

VB HOLDINGS LTD

ANNUAL REPORT 2008

Fleet & Property Management





MISSION

THROUGH THE RIGHT FOCUS AND BUSINESS STRATEGY, WE AIM TO DELIVER ON OUR PROMISE TO BE PREFERRED ASSETS MANAGEMENT COMPANY

CORPORATE GOAL

MAXIMISE VALUE OF OUR BUSINESS AND ENSURE CONSISTANT RETURN TO OUR SHAREHOLDERS WITH THE SUCCESSFUL MANAGEMENT OF OUR TWO CLASSES OF ASSETS

OUR 3 PRONGED STRATEGY

CONTINUES BUSINESS IMPROVEMENT

- RESTORING OPERATIONAL EXCELLENCE AND PROFIT GROWTH IN FLEET MANAGEMENT
- GROWTH INITIATIVES IN PROPERTY MANAGEMENT
- FUTURE STRENGTHENING OF SHAREHOLDERS WEALTH & STAKEHOLDERS INTEREST

BUSINESS CULTURE

- CREATE ACCOUNTABILITY
- CONTINUE GROWTH OF SHAREHOLDERS' VALUE

SUSTAINABLE GROWTH

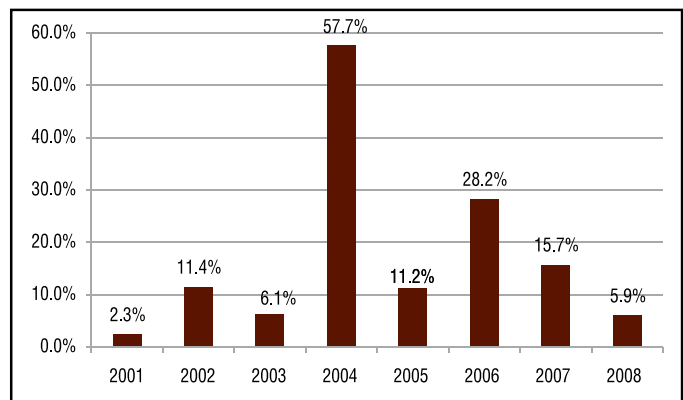
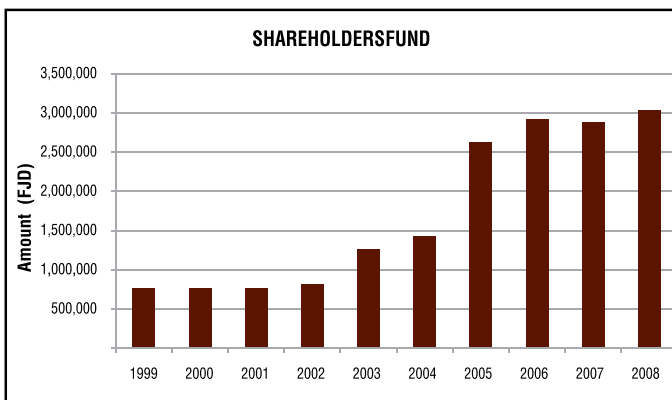
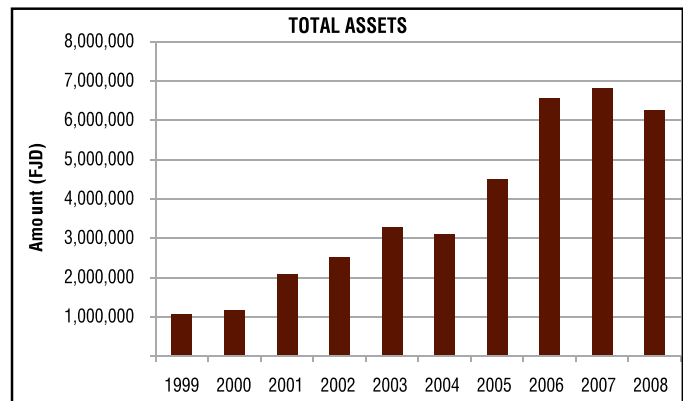
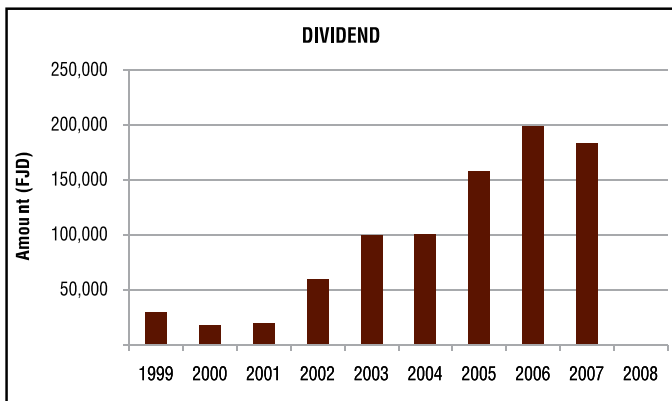
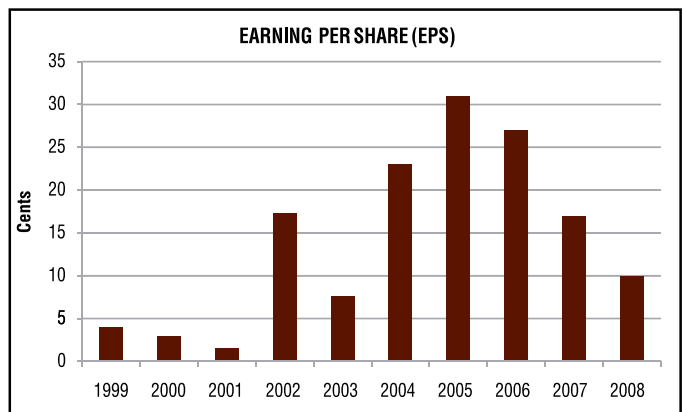
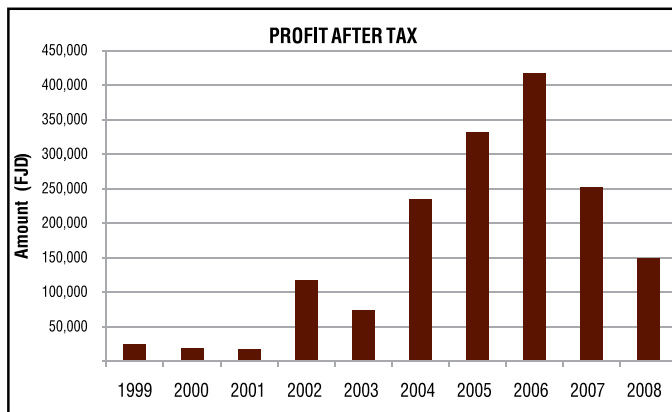
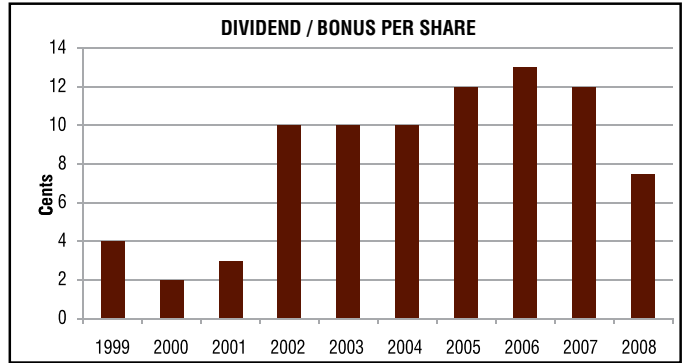
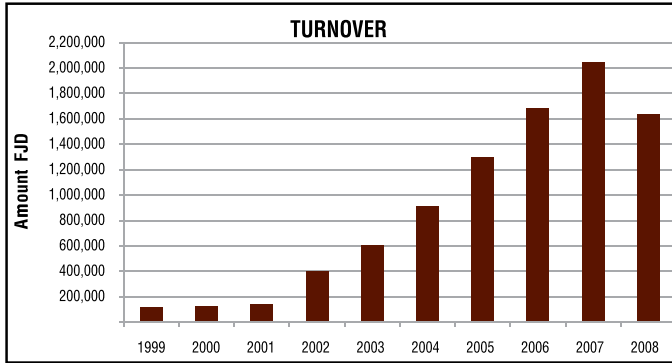
- STRONG EXPANSION OF BOTH CLASSES OF ASSETS
- INVESTING FOR FUTURE

