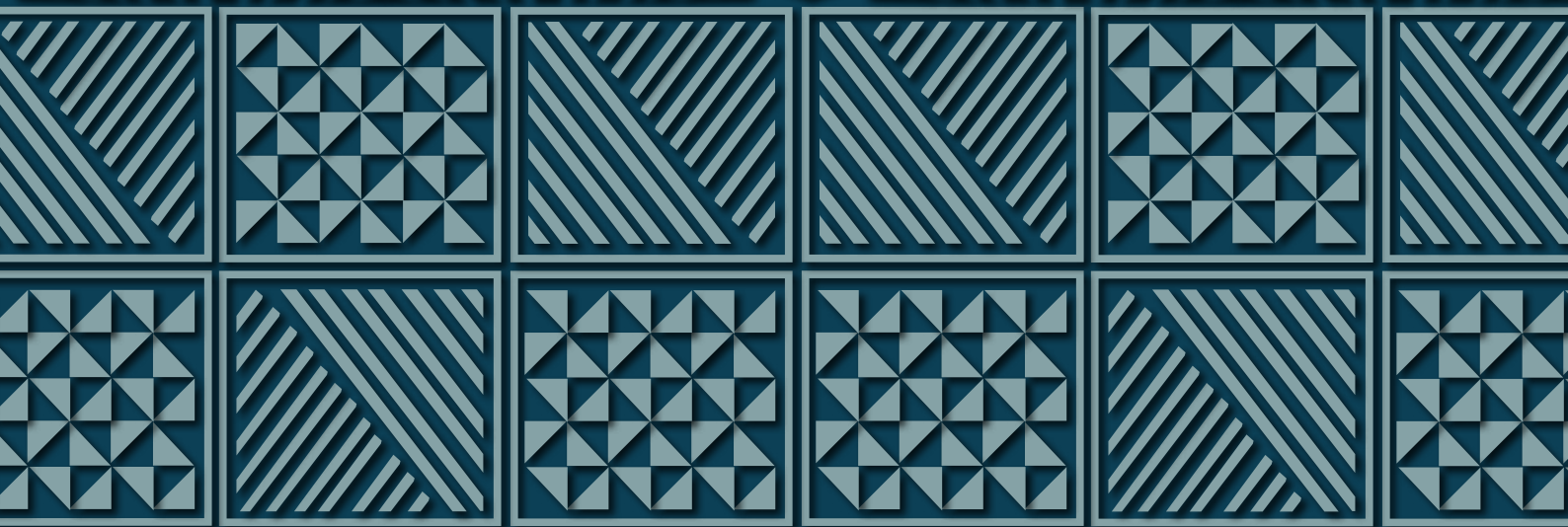




ITAUKEI TRUST FUND BOARD



BUILDING A FOUNDATION FOR SUSTAINABLE GROWTH

2019 ANNUAL REPORT

INTRODUCTION

Vision Statement

The prominent institution empowering the Vanua to uplift the well-being of iTaukei and Rotumans.

Mission Statement

To develop and facilitate initiatives that will improve the quality of life and enhance cultural traditions and values of iTaukei and Rotumans through:

1. Language and culture programs
2. Leadership, management and entrepreneurship

To prudently invest the TTFB Funds to earn superior returns while complying with the iTaukei Trust Fund Act and to enhance the long-term value of the Trust

Objectives

To achieve our mission, TTFB aims to:

- i) To provide funding for the undertaking, promotion and sponsoring of programmes on Fijian language, culture and the study of ethno-history and ethno-geography
- ii) To provide funding to help develop the management, leadership and entrepreneurial skills of the iTaukei and Rotumans
- iii) To sponsor research into languages, art, and culture of the iTaukei and Rotumans and the better understanding and preservation of their heritage.
- iv) Any purpose approved by the Board to be beneficial to the iTaukei and Rotumans.

Values

- Caring
- Excellence
- Transparency
- Accountability
- Cultural sensitivity

Core Business

To enhance, enrich and promote the culture, leadership, entrepreneurial knowledge and skills of iTaukei and Rotumans

NA IVAKAMACALA TAUMADA

Na Tatadra

Me tabana uasivi ena kena gumatuataki na veiqaravi ni Vanua me vueta na tiko vinaka ni nodra bula na iTaukei kei na Rotuma.

Na Lalawa

Me qarava na cakacaka ni veivakatorocaketaki ki na ituvaki ni bula ena kena vakabulabulataki na nodra itovo kei na ivakarau ni bula na iTaukei kei na Rotuma ena gaunisala qo:

1. Sasaga me baleta na Vosa kei na iTovo
2. Veiliutaki, qaravi sasaga kei na cicivaki bisinisi.

Me vakayagataki vakayalomatua na iyau ni Matabose me rawati kina na itagede ni tubu e vinakati, me vaka e virikotori ena lawa ni Matabose ni iLavo Maroroi, me vukeya tale ga na kena maroroi ka bula balavu na iyau ni Matabose.

Na Yavu ni Veiqaravi

Ena gadrevi me sasagataki na veika oqo, me rawati kina na lalawaka ni Matabose:

- i) Me vakailavotaka na sasaga me tutaka ka tokona na vosa, kei na itovo vakaViti, na vakadidike ni itukutuku makawa kei na Vanua
- ii) Me vakailavotaka ka vukeya na veivakatorocaketaki ni nodra vakatulewa matau, veiliutaki kei na cicivaki bisinisi na iTaukei kei na Rotuma
- iii) Me tokona vakailavo na kena vakadidiketaki na nodra vosa, itovo, cakacakaniliga na iTaukei kei na Rotuma kei na kena kilai vakavinaka na veika me baleta na itovo kei na iyaunivanua
- iv) Na gagadre tale eso e vakadonuya na Matabose ni yaga vei ira na iTaukei kei na Rotuma

iTovo

- Veikauwaitaki
- Uasivi
- Dina
- Savasava
- Veirokovi

Usutu ni Veiqaravi

Me vakatorocaketaka, vakavutuniyautaka, ka tutaka na itovo bula, veiliutaki vinaka, kei na kilaka vakabisinisi me baleti ira na iTaukei kei na Rotuma



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Annual Report 2019

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THE BOARD NA MATABOSE



David Kolitagane
Chairman



Meleti Bainimarama
Member



Peni Cavuilagi
Member



Preetika Prasad
Member

THE BOARD NA MATABOSE



Fatiaki Misau
Member



Emi Rabukawaqa
Member



Naibuka Saune
Member



Aisake Taito
Chief Executive Officer



David Kolitagane

CHAIRMAN'S REPORT

The Prime Minister of Fiji and Minister for iTaukei Affairs & Sugar Industry

The year in review has been an intrinsically rewarding one and it is on this note, that I present the Fund's Annual Report for the year ending 31st December 2019.

During the year, the Fund made significant inroads in both organisational strategic direction and development. Therefore, I am pleased to report the achievement of a gross revenue of \$8,095,992 and a net profit from operations of \$1,438,770 for the year, compared to \$3,984,876 in 2018. The decrease in profit was attributed to the written-down value of the burnt Valenibose.

The Fund launched its Strategic Development Plan (2019 – 2023), which outlined five priority areas, which are Prudent Financial Sustainability, Language, Culture and Heritage, Communication, Leadership, Entrepreneurial and Business Skills and Human Capital Management. Human Resources consultants Maxumise (Fiji) Limited conducted an organizational review of TTFB to identify human capital gaps.

It is significantly pleasing to note that the Fund's investments continued to satisfactorily grow during the year.

The Fund reviewed its Treasury function which resulted in a re-negotiation of the term deposits in favour of higher interest rates and the full settlement of the \$8 million loan. Following this, all securities were released back to the Fund.

Shares in the RB Patel and Fijian Holdings Limited (FHL) increased during the year due to a share split. RB Patel shares were split on a ratio of 1:5, increasing the Fund's shareholding to 20,000,000 shares. Share split for FHL was on a ratio of 1:10 increasing the Fund's shareholding to 100,000,000 shares. The Fund's tourism investment at the Radisson Blu Resort Denarau Auxiliary Business Area continues to generate positive returns.

The diversified Australian investments continued to provide adequate returns despite the volatility in the stock market. The Fund appointed Mercer of Australia to review for the first time its overall investment portfolio in the new financial year. The review will provide an independent assessment on the effective stewardship of the Fund's investment.

Overall, the Fund's investment portfolio continues to generate positive returns in funding the mandated objectives for the Fund.

The Fund has progressed its intention to develop a Culture & Arts and Commercial Centre, and an Expression of Interest has been published towards this project. All relevant processes encompassing due diligence, design concepts, feasibility and market studies leading up to the full proposal of the Project will be carried out in the next financial year.

NODRA ITUKUTUKU NA ILIULIU NI MATABOSE

Na Paraiminisita e Viti, Minisita ni Veika Vakaitaukei kei na Tabana ni Suka

Na yabaki sa oti e dua dina na yabaki e uasivi kina na veiqaravi. Sa ka dokai kina vei au meu solia na itukutuku vakayabaki ni Matabose ni iLavo Maroroi ni iTaukei ni mai cava na yabaki vakailavo ena i ka 31 ni Tiseba 2019.

E rawata vinaka na Matabose eso na ituvatuva bibi ena loma ni yabaki, ena kena tuvanaki vakamatau na sasaga ni veivakatoroicaketaki. E ka ni marau kina vei au meu vakaraitaka ni levu kece ni ilavo e rawati ena loma ni yabaki e \$8,095,992, kei na ilavo bula mai na veiqaravi e \$1,438,770, ni vakatauvatani kei na \$3,984,876 ena yabaki 2018. Na kama ni Valenibose e mai vakavuna na lutu ni rawaka vakailavo.

A mai sevutaki na ituvatuva vou ni veivakatoroicaketaki se Strategic Development Plan ni Matabose (2019 – 2023). E okati ena ituvatuva oqo na: Maroroi Vakamatua ni Veika Vakailavo; Vosa, iTovo kei na iYaunivanua; Veitaratara raraba; Veiliutaki kei na Kilaka ni Vakaduri Bisinisi; kei na Rawaka ni Tamata Cakacaka.

E marautaki ni laurai ni tubu tiko ga na sasaga ni vakatubuilavo ni Matabose ena loma ni yabaki.

A mai raillesuva na Matabose na kena maroroi ka vakayagataki na tobu ilavo, ka vakavuna na kena mai veitalanoataki tale na umailavo e vakacurumi ena baqe me rawata mai na tubu e vinaka cake, kei na kena saumi vakaoti na dinau e \$8 na milioni na dola. Ni oti oqo, era qai suka lesu mai ki na Matabose na iyau kece era okati tu ena dinau.

E tubu cake na sea ni Matabose ki na RB Patel kei na Fijian Holdings Limited (FHL) ena loma ni yabaki, ni vidai na sea. Na sea ki na RB Patel a mai wase vaka 1:5 na sea, vakatubura kina na levu ni sea ki na 20,000,000 (2018:4,000,000). Ena Fijian Holdings Limited, mai wase vaka 1:10 na sea, vakatubura kina na levu ni sea ki na 100,000,000 (2018:10,000,000). Na vakatubuilavo ni Matabose ena Radisson Blu Resort e Denarau e rawata tiko mai na tubu e vinakati.

E daumaka tiko na tubu e rawati mai na veisasaga ni vakatubuilavo e Ositerelia, dina ga ni dau veitubuyaki na makete. A mai digitaki na kabani na Mercer mai Ositerelia me raillesuva na ituvatuva ni vakatubuilavo ni Matabose, ka me qai matai ni gauna me vakayacori kina na cakacaka oqo ena yabaki vakailavo ka tarava. Na sasaga qo ena vakarautaka e dua na vakadidike vakaikoya ena kena manidiataki na tobu ilavo ni Matabose.

Ni laurai vata na sasaga ni vakatubuilavo kece, e se rawata tiko ga na Matabose na tubu e vinakati me vakailavotaka kina na veiqaravi eso me vaka na kena yavu vakalawa.

E gagadre na Matabose me tomana na sasaga ni kena duri e dua na Culture & Arts kei na Commercial Centre, ka tabaki kina e dua na kena Expression of Interest. Ena qai vakacavari tiko yani ena yabaki vakailavo ka tarava (2020) na gacagaca kece ni veiqaravi, oka kina na

Unfortunately, the hotel project at the corner of Stewart and St Fort streets has been discontinued, due to a lapse in agreement with Carlson Group of Hotels on 31st December.

In July, a sum of \$3.4million was awarded to Raghwan and Neo, following the Arbitrator's ruling on the Phase 1 complex dispute. However, the settlement concluded this long-standing dispute.

The Phase II development of the Draiba complex is still being deliberated upon, and the key consideration is its ability to generate positive return on investments.

The Valenibose was catastrophically destroyed in a fire in December. However, the property was insured and TTFB is awaiting the insurance claim process, which will continue into the new year.

The Fund renewed its Memorandum of Understanding (MOU) with the University of the South Pacific's Faculty of Arts, Law and Education until 2021. This will ensure the Fijian Language Studies programme continues for the Diploma in Fijian Studies at the university.

Thirty-three Nadroga/Navosa traditional leaders graduated with Certificate III Traditional Leadership and Good Governance from the Centre for Appropriate Technology and Development (CATD) at Nadave. The program is fully accredited by the Fiji Higher Education Commission, and since 2018 more than ninety successors of traditional title holders from four provinces (Rewa, Tailevu, Ba, Nadroga/Navosa) have graduated. A similar leadership training program is envisioned for Rotuma, hence the training needs analysis carried out by the Fund for the seven District Chiefs in collaboration with the President's and Commissioner Eastern's offices.

During the year, the Fund broadened partnerships with key stakeholders - CATD, the Retired Fijian Teachers Association, Fiji Arts Council and the Ministry of Education, Heritage & Arts, through MOUs. These reinforce collaborative engagements on pertinent areas of the various institutions for the advancement of iTaukei and Rotuman communities.

kena vakadidike, raitayaloyalotaki, kei na kena vakadeitaki na makete, me vukea na vakatututaki ni sasaga oqo.

Sa mai vakacegui na sasaga ni kena tara na otela ena kona ni gaunisala na Stewart St kei na Fort street, me vaka ni sa mai cava na veidinadinati kei ratou na kabani ni otela cokovata na Carlson Group ena i ka 31 ni Tiseba.

A mai saumi ena vula o Jiulai, e \$3.4 na milioni vei Raghwan and Neo ena lewa nei Dauniveivakameautaki me baleta na Phase 1 complex e Draiba. Ia, na veisaumi oqo, mai sogoti kina vakadua na kisi ni veileti a cici tiko mai ena dua na gauna balavu.

