short-term employee benefits	2,423,751	5,895,260

18. Financial risk management objectives and policies

Principal financial liabilities comprise trade payables. The main purpose of these financial liabilities is to raise finance for the company's operations. The company has various financial assets such as trade receivables and cash which arise directly from its operations.

The main risk arising from the company's financial statements are market risk, credit risk, and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Foreign currency risk

The company has foreign exchange risk as a result of transactions denominated in foreign currencies arising from normal trading activities. Normal currency trading activities foreign exchange risk are not hedged or subject to foreign currency forward exchange contracts.

Notes to the Financial Statements
For the year ended 31st March 2015

The following table demonstrates the sensitivity to a reasonably possible change in USD and FJD rates, with all other variables held constant, of the company's profit before tax.

	Increase/ decrease in USD rate	Effect on profit before tax	Increase/ decrease in FJD rate	Effect on profit before tax
2015	+10%	756,699	+10%	22,352
	-10%	(756,699)	-10%	(22,352)
2014	+10%	2,528,293	+10%	22,092
	-10%	(2,528,293)	-10%	(22,092)

Interest rate risk

The company's exposure to the risk of changes in market interest rates relates primarily to the company's short term deposits and bank overdraft facility which has not yet been utilised.

Credit risk

It is the company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the company.

Liquidity risk

The company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations.

The table below summarises the maturity profile of the company's financial liabilities at 31 March based on contractual undiscounted payments.

Year ended 31 March 2015	On demand Vt	1 to 12 months Vt	Total Vt
Trade and other payables	-	13,125,445	13,125,445
	-	13,125,445	13,125,445

Year ended 31 March 2014	On demand Vt	1 to 12 months Vt	Total Vt
Trade and other payables	-	29,808,290	29,808,290
	-	29,808,290	29,808,290

Capital Management

The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and a healthy capital ratio in order to support its business and maximise shareholder value.

The company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, polices or processes during the periods 31 March 2014 and 31 March 2015.

The company monitors capital using a gearing ratio below 30%, which is net debt divided by total capital plus net debt. The company includes within net debt, trade and other payables less cash and cash equivalents. Capital includes equity attributable to equity holders.

Notes to the Financial Statements
For the year ended 31st March 2015

	2015 Vt	2014 Vt
Trade and other payables	13,125,445	29,808,290
Less cash and short term deposits	(4,970,136)	(16,440,290)
Net debt	8,155,309	13,368,000
Equity	59,219,322	62,858,763
Total capital	59,219,322	62,858,763
Capital and net debt	67,374,631	76,226,763
Gearing ratio	12%	18%

19. Financial instruments

Set out below is a comparison by category of carrying amounts and fair values of all of the company's financial instrument that are carried on the financial statements.

	Carrying amount		Fair value	
	2015	2014	2015	2014
	Vt	Vt	Vt	Vt
Financial assets				
Cash and short-term deposits	(4,970,136)	(16,440,290)	(4,970,136)	(16,440,290)
Other financial assets	177,606	158,958	177,606	158,958
Trade and other receivables	14,441,814	17,641,806	14,441,814	17,641,806
Financial liabilities				
Trade and other payables	13,125,445	29,808,290	13,125,445	29,808,290

The fair value of derivatives and borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates. The fair value of financial assets have been calculated using market interest rates.

20. Subsequent events

No matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

21. Segment information

Industry segment

The company operates predominantly in the operation of an efficient and profitable domestic paint manufacturing and retail factory.

Geographical segment

The company operates in Vanuatu and is therefore one geographical area for reporting purposes.

22. Principal activities

The principal activities of the company in the course of the year were sale and distribution of paints and paint related products and there has been no significant change in these activities during the year.

23. Company details

Registered Office

Asian Paints (Vanuatu) Limited
Port Villa
Vanuatu.

Number of Employees

As at balance date, the company employed a total of 6 (2014: 6 employees).