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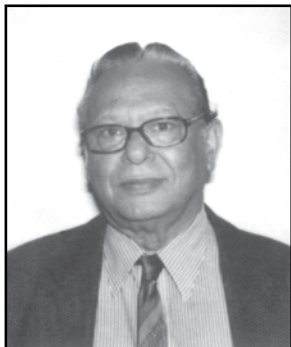


FINANCIAL HIGHLIGHTS





CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT



N. S. Niranjana
Chairman



Nitish Niranjana
Chief Executive

It gives us pleasure to present our esteemed shareholders with the Annual Report and Audited Financial Statements of VB Holdings Limited for the year 2008. VBL has once again been able to post a profit for the financial year 2008, despite significant drop in revenue and also with a tough operating environment.

OPERATING ENVIRONMENT

During the year the world economy started a free-fall into what been described as the worst financial crisis since the Great Depression. Further, prices increased for natural resources, especially petroleum products which have since decreased towards the end of the year, which has had a huge impact on the world economy and on Fiji.

The volatile political & economic environment experienced during the year, led Fiji economy to a growth of 1.2 % and the period ahead remains low and uncertain. Tightening the controls of monetary policies including increasing country's interest rates and inflation still at significant high levels has also had an impact on Fiji's economy, particularly on the corporate sector.

FINANCIAL RESULTS

The financial results for VBL for 2008 shows a 46% reduction in pre-tax profit to \$196,210 versus \$366,584 achieved the preceding year, was disappointing but not entirely unexpected against a challenging commercial and operational environment.

Revenue decreased by \$410,947 to \$1,634,233 (-20%) and expenditure decreased by \$240,573 to \$1,438,023 (-14%) compared to prior year. Fleet management division recorded a negative growth for the first time in the history since listing on the SPSE in 2001.

Profit after tax was \$150,234 which represents a decrease of 40% compared with previous year's results.

FLEET MANAGEMENT

Year 2008, fleet management division recorded revenue of \$ 1.4m against \$1.8m in prior year. This is a 21% reduction in revenue. However, fleet management division still contributed 88% to the total business of the Company. At the balance sheet date, total fleet assets value was \$ 2.8m.

Business has been significantly down compared to last year due to tough market conditions; however we hope there will be more activities in the year 2009 and 2010 as tourism market regains its momentum. The Government of Fiji introduced leasing options for its vehicle replacement, which should provide opportunities.

PROPERTY MANAGEMENT

During the year our property management division also showed negative growth of 11% compared with prior year. Total revenue generated from this segment is \$193,747 compared with \$ 217,077 in prior year. Once again the major constraint to this division's performance was the freeze in rent income on commercial properties. This has resulted in postponing the upgrading of Company properties.

RETURN TO SHAREHOLDERS

It is encouraging to see shareholders' equity strengthen at the balance sheet date it stood at \$ 3m compared to \$ 2.8m in prior year. During the year bonus shares of 1 issued for every 40 shares held by the shareholder despite the negative growth in the business.

Shareholders recorded a price gain of 3.4% during the year to close from \$ 2.90 to \$ 3.00 per share. Total return to our shareholders during the year 2008 is 5.9% including price gain.

CORPORATE SOCIAL RESPONSIBILITY

(CSR) CSR in brief is all about how companies manage business processes to produce a comprehensively positive impact on society.

Sanjeev Niranjana Educational Scholarship

VBL recognizes the responsibilities of a good corporate citizen and actively contributes to community development, through



CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT (CONT'D)

providing Sanjeev Niranjana Educational Scholarship Programme for poor and needy students.

In 2008, we gave 33 scholarships to poor and needy students.

CORPORATE GOVERNANCE

The Board of Directors and the Management are responsible for corporate governance of the Company and remain committed to upholding the high standards of integrity and transparency in their governance of the Company.

During the year, board of directors of the Company took the initiative to appoint two important sub-committees to the Board i.e. Audit Committee and Risk Management Committee.