E a mai sotavi na vakacalaka ni kama ni Valenibose ena vula o Tiseba 2019. Ia, e inisua vinaka tu na vale, ka na qai vakacavari yani ena yabaki vou na sasaga ni inisua.

E vakavouya na Matabose na nona veidinadinati se MOU kei na Faculty of Arts, Law and Education, ena Yunivesiti ni Ceva ni Pasivika, me yacova na 2021. Qo ena tomava tiko ga kina ena Yunivesiti na porokaramu ni Diploma ena Vosa Vaka/Viti.

E 33 na isausavou ni liuliu ni vanua mai Nadroga/Navosa era sa taurivola ena porokaramu ni Setivikiti III, Sauvaki ni Vanua mai na koronivuli ni veivakarautaki e Nadave. E tokona tiko na Fiji Higher Education Commission na porokaramu oqo, ka sivia e 90 na isausavou ni liuliu ni vanua mai na 4 na yasana duidui e Viti (Rewa, Tailevu, Ba, Nadroga/Navosa) era sa taurivola. E namaki me qaravi vaka kina e dua na ituvatuva ni vuli ni Sauvaki ni Vanua baleti Rotuma. Oya na vuna a mai vakayacora kina na Matabose e dua na kena vakadidike se veitalanoa kei ira na liuliu ni veitikina, ena nodrau veitokoni na valenivolavola ni Peresitidi ni noda vanua kei na Commissioner Eastern.

Ena loma ni yabaki, a mai tekivutaki kina eso na veidinadinati kei na: CATD e Nadave, na iSoqosoqo ni Qasenivuli Vakacegu, na Tabana ni iTovo Bula, kei na Tabacakacaka ni Vuli, iYaunivanua kei na kena Matanataki. Na veidinadinati kece qo e vakabibitaka na cakacakavata ena kena vakatoroicaketaki na nodra bula na iTaukei kei na Rotuma.



North Wing Building, Draiba Complex


The Fund continues to be committed to advancing the literacy of the iTaukei language. Bilingual information texts were developed through TTFB's Information Text Awareness Project. This year, the Fund reprinted almost 7,000 copies of resources and books for distribution to schools by the Ministry of Education.

In January, the incoming Permanent Secretary of the Ministry of iTaukei Affairs, Mr Meleti Bainimarama, was appointed to the Board, following the resignation of the previous Permanent Secretary, Mr Naipote Katonitabua. To date, the Board has maintained a 28% membership held by women.

On 31st December 2018, following the retirement of Mr. Isoa Kaloumaira, the Fund's outgoing Chief Executive Officer (CEO), Mr. Aisake Taito, a sitting Board member was on 1st January 2019 appointed to Acting CEO. He was later confirmed to the position on 11th December 2019 through an open recruitment process managed by Maxumise (Fiji) Ltd.

It has been another rewarding and successful year for the Fund in terms of the fulfillment of its legislated objectives. The investment portfolio remains healthy and generating the needed revenue to support the Fund's operations.

I am confident, with the support of my fellow Directors, and Management & Staff of the Fund, that we will continue to find ways to have even a greater positive impact on the lives of those we serve – the iTaukei and Rotumans.



David Kolutagane

E tokona tiko ga na Matabose na veivakatavulici ni Vosa VakaViti. Na Information Text Awareness Project ni Matabose, a mai tabaki kina e vica na ivola ni wiliwila vakadewataki ena vosa vakaViti kei na Peritania. A mai tabaka tale na Matabose e rauta ni 7,000 na ivola ni wiliwila me sotava na kerekere mai na Tabacakacaka ni Vuli.

A mai digitaki me lewe ni Matabose ena vula o Janueri na Vunivola Tudei ni Tabacakacaka iTaukei, Meleti Bainimarama, ni oti na nodra mai vakacegu o Naipote Katonitabua. Se dei tiko ga ena 28% na iwiliwili ni marama lewenibose.

Ni oti na nodra mai vakacegu ena i ka 31 ni Tiseba 2018, na vakaillesilesi liu o Isoa Kaloumaira, a mai digitaki na lewenibose o Aisake Taito ena itutu tu-vakawawa ni CEO ena 1 Janueri 2019. A mai vakadeitaki o koya ena itutu oya ena i ka 11 ni Tiseba 2019, ena nodratou ivakarau ni veidigitaki na Maxumise (Fiji) Ltd.

E mai dua tale na yabaki vinaka ni veiqaravi ki na Matabose na yabaki oqo, ena sasaga ni kena vakavotukanataki na veiqaravi me vaka na kena yavu vakalawa. E vuavuai vinaka na ituvaki ni vakatubuilavo ka sa rawata tiko na Matabose na tubu e vinakati me tokona na nona veiqaravi.

E dei na yaloqu meu kaya, ena vukudra na lewe ni Matabose, kei na Tabana ni Veiqaravi, ni na tomani tiko ga na sasaga me vukavureya tiko na veisau e uasivi ki na nodra bula na lewenivanua keitou qarava – na kawaitaukei e Viti kei na Rotuma.



David Kolutagane



OPERATIONAL REPORT

INVESTMENT

The Fund's Strategic Plan 2019 - 2023 sets out five priority areas, the first of which was Prudent, Financial Sustainability.

At the beginning of the year, the Fund through optimal treasury function decided to review its cash management processes, which led to the following actions:

- 1) A re-negotiation of term deposits with various financial institutions in favour of higher interest rates; and
- 2) Full settlement of the outstanding loan account balance of \$8 million which was repayable by monthly instalments of \$114,392 at an interest rate of 4.2% per annum.

As a result, the Fund is now able to settle its loan obligations. All securities tied to the loan totaling \$80million were released back to the Fund.

All new term deposits were invested for periods of twelve (12) months allowing the Fund to manage its cash accumulated over that period to meet its equity contribution for major capital developments in the future.

NA ITUKUTUKU NI VEIQARAVI

VAKATUBUILAVO

Na ituvatuva ni veivakatorocaketaki ni Matabose 2019 – 2023 e dusimaka e lima na yavu ni veiqaravi, ka dua vei ira na maroroi vakamatua ni veika vakailavo.

Ni dikeva oti na Matabose na ivakarau ni kena maroroi ka vakayagataki na tobu ilavo, a qai vakatulewataka ena tekivu ni yabaki me qarava na itavi oqo:

- 1) Veitalanoataki tale na umailavo e vakacurumi ena baqe me levu cake na kena tubu; kei na kena
- 2) Saumi vakaoti na dinau e \$8 na milioni na dola, ka vakacegui na kena dau saumi tiko vakavula ena dua na yabaki e \$114,392 wili kina na tubu 4.25%.

Sa qai rawa vua na Matabose me sauma vakaoti na nona dinau. Na iyau kece era okati vata tu ena dinau oqo, ka rauta ni \$80 na milioni na kena isau vakailavo, era sa suka lesu mai ki na Matabose.

Na vakatubuilavo vovou kece ni umailavo maroroi, era sa biu me tinikarua (12) na vula, me vakarautaki kina na cau ni Matabose mai na ilavo qaqa e soqoni ena loma ni gauna oya ki na sasaga ni veivakatorocaketaki lelevu eso.



Auxiliary Business Area, Radisson Resort

During the year, the Funds' investments in R. B. Patel Company Limited were split in a ratio of 1:5, which resulted in an increase in the number of shareholdings in R B Patel Company to 20,000,000 shares (2018: 4,000,000 shares). Also, Fijian Holdings Limited's shares were split into a ratio of 1:10, increasing the shareholding to 100,000,000 shares (2018: 10,000,000 shares).

The Fund continues to grow its investments. Income generated from unit trusts was reinvested.

The Board continues to deliberate and weigh its options on the development of Phase II of the complex at Draiba, with the focus on meeting its return on investment (ROI) benchmark.

In line with the Fund's mandated objectives under the iTaukei Trust Fund Act 2004, an Expression of Interest was called during the year for interested parties to establish a Joint Venture with the Fund in developing a Culture & Arts and Commercial Centre. The purpose of the project is to:

- 1) Develop an authentic Culture and Arts Centre that will promote the iTaukei and Rotuman culture and heritage in all art forms, delivering commercial, social and educational benefits to its stakeholders;
- 2) Engage directly and indirectly with resource owners in as many ways possible;
- 3) Support any other projects that will promote or enhance linkages or value adding opportunities to benefit resource owners;
- 4) Provide an avenue for educational entertainment for the tourism sector; and
- 5) Deliver an acceptable level of investment return on the project.

All due process encompassing due diligence, design concepts, feasibility and market studies leading up to the full proposal of the Project will be carried out in the next financial year.

For the Hotel Project at corner of Stewart and Fort Streets, the Methodist Church Holding Trust (MCHT) decided to opt out of the Joint Venture with the developer - Carlson Group of Hotels, who have also agreed to hold matters in abeyance. The Fund has decided not to pursue this project due to a lapse in agreement with the developer on 31st December.

The existing car park within the property continues to operate as normal and is an additional revenue stream to the Fund.

The Fund's investment at the Radisson Blu Resort Denarau Auxiliary Business Area continued to generate positive returns. Room upgrades were completed in the first quarter of the year.

The Independent Expert, Mr. Richard Maiden who was hired to assess the claims and counter claims in the Arbitration case pertaining to the Raghwan Neo Joint Venture has concluded his assessment. He found Raghwan Neo did contribute to the delay in construction but the Fund was let down by its Project Manager who failed to issue the required notification of delays as stipulated in the contract.

This negated the Fund's ability to claim for liquidated damages. Parties reviewed the Independent Expert's final draft report for their respective final submissions to him. The Fund accepted our Lawyer's legal opinion (Howards) and that of our Quantity Surveyor (Rawlinson) to accept the Final Report of the Independent Expert, Mr. Richard Maiden and for the dispute to proceed to Arbitration.

Na vakatubuilavo ni Matabose ki na RB Patel a mai vidai vaka 1:5 na sea, vakatubura kina na levu ni sea ki na 20,000,000 (2018:4,000,000). Ena Fijian Holdings Limited, mai wase vaka 1:10 na sea, vakatubura kina na levu ni sea ki na 100,000,000 (2018:10,000,000).

E toso tiko ga na sasaga ni vakatubuilavo ni Matabose. Na ilavo e rawati mai na veitobu ni uniti era sa vakatuburi tale.

E tomama tiko ga na Matabose na kena vakadikevi vakamatau na iwalewale ni veivakatorocaketaki me baleta na veivalevale e Draiba se Phase II, ia e vakabibitaki tiko me rawati na ROI se na tubu ni ilavo e vakayagataki.

Ena vuku ni yavu ni Matabose ka virikotori ena kena lawa na iTaukei Trust Fund Act 2004, a mai tabaki kina e dua na Expression of Interest ena loma ni yabaki. Qo me sureti o ira era via sema mai vakabani, ena sasaga ni kena tara e dua na Culture & Arts kei na Commercial Centre. Na kena inaki:

- 1) Tokona na kena taraicake e dua na Culture & Art Centre e dina ka duidui me vakabulabulataka na itovo, na iyaunivanua kei na kena matanataki ka kilai tani kina na kawa iTaukei kei na Rotuma;
- 2) Buli veiwekani kei ira na na itaukei ni qele se iyaubula ena veigaunisala duidui eso;
- 3) Tokona na veisasaga eso era tutaka na kena vakaikuritaki na nodra ivoli na itaukei ni iyaubula;
- 4) Vakaraautaka e dua na sala ni kena vulici na veivakamarautaki e ganita na saravanua; kei na kena
- 5) Rawati e dua na ivakatagedgede vinaka ni vakatubuilavo mai na sasaga oqo.

Ena qai vakacavari tiko yani ena yabaki vakailavo ka tarava (2020), na gacagaca kece ni veiqaravi, oka kina na kena vakadidike, raitayaloyalotaki, ka vakadeitaki na makete me vakatututaki kina na Culture & Art kei na Commercial Centre.

Ena vuku ni sasaga ni kena tara na otela mai na kona ni gaunisala o Stewart kei Fort street, sa mai vakatulewataka na Methodist Church Holding Trust (MCHT) me ratou sa kakua ni oka ki na sasaga cokovata. E vaka tale ga kina na kabani cokovata ni otela na Carlson Group, ena nodratou sa vakadonuya me cegu toka mada na veika kece baleta na project. Sa vakadeitaka kina na Matabose me kakua ni tomani na sasaga oqo, ni sa mai yalani na veidinadinati kei ratou na Carlson Group ena i ka 31 ni Tiseba. Ia, e toso vinaka tiko na kena qaravi na ikelekele ni motoka ena loma ni vanua qo, ka ni sa ikuri tu ni rawaka vakailavo ki na Matabose.

E rawata tiko mai vakavinaka na Matabose na tubu vinaka, mai na vanua ni qaravi bisinisi ena Radisson Blue Resort e Denarau. A mai vakacavari rawa na kena vakavoutaki na rumu ni otela ena imatai ni tolu na vula.

Sa mai vakacavara na nona veivaqaaqi o Richard Maiden, e dua na kenadava tuvakaikoya, a konitarakitaki me vakaqaaqa na ile e biuta yani na ito ruarua, okati tiko kina o Raghwan Neo Joint Venture. E laurai kina ni vakavuna tale ga na bera ni taravale o Raghwan Neo, ia na Manidia ni Project a sega tale ga ni solia na ivakaro ena vuku ni bera ni cacacaka, me vaka e yalataki tu ena konitarakaki.

E mani sega kina ni rawa vua na Matabose me namaka me saumi lesu vua na leqa a mai vakavuna na bera ni taravale. Sa ralesuva na ito ruarua na iotioti ni ilavelave ni ripote, a vakaraautaka o Maiden, me qai vakalesui vua. Ena veivakasalataki ni Daunilawa o Howards, kei Rawlinson na Quantity Surveyor,

During the year, final submission to the Independent Expert's final report was submitted from both parties to the Arbitrator. The Arbitrator made his final ruling on 12th July with award of \$3.4million in favor of Raghwan Neo Joint Venture but interest claim from Raghwan was reduced and both parties share legal costs.

Following the ruling, the principal contract sum of \$2.1million was settled on 2nd August while the balance of \$1.3million being interest claimed and share of legal costs was settled on 23rd August.

The settlement made has brought this long outstanding dispute to a closure after 8 years.

The Board decided not to appeal the Arbitrator's ruling on the advice of the Fund's Legal Counsel based on these grounds:

- 1) Unless the Arbitrator erred or misconducted in his ruling; and
- 2) No concrete ground for the Fund to appeal and if done so will incur more costs

On 11th December 2019, an investment property (Valenibose) held by the Fund was destroyed in an unfortunate burning incident. The property's written down value was \$3,133,752 and did not have material effect on the total asset position of the Fund. The property was adequately insured. Insurance claim process commenced at year end and continued into the next financial year. Plans to redevelop the Valenibose and create economic activities that will complement the re-development will be pursued in 2020.

For our off-shore investments in Australia, a number of factors have been and continue to be at play, impacting stock markets globally, and significantly in the Australian market during the year. Despite the volatility in the stock market, the diversified Australian investments continued to provide adequate returns as there were no direct impact on the investments.

The Australian Investments asset allocation remains to be Australian equities, global equities, Australian fixed interest, global fixed interest and cash.

The Board decided for the first time to carry out an investment review on the whole investment portfolio. The review will be carried out by Mercer Australia after the tendering process. Any buy or sell of the stock was put on hold until the review was completed.

The review will:

- a) Re-assure the Fund that the investment policies and portfolio are sufficient to give maximum returns necessary to fulfil its mandated objectives;
- b) Protect the Governance & stewardship role of the Trustees as the findings will provide to the Fund with a clear road map in the long term for effective stewardship of the investment portfolio;
- c) Ensure the Fund will employ financial resources to areas that will yield optimal return and at the same time provide financial stability, growth and sustainability in the long term.

Overall, the investment portfolio increased from \$200.5million in 2018, to \$316.7million in 2019. The income generated from investments continues to generate the needed revenue to support the Fund's operations and mandated objectives.

sa ciqoma na Matabose na ripote e vakarautaka o Maiden, me sa qai vakatulewa kina na mataveilewai ni veivakameautaki.

E a mai soli rawa ena loma ni yabaki, na nodra itukutuku na ile ruarua, ki na Mataveilewai ni veivakameautaki ena vuku ni ripote nei Maiden. A mai tauca na iotioti ni nona lewa na Dauniveivakameautaki, me saumi ki na kabani cokovata na Raghwan Neo Joint Venture e \$3.4 na milioni, ia e mai vakalailaitaki na isau ni tubu mai vei Raghwan, ka rau wasea ruarua na ito na isau ni veika vakalawa.

Na isau dina vakailavo ka qai mai saumi ena i ka 2 ni Okosita, e \$2.1 na milioni. Na kena vo e \$1.3 na milioni, a qai mai saumi kina na tubu kei na isau ni veika vakalawa ena i ka 23 ni Okosita. Rauta e dua na gauna balavu sa qai mai sogoti kina vakadua na kisi ni veileti oqo, ni oti e 8 na yabaki. Ena veivakasalataki mai vua na Daunilawa, sa mani nanuma na Matabose me kakua ni kereya vua na Dauniveivakameautaki me vakasuka na nona lewa:

- 1) Vakavo ke yavutaki cala na nona vakatulewa;
- 2) Me vaka ni sega ni dua na vanua tudei e rawa ni yavutaki kina na kerekere ni Matabose, ka na sau levu tale ga.

E a mai sotavi na vakacalaka ni kama ni Valenibose ena i ka 11 ni Tiseba 2019. Na vanua a dabe tiko kina na isau ni Valenibose a \$3,133,752, ia na kama oqo e sega ni vakayavalata na ituvaki vakaiyau ni Matabose. E inisua vinaka tu na vale. Na cakacakataki ni saumi ni inisua a mai tekivu rawa ena mua ni yabaki, ena qai tomani ena yabaki vou. Na sasaga me tara vou na Valenibose ena qai tekivu ena 2020, okati kina na veisasaga tale eso vakabisinisi me tokona na Valenibose.

E vica na ka a yaco ka rawa ni vakayavalata tiko na sasaga ni vakatubuilavo mai Ositerelia ena loma ni yabaki, e vakayavalata tale ga na makete ni vakatubuilavo e vuravura, ia vakauasivi ga e Ositerelia. E rawata tiko ga na Matabose na tubu vinaka mai na sasaga ni vakatubuilavo eso e Ositerelia, dina ga ni sotavi tiko na veitubuyaki ni makete.

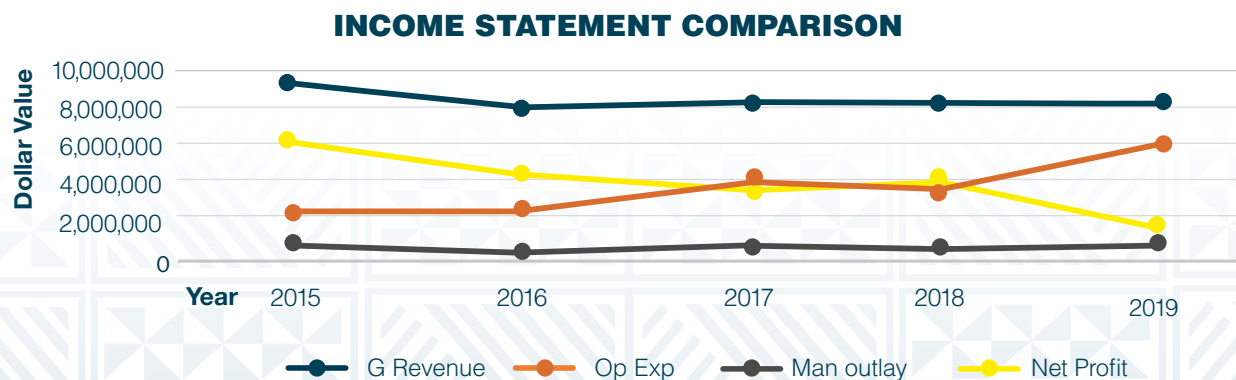
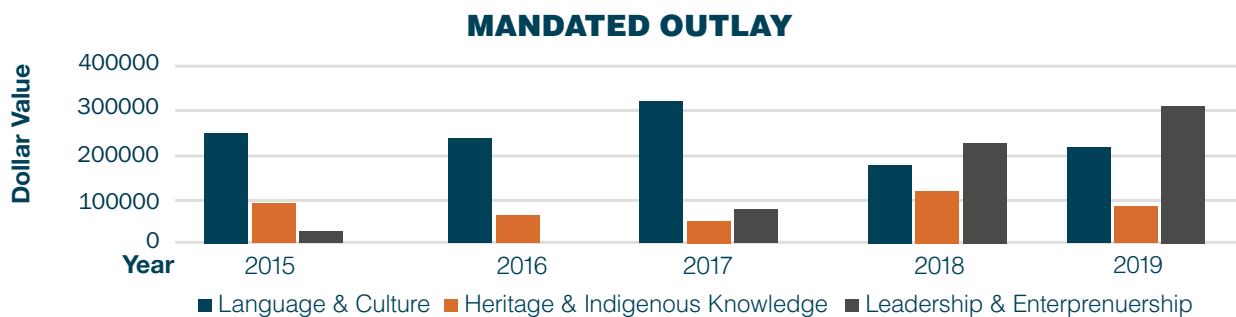
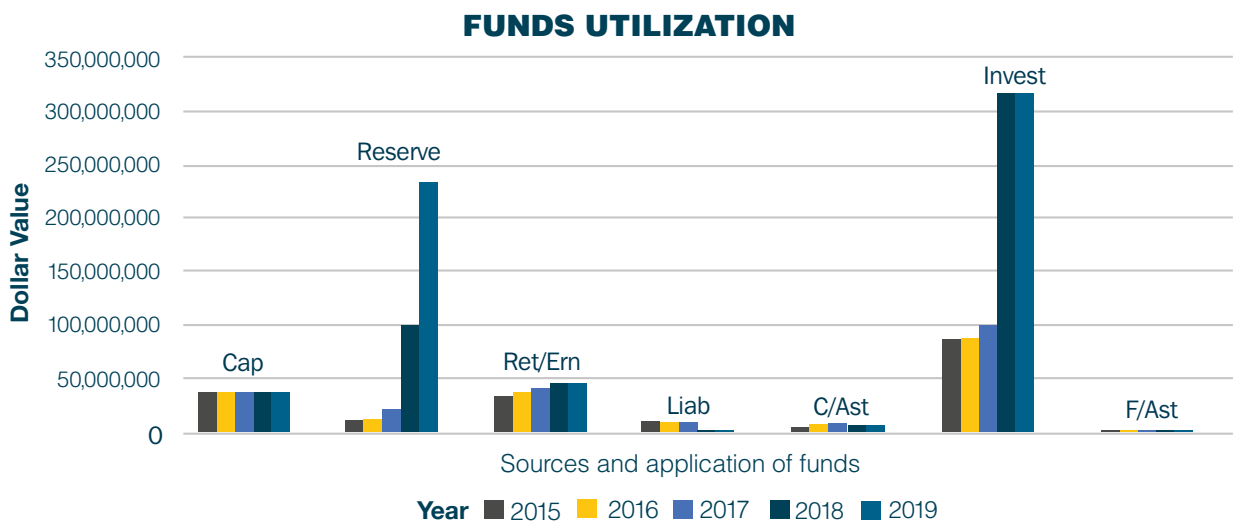
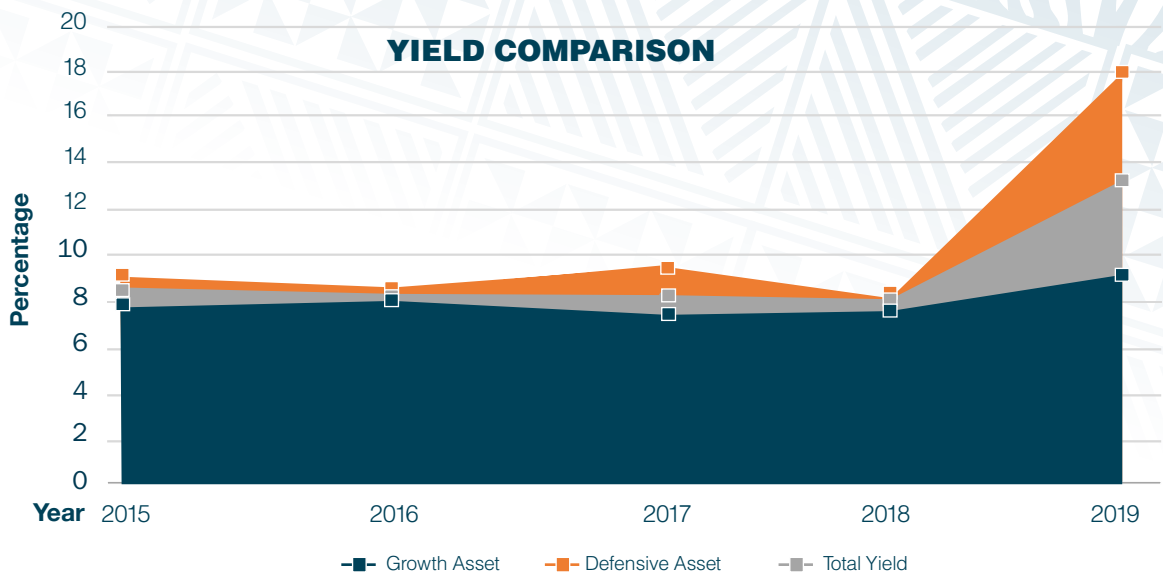
Na vakatubuilavo e Ositerelia, era wase tiko vaka cau ki na kena makete ni vakatubuilavo, na cau ki na makete ni vakatubuilavo e vuravura, na isau tudei ni vakatubuilavo e Ositerelia, na isau tudei ni vakatubuilavo e vuravura kei na ilavo qaqa.

Sa qai matai ni gauna vua na Matabose me vakatulewataka me railesuvi na sasaga kece ni vakatubuilavo. Na cakacaka qo ena qarava na Mercer Investments Australia. Sa mai tu vakawawa na veivoli kece me yacova ni sa qaravi oti na ituvatuva oqo.

Na railesuvi ni sasaga ni vakatubuilavo qo ena:

- a) Vakadeitaka ni na rawati na tubu ena kena ivakatagedegede e cake, mai na veipolisi kei na ituvatuva ni vakatubuilavo ni Matabose;
- b) Taqomaka na itavi ni veiliutaki kei na kena manidiataki na iyau ni Matabose. Na itukutuku e sokumuni, me vakadavora kina e dua na ituvatuva matata, me manidiataki vakavinaka na tubu ilavo ni Matabose.
- c) Qarauni na kena vakayagataki na iyau ena veivanua eso, ka me rawa mai kina na ivakatagedegede ni tubu e vinakati, me tudei ka maroroi na bula vakailavo ni Matabose.

E sa tubu na tubu ni vakatubuilavo mai na \$200.5 na milioni ena 2018, ki na \$316.7 na milioni ena 2019. E vuavuai vinaka na ituvaki ni vakatubuilavo ka sa rawata tiko na Matabose na tubu e vinakati me tokona na nona veiqaravi me vaka e yavutaki ena kena lawa.



CULTURE & HERITAGE

Fijian Language Studies Programme, USP

The iTaukei Trust Fund Board is committed to fostering literacy levels in the Fijian vernacular language. The year 2019 saw a renewal of a three-year term of the MOU between TTFB and the University of the South Pacific. The MOU is to sustain the Fijian Language Studies Programme, offering Fijian language courses toward a Diploma in Fijian Language. TTFB's support is in the form of payment of salaried staff in the program, and providing professional advice to the Fijian Studies Advisory Committee at USP.

Teachers Cohort, Ministry of Education, Heritage & Arts, Diploma in Fijian Language

The teachers' cohort for LL361 Fijian Language Studies III was successfully completed during the year with a 100% pass rate. It is the second cohort of iTaukei school teachers being sponsored by TTFB to undertake a Diploma in Fijian Language at USP. The Fijian language studies program will be offered for this cohort via flexi-modes over a span of 3 years. This has been made possible through the support of the Ministry of Education, Heritage & Arts, and our partnership with USP. The aim is to create an opportunity for capacity building to increase the level of competency required in the teaching of Fijian vernacular language.

ITOVO KEI NA IYAUNIVANUA

Porokaramu ni Vosa Vaka-Viti, USP

E tokona na Matabose ni Lavo Maroroi ni iTaukei na kena vakatoricaketaki na vulici ni vosa vaka Viti. A mai vakavou ena yabaki 2019 na veidinadinati se MOU ni Matabose kei na Univesiti ni Ceva ni Pasivika me yabaki tolu. E kena inaki me tokona na Porokaramu ni Vuli Vosa Vaka-Viti ena koronivuli ni veivakarautaki e USP, me rawa ni vakarautaka na porokaramu ni Diploma ni Vosa VakaViti. Na sala e veitokoni kina na Matabose sai koya na nodra saumi vakacakacaka na qasenivuli ni porokaramu qo, kei na veivakasalatiki ena Fijian Studies Advisory Commmitte.