Board of Directors

All Directors participate in discussing strategy, performance and financial / risk management of the Company. The Board conducts regular board meetings and structured to facilitate open discussion. The participation of the board meetings of the year by the members are as follows.

Director	# Meetings
Narayan Singh Niranjana	7
Nitish Niranjana	14
Kaur Singh	10
Sundar Masih Sukhu	13
Rama Kant Lakhan	11

THE YEAR AHEAD

We remain optimistic with 2009 prospects generally but are concerned about global economic crisis and how it affects Fiji. However, with several large development projects being proposed in the National Budget we look forward to seeing some growth. Further, with introduction of vehicle leasing option for the government institutions, we expect there will be opportunities for Pacific Fleet Management. Also Promotion programmes currently in place promoting tourism may provide new business opportunities.

APPRECIATIONS

Finally we would like to thank the Board of Directors, management and our clients for their ongoing support.

N S NIRANJANA
Chairman

NITISH NIRANJANA
Chief Executive



DIRECTORS' REPORT

Directors' report The directors present their report together with the financial statements of VB Holdings Limited ("the Company") for the year ended 31 December 2008 and the auditors' report thereon.

DIRECTORS

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

Narayan Singh Niranjana (Chairman)
Nitish Niranjana (Chief Executive)
Kuar Singh
Sundar Masih Sukhu
Rama Kant Lakhan

STATE OF AFFAIRS

In the opinion of the directors:

- there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements; and
- the accompanying balance sheet and statement of changes in equity give a true and fair view of the state of affairs of the Company as at 31 December 2008 and the accompanying income statement and statement of cash flows gives a true and fair view of the result and cash flows of the Company for the year then ended.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were that of property investment, financing of vehicles sold by related parties and fleet management services. There were no significant changes in the nature of these activities during the financial year.

OPERATING RESULT

The Company earned an operating profit after income tax for the year ended 31 December 2008 of \$150,234 (2007: \$252,162).

RESERVES

The directors do not recommend any transfers to or from reserves.

DIVIDEND

The Company declared and issued one bonus share for every 40 shares held in the Company as at 30th June 2008. A total of 38,208 bonus shares were issued at \$1 each in lieu of dividend in respect of the year ended 31st December 2008.

BAD AND DOUBTFUL DEBT

Prior to the completion of the financial statements, the directors took reasonable steps to ascertain that action had been taken in

relation to writing off of bad debts and making of allowance for doubtful debts. In the opinion of the directors, adequate allowance has been made for doubtful debts.

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

VALUE OF ASSETS

Prior to the completion of the financial statements the directors took reasonable steps to ascertain whether any assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Company. Where necessary those assets have been written down or adequate allowance has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the directors are not aware of any circumstances, which would render the values attributed to assets in the Company's financial statements misleading.

UNUSUAL EVENTS AND TRANSACTIONS

In the opinion of the directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company in the current financial year.

EVENTS SUBSEQUENT TO BALANCE DATE

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

OTHER CIRCUMSTANCES

As at the date of this report:

- 1) no charge over the assets of the Company has been given since the end of the financial year to secure the liabilities of any other person.
- 2) no contingent liabilities have arisen since the end of the financial year for which the Company could become liable; and
- 3) no contingent liabilities or other liabilities of the Company have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

As at the date of this report, the directors are not aware of any circumstances that have arisen, not otherwise dealt with in this



DIRECTORS' REPORT (CONT'D)

report or the Company's financial statements, which would make adherence to the existing method of valuation of assets and liabilities of the Company misleading or inappropriate.

DIRECTORS' INTERESTS

Particulars of directors' interests and any additions thereto during the year, in the ordinary shares of the Company are as follows:

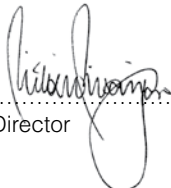
	Beneficially	
	Additions	Holdings
Mr Nitish Niranjn	12,086	495,530
Mr Narayan Singh Niranjn	11,416	468,086
Mr Sundar Masih Sukhu	525	21,555
Mr Rama Kant Lakhan	309	12,707
Mr Kuar Singh	200	8,200


DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed in the financial statements) by reason of a contract made by the Company or by a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

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

Dated this day of 2009.


.....
Director


.....
Director



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VB Holdings Limited

Scope

We have audited the financial statements of VB Holdings Limited for the financial year ended 31 December 2008, consisting of the income statement, statement of changes in equity, balance sheet, statement of cash flows and accompanying notes, as set out on pages 5 to 26. The Company's directors are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Company.

Our audit has been conducted in accordance with Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects the financial statements are presented fairly in accordance with International Financial Reporting Standards and statutory requirements so as to present a view which is consistent with our understanding of the Company's financial position and the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion:

- I. proper books of account have been kept by the Company, so far as appears from our examination of those books.
- II. the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards:
 - (i) are in agreement with the books of account;
 - (ii) to the best of our knowledge and according to the explanations given to us:
 - (a) give a true and fair view of the state of affairs of the Company as at 31 December 2008 and of the results of the Company and its cash flows for the year ended on that date;
 - (b) give the information required by the Companies Act 1983 in the manner so required.

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

Suva, Fiji Islands
30 January, 2009

KPMG
KPMG
Chartered Accountants



INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 \$	2007 \$
Revenue and other operating income	2	1,634,233	2,045,180
Expenses			
Operating expenses	3	(1,228,862)	(1,473,010)
Administration expenses	4	(41,037)	(50,419)
		(1,269,899)	(1,523,429)
Profit from operations		364,334	521,751
Finance expenses	5	(168,124)	(155,167)
Profit before income tax		196,210	366,584
Income tax expense	6(a)	(45,976)	(114,422)
Net profit for the year		150,234	252,162
Basic earnings per share (cents)	16	10	17
Diluted earnings per share (cents)	16	10	17

The income statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 28.