Lawalawa Qasenivuli ena Tabacakacaka ni Vuli, Diploma ni Vosa Vaka-Viti

Era rawata taucoko vakavinaka na ilawalawa ni qasenivuli na lesoni LL361 ena loma ni yabaki. Qo na ikarua ni lawalawa ni qasenivuli e veitokoni kina vakailavo na Matabose, me ra taura na porokaramu ni Diploma ni Vosa VakaViti e USP. E vakarautaki na porokaramu ni vuli oqo, ena ituvaluva ni vuli leleka, me vakacavari ena loma ni 3 na yabaki. Qo e mai rawa ena veitokoni ni Tabacakacaka ni Vuli, iTovo kei na iYau Vakamareqeti, vaka tale ga kina na veidinadinati sa mai semata na Matabose kei na USP. Na kena inaki levu ga me vakatoricaketaka na kilaka kei na iwalewale ni veiqaravi ena kena vakatavulici na vosa Vaka-Viti.





Active Citizens, Nasautoka village, Tailevu

Ministry of iTaukei Affairs Cohort, Diploma in Fijian Language

The Ministry of iTaukei Affairs staff cohort for courses FJ311, FJ321 and FJ212 were completed with a 95% pass rate. Similar to the teachers' cohort, this is the second cohort of MTA staff being sponsored by TTFB to undertake a Diploma in Fijian Language studies at USP. The program is offered via flexi modes to cater for MTA staff, and will continue over a span of three years. The Ministry and TTFB recognize that essential linguistics and academic literacy skills are needed for professional development of staff, which ultimately will improve productivity and service delivery for the iTaukei community.

Sauvaki ni Vanua, Traditional Leadership and Good Governance Program, CATD, Nadave

The TTFB is currently sponsoring the *Sauvaki ni Vanua* program that is being offered at CATD in Nadave. In 2019, 33 students from Nadroga/Navosa completed the program and graduated with Certificate III in Traditional Leadership and Good Governance. Altogether, 93 successors of traditional title holders from Rewa, Tailevu, Ba, including Nadroga/Navosa have successfully completed this program of study.

The *Sauvakini Vanua* program was developed by TTFB in collaboration with MTA/TAB, USP and the Fiji Locally Managed Marine Area Network. It is the first curriculum to be produced by TTFB and the first traditional leadership program to have received accreditation by the Fiji Higher Education Commission. The program is intended to equip traditional leaders with effective leadership, management and good governance skills.

A curriculum review of the *Sauvaki ni Vanua* program was also carried out during the year, for the purpose of optimizing student learning experiences. Facilitators and coordinators convened in a one-week writing retreat to develop an all-embracing coherent curriculum based on constructive feedback received from stakeholders. Areas of improvement have been incorporated into the curriculum to enhance the effectiveness of the program.

Lawalawa Vakaillesilesi ni Tabacakacaka iTaukei, Diploma ni Vosa Vaka-Viti

E rauta ni 95% ni gonevuli mai na ilawalawa ni vakaillesilesi ena Tabacakacaka iTaukei era rawata vakavinaka na lesoni na FJ311, FJ321 kei na FJ212. Me vaka ga na nodra porokaramu na qasenivuli, qo e ikarua ni ilawalawa ni vakaillesilesi ni Tabacakacaka, e vakailavotaka na Matabose me ra taura na Diploma ni vuli Vosa Vaka-Viti e USP. E vakarautaki tale ga na porokaramu ni vuli oqo ena ituvatuva ni vuli leleka me vakacavari ena loma ni tolu na yabaki. E rau okata na Tabacakacaka iTaukei kei na Matabose, ni gadrevi me vulici na vosa ena vuli torocake me vukea na nodra veiqaravi na vakaillesilesi vei ira na lewenivanua, ka me basika kina na rawaka vakacakacaka e vinaka sara.

Sauvaki ni Vanua, CATD, Nadave

E vakailavotaka tiko na Matabose ena gauna oqo, na porokaramu ni *Sauvaki ni Vanua* ena vanua ni veivakarautaki mai CATD e Nadave. Ena yabaki 2019, ra lewe 33 na isausavou mai na yasana o Nadroga/Navosa, era vakacavara na porokaramu ni vuli, ka rawata na Sitivikiti III ni *Sauvaki ni Vanua*. Era lewe 93 taucoko na isausavou ni liuliu vakavanua mai Rewa, Tailevu, Ba, wili kina o Nadroga/Navosa, e ra vakacavara vinaka na prorokaramu ni vuli qo.

E tauyavutaka na porokaramu ni vuli qo na Matabose ena nodra veitokoni na Tabacakacaka iTaukei kei na Matabose ni Veika Vakaitaukei, USP kei na isoqosoqo ni taukei ni qoliqoli e nodra vanua na FLMMA. Qo na imatai ni tuvatuva vakavuli e vakarautaka na Matabose, e imatai tale ga ni porokaramu ni veiliutaki vakavanua e tokona na Fiji Higher Education Commission. Na inaki ni vuli qo, me vukea ka vakatoroicaketaka na nodra kilaka nai liuliu ni vanua ena ivakarau ni veiliutaki, qaravi sasaga kei na vakatulewa matau.

E a mai railesuvi talega ena loma ni yabaki na porokaramu vakavuli ni *Sauvaki ni Vanua*, me vukea vakalevu na nodra vuli na gonevuli. Era mai volavola ena loma ni dua na macawa na qasenivuli kei na dauniveituberi ena kena biu vata na veivakaleleva eso, ka vakarautaki vinaka tale na ituvatuva



Solesau Edu Kit Workshop Opening, Draiba



Sauvaki ni Vanua Graduation, Nadroga-Navosa

Centre for Appropriate Technology and Development Facilities Upgrade

We are pleased to report that a memorandum of agreement (MOA) was signed between CATD and TTFB in June 2019. The purpose of this agreement is to support CATD in terms of funding the upgrade of existing training facilities to improve learning environment. This improvement is anticipated to enhance the delivery of CATD programs, including the Traditional Leadership & Good Governance program. Most of the MTA and TTFB training programs are offered through CATD in Nadave. Hence, this MOA will strengthen partnerships toward meeting TTFB's mandated objective of developing management, leadership and entrepreneurial skills of the indigenous Fijians and Rotumans.

Traditional Leadership Training Needs Analysis, Rotuma District Chiefs

The TTFB aims to extend the traditional leadership and good governance program to the island of Rotuma. In collaboration with the Commissioner Eastern's Office and the President's Office, TTFB supported the training needs assessment carried out in 2019 to determine the approach and types of training appropriate for the 7 district chiefs of Rotuma.

Active Citizens, TTFB – British Council Partnership

The TTFB has been the implementing partner of the British Council's Active Citizens Project since 2018. Active Citizens is a social leadership programme that promotes intercultural dialogue and social responsibility as key leadership competencies in the 21st century. In 2019, TTFB implemented a training of facilitators, 2 community engagements and 3 social action projects in collaboration with delivery partners such as Lifeline Fiji, Habitat for Humanity and Nasautoka village through the Tailevu Provincial office. As co-facilitators of the AC project, delivery partners implemented cascading workshops using the AC tool kit in their respective communities. The AC tool kit has effectively been incorporated into other TTFB projects such as Vanua Fieldwork and Sauvaki ni Vanua that support social empowerment and cohesion, thus contributing to the development of management and leadership skills of the iTaukei and Rotumans.

Craft Development Workshops, TTFB – Fiji Arts Council Partnership

We are pleased to report that TTFB and Fiji Arts Council signed an MOU in April 2019 to collaborate in enhancing the promotion and preservation of tangible and intangible cultural heritage of iTaukei and Rotuman communities. With respect of the MOU, TTFB provided funding to the Fiji Arts Council to facilitate the implementation of 2 community-based upskilling workshops on craft development for the women of Nadakuni in Naitasiri, and Sawakasa in Tailevu. It is anticipated that these workshops will provide opportunities for craftspeople to become licensed practitioners and small-business entrepreneurs, and also participate at national events such as festivals and women's expo. Generally, these opportunities will generate income to sustain the livelihood of craftspeople and their communities.

vakavuli e kovuta kece na veika e gadrevi, me rawa ni vaqaqacotaka na yaga ni porokaramu e Nadave.

Na Vakavinakataki ni Koronivuli e Nadave

E ka ni marau me vakaraitaki ni a mai sainitaki ena vula o Jiune ni 2019, e dua na veidinadinati se MOA vata kei na koronivuli ni veivakarautaki, na CATD e Nadave. Na inaki ni veidinadinati me tokona vakailavo na Matabose na kena vakavinakataki cake nai tuvaki ni koronivuli, me rawa ni vukea na rawaka vakavuli. Na veivuke oqo ena vakatoroicaketaka na kena vakatavulici na porokaramu ni vuli kece e Nadave, oka tale ga kina na vuli ni Sauvaki ni Vanua. E dau vakayagataki vakalevu na koronivuli e Nadave ena ituvatuva vakavuli eso ni Matabose kei na Tabacakacaka iTaukei. Na veidinadinati kei CATD ena vakaqacacotaka nai sema ni veiwekani, ena kena sotavi e dua vei ira na yavu lelevu ni Matabose, oya me vakatoroicaketaka na qaravi sasaga, veiliutaki kei na cicivaki bisinisi me baleti keda nai Taukei kei na Rotuma.

Vakadidike ni Vuli ni Veiliutaki, Liuliu ni Vanua e Rotuma

E gadreva na Matabose me vakatetei yani na vuli ni Sauvaki ni Vanua ki na yanuyanu o Rotuma. Ena vuku ni sasaga oqo, a mai tokona kina na Matabose na kena vakadidikevi na mataqali vuli e gadrevi vei ira na iliuliu ni 7 na tikina e Rotuma, e rau veitokoni mai kina na valenivolavola ni Talai ena Tokalau, kei na valenivolavola ni turaga na Peresitadi ni noda vanua.

Active Citizens, Veiwekani ni TTFB kei na British Council

Na Active Citizens Project e dua na ituvatuva ni British Council ka veitokoni kina na Matabose ena nodrau veidinadinati mai na 2018. Oqo e dua na ituvatuva ni vuli ni veiliutaki, ka tokona na vakasama ni noda veitalanoa se veisemati vakamata-tamata kei na qaravi ni itavi, me i usutu ni veiliutaki e na i ka 21 ni yabakidrau. A qarava na Matabose e - 1 na vuli ni veituberi ni Active Citizens; 2 na vuli vei ira na lewenivanua; kei na 3 na ituvatuva ni qaravi sasaga, ka sema vata kei na Lifeline Fiji, Habitat for Humanity kei na Valenivolavola ni Yasana o Tailevu ena vuku ni koro o Nasautoka. O iratou na isema oqo era sa vakadewataka sobu tiko na AC i na nodra vanua ni veiqaravi. Na iyaragi ni vuli na AC sa yaga sara vakalevu ena veiqaravi tale eso ni Matabose, me vaka na porokaramu ni Vanua Fieldwork kei na Sauvaki ni Vanua, ka okati tiko kina na cakacaka ni veivaqaqacotaki kei na duavata. Qo e veivuke ena kena vakatoroicaketaki na qaravi sasaga kei na veiliutaki vinaka ni kawa iTaukei kei na Rotuma.

Na Vuli ni Cakacakaniliga, Veitokoni ni Matabose ki na Fiji Arts Council

E ka ni marau me'u vakaraitaka ni rau a mai sainitaka e dua na veidinadinati na Matabose kei na Fiji Arts Council ena Epereli 2019, me rau qarava na veivakabulabulataki kei na maroroi ni itukutuku makawa, na itovo kei na cakacaka ni liga me baleti ira na iTaukei kei na Rotuma. Ena veidinadinati oqo, e vakadeitaki kina me soli na veivuke vakailavo i na Fiji Arts Council, me cicivaka kina e 2 na vuli ni Cakacakaniliga vei ira na marama ni Nadakuni e Naitasiri, kei Sawakasa e Tailevu. Na vuli oqo e



Information Text Awareness Project, TTFB – International Development in Oceania Committee (IDOC)

The TTFB recognises the critical role literacy plays in Fijian language learning from early childhood. In collaboration with Curriculum Advisory Services under the Ministry of Education, Heritage & Arts, TTFB supported an ITAP literacy workshop for interested primary and secondary school teachers in Savusavu. This initiative aims to develop quality bilingual information texts for early childhood, and our objective is to contribute towards the provision of supplementary resources for schools teaching the Fijian vernacular. The workshop was co-funded by the International Literacy Association through the International Development in Oceania Committee (IDOC).

Publishing Arm of TTFB

The TTFB aims to promote and safeguard the Fijian language and culture by supporting the development of educational resources in collaboration with local writers and relevant stakeholders. In April 2019, TTFB reprinted a total of 6,917 copies of educational resources for the MEHA. These were supplementary texts provided to support the teaching and learning of the Fijian language in primary schools. The publishing arm of TTFB ensures that quality resources appropriate for the target audience are produced based on the assessment and approval of the MEHA and MTA. Primary and secondary school students are the main target audience and readership for most of TTFB's publications.

Vanua Fieldworkers Program, Province of Rewa

The documentation and preservation of distinct cultural practices, skills and indigenous knowledge are the intended outcomes for the Vanua Fieldworkers Program. Between August and December 2019, TTFB completed documentation processes on significant cultural elements of 4 Tikina in the province of Rewa, namely Toga, Suva, Burebasaga and Noco. Primary and secondary information have been collated for curatorial and educational purposes, including the installation of displays and cultural exhibitions. This program is co-facilitated by a group of interested fieldworkers from Rewa.

INTERSECT, British Council Diversity Arts Exchange Program

INTERSECT entails a knowledge exchange and peer monitoring program for culturally and linguistically diverse communities. Leveraging TTFB's partnership with the British Council on the Active Citizens project, we were invited to participate in this program through BC Australia. A TTFB staff was selected to participate in symposiums and engagements with other INTERSECT participants from Australia and UK for capacity building and knowledge sharing. It was a one-off engagement that started in November 2018 and ended in February 2019. In exchange of TTFB's participation, a UK artist came to Fiji and delivered workshops on drama and theatre production. Mr. Kamaal Hussain conducted two workshops, a Directors' and Actors' workshop for participants from our network of Lakovi

namaki me vukei ira na kenadau ena veicakacakaniliga eso, me ra na yaco me ra vakalaiseni ena cicivaki bisinisi lalai. Na laiseni oqo e sa rawa talega kina ni ra dau vakaitavi ena so na soqo lelevu ni matanitu me vaka na Festivals kei na Women's Expo. Oqo na sala e rawa ni vakavurei lavo kina vei ira na kenadau ena cakacakaniliga me qaravi vinaka kina na nodra bula e nodra dui itikotiko.