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 \$	2007 \$
Share capital			
Balance at beginning of year		1,530,000	1,530,000
Movements during the year		38,208	-
Balance at end of year	13	1,568,208	1,530,000
General reserve			
Balance at beginning of year		-	1,000
Transfers (to) retained profits		-	(1,000)
Balance at end of year		-	-
Forfeited share reserve			
Balance at beginning of year		16,948	16,948
Transfers (to) retained profits		-	-
Balance at end of year		16,948	16,948
Share premium reserve			
Balance at beginning of year		590,100	590,100
Transfers (to) retained profits		-	-
Balance at end of year		590,100	590,100
Total reserves	14	607,048	607,048
Retained earnings			
Balance at the beginning of the year		746,946	784,484
Transfer from general reserve		-	1,000
Bonus shares issued during the year at \$1 each		(38,208)	-
Net profit for the year		150,234	252,162
Total available for appropriation		858,972	1,037,646
Interim 2008 dividends paid (0 cents per share 2007- 12 cents per share)		-	(183,600)
Final 2007 dividends paid (0 cents per share 2006- 7 cents per share)		-	(107,100)
Balance at end of year		858,972	746,946
Total shareholders equity		3,034,228	2,883,994

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 28.



BALANCE SHEET AS AT 31 DECEMBER 2008


	Note	2008 \$	2007 \$
Current assets			
Cash at bank	15	14,198	-
Trade and other receivables	7	1,036,649	953,174
Total current assets		1,050,847	953,174
Non-current assets			
Trade and other receivables	7	2,639,371	2,603,749
Plant and equipment	8	1,408,030	2,079,945
Investment properties	9	1,157,441	1,170,486
Deferred tax asset	6(d)	6,123	6,546
Total non-current assets		5,210,965	5,860,726
Total assets		6,261,812	6,813,900
Current liabilities			
Trade and other payables	10	823,914	1,201,598
Interest bearing borrowings	11	1,213,022	1,515,763
Unclaimed dividends	12	34,752	28,307
Income tax liability	6(b)	69,109	100,507
Total current liabilities		2,140,797	2,846,175
Non-current liabilities			
Deferred tax liability	6(c)	79,123	124,110
Interest bearing borrowings	11	1,007,664	959,621
Total non-current liabilities		1,086,787	1,083,731
Total liabilities		3,227,584	3,929,906
Net assets		3,034,228	2,883,994
Shareholders' equity			
Share capital	13	1,568,208	1,530,000
Reserves	14	607,048	607,048
Retained earnings		858,972	746,946
Total shareholders' equity		3,034,228	2,883,994

Commitments and contingent liabilities 20

Signed in accordance with the resolution of the Board:



 Director



 Director

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 28.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 \$	2007 \$
Operating activities			
Cash receipts in the course of operations		1,501,660	2,145,772
Cash payments in the course of operations		(998,612)	(1,467,097)
Income tax paid		(121,938)	(141,360)
Interest paid		(168,124)	(155,167)
Interest received		37,202	42,975
Cash flows from operating activities		250,188	425,123
Investing activities			
Payments for plant and equipment		(547,018)	(422,046)
Proceeds from sale of plant and equipment		565,725	437,779
Cash flows from investing activities		18,707	15,733
Financing activities			
Dividends paid		-	(288,376)
Repayment of borrowings		(1,698,832)	(1,511,067)
Proceeds from borrowings		1,528,754	1,564,000
Cash flows used in financing activities		(170,078)	(235,443)
Net increase in cash held		98,817	205,413
Cash at the beginning of the financial year		(84,619)	(290,032)
Cash at the end of the financial year	15	14,198	(84,619)

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 28.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. Statement of significant accounting policies

VB Holdings Limited (the "Company") is a public company incorporated and domiciled in the Republic of the Fiji Islands. The address of the Company's registered office is 366 Grantham Road, Suva, Fiji Islands. The significant accounting policies which have been adopted in the preparation of these financial statements are noted below.

The financial statements were authorised for issue by the directors on 30 January 2009.

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 1983.

b) Basis of preparation

The financial statements are presented in Fiji dollars, rounded to the nearest dollar. They have been prepared on the basis of historical costs and, except where stated, do not take into account changing money values or current valuation of non-current assets. The accounting policies have been consistently applied and, except where there is a change in accounting policy are consistent with those of the previous year.

c) Use of estimates and judgments

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Note 1(f) – Plant and equipment impairment
- Note 1(g) – Investment properties impairment
- Note 1(i) – Allowance for doubtful debts

d) Revenue recognition

- (i) Rental income
Rental income from leasing of properties and operating leases of motor vehicles is recognised on a straight line basis over the relevant lease term.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. Statement of significant accounting policies (continued)

(d) Revenue recognition (continued)

(ii) Interest income

Interest income on finance lease and bill of sale revenue is recognised on a normal accrual basis.

(iii) Maintenance income

Maintenance income is recognised on a straight-line basis over the term of the relevant finance or operating lease. This matches the related maintenance expense.

(e) Cash and cash equivalents

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

(f) Plant and equipment

Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses. Costs include expenditure that is directly attributable to the acquisition of the asset. Profits and losses on disposal of plant and equipment are taken into account in determining the results for the year.

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives using the following rates:

Furniture and Fittings	10%
Motor Vehicles	20%

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(g) Investment properties

Investment properties are stated at cost less accumulated depreciation and impairment losses. Rental income from investment properties is accounted for as described in accounting policy (d). Investment properties are tested for impairment annually. Refer to accounting policy (m)



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. Statement of significant accounting policies (continued)

(h) Investment properties (continued)

Investment properties are depreciated on a straight-line basis over their estimated useful lives using the following rates:

Leasehold land	Term of lease
Buildings	1.25%

(i) Trade and other receivables

Trade and other receivables (including finance lease receivables, finance leases receivables secured by bill of sale, operating lease instalments due and micro finance receivable are stated at their cost less unearned financing income and maintenance charges (where applicable) and allowance for doubtful debts and impairment losses. The collectibility of trade receivables is assessed on monthly basis and at balance date and impairment losses are recognised in the income statement.

(j) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income account for the year using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary difference when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

(k) Trade and other payables

Trade and other payables are stated at their cost.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. Statement of significant accounting policies (continued)

(l) Leases

(i) Finance leases - the Company as lessee

Assets acquired under finance lease are capitalised. The initial amount of the leased asset and corresponding lease liability are recorded at the present value of minimum lease payments. Leased assets are amortised over the life of the relevant lease or, where it is likely the Company will obtain ownership of the asset on expiration of the lease, the expected useful life of the asset. Lease liabilities are reduced by the principal component of lease payments. The interest component is charged against operating results.