Information Text Awareness Project, TTFB – International Development in Oceania Committee (IDOC)

Ena rawa walega ni vulici vakavinaka na vosa vakaViti kevaka e kilai taumada na kena wiliki ka volai na vosa mai vei ira na gone lalai. E tokona na Matabose na vuli ni ITAP vei ira na qasenivuli ena paraimari kei na sekenidri mai Savusavu, ka veitokoni kina na Curriculum Advisory Services, ena Tabacakacaka ni Vuli. Na inaki ni vuli oqo, me vakatoroicaketaka na ivakatagedegede ni volai ni vola ena vosa ruarua (vosa vakaViti kei na vosa vakaPeritania) vei ira na gone lalai, ka yavu tiko ni veiqaravi me veivuke ena kena vakarautaki na ivolanivuli ki na veikoronivuli era veivakatavulici ena vosa vakaViti. E veivuke tale ga na International Literacy Association kei na International Development in Oceania Committee (IDOC) na kena vakailavotaki na vuli oqo.

Tabana ni Tabaivola

E sasaga tiko na Matabose me vakabulabulataki ka taqomaki na vosa kei na itovo vakaViti, ena kena tokoni na cakacaka ni volaivola vei ira na dauvolai ivola kei na kena veitabana tale eso. Ena Epereli ni 2019, e mai tabaka kina na Matabose e 6,917 na ilavelave ni vola vakarautaki ena vuku ni veiqaravi ni Tabacakacaka ni Vuli. Era tabaki oqo me vukea na kena vakatavulici na vosa vakaViti ena veikoronivuli ni paraimari. Na tabana ni tabai vola ni Matabose e vakabibitaka na kena vakarautaki vakavinaka sara nai vola ni veivakatavulici me veiganiti kei nai vakatagedegede ni nodra vuli na gone, ena nodratou veivakadeitaki se veivakadonui na Tabacakacaka ni Vuli.

Na Veiqaravi ni Vakasokumuni Tukutuku, Yasana o Rewa

Na Vanua Fieldworkers Programme e dua na ituvatuva ni veiqaravi, e tokona na kena tabaki ka maroroi na itukutuku me baleta e so na itovo, ivalavala vakavanua kei na vuku iTaukei. Ena loma ni vula o Okosita kei na Tiseba ni 2019, e qarava rawa kina na Matabose na kena volaitukutukutaki na veika oqo ena 4 na tikina ena yasana o Rewa, oya o Toga, Suva, Burebasaga kei Rewa. E vakasokumuni vata na itukutuku era solia na lewenivanua kei na vola tukutuku tabaki oti tu. E yaga oqo me vakayagataki talega ena kena vakaraitaki se matanataki, vaka tale ga kina ena veika vakavuli, Na kena vakayacori rawa nai tuvatuva oqo, era veivuke mai kina e dua na matailawalawa ni vakadidike mai na loma ni yasana o Rewa.

INTERSECT, Tuvatuva ni Veisa Cakacaka kei na British Council Diversity Arts

Na INTERSECT e dua nai tuvatuva ni veiqaravi, me baleta na

and Na iLululu productions. Drama and theatre production were identified as niche areas to be explored for Fiji's creative arts industry and more importantly for future displays and exhibitions.

Solesau Educational Resource Kit Project

The TTFB supports the development of educational resource materials and use of technology for diverse stakeholder groups including the diaspora communities. The educational resource kit project was launched in November 2019 to consolidate teaching pedagogies and learning resources on the education of Fijian language and culture. This was made possible through collaborations with specialists and experts from the Curriculum Advisory Services, iTaukei Institute of Language and Culture, Retired Fijian Teachers Association, Fiji Arts Council, the Fiji Museum, and a renowned artist/practitioner. An educational resource kit framework was devised over a one-week workshop with these stakeholders to commence the development process. Contents of the Edu Kit will be transformed electronically to provide interactive and engaging activities through an e-learning management system.

Nawaidamudamu Ring Ditch Fortification Project

The TTFB also contributes towards the conservation of natural and cultural heritage to achieve sustainable tourism development. The ring ditch fortification project involving the historical and cultural survey of Nawaidamudamu, located in the Laucala Beach area was finally completed in April 2019. Research consultant and renowned historian, Mr. Fergus Clunie submitted a detailed overview of the history and progressive development of Fijian fortifications overtime, and what the built defensive works of the Nawaidamudamu site was most probably like, in what historical and cultural evidence indicates was the early through mid-1840s. The main purpose of this research was to provide a bank of soundly-based information on fortification techniques that were commonly used at that time for a range of potential development prospects. Development partners in this project were interested in the opportunity of reconstructing the site as an ecotourism development, including historically and culturally authentic interpretive options.



Nadroga/Navosa Students, CATD, Nadave

kena veiwaseitaki na itukutuku ka vukei, na veivanua era tu kina na duidui veimatatamata. Na veidinadinati ni Matabose kei na British Council ena vuku ni Active Citizens, a vakagolei mai kina na veisureti mai na BC Australia, me vakaitavi na iTaukei Trust Fund enai tuvatuva ni INTERSECT. A digitaki kina e dua na vakaillesilesi ni Matabose me vakaitavi ena porokaramu vakarautaki vata kei ira na veimata mai Ositerelia kei Peritania, me vakatoroicaketaki na iwalewale ni veiqaravi kei na veiwasei ni tukutuku. Qo e dua ga na ituvatuva lekaleka mai na Noveba 2018 ki na Veverueri 2019. Ena vuku ni nona vakaitavi na Matabose, e a lako mai kina i Viti e dua na dauniveiqaravi ena buturara ni cakaiyaloyaloi mai Peritania, o Mr Kamaal Hussain, me mai cicivaka na vuli ni drama. E mai vakayacora e 2 na vuli – dua me baleti ira na veiliutaki se dairekita; kei na kenai karua me baleti ira na vakaitavi ena kena matanataki na drama. Era lewe ni vuli oqo, o ira era sa vakaitavi oti ena 2 na drama se vakatasuasua ni Matabose, nai Lakovi kei Nai Lululu. E vakadeitaki ni drama e dua na sala vinaka, me vakabulabulataki kina na tabana ni Creative Arts e Viti, ka vukea tale ga na kena vakadewataki se matanataki na veika eda kilai tani kina na iTaukei kei na Rotuma.

Vola Dusidusi ni Solesau

E tokona na Matabose na kena vakatoroicaketaki na veika vakavuli kei na vakayagataki ni mona livaliva me baleti ira na lewe i Viti era tu mai vanuatani. Na sasaga ni kena buli e dua na sovanivuli a mai sevutaki ena Noveba 2019, ena kena tovolei me veidutaitaki ka biu vata nai walewale ni veivakatavulici kei na veika e rawa ni vakayagataki me vakatavulici kina na nodava vosa kei nai tovo. E mai sevutaki rawa na sasaga oqo, ena neimami cakacaka vata kei ira na dauniveiqaravi ka kenadau, mai na Curriculum Advisory Services ena Tabacacacaka ni Vuli, na Tabana ni Vosa kei nai Tovo VakaViti, nai Soqosoqo ni Qasenivuli iTaukei Vakacegu, na Fiji Arts Council kei na Fiji Museum. Ena loma ni dua na macawa, a mai vakarautaki kina e dua nai tuvatuva ni vuli ka ra vakaitavi saraga kina na vakaillesilesi mai na duidui tabana oqo. Ena vakarautaki na ituvatuva ni vuli oqo ena mona livaliva me ra vuli ka vakaitavi talega mai kina o ira era via vulica na vosa, kei na itovo vakaViti.

Nawaidamudamu, Korowaiwai

E vakaitavi talega na Matabose ena sasaga ni kena maroroi ka taqomaki na veiyavu makawa, me rawa ni sala tudei ni veivakasasararataki vei ira na saravanua. Ena Epereli 2019, a mai vakacavari kina na soveyataki kei na vakasokumuni tukutuku ni korowaiwai o Nawaidamudamu, mai Laucala Beach. Na cakacaka oqo, a mai vakaitavi kina o Mr Fergus Clunie e dua na daunivakadidike, ka vakarautaka na itukutuku makawa me baleta na idrodronivalu ena gauna e liu, kei na irairai ni vanua o Nawaidamudamu ena 1840 vakacaca na yabaki, me vaka na dina ni vakadidike sa qaravi oti. Na yavu ni kena vakayacori na vakadidike oqo, me vakarautaki e dua na baqe ni tukutuku dikevi me baleta na tara ni drodronivalu ena gauna e liu, ena vuku ni so na qaravi sasaga mai muri. Era nanuma na veitabana ka vakaitavi ena sasaga oqo, me tara vou na korowaiwai me sala ni veivakasasararataki ka talanotaki na itukutuku makawa e kovuti tiko kina.



Sauvaki ni Vanua Opening Ceremony for Nadroga-Navosa, Nadave

FINANCIAL STATEMENTS NA ITUKUTUKU VAKAILAVO

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ITAUKEI TRUST FUND BOARD MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

In accordance with a resolution of the Members of iTaukei Trust Fund Board (the Fund), the Members herewith submit the statement of financial position of Fund as at 31 December 2019, 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:

Members

The Members of the Fund at any time during the financial year and up to the date of this report are as follows:

David Kolitagane - Chairperson

Emi Rabukawaqa

Fatiaki Misau

Peni Cavuilagi

Preetika Prasad (1st term appointment ended 31 October 2019, re-appointment consideration in process at the date of this report)

Naipote Katonitabua (resigned on 31st January 2019)

Naibuka Saune

Meleti Bainimarama (appointed on 1st February 2019)

Principal activity

The principal activity of the Fund during the financial year was the managing of the Fund by creating and maintaining a diversified portfolio comprising asset classes that will provide optimum returns to the Fund for the beneficiaries of the Fund.

The objects and purposes of the Fund are set out in Act No. 15 of 2004 and are to fund the promotion and sponsoring of programmes on iTaukei and Rotuman languages and culture; fund to help develop the management, leadership and entrepreneurial skills of iTaukei and Rotumans; sponsor research into languages, art and culture of iTaukei and Rotumans; and any other purposes approved by the Board as advantageous to the beneficiaries.

Results

The Fund recorded a net profit of \$1,323,316 (2018: \$3,984,876).

Reserves

There were no transfers to or from reserves during the year except for those required by the International Financial Reporting Standards.

Non-current assets

Prior to the completion of the financial statements of the Fund, the Members took reasonable steps to ascertain whether any non-current assets are unlikely to be realised in the ordinary course of business as compared to their values as shown in the accounting records of the Fund. 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 Members are not aware of any circumstances which would render the values attributed to non-current assets in the Fund's financial statements misleading.

iTAUKEI TRUST FUND BOARD

MEMBERS' REPORT continued

FOR THE YEAR ENDED 31 DECEMBER 2019

Basis of accounting

The Members believe the basis of the preparation of the financial statements is appropriate and the Fund will be able to continue in operation for at least twelve months from the date of this report. Accordingly the Members believe the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

Significant Event

On 11 December 2019, an investment property (Vale ni Bose) held by the Fund was destroyed in a fire. The property's written down value was \$3,133,752. The property is covered under insurance.

Unusual transactions

In the opinion of the Members, the results of the operations of the Fund during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Fund 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 Fund 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 than the matter above, 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, in the opinion of the Members of the Fund, to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund in the subsequent financial year.

ITAUKEI TRUST FUND BOARD MEMBERS' REPORT continued FOR THE YEAR ENDED 31 DECEMBER 2019

Other circumstances

As at the date of this report:

- (i) no charge on the assets of the Fund 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 Fund could become liable; and
- (iii) no contingent liabilities or other liabilities of the Fund has become or is likely to become enforceable within the year after the end of the financial year which, in the opinion of the Members, will or may substantially affect the ability of the Fund to meet its obligations as and when they fall due.

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

Auditor Independence

The Members have obtained an independence declaration from the Fund's auditor, Ernst & Young. A copy of the auditor's independence declaration is set out in the Auditor's Independence Declaration to the Members of iTaukei Trust Fund Board on page 6.

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

Dated this 24th day of July 2020.



David Kollitagane
Chairperson



Naibuka Saune
Member

ITAUKEI TRUST FUND BOARD MEMBERS' DECLARATION FOR THE YEAR ENDED 31 DECEMBER 2019

The Members of the Fund have made a resolution that declared:

- (a) in the Members' opinion, the financial statements and notes of the Fund for the financial year ended 31 December 2019:
 - (i) give a true and fair view of the financial position of the Fund as at 31 December 2019 and of the performance of the Fund for the year ended 31 December 2019; and
- (b) at the date of this declaration, in the Members' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

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



David Kolltagane
Chairperson



Naibuka Saune
Member

24 July 2020
Suva, Fiji.



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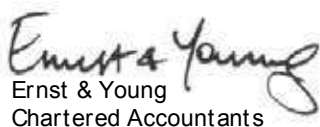
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Auditor's Independence Declaration to the Members of iTaukei Trust Fund Board

As lead auditor for the audit of iTaukei Trust Fund Board 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 iTaukei Trust Fund Board for the financial year.


Ernst & Young
Chartered Accountants


Sikeli Tuinamuana
Partner
Suva, Fiji

24 July 2020



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INDEPENDENT AUDITOR'S REPORT

To the members of iTaukei Trust Fund Board

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of iTaukei Trust Fund Board (the Fund), which comprise the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2019, and of its financial performance, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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 Fund 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 opinion.

Emphasis of Matter: Subsequent Events - Impact of the Coronavirus (COVID-19) Outbreak

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 Members 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 management and members are responsible for the other information. The other information comprises the information in the Fund's Annual Report for the year ended 31 December 2019 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 Members and management

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



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INDEPENDENT AUDITOR'S REPORT continued

Responsibilities of the Members and management continued

In preparing the financial statements, the Members and management are responsible for assessing the Fund'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 management and Members either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Members and management are responsible for overseeing the Fund'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.

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 Fund'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 and Members' 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 Fund'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 Fund 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 management and 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 management and Members 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.

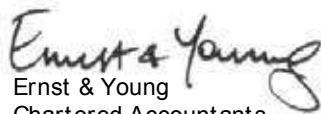


INDEPENDENT AUDITOR'S REPORT continued

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the iTaukei Trust Fund Act, in our opinion:

- a) Proper books of account have been kept by the Fund, so far as it appears from our examination of those books;
- b) the accompanying financial statements:
 - a. are in agreement with the books of account; and
 - b. to the best of our information and according to the explanations given to us, give the information required by the iTaukei Trust Fund Act in the manner so required.