(ii) Finance leases - the Company as lessor

Amounts due from lessees under finance lease are recorded as receivables at the amount of Company's net investment in the lease. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic return on the net investments outstanding in respect of the lease.

Amounts due from lessees under finance leases for maintenance charges are allocated over the term during which services are provided. Maintenance services are subcontracted to a related entity.

Receipts made under operating leases are recognised in the income statement in equal instalments over the accounting periods covered by the lease terms.

(iii) Operating leases – the Company as lessor

Rental and maintenance income from operating leases is recognised as described in note 1(d). Maintenance expenses are recognised on the same basis as maintenance income.

Leased assets are amortised over the expected useful life of the asset.

(m) Impairment

The carrying amounts of the Company's assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. Statement of significant accounting policies (continued)

(n) Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products and services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

(o) Comparative information

Comparative information has been restated where necessary to achieve consistency in disclosure with current financial year amounts.

(p) Earnings per share

(i) Basic earnings per share

Basic earnings per share (EPS) is determined by dividing net profit after income tax by the weighted average number of ordinary shares outstanding during the year.

(ii) Diluted earnings per share

Where an entity has on issue outstanding potential ordinary shares which are dilutive, diluted EPS must be calculated. Diluted EPS is the same as the basic EPS as there are no ordinary shares which are considered dilutive.

2. Revenue and other operating income

	2008	2007
	\$	\$
Rent from properties	187,845	217,077
Operating lease rentals	850,191	1,127,368
Interest income - bill of sale	37,202	42,976
Interest income - finance leases	238,769	283,003
Interest income- microfinance	42	299
Maintenance income - operating leases	117,652	219,933
Maintenance income - finance leases	196,630	154,524
Other income	5,902	-
	1,634,233	2,045,180



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

3. Operating expenses

	Note	2008 \$	2007 \$
Amortisation of leased assets		264,183	355,226
Depreciation		392,931	455,122
Loss on sale of fixed assets		9,139	96,761
Management fees	22 (b)	108,000	108,000
Maintenance expense - operating leases (paid to related party)		117,654	219,933
Maintenance expense - finance leases (paid to related party)		196,630	154,524
Other operating expenses		140,325	83,444
		1,228,862	1,473,010

4. Administration expenses

Accounting fees		2,316	9,170
Audit fees		3,000	3,000
Bank charges		538	5,555
Directors' fees		15,000	15,000
Directors' remuneration		5,000	5,000
Scholarship fund		4,936	5,021
Other administration expenses		10,247	7,673
		41,037	50,419

5. Finance expenses

Interest expense		168,124	155,167
------------------	--	---------	---------

6. Income Tax

(a) The prima facie tax payable on profit is reconciled to the income tax expense as follows:

Profit from ordinary activities before income tax		196,210	366,584
Prima facie tax thereon at 31%		60,825	113,641
Tax effect of permanent differences:			
Non-deductible expenses		755	781
Effect of change in tax rate		(5,034)	-
(Over) provision in prior year		(10,570)	-
Income tax expense attributable to operating profit		45,976	114,422
Income tax expense comprises movements in:			
Income tax liability		101,110	149,677
Deferred tax liability		(44,987)	(35,255)
Deferred tax asset		423	-
(Over) provision in prior year		(10,570)	-
		45,976	114,422



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

6. Income Tax (cont'd)

	2008 \$	2007 \$
(b) Income tax liability		
Balance at the beginning of the year	100,507	92,190
Income tax paid	(121,938)	(141,360)
Current income tax expense on operating profit	101,110	149,677
(Over) provision in prior year	(10,570)	-
Balance at the end of the year	69,109	100,507
(c) Deferred tax liability		
Attributable to timing differences relating to depreciation	79,123	124,110
(d) Deferred tax asset		
Attributable to loss arising from building subject to accelerated depreciation	6,123	6,546

7. Trade and other receivables

Current

	2008 \$	2007 \$
Bill of sale	173,279	206,799
Operating lease	399,801	256,267
Finance lease	760,840	915,424
Other debtors	10,475	12,239
Less: unearned interest on finance income	(207,148)	(327,061)
Less: unearned maintenance charges	(102,398)	(145,140)
	1,034,849	918,528
Deposits	1,800	1,800
VAT receivable	-	32,846
Total current trade and other receivables	1,036,649	953,174

Non current

Bill of sale	26,439	67,485
Finance lease	2,996,154	2,724,387
Less: unearned interest and finance income	(186,860)	(121,131)
Less: unearned maintenance charges	(65,503)	(30,129)
Less: allowance for doubtful debts	(130,859)	(36,863)
Total non-current trade receivables	2,639,371	2,603,749



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

7. Trade and other receivables (cont'd)

- (i) Trade accounts receivable (gross) include finance lease receivables (Refer Note 18). Trade accounts receivable includes \$3,075,397 (2007: \$2,933,787) receivable from Jan s Rental Cars (Fiji) Limited a related entity.
- (ii) Maintenance services have been subcontracted to related entities, and accordingly maintenance charges received from lease account debtors are paid onwards to these maintenance service providers.

8. Plant and equipment

	Furniture and fittings	Motor vehicles (subject to finance lease)	Motor vehicles (owned)	Total
	\$	\$	\$	\$
Cost				
Balance as at 31 December 2007	14,850	1,567,346	2,129,375	3,711,571
Additions	-	-	547,018	547,018
Disposals	-	(498,106)	(940,638)	(1,438,744)
Balance as at 31 December 2008	14,850	1,069,240	1,735,755	2,819,845
Accumulated Depreciation				
Balance as at 31 December 2007	12,623	677,621	941,382	1,631,626
Depreciation / amortisation	1,485	264,183	378,401	644,069
Disposals	-	(300,337)	(563,543)	(863,880)
Balance as at 31 December 2008	14,108	641,467	756,240	1,411,815
WDV as at 31 December 2007	2,227	889,725	1,187,993	2,079,945
WDV as at 31 December 2008	742	427,773	979,515	1,408,030

All motor vehicles are under operating leases provided to the lessees on monthly rentals on commercial terms and conditions. Refer to

9. Investment properties

Note	2008 \$	2007 \$
Cost		
Balance as at 1 January	1,328,539	1,328,529
Additions	-	-
Disposals	-	-
Balance as at 31 December	1,328,539	1,328,539
Accumulated depreciation		
Balance as at 1 January	158,053	145,009
Depreciation	13,045	13,044
Disposals	-	-
Balance as at 31 December	171,098	158,053



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

9. Investment properties (cont'd)

	Note	2008 \$	2007 \$
Carrying value			
As at 31 December		1,157,441	1,170,486
The fair value of investment properties as at balance sheet date is \$3,000,000 based on an independent valuation at open market value by Rolle and Associates.			

10. Trade and other payables

Amounts owing to related entities		205,367	653,258
Rental deposits			
- Related entity	22 (b)	4,057	4,057
- Others		19,831	35,498
Lease deposits			
- Related entity	22 (b)	311,899	238,005
- Others		256,327	246,044
Other payables and accrued liabilities		10,450	24,736
VAT payable		15,983	-
Total trade and other payables		823,914	1,201,598

11. Interest bearing borrowings

Current

Secured borrowings:			
Bank overdraft		-	84,619
Finance lease liability		1,213,022	1,431,144
Total current secured interest bearing borrowings		1,213,022	1,515,763

Non-Current

Secured borrowings:			
Finance lease liability		1,007,664	959,621
Total non-current secured interest bearing borrowings		1,007,664	959,621

Particulars relating to secured borrowing:

Finance lease liabilities from Westpac Banking Corporation are on normal terms and conditions, subject to interest rate ranging from 5.75% to 7.75% and are secured by:

- (i) Registered mortgage debenture by the Company over all its assets and undertakings including its uncalled and called but unpaid capital;
- (ii) Registered all monies mortgage no. 44668 by the Company over: CT no. 24277.
- (iii) Standard lease agreements with Westpac Banking Corporation Limited over various motor vehicles.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

12. Unclaimed dividends

Balance at the beginning of the year
Dividends declared
Dividends paid (net of unclaimed dividends)

2008	2007
\$	\$
28,307	25,983
-	290,700
6,445	(288,376)
34,752	28,307

13. Share capital

Authorised capital
5,000,000 ordinary shares of \$1.00 each

Issued and paid up capital
1,568,208 ordinary shares of \$1.00 each (2007:1,530,000)

5,000,000	5,000,000
1,568,208	1,530,000

During the year, 38,208 bonus shares were issued from retained earnings at par value of \$1 per share

14. Reserves

Forfeited share
Share premium reserve
Total reserves

16,948	16,948
590,100	590,100
607,048	607,048

Share premium reserve relates to share issue proceeds received in prior years in excess of the par value of shares and is legally required by Section 60 of the Companies Act.

Forfeited Shares reserve relates to the value of share entitlements not taken up and therefore forfeited by shareholders in prior years.

15. Notes to the statement of cash flows

Cash and cash equivalents

Cash and cash equivalents in the cashflow statement consist of balance with bank which comprise the following balance sheet amounts:

Cash at bank
Bank overdraft

14,198	-
-	(84,619)
14,198	(84,619)



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

16. Earnings per share

Net profit for the year

Weighted average number of ordinary shares outstanding

Basic and diluted earnings per share (par value \$1.00)-cents

	2008	2007
	\$	\$
	150,234	252,162
	1,544,446	1,530,000
	10	17
(a) Capital expenditure		
- Approved by the board but not committed	2,000,000	2,000,000
(b) Finance lease expenditure contracted for motor vehicle is payable as follows:		
Not later than one year	1,335,173	1,546,445
Later than one year but not later than two years	801,261	662,749
Later than two years but not later than five years	260,505	345,382
	2,396,939	2,554,576
Future finance charges	(176,253)	(163,811)
Net finance lease liability	2,220,686	2,390,765
Reconciled to:		
Current liabilities (Note 11)	1,213,022	1,431,144
Non-current liabilities (Note 11)	1,007,664	959,621
	2,220,686	2,390,765

17. Commitments

(a) Capital expenditure

- Approved by the board but not committed

(b) Finance lease expenditure contracted for motor vehicle is payable as follows:

Not later than one year

Later than one year but not later than two years

Later than two years but not later than five years

Future finance charges

Net finance lease liability

Reconciled to:

Current liabilities (Note 11)

Non-current liabilities (Note 11)



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

18. Finance lease receivables

Finance leases contracted for motor vehicles are receivable as follows:

Not later than one year

Later than one year but not later than two years

Later than two years but not later than five years

Less: Unearned finance income and maintenance charges

Net finance lease receivables

Recognised and included in the financial statements as:

Current trade receivables (Note 7)

Non-current trade receivables (Note 7)

2008	2007
\$	\$
760,840	915,424
752,937	2,441,576
2,243,218	282,811
3,756,995	3,639,811
(530,121)	(585,744)
3,226,874	3,054,067
473,023	465,056
2,753,851	2,589,011
3,226,874	3,054,067

19. Operating leases

The company has provided investment properties and motor vehicles under operating leases to customers on normal commercial terms and conditions on monthly rentals.

Gross carrying amounts, depreciation/amortisation for the year and accumulated depreciation on these are disclosed in notes 8 and 9. In relation to these assets, there are no accumulated impairment losses or impairment losses recognised or reversed during the year by the Company.

Operating leases rentals are receivable as follows:

Not later than one year

Later than one year but not later than two years

Later than two years but not later than five years

2008	2007
\$	\$
513,785	934,247
255,359	429,673
146,427	250,065
915,571	1,613,985

20. Contingent Liabilities

There were no contingent liabilities as at 31 December 2008 (2007: nil)



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

21. Segment Information

(a) Business segments

The company operates predominantly in property, fleet management services and other investments.