Ernst & Young
Chartered Accountants


Sikeli Tuinamuana
Partner
Suva, Fiji

24 July 2020

ITAUKEI TRUST FUND BOARD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
Revenue from ordinary activities			
Dividends	8 (i)	4,351,197	4,318,872
Rental income		2,901,628	3,094,119
Interest - debt instruments	8 (ii)	605,858	399,018
Other interest income		90,129	12,102
Publication sales		50,244	79,034
Other income		96,936	124,752
Total revenue from ordinary activities		<u>8,095,992</u>	<u>8,027,897</u>
Expenses from ordinary activities			
Administration expenses	2 (i)	504,743	516,257
Depreciation and amortisation		534,736	500,349
Mandated outlays		607,346	442,929
Publication costs		60,809	35,416
Unrealised exchange loss		17,029	132,507
Other operating expenses	2 (ii)	4,932,559	2,050,888
		<u>6,657,222</u>	<u>3,678,346</u>
Net profit from ordinary activities		1,438,770	4,349,551
Finance costs			
Interest on term loan		97,526	364,675
Interest on lease liabilities		17,928	-
Net profit from operations		<u>1,323,316</u>	<u>3,984,876</u>
Income tax expense	1.6 (i)	-	-
Net profit after income tax		<u>1,323,316</u>	<u>3,984,876</u>
Other comprehensive income			
Net gain on re-measuring financial assets at fair value	6 (e)	125,146,259	85,504,845
Gain on disposal of equity instruments		54,337	233,336
Total comprehensive income		<u>126,523,912</u>	<u>89,723,057</u>

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

iTAUKEI TRUST FUND BOARD STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
Capital endowment fund			
Balance at 1 January		40,000,000	40,000,000
Balance at 31 December	15	<u>40,000,000</u>	<u>40,000,000</u>
Unrealised gains reserve			
Balance at 1 January		108,040,846	22,769,337
Net movement during the year	6 (e), 16	125,146,259	85,504,845
Gain on disposal of equity instruments	16	-	(233,336)
Balance at 31 December	16	<u>233,187,105</u>	<u>108,040,846</u>
Retained earnings			
Balance at 1 January		48,479,872	44,261,660
Gain on disposal of equity instruments	16 (i)	54,337	233,336
Net profit for the year		1,323,316	3,984,876
Balance at 31 December	16 (i)	<u>49,857,525</u>	<u>48,479,872</u>
Total equity		<u><u>323,044,630</u></u>	<u><u>196,520,718</u></u>

The accompanying notes form an integral part of this Statement of Changes in Equity.

ITAUKEI TRUST FUND BOARD

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
Non-current assets			
Receivables and other prepayments	4	679,779	629,384
Financial assets - equity instruments	6	267,894,093	142,904,084
Financial assets - debt instruments	7	1,990,211	1,922,196
Plant and equipment	9	162,345	228,856
Investment properties	10	36,563,124	40,092,960
Intangible assets	11	-	857
Right-of-use assets	22	306,425	-
Total non-current assets		307,595,977	185,778,337
Current assets			
Cash and cash equivalents	3	5,392,774	5,703,259
Receivables and other prepayments	4	761,668	987,479
Inventories	5	56,985	83,960
Financial assets - debt instruments	7	10,216,665	15,618,377
Total current assets		16,428,092	22,393,075
Total assets		324,024,069	208,171,412
Equity			
Capital endowment fund	15	40,000,000	40,000,000
Unrealised gains reserve	16	233,187,105	108,040,846
Retained earnings		49,857,525	48,479,872
Total equity		323,044,630	196,520,718
Current liabilities			
Interest bearing borrowings	13	-	1,031,865
Trade creditors and accruals	14	645,504	3,594,997
Lease liabilities	22	208	-
Employment benefit liability	12	23,537	22,109
Total current liabilities		669,249	4,648,971
Non-current liabilities			
Interest bearing borrowings	13	-	7,001,723
Lease liabilities	22	310,190	-
Total non-current liabilities		310,190	7,001,723
Total liabilities		979,439	11,650,694
Total equity and liabilities		324,024,069	208,171,412

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

iTAUKEI TRUST FUND BOARD STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Operating activities			
Net profit after income tax		1,323,316	3,984,876
<u>Adjustment to reconcile profit before tax to net cash flows</u>			
Non-cash:			
Depreciation and amortisation		534,736	500,349
Loss on disposal of property		3,140,202	-
Unrealised foreign exchange loss		18,173	155,488
Credit loss on trade and other receivables		6,676	15,485
Dividends reinvested		(52,789)	(48,793)
Interest added to principal of debt instruments		(182,503)	(210,095)
<u>Working capital adjustments:</u>			
Decrease/ (increase) in receivables and other prepayments		168,739	(472,514)
Decrease in inventories		26,975	7,959
(Decrease)/increase in trade creditors and accruals		(2,949,493)	942,209
Increase/ (decrease) in employee benefit liability		1,428	(4,155)
Net cash flows provided by operating activities		<u>2,035,460</u>	<u>4,870,809</u>
Investing activities			
Acquisition of plant and equipment		(2,052)	(166,623)
Payments for investment properties		(71,442)	(2,099,800)
Net proceeds from/ (payments for) investments in financial assets		5,762,547	(3,896,263)
Net cash flows from/ (used in) investing activities		<u>5,689,053</u>	<u>(6,162,686)</u>
Financing activities			
Net repayments of interest bearing borrowings		(8,033,588)	(986,601)
Net repayments of lease liabilities		(266)	-
Net cash flows used in financing activities		<u>(8,033,854)</u>	<u>(986,601)</u>
Net decrease in cash and cash equivalents		(309,341)	(2,278,478)
Cash and cash equivalents at 1 January		5,703,259	8,004,718
Unrealised exchange loss		(1,144)	(22,981)
Cash and cash equivalents at the end of the year	3	<u><u>5,392,774</u></u>	<u><u>5,703,259</u></u>

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

ITAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1.1 Corporate Information

The financial statements of iTaukei Trust Fund Board (the Fund) for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Members on 23rd July, 2020. iTaukei Trust Fund Board was established and domiciled in the Republic of Fiji in accordance with the iTaukei Trust Fund Act.

The principal activity of the Fund is described in Note 25.

1.2 Basis of preparation of the Financial Statements

The financial statements have been prepared on a historical cost basis except for some assets which are 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 iTaukei Trust Fund Board have been prepared in accordance with International Financial Reporting Standards (IFRS).

1.3 Significant accounting estimates and assumptions

The preparation of the Fund's financial statements requires management to make 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.

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation and uncertainty at the balance date, that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year is discussed below:

Impairment of non-financial assets

The Fund assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

1.4 Changes in accounting policy and disclosures

IFRS 16 Leases

The Fund applied IFRS 16 Leases for the first time. 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 Fund. The Fund has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

iTAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

1.4 Changes in accounting policy and disclosures continued

IFRS 16 Leases continued

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 Fund is the lessor.

The Fund 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 Fund elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Fund applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The effect of adoption IFRS 16 as at 1 January 2019 (increase) is, as follows:

	\$
Assets	
Right-of-use assets	310,664
Total assets	<u>310,664</u>
Liabilities	
Lease liabilities	310,664
Total liabilities	<u>310,664</u>
Total adjustment on equity	
Retained earnings	<u>-</u>

The Fund has lease contracts for land. Before the adoption of IFRS 16, the Fund classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 1.6 (j) Leased assets for the accounting policy prior to 1 January 2019.

Upon adoption of IFRS 16, the Fund 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 Fund.

ITAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

1.4 Changes in accounting policy and disclosures continued

IFRS 16 Leases continued

- Leases previously classified as finance leases

The Fund 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 Fund 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 an 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 Fund 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 assets 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.

Based on the above, as at 1 January 2019:

- Right-of-use assets of \$310,664 were recognised and presented separately in the statement of financial position.
- Additional lease liabilities of \$310,664 were recognised.
- The net effect of these adjustments had been adjusted to retained earnings (\$Nil).

iTAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

1.4 Changes in accounting policy and disclosures continued

IFRS 16 Leases continued

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

Assets	
Operating lease commitments as at 31 December 2018	1,155,587
Weighted average incremental borrowing rate as at 1 January 2019	7.00%
Lease liabilities as at 1 January 2019	310,664

1.5 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 Fund'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 Fund intends to adopt these amendments when they become effective. The amendments will not have any material impact on the Fund.

1.6 Summary of significant accounting policies

a) Foreign currencies

The financial statements are presented in Fiji dollars, which is the Fund's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance date. All differences are taken to the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as 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.

b) Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria is met; and excludes the cost of day to day servicing of an investment property. Subsequent to initial measurement, investment property is stated at cost less accumulated depreciation. The investment properties are depreciated at 1.25% while leasehold land is amortised over the lease period.

ITAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

1.6 Summary of significant accounting policies continued

b) Investment properties continued

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property is recognised in the statement of profit or loss and other comprehensive income in the year of retirement or disposal.

c) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria is met. 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:

Office equipment	12%to 40%
Furniture and fittings	12%to 15%
Motor vehicles	20%
Generator	12%

An item of 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 the statement of profit or loss and other comprehensive income in the year the asset is derecognised.

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

d) 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. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit or loss and other comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets for the Fund are assessed to be finite.

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 reviewed 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 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 and other comprehensive income in the expense category consistent with the function of the intangible assets.

Gain 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.

iTAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

1.6 Summary of significant accounting policies continued

e) Impairment of non-financial assets

The Fund assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Fund estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset 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 to sell, an appropriate value model is used.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Fund makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot 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 and other comprehensive income.

f) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Fund has applied the practical expedient, the Fund initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Fund has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (m) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

ITAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

1.6 Summary of significant accounting policies continued

f) Financial instruments - initial recognition and subsequent measurement continued

i) Financial assets continued

Initial recognition and measurement continued

The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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 Fund commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, the Fund's financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments); and
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Financial assets at amortised cost (debt instruments)

The Fund measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Fund's financial assets at amortised cost includes trade receivables, and other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

This category is most relevant to the Fund. Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Fund elected to classify its listed equity investments and other quoted instruments under this category.

iTAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

1.6 Summary of significant accounting policies continued

f) Financial instruments - initial recognition and subsequent measurement continued

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, loans and borrowings or payables, 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 Fund's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (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. For more information, refer to Note 13.

Derecognition

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.

iii) Offsetting of financial instruments

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

g) Cash and cash equivalents

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

h) Employment benefit liability

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

i) Taxes

The income of iTaukei Trust Fund Board is exempt from income tax under the Fiji Income Tax Act.

ITAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

1.6 Summary of significant accounting policies continued

j) Leased assets

Policy applicable from 1 January 2019

The Fund assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Fund as a lessee

The Fund applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Fund recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Fund recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

-	Land and buildings	60 to 85 years
---	--------------------	----------------

If ownership of the leased asset transfers to the Fund at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Fund recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Fund and payments of penalties for terminating the lease, if the lease term reflects the Fund exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Fund uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Fund's lease liabilities are presented in leases (see Note 22).

ITAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

1.6 Summary of significant accounting policies continued

j) Leased assets continued

Policy applicable from 1 January 2019 continued

iii) Short-term leases and leases of low-value assets

The Fund applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

Policy applicable before 1 January 2019

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Fund as a lessee

Finance leases, which transfer to the Fund substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liabilities so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the statement of profit or loss and other comprehensive income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Fund will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight line basis over the lease term.

Fund as a lessor

Leases where the Fund does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating 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.

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 Fund. 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) Value Added Tax (VAT)

Revenue, expenses and assets are recognised net of the amount of Value Added Tax except:

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

ITAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

1.6 Summary of significant accounting policies continued

m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividends

Revenue is recognised when the Fund's right to receive the payment is established.

Grants

Revenue is recognised when there is reasonable assurance that the grants will be received and the Fund will comply with the conditions attached to them.

n) Comparative figures

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

2. EXPENSES	2019	2018
(i) <u>Administration expenses</u>	\$	\$
Wages and salaries	439,913	420,337
Superannuation	44,013	41,549
Strategic plan	11,194	46,973
FNU levy	4,411	4,363
Other staff benefits	731	1,788
Staff amenities	4,481	1,247
	<u>504,743</u>	<u>516,257</u>
(ii) <u>Other operating expenses</u>		
Auditor's remuneration	7,788	7,350
Consultancy	46,655	34,995
Insurance	201,608	169,268
Legal claims and fees	535,643	913,406
Loss on disposal of investment property	3,140,202	-
Management fees - Fijian Property Trust Company Limited	104,371	104,371
Repairs and maintenance	310,136	224,924
Miscellaneous	586,156	596,574
	<u>4,932,559</u>	<u>2,050,888</u>
3. CASH AND CASH EQUIVALENTS	\$	\$
Cash at bank	5,391,774	5,703,059
Cash on hand	1,000	200
	<u>5,392,774</u>	<u>5,703,259</u>

Cash at bank earns interest at floating rates based on the daily bank deposit rates. The fair value of cash on hand and at bank is \$5.39 million (2018: \$5.7 million).

ITAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
4. RECEIVABLES AND OTHER PREPAYMENTS		
<u>Current</u>		
Rental debtors	213,769	491,106
Publication and other debtors	3,517	79,586
Less: allowance for expected credit loss	(50,169)	(43,492)
	<u>167,117</u>	<u>527,200</u>
Interest and dividend receivable	415,399	321,333
VAT receivable	145,363	121,108
Other debtors	25,713	11,204
	<u>753,592</u>	<u>980,845</u>
Other deposits and prepayments	8,076	6,634
	<u>761,668</u>	<u>987,479</u>
<u>Non-current</u>		
Other deposits and prepayments	679,779	629,384
Total receivables and other prepayments	<u>1,441,447</u>	<u>1,616,863</u>
At 31 December, the ageing analysis of receivables is as follows:		
Neither past due nor impaired	1,252,218	1,078,459
< 30 days	4,885	404,587
30 - 90 days	157,422	97,460
> 90 days	77,091	79,849
Total	<u>1,491,616</u>	<u>1,660,355</u>
5. INVENTORIES	\$	\$
Publications	<u>56,985</u>	<u>83,960</u>
During the year ended 31 December 2019, \$Nil was recognised as an expense for inventories carried at net realisable value (2018: \$813).		
6. FINANCIAL ASSETS - EQUITY INSTRUMENTS		
Holding		
(a) <u>Shares listed on the South Pacific Stock Exchange</u>	\$	\$
5,000,000 Amalgamated Telecom Holdings Limited	16,700,000	16,000,000
104,054 BSP Convertible Notes Limited (Fiji class shares)	2,705,404	1,300,675
200,000 Future Forests Fiji Limited (FFFL)	196,000	196,000
100,000,000 Fijian Holdings Limited	154,000,000	85,000,000
1,000,000 Pacific Green Industries (Fiji) Limited	1,080,000	1,080,000
20,000,000 R B Patel Group Limited	74,000,000	22,800,000
	<u>248,681,404</u>	<u>126,376,675</u>
Less: provision for impairment - FFFL	(196,000)	(196,000)
	<u>248,485,404</u>	<u>126,180,675</u>

During the year, the shares in R B Patel Company Limited were split in a ratio of 1:5 shares which resulted in an increase in the number of share holding in R B Patel Company to 20,000,000 shares (2018: 4,000,000 shares). Also, Fijian Holdings Limited's shares were split into a ratio of 1:10 increasing the share holding to 100,000,000 shares (2018: 10,000,000 shares).