Primary Reporting – Business segments 2008

	Property Management	Fleet Management	Others	Total
Revenue	187,845	1,440,486	5,902	1,634,233
Result				
Operating profit before income tax and unallocated items	111,923	86,727	4,996	203,646
Less: Unallocated expenses				
Scholarship funds	-	-	-	(4,936)
Listing fees	-	-	-	(2,500)
Operating profit before income tax	-	-	-	196,210
Depreciation/amortisation	14,530	642,584	-	657,114
Acquisition of property, plant and equipment	-	547,018	-	547,018
Segment assets	1,167,849	5,170,074	48,625	6,386,548
Unallocated assets	-	-	-	-
- Allowance for doubtful debts	-	-	-	(130,859)
- Deferred tax asset	-	-	-	6,123
Total assets	-	-	-	6,261,812
Segment liabilities	23,888	2,994,279	10,450	3,028,617
Unallocated liabilities	-	-	-	-
Vat payable	-	-	-	15,983
- Dividend payable	-	-	-	34,752
- Deferred tax liability	-	-	-	79,123
- Income tax liability	-	-	-	69,109
Total liabilities	-	-	-	3,227,584



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

21. Segment Information (cont'd)

(a) Business segment 2007

	Property Management	Fleet Management	Others	Total
Revenue	217,077	1,827,804	299	2,045,180
Result				
Operating profit before income tax and unallocated items	143,649	232,685	271	376,605
Less: Unallocated expenses				
Scholarship funds	-	-	-	(5,021)
Listing fees	-	-	-	(5,000)
Operating profit before income tax	-	-	-	366,584
Depreciation/amortisation	14,529	795,819	-	810,348
Acquisition of property, plant and equipment	-	422,046	-	422,046
Segment assets	1,185,163	5,525,604	100,604	6,811,371
Unallocated assets	-	-	-	-
- VAT receivable	-	-	-	32,846
- Allowance for doubtful debts	-	-	-	(36,863)
- Deferred tax asset	-	-	-	6,546
Total assets	-	-	-	6,813,900
Segment liabilities	39,553	3,612,691	24,738	3,676,982
Unallocated liabilities	-	-	-	-
- Dividend payable	-	-	-	28,307
- Deferred tax liability	-	-	-	124,110
- Income tax liability	-	-	-	100,507
Total liabilities	-	-	-	3,929,906

(b) Geographical segment

The Company operates in Fiji and is therefore one geographical area for reporting purposes.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

22. Related party transactions

(a) Directors

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

Narayan Singh Niranjana (Chairman)
Nitish Singh Niranjana (Chief Executive)
Kuar Singh
Sundar Masih Sukhu
Rama Kant Lakhan

Key Management Personnel

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the year the following persons were identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling the activities of the Company:

Name	Current title
Narayan Singh Niranjana	Chairman
Nitish Singh Niranjana	Chief Executive
Nandana Herath	Chief Financial Officer



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

22. Related party transactions (cont'd)

(b) Transactions with related parties

All transactions with related parties are made on normal commercial terms and conditions. The material transactions during the year were:

	Related Entities / Related parties	2008 \$	2007 \$
Revenue:			
Rent from properties	Niranjans Motor Corporation Limited	43,273	43,273
Finance lease income	Jans Rental Cars (Fiji) Limited	1,618,548	1,036,651
(Loss) on sale of Motor vehicles	Niranjans Autoport Limited	(9,142)	(96,761)
Expenses:			
Directors fees	Directors	15,000	15,000
Directors remuneration	Directors	5,000	5,000
Travelling expenses	Chairman	2,304	2,448
Management fees	Niranjans Autoport Limited	108,000	108,000
Maintenance charges	Niranjans Autoport Limited	192,530	359,053
Maintenance charges	Niranjans Motor Corporation Limited	17,111	15,404
Rental and lease deposits			
	Niranjans Motor Corporation Limited	4,057	4,057
	Jans Rental Cars (Fiji) Limited	311,899	238,005
During the year, the Company also purchased motor vehicles from the following related entities			
	Niranjans Motor Corporation Limited	137,791	440,889
	Niranjans Autoport Limited	409,227	1,816,969

Jans Rental Cars (Fiji) limited paid \$69,833 as residual payment to the Company during the year to obtain full ownership of two vehicles.

(c) Amounts due to and receivable from related parties

Appropriate disclosures of these amounts are contained in the respective notes to the financial statements.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

23 Financial risk management

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

Risk management is carried out by a risk management committee under policies approved by the board of director. The committee identifies and evaluates financial risks in close co-operation with the Company's operating units. The Board provides written policies for overall risk management, as well as written instructions covering specific areas such as interest rate risk and credit risk.

(a) Market Risk

- (i) Interest rate risk Interest rates on financial assets and liabilities are fixed over the terms of the relevant contracts, thereby minimising the risk of mis-matches in interest rates. At the reporting date the interest rate profile of the Company's interest bearing financial instruments carrying amounts were:

Fixed rate instruments

Financial assets (Note 7)
Financial liabilities (Note 11)

2008	2007
\$	\$
3,674,220	3,522,277
(2,220,686)	(2,475,384)
1,453,534	1,046,893

- (ii) Cash flow and fair value interest rate risk The Company has no significant variable interest assets or liabilities. Therefore, the Company's income and operating cash flows are substantially independent of changes in the market interest rates at the reporting date.

(b) Credit risk

Credit risk is managed by management with board oversight. Credit risk arises from cash and cash equivalents as well as credit exposure to lease and retail customers, including outstanding receivables. As part of its risk control procedures, an assessment of credit quality of a new customer, taking into account its financial position, past experience and other factors is carried out prior to the committee approval. Individual credit limits are then set based on the assessment. On time payments from customers are monitored on a daily basis.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet its present obligations. Management monitors rolling forecasts of the Company's liquidity reserve comprising of cash and cash equivalents on the basis of expected cash flow or the facility to draw additional funds from its financiers.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

24. Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including „current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the balance sheet.

The gearing ratios at 31 December 2008 and 2007 were as follows:

	2008 \$	2007 \$
Total Borrowings (Note 11)	2,220,686	2,475,384
Equity (page 6)	3,034,228	2,883,994
Total Capital	5,254,914	5,359,378
Gearing Ratio	42%	46%

25. Principal activities

The principal activities of the Company during the financial year were that of property investment, financing of vehicles sold by related parties and fleet management services

26. Number of employees

There are no employees (2007:nil) employed by the Company.