ITAUKAI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

6. FINANCIAL ASSETS - EQUITY INSTRUMENTS continued		2019	2018
(b)	<u>Shares listed on the Australian Stock Exchange</u>	\$	\$
37,143	ALS Limited	503,206	374,190
20,000	Amcor PLC	459,563	393,759
30,567	ANZ Banking Group Limited	1,111,076	1,110,949
19,660	Australian Foundation Invest Company Limited	206,291	175,275
20,000	BHP Group Limited	1,148,760	1,017,236
10,000	Caltex Australia Limited	501,034	378,603
12,522	Commonwealth Bank of Australia Limited	1,476,547	1,346,906
2,000	CSL Limited	813,931	550,252
20,000	Dulux Group Limited	-	194,949
3,000	Flight Centre Travel Group Limited	195,070	191,322
5,000	Macquarie Group Limited	1,017,193	807,206
15,358	Monadelphous Group Limited	378,057	314,235
23,220	National Australia Bank Limited	844,021	830,469
100,000	Orora Limited	469,303	456,165
12,000	Pendal Group Limited	152,125	142,110
107,500	Qube Holdings Limited	521,952	405,720
4,550	Ramsay Health Care Limited	487,030	390,300
15,000	Reece Limited	253,690	221,769
5,034	Rio Tinto Limited	745,888	586,951
10,000	Seek Limited	332,793	251,413
100,000	Sydney Airport Stapled Security	1,278,041	1,000,000
273,400	Telstra Corporation Limited	1,428,329	1,157,785
44,477	Transurban Group Stapled Securities	978,679	769,921
30,000	Virgin Money UK PLC	154,516	148,440
10,000	Washington H Soul Pattinson & Company Limited	317,296	369,836
16,000	Westfarmers Limited	977,568	766,003
12,000	Westpac Banking Corporation	429,103	446,477
10,000	Woolworths Limited	533,648	437,148
5,572	Worley Limited	125,896	94,553
		<u>17,840,606</u>	<u>15,329,942</u>
(c)		\$	\$
863,900	Fijian Holdings Unit Trust	891,480	753,101
225,309	Unit Trust of Fiji - Income	243,532	233,850
165,170	Unit Trust of Fiji - Income & Growth	433,071	406,516
		<u>1,568,083</u>	<u>1,393,467</u>
	Total financial assets - equity instruments	<u>267,894,093</u>	<u>142,904,084</u>

iTAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

6. FINANCIAL ASSETS - EQUITY INSTRUMENTS continued

(d) Unit Trust continued

The Fund has investments in listed equity and debt securities. The fair value of the quoted equity shares is determined by reference to published price quotations in an active market.

The Fund assesses at each reporting date whether there is objective evidence that an investment is impaired. Objective evidence would include significant or prolonged decline in the fair value of the investment below its cost. The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Fund evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

	2019	2018
	\$	\$
(e) <u>Movement in value of financial assets</u>		
Net market value adjustment	125,231,145	85,992,239
Net exchange rate movement	(84,886)	(487,394)
Net gain on remeasuring financial assets	<u>125,146,259</u>	<u>85,504,845</u>

7. FINANCIAL ASSETS - DEBT INSTRUMENTS

Holding

	\$	\$
(a) <u>Term deposits</u>		
Bank of South Pacific Limited	6,398,849	4,276,873
Credit Corporation (Fiji) Limited	-	1,714,349
Fiji Development Bank	-	300,000
Home Finance Company Ltd	2,317,816	300,000
Merchant Finance Limited	-	2,130,280
Westpac Banking Corporation	1,500,000	6,896,875
	<u>10,216,665</u>	<u>15,618,377</u>
(b) <u>Australian listed interest securities</u>	\$	\$
750 AGL Energy subordinated notes	-	111,441
2,000 Commonwealth Bank of Australia PERLS	295,160	297,177
125,000 Gryphon Capital Income Trust	370,794	373,328
125,000 MCP Master Income Trust	368,949	-
1,000 National Australia Bank Limited subordinated notes	147,579	148,588
125,000 NB Global Corporate Trust Income Limited	368,950	371,471
1,071 Peet Limited retail bonds	168,523	169,676
75,569 Perpetual Credit Income Trust	122,677	-
1,000 Qube Holdings Limited subordinated notes	147,579	148,588
1,950 Villa World Limited retail bonds	-	301,927
	<u>1,990,211</u>	<u>1,922,196</u>
Total financial assets - debt instruments	<u>12,206,876</u>	<u>17,540,573</u>
Current	10,216,665	15,618,377
Non-current	1,990,211	1,922,196
	<u>12,206,876</u>	<u>17,540,573</u>

ITAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

8. INCOME GENERATED FROM INVESTMENTS 2019 2018

(i) Dividends

Name of company	Location	Income earned	
Details of investments		\$	\$
<u>Shares listed on the South Pacific Stock Exchange</u>			
Amalgamated Telecom Holdings Limited	Fiji	125,000	225,000
BSP Convertible Notes Limited (Fiji class shares)	Fiji	96,437	85,356
Pacific Green Industries (Fiji) Limited	Fiji	-	40,000
R B Patel Group Limited	Fiji	760,000	680,000
Fijian Holdings Limited		2,460,000	2,440,000
		3,441,437	3,470,356

Name of company	Location	Income earned	
Details of investments			
<u>Shares listed on the Australian Stock Exchange</u>			
ALS Limited	Aust.	12,535	11,295
Amcor PLC	Aust.	23,929	27,035
ANZ Banking Group Limited	Aust.	71,730	74,895
Australian Foundation Invest Company Limited	Aust.	9,290	7,241
BHP Group Limited	Aust.	98,753	48,684
Caltex Australia Limited	Aust.	13,763	18,020
Commonwealth Bank of Australia Limited	Aust.	79,501	82,872
CSL Limited	Aust.	7,839	6,963
Dulux Group Limited	Aust.	12,697	-
Flight Centre Travel Group Limited	Aust.	13,635	-
Macquarie Group Limited	Aust.	44,779	41,029
Medibank Private Limited	Aust.	-	27,657
Monadelphous Group Limited	Aust.	10,885	14,532
National Australia Bank Limited	Aust.	56,532	70,406
Orora Limited	Aust.	19,217	19,171
Pendal Group Limited	Aust.	7,929	9,438
Qube Holdings Limited	Aust.	10,643	12,276
Ramsay Health Care Limited	Aust.	10,157	9,984
Reece Limited	Aust.	4,492	-
Rio Tinto Limited	Aust.	66,718	53,986
Seek Limited	Aust.	6,792	-
Sydney Airport Stapled Security	Aust.	47,772	46,766
Telstra Corporation Limited	Aust.	64,496	92,444
Transurban Group Stapled Securities	Aust.	37,970	33,137
Virgin Money UK PLC	Aust.	2,508	815
Washington H Soul Pattinson & Company Limited	Aust.	8,533	-
Westfarmers Limited	Aust.	65,940	38,692
Westpac Banking Corporation	Aust.	30,638	34,548
Woolworths Limited	Aust.	15,041	15,700
Worley Limited	Aust.	2,257	2,136
		856,971	799,722

iTAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
		\$	\$
8. INCOME GENERATED FROM INVESTMENTS continued			
(i) <u>Dividends continued</u>			
	Name of company	Location	Income earned
Details of investments			
<u>Unit Trusts</u>			
	Fijian Holdings Unit Trust	Fiji	30,199
	Unit Trust of Fiji - Income	Fiji	12,908
	Unit Trust of Fiji	Fiji	9,682
			52,789
	Total dividends		4,351,197
			4,318,872
(ii) <u>Interest - debt instruments</u>		\$	\$
	Name of company	Location	Income earned
Details of investments			
<u>Term deposits</u>			
	Bank of South Pacific Limited	Fiji	289,505
	Credit Corporation (Fiji) Limited	Fiji	4,016
	Fiji Development Bank	Fiji	1,890
	Home Finance Company Ltd	Fiji	100,085
	Merchant Finance Limited	Fiji	10,227
	Westpac Banking Corporation	Fiji	93,448
			499,171
			311,362
<u>Interest - debt instruments</u>			
	Name of company	Location	Income earned
Details of investments			
<u>Australian listed securities</u>			
	AGL Energy subordinated notes	Aust.	2,813
	APT Pipelines Ltd Notes	Aust.	-
	Colonial Holding Company Limited	Aust.	11,162
	Gryphon Capital Income Trust	Aust.	16,146
	MCP Master Income Trust	Aust.	8,009
	National Australia Bank Limited subordinated notes	Aust.	5,435
	NB Global Corporate Trust Income Limited	Aust.	22,563
	Peet Limited retail bonds	Aust.	11,820
	Perpetual Credit Income Trust	Aust.	2,639
	Qube Holdings Limited subordinated notes	Aust.	7,846
	Suncorp Group Limited subordinated notes	Aust.	-
	Villa World Limited retail bonds	Aust.	18,254
			106,687
			87,656
	Total interest		605,858
			399,018

ITAUKEI TRUST FUND BOARD
NOTES TO THE FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2019

9. PLANT AND EQUIPMENT

	Office equipment	Furniture and fittings	Motor vehicles	Generator	Total
	\$	\$	\$	\$	\$
Cost					
At 1 January 2018	618,787	141,645	90,100	122,641	973,173
Additions	5,272	1,113	200,567	-	206,952
Disposals	(1,595)	(121)	(90,100)	-	(91,816)
At 31 December 2018	622,464	142,637	200,567	122,641	1,088,309
Additions	1,906	146	-	-	2,052
Disposals	(513,633)	-	-	-	(513,633)
At 31 December 2019	110,737	142,783	200,567	122,641	576,728
Depreciation					
At 1 January 2018	586,144	107,523	90,100	122,641	906,408
Depreciation charge for the year	15,344	9,739	19,778	-	44,861
Disposals	(1,595)	(121)	(90,100)	-	(91,816)
At 31 December 2018	599,893	117,141	19,778	122,641	859,453
Depreciation charge for the year	12,801	9,199	40,115	-	62,115
Disposals	(507,185)	-	-	-	(507,185)
At 31 December 2019	105,509	126,340	59,893	122,641	414,383
Net book value:					
At 31 December 2019	5,228	16,443	140,674	-	162,345
At 31 December 2018	22,571	25,496	180,789	-	228,856

As at 31 December 2019, the gross carrying amount of fully depreciated property, plant and equipment that are still in use is \$281,265 (2018: \$757,907).

iTAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
10. INVESTMENT PROPERTIES		
At 1 January	44,216,569	39,697,689
Additions	71,441	4,518,880
Disposal	(3,604,568)	-
At 31 December	<u>40,683,442</u>	<u>44,216,569</u>
Depreciation and amortisation		
At 1 January	4,123,609	3,682,388
Depreciation and amortisation charge for the year	467,525	441,221
Disposal	(470,816)	-
At 31 December	<u>4,120,318</u>	<u>4,123,609</u>
	<u>36,563,124</u>	<u>40,092,960</u>

The property rental income earned by the Fund from its investment properties amounted to \$2,919,213 (2018: \$3,094,119).

On 11 December 2019, an investment property (Vale ni Bose) held by the Fund was destroyed in a fire. The property's written down value was \$3,133,752. The property is covered under insurance.

	\$	\$
Rental income derived from investment properties	2,901,628	3,094,119
Direct operating expenses generating rental income	(603,359)	(815,139)
Direct operating expenses that did not generate rental income	(1,423,855)	(1,741,563)
Net profit arising from investment properties carried at cost	<u>874,414</u>	<u>537,417</u>

The Fund has elected to value investment properties at cost. Investment properties are depreciated at 1.25% while leasehold land is amortised over the lease period.

	\$	\$
11. INTANGIBLE ASSETS		
Cost		
At 1 January	147,752	147,752
At 31 December	<u>147,752</u>	<u>147,752</u>
Amortisation		
At 1 January	146,895	132,631
Amortisation	857	14,264
At 31 December	<u>147,752</u>	<u>146,895</u>
Net book value	<u>-</u>	<u>857</u>
12. EMPLOYMENT BENEFIT LIABILITY		
At 1 January	22,109	26,264
Credited/(utilised) during the year	1,428	(4,155)
At 31 December	<u>23,537</u>	<u>22,109</u>

ITAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

13. INTEREST BEARING BORROWINGS	\$	\$
<u>Current</u>		
Secured loan - Westpac Banking Corporation	-	1,031,865
<u>Non-current</u>		
Secured loan - Westpac Banking Corporation	-	7,001,723

During the year, the Fund settled in full the outstanding loan account balance of \$8 million which was repayable by monthly instalments of \$114,392 for 10 years at an interest rate of 4.25% per annum.

14. TRADE CREDITORS AND ACCRUALS	\$	\$
Trade creditors and accruals	371,113	321,466
Rental deposits	49,166	51,853
Revenue received in advance	157,223	153,676
Retention account	68,002	3,068,002
	<u>645,504</u>	<u>3,594,997</u>

Terms and conditions of the above financial liabilities:

- Trade payables and accruals are non-interest bearing and are normally settled on 30-60 day terms.
- The retention account relates to amounts retained by the Fund for the construction of the BLV and accrual for legal claims.

15. CAPITAL ENDOWMENT FUND	\$	\$
Capital endowment fund	<u>40,000,000</u>	<u>40,000,000</u>

This Capital Endowment Fund represents the funds provided to establish the Fund.

16. RESERVES	\$	\$
Unrealised gains reserve		
Balance at 1 January	108,040,846	22,769,337
Net movement during the year	125,146,259	85,504,845
Gain on disposal of equity instruments	-	(233,336)
Balance at 31 December	<u>233,187,105</u>	<u>108,040,846</u>

- (i) The net movement for the year reflects the net change in fair value of equity instruments during the year when marked to quoted prices at 31 December.