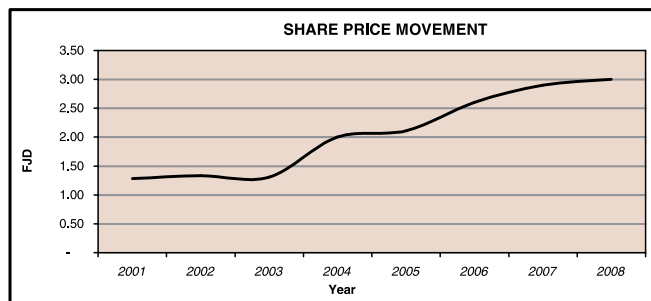
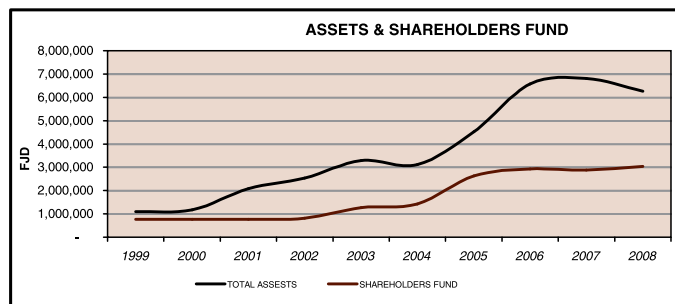
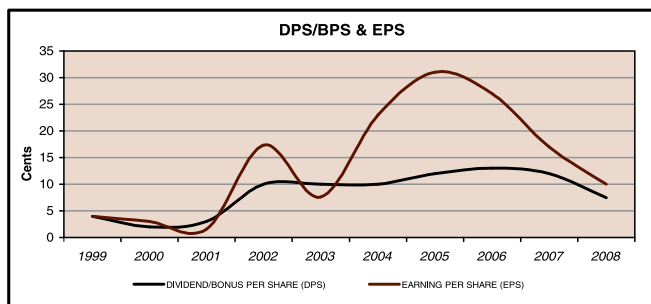
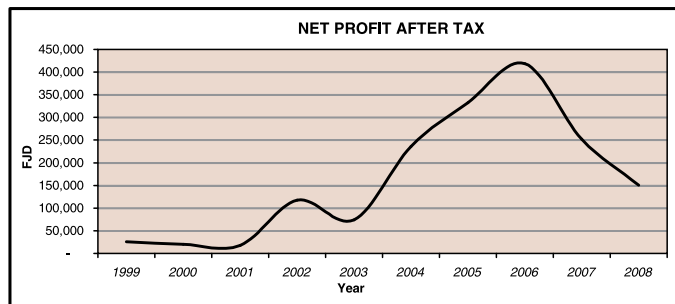
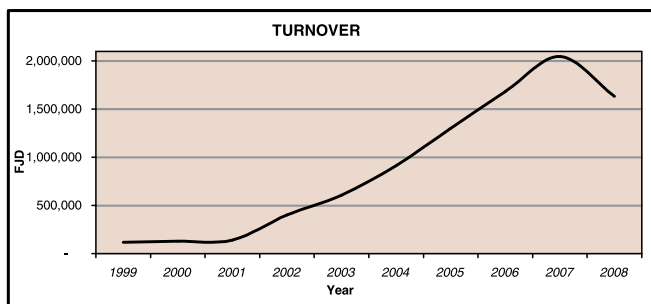
27. Comparatives

Where necessary, comparatives figures have been re-grouped to conform to the changes in presentation in the current year.



VB HOLDINGS LIMITED - 10 YEAR SUMMARY

DESCRIPTION	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Turnover	1,634,233	2,045,180	1,684,575	1,300,084	915,218	605,856	399,916	141,129	127,982	115,620
Profit After Tax	150,234	252,162	418,223	332,243	235,531	74,250	117,887	17,551	20,200	25,429
Dividend	-	183,600	198,900	158,100	101,000	100,000	60,000	19,800	17,819	29,698
Value of Bonus Share	114,624	-	-	-	-	-	-	-	-	-
Dividend/Bonus Per Share (DPS)	7.5	12	13	12	10	10	10	3	2	4
Earnings Per Share (EPS)	10	17	27	31	23	8	17	2	3	4
Total Assets	6,261,812	6,813,900	6,573,726	4,520,454	3,109,146	3,282,997	2,529,587	2,083,663	1,180,212	1,088,068
Shareholders Funds	3,034,228	2,883,994	2,922,532	2,626,709	1,427,466	1,267,335	813,085	769,148	773,281	770,900
Share Price	3.00	2.90	2.60	2.11	2.00	1.31	1.33	1.28		





SOUTH PACIFIC STOCK EXCHANGE – LISTING REQUIREMENTS

Listing requirements of the South Pacific Stock Exchange (not included elsewhere in this report)

(a) Statement of interest of each Director in the share capital of the Company as at 31 December 2008

Mr Nitish Niranjana	-	495,530
Mr Narayan Singh Niranjana	-	468,086
Mr Sundar Masih Sukhu	-	21,555
Mr Rama Kant Lakhan	-	12,707
Mr Kuar Singh	-	8,200

(b) Distribution of share holding

Holding	No of share holders	% Holding
Less than 500 shares	36	0.14
501 to 5,000 shares	33	3.42
5,001 to 10,000 shares	6	2.57
10,001 to 20,000 shares	3	2.67
20,001 to 30,000 shares	2	2.71
30,001 to 40,000 shares	-	-
40,001 to 50,000 shares	2	5.52
50,001 to 100,000 shares	2	7.82
100,001 to 1,000,000 shares	4	75.14
Over 1,000,000 shares	-	-
Total	88	100

(c) Share Register

VB Holdings Limited
 C/- PricewaterhouseCoopers
 Level 8, Civic Tower
 262 Victoria Parade
 GPO Box 200
 Suva
 Fiji



VB HOLDINGS LIMITED

PROXY FORM

**The Secretary,
VB Holdings Limited,
G P O Box 450,
Suva.**

I / We being a shareholder of VB Holdings Limited and entitled to vote hereby appoint
..... of another member of the Company or
failing this the Chairman of the meeting has my / our proxy to vote on my behalf at the
Annual General Meeting to be held at boardroom, 366 Grantham Road, Suva on 26th
March 2009 at 10.00am.

As witness my / our hands this day 2009

.....
Signature of Member

.....
Signature of Member

Signed in my presence by the said who is known to me

.....
Signature of Witness





VB Holdings Ltd - a publicly listed company on the South Pacific Stock Exchange