Retained earnings		
Balance at 1 January	48,479,872	44,261,660
Gain on disposal of equity instruments	54,337	233,336
Net profit for the year	<u>1,323,316</u>	<u>3,984,876</u>
Transfer to available-for-sale reserve	<u>49,857,525</u>	<u>48,479,872</u>

- (ii) In accordance with IFRS 9, the cumulative gain or loss on disposal of equity instruments designated as fair value through Other Comprehensive Income are transferred directly to Retained Earnings and not recycled back to Profit and Loss.

iTAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

17. CAPITAL COMMITMENTS	2019	2018
	\$	\$
Capital expenditure commitments	<u>1,202,000</u>	<u>1,202,000</u>
Capital expenditure commitment of \$1.202 million relates to the following:		
- Consultancy fees for Phase 2 development at Draiba Complex		

18. CONTINGENT LIABILITIES

2019:	Nil
2018:	Nil

19. OPERATING LEASE INCOME

The Fund has entered into commercial property leases on its investment property portfolio. Operating lease relates to rental income from building space rented out to Government Ministries, Carlson Hotels (Fiji) Limited and Union Plaza. These non-cancellable leases have remaining terms of between two to sixteen years.

<u>Non-cancellable operating lease receivables</u>	\$	\$
Within one year	2,163,437	1,786,135
After one year but not more than five years	8,068,595	6,379,532
More than five years	<u>7,990,924</u>	<u>8,423,622</u>
	<u>18,222,956</u>	<u>16,589,289</u>

20. FUTURE LEASE RENTAL EXPENSES

The future lease rentals payable for leasehold land, which have not been provided for in the accounts are as follows:

	\$	\$
Within one year	-	18,194
After one year but not more than five years	-	72,776
More than five years	-	<u>1,064,617</u>
	-	<u>1,155,587</u>

ITAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

21. RELATED PARTY TRANSACTIONS

(a) Members

The members of the Fund at any time during the financial year and up to the date of this report are as follows:

David Kolitagane - Chairperson

Emi Rabukawaqa

Fatiaki Misau

Peni Cavuilagi

Preetika Prasad (1st term appointment ended 31 October 2019, re-appointment consideration in process at the date of this report)

Naipote Katonitabua (resigned on 31st January 2019)

Naibuka Saune

Meleti Bainimarama (appointed on 1st February 2019)

	2019	2018
	\$	\$
(b) Compensation of key management personnel		
Short term employee benefits	<u>143,000</u>	<u>158,718</u>
(c) Transactions with other related entities		
Member fees	<u>42,500</u>	<u>48,583</u>

22. LEASES

Fund as a lessee

	Land
	\$
As at 1 January 2019	310,664
Depreciation expense	(4,239)
As at 31 December 2019	<u>306,425</u>

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

	2019
	\$
As at 1 January	310,664
Accretion of interest	17,928
Payments	(18,194)
As at 31 December	<u>310,398</u>
Current	208
Non-current	310,190
The following are the amounts recognised in profit or loss:	\$
Depreciation expense of right-of-use assets	4,239
Interest expense on lease liabilities	17,928
Total amount recognised in profit or loss	<u>22,167</u>

The Fund had total cash outflows for leases of \$18,194 in 2019. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 20.

iTAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The main risk arising from the Fund's financial statements are foreign currency risk, interest rate risk and liquidity risk. The Members review and agree on policies for managing each of these risks which are summarised below.

Foreign currency risk

The Fund has transactional currency exposures. Such exposures arise from investments by the Fund in currency other than Fijian dollars. The majority of investments are made in Australian dollars (AUD).

The following table demonstrates the sensitivity to a reasonably possible change in the AUD rate, with all other variables held constant, of the Fund's profit before tax.

	Increase / (decrease) in AUD rate	Effect on profit before tax \$
2019	+1%	(14,015)
	-1%	14,435
2018	+1%	(12,992)
	-1%	13,384

Interest rate risk

The Fund's exposure to the risk of changes in market interest rates relates primarily to the Fund's interest bearing facility and investment in debt securities.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance date:

	Increase / (decrease) in interest rate	Effect on profit before tax \$
2019	+1%	-
	-1%	-
2018	+1%	(3,647)
	-1%	3,647

Liquidity risk

The table below summarises the maturity profile of the Fund's financial liabilities at 31 December 2019 and 31 December 2018 based on contractual undiscounted payments. This includes the interest bearing borrowings, employment benefit liability and trade payables and accruals.

	2019 \$	2018 \$
On demand	439,115	3,389,468
Within one year	206,389	1,237,394
After one year but not more than five years	-	5,761,947
More than five years	-	1,239,776
Total	<u>645,504</u>	<u>11,628,585</u>

ITAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

24. FINANCIAL INSTRUMENTS

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

	Carrying value	Fair value
	2019	2019
Financial assets	\$	\$
Cash and cash equivalents	5,392,774	5,392,774
Financial assets - equity instruments	267,894,093	267,894,093
Financial assets - debt instruments	12,206,876	12,206,876
Receivables and other prepayments	1,441,447	1,441,447
	<u>1,441,447</u>	<u>1,441,447</u>
Financial liabilities	\$	\$
Trade creditors and accruals	645,504	645,504
Employment benefit liability	23,537	23,537
	<u>23,537</u>	<u>23,537</u>
	Carrying value	Fair value
	2018	2018
Financial assets	\$	\$
Cash and cash equivalents	5,703,259	5,703,259
Financial assets - equity instruments	142,904,084	142,904,084
Financial assets - debt instruments	17,540,573	17,560,936
Receivables and other prepayments	1,616,863	1,495,756
	<u>1,616,863</u>	<u>1,495,756</u>
Financial liabilities	\$	\$
Trade creditors and accruals	3,594,997	3,594,997
Employment benefit liability	22,109	22,109
Interest bearing borrowings	8,033,588	8,033,588
	<u>8,033,588</u>	<u>8,033,588</u>

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

25. PRINCIPAL BUSINESS ACTIVITY

The principal activity of the Fund Board during the financial year was the managing of the Fund by creating and maintaining a diversified portfolio comprising asset classes that will provide optimum return to the Fund for the beneficiaries of the Fund.

The objects and purposes of iTaukei Trust Fund Board are set out in Act No. 15 of 2004 and are to fund the promotion and sponsoring of programmes on iTaukei and Rotuman languages and culture; fund to help develop the management, leadership and entrepreneurial skills of iTaukei and Rotumans; sponsor research into languages, art and culture of iTaukei and Rotumans; and any other purposes approved by the Board as advantageous to the beneficiaries.

iTAUKEI TRUST FUND BOARD

NOTES TO THE FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 DECEMBER 2019

26. SIGNIFICANT EVENT

On 11 December 2019, an investment property (Vale ni Bose) held by the Fund was destroyed in a fire. The property's written down value was \$3,133,752. The property is covered under insurance.

27. 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 Fund 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 than the matter above, 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, in the opinion of the Members of the Fund, to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund in the subsequent financial year.

28. FUND DETAILS

iTaukei Trust Fund Board was incorporated under the iTaukei Trust Fund Act 2004 which was enacted by the Parliament of Fiji on 4th November 2004.

Place of operation

Veivueti House
87 Queen Elizabeth Drive
PO Box 2327
Government Buildings
Suva



iTAUKEI TRUST FUND BOARD

DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2019

Disclaimer on additional Financial Information

The additional financial information, being the attached detailed income statement, is compiled by the Board of iTaukei Trust Fund Board.

To the extent permitted by law, Ernst & Young does not accept liability for any loss or damage which any person, other than iTaukei Trust Fund Board 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.

ITAUKEI TRUST FUND BOARD DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
Revenue from ordinary activities			
Dividends	8 (i)	4,351,197	4,318,872
Interest - bank		90,129	12,102
Interest - debt instruments	8 (ii)	605,858	399,018
Other income		96,936	124,752
Publication sales		50,244	79,034
Rental income		2,901,628	3,094,119
Total revenue from ordinary activities		8,095,992	8,027,897
Expenses from ordinary activities			
<u>Administration expenses:</u>			
FNU levy		4,411	4,363
Other staff benefits		731	1,788
Staff amenities		4,481	1,247
Strategic plan		11,194	46,973
Superannuation		44,013	41,549
Wages and salaries		439,913	420,337
Total administration expenses		504,743	516,257
Depreciation and amortisation		534,736	500,349
Mandated outlays		607,346	442,929
Publication costs		60,809	35,416
Unrealised exchange loss		17,029	132,507
<u>Other operating expenses:</u>			
Auditors' remuneration		7,788	7,350
Consultancy		46,655	34,995
Insurance		201,608	169,268
Legal claims and fees		535,643	913,406
Loss on disposal of investment property		3,140,202	-
Management fees - Fijian Property Trust Company Limited		104,371	104,371
Repairs and maintenance		310,136	224,924
Miscellaneous expenses			
Annual report		7,693	8,875
Bank and interest charges		3,039	1,439
City rates		53,466	52,906
Cleaning		77,030	80,075
Computer expenses		14,186	14,514
Doubtful debts		6,676	15,485
Electricity		35,617	38,043
FNU levy		420	491
Fringe benefit tax		777	1,028
Fuel		18,478	21,154

The Detailed Income Statement is to be read in conjunction with the disclaimer set out on page 56.

ITAUKEI TRUST FUND BOARD

DETAILED INCOME STATEMENT continued

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Expenses from ordinary activities continued			
Other operating expenses continued:			
Miscellaneous expenses continued			
General expense		52,504	12,250
Hire expense		3,238	1,514
Land rent		-	18,194
License fees		3,718	3,510
Loan administration expense		6,607	21,429
Member fees		42,500	48,583
Secretariat and accounting fees		55,000	55,000
Security		131,665	128,106
Stationery, printing and office supplies		5,831	6,485
Telephone and internet		16,659	14,142
Travel, accommodation and entertainment		7,022	5,747
Valuations		3,700	7,500
Water		3,437	3,482
Wealth and fees		36,143	35,547
Website design		750	1,075
Total miscellaneous expenses		586,156	596,574
Total other operating expenses		4,932,559	2,050,888
Total expenses from ordinary activities		6,657,222	3,678,346
Net profit from ordinary activities		1,438,770	4,349,551
Finance costs			
Interest on loan		97,526	364,675
Interest on lease liabilities		17,928	-
Net profit from operations		1,323,316	3,984,876
Income tax expense	1.6 (i)	-	-
Net profit after income tax		1,323,316	3,984,876
Other comprehensive income			
Gain on remeasuring available for sale financial assets		125,146,259	85,504,845
Gain on disposal of equity instruments		54,337	233,336
Total comprehensive income		126,523,912	89,723,057

The Detailed Income Statement is to be read in conjunction with the disclaimer set out on page

CORPORATE GOVERNANCE STATEMENT

Board members Responsibilities

- protect and enhance the Fund's value
- set and review Trust strategies and strategic direction
- monitor operating and financial performance
- risk management
- achieve objectives and purpose of the iTaukei Trust Fund Board (TTFB)
- report to stakeholders

Board Structure

Comprising eight Members appointed by the Minister for iTaukei Affairs:

- one member who is a Legal Practitioner registered under the Legal Practitioners Act 1997
- one member who must be a Chartered Accountant in public practice registered under the Fiji Institute of Accountants Act (Cap 259)
- one member with suitable qualification and experience as an economist or other relevant qualifications

Board Meeting

- target of eleven meetings a year
- additional meeting held as required

Committees

- Board Members do not delegate major decisions to committees
- committees are responsible for considering detailed issues and making recommendations to the Board

Investment Sub-Committee

- eleven meetings a year
- establishing of investment strategies
- assist the Board in identifying and assessing investment opportunities
- monitor risks and investment performances
- Review the investment manual on policy and procedures as and when required

Language and culture sub-committee

- minimum of four meetings a year
- to assist in developing means of preserving and promoting Fijian language, culture and heritage
- establishing framework, strategies and plan
- assist in developing a partnership approach with various local, regional and international organization

Scholarship Committee

- minimum of two meetings a year
- to conduct interviews and make recommendations to the Board
- to review the Manual as and when required

Standards

- formal review of Board performance
- active participation by all Members at all meetings
- open access to information
- independent professional advice is available to all Members
- formal code of conduct adopted

YAVU NI VEIQARAVI

iTavi ni lewe ni Matabose

- maroroya ka vakaikuritaka na iLavo Maroro
- tuvana ka vakadilo na tuvatuva kei na vanua e sa mua kina
- yadrava na qaravi itavi kei na rawaka vakailavo
- vakatulewa matau ena bolebole eso ni veiqaravi
- rawata na lalawa kei na inaki ni Matabose ni iLavo Maroro ni iTaukei (MLMT)
- vakasavui itukutuku vei ira era sema vakacacaka ki na MLMT

Lewe ni Matabose

Na Minista ni Veika Vakaitaukei me vakatikora e walu na lewe ni Matabose:

- dua me daunilawa volayaca ena Legal Practitioners Act 1997.
- dua me daunifika veiqaravi raraba volayaca ena Fiji Institute of Accountants Act (Cap 259)
- dua me vakaivola ka kila vinaka na bula vakailavo se me vakaivola ena tabana yaga tale eso

Bose ni Matabose

- namaki me tinikadua na bose ena dua na yabaki
- kacivi tale na bose kevaka e gadrevi

Komiti

- na leweni Matabose e sega ni dau vakacolata na komiti na vakatulewa lelevu eso
- na itavi ni komiti me dikeva na veika matailalai qai biuta na nona vakatutu ki na Matabose.

Komiti Lailai ni Vakatubuilavo

- bose vakatinikadua ena dua na yabaki
- navuca na sala eso ni vakatubuilavo
- vukea na Matabose ena kena vakasaqarai ka dikevi na vanua eso ni vakatubuilavo
- yadrava na bolebole eso kei na ituvaki ni vakatubuilavo
- railesuva ena gauna e gadrevi kina na ivakarau kei na iwalewale ni vakatubuilavo ena kena ivola dusidusi

Komiti ni Vosa kei na iTovo Vakaviti

- rauta ni va na bose ena dua na yabaki
- vukea na kena tarai cake na sala eso me maroro ki tutaki kina na vosa vakaviti, itovo kei na iyaunivanua
- navuca na ituvatuva, ivakarau kei na inakinaki
- vukea na kena taraicake na cakacaka vata kei ira na isoqosoqo e Viti, Pasifika kei na veiyasai vuravura

Komiti ni Sikolasivi

- rauta ni rua na bose ena dua na yabaki
- me qarava na nodra vakatarogi na kere sikolasivi ka solia na nona vakatutu ki na Matabose
- me railesuva na ivola dusidusi ni soli sikolasivi ena gauna e sa gadrevi kina

Na iVakatagedegede ni Cakacaka

- dikevi vakamatau ni veiqaravi ni Matabose
- vakaitavi ni lewe ni Matabose yadua ena bose taucoko
- vakarawarawataki na itukutuku
- vakarautaki na nodra ivakasala na kenadau vei ira na lewe ni Matabose
- vakabau na idusidusi ni veiqaravi matau formal code of conduct adopted



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